

Element 07 – Capital Facilities

Table of Contents

1. Introduction
2. Capital Facilities Goals & Policies
3. Public Facility Providers
4. Capital Facilities Funding Sources

List of Tables:

1. City-Provided Facilities
2. Facilities Provided by Other Entities
3. Administrative Facilities Capital Improvement Projects: 2015-2021
4. Administrative Facilities Funding: 2015-2016
5. Electric Utility Capital Improvement Projects: 2015-2021
6. Inventory of Open Ditches and Pipes in Milton's Stormwater System
7. Stormwater Utility Capital Improvement Projects: 2015-2021
8. Stormwater Utility Funding: 2015-2021
9. Water Utility Capital Improvement Projects: 2015-2021
10. Interceptor Lines
11. Pump Stations
12. Inventory of Existing School Facilities in the Fife School District
13. Enrollment Forecasts, 2014-2020

Capital Facilities Element

1. Introduction

The Washington Growth Management Act requires cities to prepare a Capital Facilities Element. The GMA requirements for the CFP are set forth in RCW 36.70A.070(3):

“Each comprehensive plan shall include a plan, scheme, or design for... the following: A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent.”

The Capital Facilities Element is intended to identify improvement projects that will be necessary to serve residents and maintain the City’s level of service standards during the twenty year planning timeframe. The Land Use Element describes projected levels of growth and development patterns in the City of Milton from 2015 to 2035. Milton is projected to experience an increase in population from about 7,000 people in 2013 to about 8,434 people in 2035. The Land Use Element also indicates that there may be changes in the City’s development patterns over the next twenty years, such as an increase in mid-rise and mixed use buildings and compact development in locations such as the Town Center, Uptown District, and West Milton Commercial District.

Any plan is a tool to aid in decision-making. This plan is no exception. By outlining how the needed capital facilities of the future can be successfully provided, it will assist annual budget decisions that incrementally provide the funding for those facilities.

Capital facilities projects frequently compete for funds with other City obligations to maintain and improve the quality of life for residents. The intent of a capital facilities program is to anticipate needs before issues of capacity and reduced levels of service arise. It is not always possible to accurately forecast the future. This Element will be updated as new information becomes available, through the Comprehensive Plan Update process.

2. Capital Facilities Goals and Policies

GOAL CF 1

Assure that capital improvements necessary to carry out the Comprehensive Plan are provided concurrent with development.

- Pol. CF 1.1 The City's management of capital facilities should emphasize the following concepts:
- a) providing preventive maintenance and cost-effective replacement of aging capital facilities;
 - b) planning for the orderly extension and upgrade of capital systems;
 - c) inspecting systems to ensure conformance with design standards; and,
 - d) effective fiscal management that supports fair and equitable rate structures.
- Pol. CF 1.2 Coordinate with other jurisdictions and service providers to determine which services are most cost-effectively delivered by the city and which services should be contracted out. Where appropriate, joint facilities with adjacent service purveyors should be used to provide the most efficient and cost-effective service to customers.

GOAL CF 2

Ensure that implementation of this Capital Facilities Element reflects the policy priorities of the City Council.

- Pol. CF 2.1 High priority of funding shall be accorded to projects that are consistent with the adopted goals and policies of the City Council.
- Pol. CF 2.2 Projects shall be funded only when incorporated into the City budget, as adopted by the City Council.
- Pol. CF 2.3 Capital projects shall be evaluated by means of the comprehensive planning process to determine that they are consistent with the Comprehensive Plan prior to their inclusion into the City's annual budget.
- Pol. CF 2.4 Any City capital activity shall be required to identify maintenance costs.

GOAL CF 3

Develop City facilities and services in a manner that directs and controls land use patterns and intensities to be consistent with the Comprehensive Plan.

Pol. CF 3.1 Development shall be allowed only when and where all essential public facilities are adequate (i.e. water, sewer, stormwater, transportation, fire, police, parks and schools) as determined by level of service standards.

Pol. CF 3.2 If adequate facilities are currently unavailable and public funds are not committed to provide such facilities, developers must provide such facilities at their own expense in order to develop.

Pol. CF 3.3 The following level of service standards should be used to evaluate whether existing public facilities are adequate to accommodate the demands of new development. Some of these standards also appear in other elements of the Comprehensive Plan, and are listed here to compile all such standards in one location.

A. Water:

Source Capacity and Reliability

LOS: The total source capacity in millions of gallons per day (MGD) should equal or exceed the design maximum demand rate plus the rate necessary to replace within 48 hours the amount of stored water for fire protection.

Water Quality

LOS: The water system quality shall be in compliance with Washington Administrative Code requirements for water quality.

B. Sewer:

LOS: The City adopts the level of service standards for sewer services of the Pierce County Public Works and Utilities and the Lakehaven Utility District for their respective service areas.

C. Stormwater:

LOS: Stormwater facilities shall meet the current Washington State Department of Ecology Stormwater Manual.

- D. Fire:
LOS: Fire flow shall be in compliance with state law, King County regulations, and Pierce County regulations.
- E. Transportation:
LOS: Level of Service D for intersections inside the City.
- F. Parks:
LOS: A combined 7.37 acres of developed neighborhood and community parkland per 1,000 residents.
- G. Schools:
LOS: The City adopts the Fife School District's level of service standards for school services.

Pol. CF 3.4 Strive to achieve the following service goals for police and fire services and parks facilities. These goals are not level of service standards, but are encouraged.

- A. Fire:
Fire Rating
Maintain an insurance rating of 6 or lower.
Fire Response Time
Maintain a maximum average response time of seven minutes.
- B. Police:
Maintain a maximum average response time for emergency calls of three minutes.
- C. Parks:
Neighborhood Parks
All Milton residents should have a neighborhood park within one-half mile.
Community Parks
All Milton residents should have a community park within 1.5 miles.
Combined Community & Neighborhood Parks

A combined 9.5 acres of developed neighborhood and community parkland per 1,000 residents.

Pol. CF 3.5 A development shall not be approved if it causes the level of service on a capital facility to decline below the standards set forth in Policy 3.3, unless capital improvements or a strategy to accommodate the impacts are made concurrent with the development for the purposes of this policy. "Concurrent with the development" shall mean that improvements or a strategy is in place at the time of the development or that a financial commitment is in place to complete the improvements or strategies within six years.

Pol. CF 3.6 The City shall coordinate with public utilities, as well as private service providers, to assure that utilities and public services can be provided commensurate with development. Where appropriate, the City should require development to assure the infrastructure needed to provide these utilities and services are in place.

Pol. CF 3.7 New or expanded capital facilities should be compatible with surrounding land uses; such facilities should have a minimal impact on the natural or built environment.

GOAL CF 4

Finance necessary capital facilities in as economic, efficient, and equitable a manner as possible.

Pol. CF 4.1 When capital improvements are intended to serve a specific property or geographic area, the burden for financing those improvements should be borne by the primary beneficiaries of the facility. System extensions associated with new development should be the responsibility of those desiring service. New development may fulfill its responsibility through mitigations pursuant to SEPA, impact fees pursuant to GMA, dedication or donation of land, payments-in-lieu of land dedications, utility system development charges, improvements made by new development, or a combination of these methods.

Pol. CF 4.2 General fund revenues should be used only to fund capital projects when the project serves the broader community.

Pol. CF 4.3 Long-term borrowing for capital facilities should be considered an appropriate method of financing large facilities that benefit more than one generation of

users.

Pol. CF 4.4 Where possible, special assessment, revenue, and other self-supporting bonds should be used instead of tax supported general obligation bonds.

Pol. CF 4.5 If projected funding is inadequate to finance needed public facilities, then the City could reassess the Land Use Element or take other actions such as lowering level of service standards or securing additional funding for capital facility improvements.

3. Public Facility Providers

Capital facilities in Milton are provided by the City and by other private and public entities, as shown in Tables 1 and 2. In addition to these utilities, there are number of other utilities and services provided to the Citizens of Milton by private service providers that are not covered in this element. These utilities are elective in nature and generally include service such as garbage, phone, internet, cable and natural gas.

The different types of capital facilities are described in the following section, including an inventory of existing facilities, a forecast of future needs, and a description of capital facility projects planned for the next six years and funding sources.

Over the next seven to 20 years, the City of Milton plans work with fellow service providers to maintain existing infrastructure and invest in expanded or new infrastructure in the Special Planning Areas identified in the Land Use Element where future growth and development will be focused. It is difficult to accurately predict needed infrastructure projects for long-term timeframes, but the City has identified projects that are anticipated to be needed beyond the six year time period, based on growth targets and current infrastructure and technology. The City has also identified types of facilities for which there is not expected to be a need for major improvements. These are discussed in the following sections.

Table 1. City-Provided Facilities

Capital Facilities	Provider
Administrative Facilities	City of Milton
Electricity	City of Milton Puget Sound Energy Tacoma Power
Parks and Open Space	City of Milton
Police	City of Milton Pierce County Sheriff's Department King County Sheriff's Office
Stormwater	City of Milton
Transportation	City of Milton State Government Federal Government
Water	City of Milton

Table 2. Facilities Provided by Other Entities

Capital Facilities	Provider
Fire & Emergency Medical Services	East Pierce Fire & Rescue
Libraries	Pierce County Library System
Sewer	Pierce County Public Works and Utilities Lakehaven Utility District
Schools	Fife School District

Administrative Facilities

Inventory of Existing Facilities

The municipal complex for the City of Milton is located at 1000 Laurel Street. It houses City Hall and Milton’s administrative functions, as well as the Police Department and the Milton Activity Center. City Hall includes the Executive Department, Finance Department, Public Works Department, Building Department and Planning Departments.

The Police Department was recently moved into and remodeled the old library space. This allowed for additional and more efficient work spaces, meeting rooms, and a more secure facility.

Repairs to the senior center roof and fascia have recently been completed.

Forecast of Future Needs

During the next six years, no new administrative facilities are anticipated to be needed. The City’s municipal complex will however require various repairs and upgrades to remain in working order.

Over the next seven to 20 years, the City has identified a need to expand the capacity of the municipal complex. The property on 15th Street across from Triangle Park is planned to be improved. Although there are no definite plans, projects under consideration include a new city hall, community center, youth recreation facility, or police station. .

Capital Projects and Funding

The City has developed a 2015-2021 Capital Improvement Plan (CIP) for administrative facilities. Projects are shown in Table 3 and funding sources are shown in Table 4. All improvements are planned for the municipal complex located at 1000 Laurel Street.

Table 3. Administrative Facilities Capital Improvement Projects: 2015-2021

Project	2015	2016	2017	2018	2019	2020	2021	Total Cost
Roof on Activity Center	35,000							159,000
Activity Center ADA Restrooms	55,000							55,000
Roof City Hall	150,000							150,000
Façade on City Hall Gables								50,000
Replace City Hall Windows				20,000	20,000	20,000	20,000	80,000
Landscape City Hall	10,000	10,000	5,000	5,000	5,000	5,000	5,000	65,000
Replace Carpets				10,000	10,000	10,000	10,000	40,000
Totals	250,000	170,000	55,000	35,000	35,000	35,000	35,000	615,000

Table 4. Administrative Facilities Funding: 2015-2016

Project	Funding Source
Roof on Activity Center	Commerce Grant
Activity Center ADA Restrooms	Commerce Grant
Roof City Hall	General Fund
Façade on City Hall Gables	General Fund
Replace City Hall Windows	General Fund
Landscape City Hall	General Fund
Replace Carpets	General Fund

Electricity¹

The City of Milton owns and operates a 15 kilovolt (kV) electric distribution system. The system provides electricity to the vast majority of property within the City using power purchased from the Bonneville Power Administration (BPA). The City of Milton is currently classified as a “tier 1” customer by BPA, which effectively locks Milton into a fixed pricing rate. During 2013, the City’s electric system delivered 60,532 megawatt hours (MWh) to approximately 5,275 residential, commercial, apartment and municipal customers.

Portions along the western boundary of Milton and its UGA are served by Puget Sound Energy (PSE) and Tacoma Power. As Milton annexes land within its UGA, Milton is permitted to purchase the rights to serve PSE customers after a period of five years from the time of annexation.

Inventory of Existing Facilities

The City is served from a single power supply source: the BPA Surprise Lake substation. BPA’s assets at the substation consists of a radial tap off of a 115-kV transmission line, fused disconnects, a 12 MVA power transformer without voltage control, a 15-kV recloser serving as a main disconnect, and metering.

The City takes delivery from the Surprise Lake substation at 12.5-kV at the metering point. Its electrical system assets include three feeder circuits, primary distribution lines consisting of approximately 19 miles of overhead lines and 8 miles of underground lines, distribution transformers, street lights, and secondary services within meters. The City’s electrical system is in relatively good condition due to routine maintenance.

Forecast of Future Needs

Within the next six years, there is a need to modify the substation for curtailment and create interties with Tacoma Power and PSE. The curtailment is needed to facilitate short term outages to protect the regional grid system during periods of high demand. The interties are needed to create redundancy in the system as needed during emergencies. There is also a need to upgrade and repair existing infrastructure.

¹ Information provided in the electricity section is from the 2014 Electric Utility Milton Strategic Plan

In the 20 year planning horizon there will not be substantial growth in the system. The present system is sized to accommodate the City’s population growth targets. The areas of anticipated industrial growth are served by PSE. Capital improvements over the next 20 years will concentrate on asset management and replacement of aging facilities.

Capital Projects and Funding

The City has developed a 2015-2021 Capital Improvement Plan (CIP) for its electric utility. Projects are shown in Table 5. The funding source for all projects in Table 5 is rate revenue.

Table 5. Electric Utility Capital Improvement Projects: 2015-2021

Project Description	2015	2016	2017	2018	2019	2020	2021	Total Cost
Curtalement Modifications	169,000							169,000
Interconnection at 20th Ave	180,000	110,000						110,000
LED Street Lights								
Interconnection at Porter Way			110,000					110,000
Interconnection with PSE				130,000				130,000
Substation cable replacement					150,000			150,000
Cable Replacement at Surprise Apt						200,000		200,000
Cable installation on Milton Way	465,000							465,000
Asset Replacement	175,000	175,000	175,000	175,000	175,000	175,000	175,000	1,225,000
Totals	989,000	285,000	285,000	305,000	325,000	375,000	175,000	2,79,000

Parks and Open Space

The City of Milton provides parks and open space within the City. In addition, the recreational facilities associated with local public schools are often available for public use through cooperative agreements.

Inventory of Existing Facilities

The City of Milton’s parks and open space resources include: Fife School District Complex, Hill Tower Park, Interurban Trail, Milton Community Center, Milton Activity Center, Olympic View Park, West Milton Nature Preserve, Milton Community Park, the Skate Park and West Milton Park. For a more detailed inventory of the City’s parks and open space facilities, see the Parks Element.

Forecast of Future Needs

The City of Milton currently needs approximately 9 acres of park space in order to meet its adopted level of service standard of 7.37 acres per 1,000 residents. Over the next 20 years, the City’s population is expected to increase, according to the Puget Sound Regional Council and the adopted population and housing targets identified in the Land Use Element. By 2035, the City’s level of service standard will increase to 11.81 acres.

In 2030, a 2-3 acre property (Olofoson) is scheduled to be dedicated to Milton for park use. The property is located on 23rd Ave between Alder St and Diamond St. This will help the City to achieve its level of service standard. The City is currently working to develop a Parks, Recreation and Open Space Plan. This plan will describe additional strategies for meeting the level of service standard.

Capital Projects and Funding

No parks capital projects are planned for the next six years, but the City may pursue park acquisition if the right opportunity arises. The City plans to make improvements to the park system over the next seven to twenty years. This will include acquisition of new park facilities and maintenance of existing facilities. Additionally, the City is considering improving the historic Simmons building on Freeman Road so that it can be used as a parks office and possibly also a museum. The anticipated funding sources for future parks capital projects are the general fund and grants.

Police

Local law enforcement services for the Milton planning area are provided by the Milton Police Department within the Milton city limits and by the Pierce County and King County Sheriff's Offices in the unincorporated areas surrounding Milton. The cities of Fife and Edgewood share borders with Milton. Edgewood has contracted police services provided by the Pierce County Sheriff and Fife has its own municipal police department. The departments have a long history of mutual aid and support in providing police services.

Milton Police Department

Milton is fortunate to have a professional law enforcement function that enjoys the support of local citizens and government decision-makers. Presently, the Milton Police Department maintains thirteen (13) full time commissioned police officers – one (1) Chief, one (1) Commander (vacant), two (2) Sergeants, one (1) Detective, one (1) Code Enforcement Officer, and six (6) Patrol Officers. The Department also has one (1) Administrative Assistant, and four (4) Reserve Police Officers. This equals approximately 1.8 full time law enforcement officers for every one thousand people living in Milton based on a population of 7,265 (915 in King County portion and 6,350 in Pierce County portion). This ratio is lower than the national average of 2.2 officers per 1,000 populations for municipal police departments in cities with population of 2,500 to 9,999. Equipment operated by the Police Department includes nineteen (19) vehicles and one (1) motorcycle.

Inventory of Existing Facilities

Milton's present police station is located at 1000 Laurel Street. It is part of the municipal complex that houses the City's administrative and public works functions, and a fire station operated by East Pierce Fire and Rescue District. The police station was expanded in 2013, creating 2,880 square feet of office space for most police department functions. In early 2014 a reception office was constructed in the Activity Center portion of the building for the Administrative Assistant and Records function. This created an additional 216 square feet. The evidence room, holding cell and storage areas remained in their current locations as part of the main Administrative Building on the campus.

A firearms training facility for officers is available locally at the Tacoma Police Harrison Range. Additional training is available through in-service programs, training sponsored by area agencies and the Washington State Criminal Justice Training Commission.

The Milton Police Department contracts with the City of Fife for dispatching services and related facility space. It also contracts with Fife for jail space, but this contract expires in 2015 and may not be renewed.

Forecast of Future Needs

With existing staff levels and physical facilities, Milton has established an unofficial law enforcement response time of three minutes and thirty-one seconds for all calls. This is based on 3,723 calls from January 1, 2013 through February 4, 2014.

Facilities for the King County Sheriff's Office and the Pierce County Sheriff's Department are located some distance from Milton. This situation translates into slower emergency response times than those of the Milton Municipal Police Department. The average response time in Pierce County (as a whole) is 8.18 minutes for emergency response and 16.29 minutes for routine response. Additionally, the decentralized urban growth that King County and Pierce County are experiencing presents challenges for the delivery of law enforcement service. The county sheriffs must now provide urban-level protection over an extremely large area.

Unincorporated portions of the Milton planning area are likely candidates for annexation to the City. As such, the County Sheriffs will likely relinquish service responsibilities in these areas upon completion of an annexation. As annexation and growth occur, Milton may need to increase staffing levels. Milton completed an annexation in 2014 along Highway 99 and another is in progress in the same area.

The City of Milton's contract with Fife for provision of jail services will expire in 2015. Due to regional jail capacity issues, the Milton Police Department may need to establish a use agreement with another facility. The Milton Police Chief is currently seeking an arrangement that accommodates the needs of Milton without escalating costs for peak times of need.

Fife also provides Milton's police dispatching service. It is one of six member agencies of South Sound 911. South Sound 911 is planning to develop a new campus. Once that facility is operational, Fife and its contract entities will relocate there. Milton will not be funding the new South Sound 911 campus except indirectly by contracting for dispatch services.

Capital Projects and Funding

The City is not planning to make any improvements to police facilities within the next six years. Over the next seven to twenty years, the police department facility will need to be upgraded or the department will need to be moved to a new location. Facility features that will be needed include: secure parking lot

for police vehicles, secure vehicle impound and storage lot with a covered area for processing evidence in vehicles, holding cells, evidence room with current technology, armory and secure records storage area. If a new facility is built, one option for a location is the property on 15th Street across from Milton Community Park, as discussed in the Administrative Facilities section. Funding sources for future police facility improvements are anticipated to include the general fund and a general obligation bond.

Stormwater²

The City of Milton operates a small municipal separated storm sewer system.

Inventory of Existing Facilities

Facilities in the City’s storm drainage system include ponds, pipes, culverts and open ditches. There are also many private storm systems located in the City of Milton. The City maintains the City-owned facilities, and is required to inspect the privately owned facilities for compliance with the stormwater regulations. Private property owners are responsible for maintaining stormwater facilities on their property. Table 6 contains an inventory of City-Owned open ditches and pipes.

Table 6. Inventory of Open Ditches and Pipes in Milton’s Stormwater System

Type	Length (feet)
Open Ditch	3,789
6-Inch Pipe	1,009
8-Inch Pipe	2,417
10-Inch Pipe	264
12-Inch Pipe	5,855
15-Inch Pipe	2,883
18-Inch Pipe	4,045
21-Inch Pipe	111
24-Inch Pipe	5,307
30-Inch Pipe	302
36-Inch Pipe	2,013
42-Inch Pipe	874
48-Inch Pipe	381
54-Inch Pipe	261
60-Inch Pipe	2,871
72-Inch Pipe	114

Note: This inventory was compiled in 2005

Forecast of Future Needs

The City currently experiences flooding during high flow events. Most notably are the areas immediately adjacent to the Hylebos Creek, in and around 5th Ave and Porter Way. This area is within the 100 year floodplain and routinely floods. The City has purchased flood prone properties in this area

² Information provided in the stormwater section is from the 2005 Milton Comprehensive Stormwater Management Plan

and has converted one of these into the West Milton Nature Preserve, and is actively working on remedying the other purchased property.

In order to improve the overall capacity of the City’s stormwater system, there is a need to improve aging facilities and open channels that are better managed in pipes. Over the next twenty years, the City plans to focus on updating and constructing facilities to comply with the City’s NPDES II permit. There will also be a concentration on water quality, maintenance and enhancement of aquatic habitat.

Capital Projects and Funding

The City has developed a 2015-2021 Capital Improvement Plan (CIP) for its stormwater utility. Projects are shown in Table 7. Funding sources for these projects are shown in Table 8.

Table 7. Stormwater Utility Capital Improvement Projects: 2015-2021

Project Description	2015	2016	2017	2018	2019	2020	2021	Total Cost
11th Avenue Pipe Installation		\$46,000	181,000					227,000
Taylor Street Pipe Installation		61,000	243,000					304,000
Decant Facility		100,000	1,060,000					1,060,000
Pervious Paving City Facilities		50,000	407,000					457,000
Oak Street and 17th Ave. Modification					576,000			0
Xavier and 14th Ave Pipe Installation							268,000	268,000
Surprise Lake Culvert Replacement						268,000		268,000
Milton Way and Yuma St. Pipe Replacement							699,000	699,000
E. Hylebos Creek Culvert Replacement						202,000	202,000	404,000
Totals	0	257,000	1,891,000	0	576,000	470,000	1,169,000	4,363,000

Table 8. Stormwater Utility Funding: 2015-2021

Project Description	Funding Source
11th Avenue Pipe Installation	Rates
Taylor Street Pipe Installation	Rates
Decant Facility	Ecology Grant, Rates
Pervious Paving City Facilities	Ecology Grant, Rates
Oak Street and 17th Ave. Modification	Ecology Grant, Rates
Xavier and 14th Ave Pipe Installation	Rates
Surprise Lake Culvert Replacement	Ecology Grant, Rates
Milton Way and Yuma St. Pipe Replacement	Street Fund , Rates
E. Hylebos Creek Culvert Replacement	Street Fund , Rates

Transportation

Inventory of Existing Facilities

The City of Milton's roadway system is made up of a collection of public and private streets, along with state and federal highways. Interstate 5 (I-5) runs north-south through the city. Other than I-5, the highest volume roads are principal arterials such as Pacific Highway E (SR 99) and Meridian Avenue E (SR 161). These serve both local and regional needs and have average weekday traffic volumes greater than 15,000 vehicles. Other high volume streets include the minor arterials, such as Milton Way, that feed the principal arterials or provide connections to adjacent cities. For a detailed inventory of the City's transportation facilities, see the Transportation Element.

Forecast of Future Needs

Forecasted region-wide population and employment growth will increase traffic volumes in Milton and throughout the region. It is forecasted that PM peak hour traffic on the City's arterial roadways will increase between 20 percent and 45 percent between 2014 and 2035. The greatest levels of traffic growth are anticipated on arterial streets, such as Meridian Avenue E and Pacific Highway E. Additional information about the forecast of future transportation needs is provided in the Transportation Element.

Capital Projects and Funding

The City's currently adopted Transportation Improvement Plan (TIP) is adopted as part of this Comprehensive Plan. The TIP shows the sources and amount of funding for transportation improvement projects planned for 2014-2019. In addition to the projects listed in the TIP, the Transportation Element includes 31 recommended improvement projects that support the City of Milton's Community Vision and projects that were identified during the analysis of future transportation needs for the 20 year Comprehensive Plan timeframe. All together, these projects include \$77,270,000 in improvements to roadways, intersections, and bicycle and pedestrian facilities. Table 7 in the Transportation Element describes the location and details for each of the projects, and estimates the project cost.

The City will depend on successful pursuit of grants and developer contributions to complete its 20-year transportation plan. The City has recently been successful in obtaining between \$800,000 and \$1.5 million in annual grants to fund its capital improvement program. The combination of existing revenues, contributions from new development, and federal and state grant funds, will provide the City with the sufficient revenue to maintain and improve its transportation system over the next twenty years. Additional information is provided in the Transportation Element.

Water³

The City of Milton (City) owns and operates a municipal water system that serves the City as well as portions of the City of Fife, the City of Edgewood and Pierce and King Counties. The City's water retail service area population is approximately 7,868 people. The water system serves a total of 2,648 connections.

Inventory of Existing Facilities

The City obtains its public water supply from groundwater sources at four locations in the service area. Six wells (Wells 3, 5, 10, 12 and Corridor Wells 1 and 2) provide the City with all of its water. The City has a seventh well, Well 7, which is categorized as an emergency source.

The City of Milton currently has interties with the Lakehaven Utility District and the Mt. View-Edgewood Water Company. The Lakehaven Utility District intertie can provide fire flow through a PRV station which operates on pressure settings. The City recently entered into a Wholesale Water Agreement with Mt. View-Edgewood, which provides for an additional 500 gallons per minute (gpm) to the City.

The City has a water treatment plant located adjacent to Wells 10 and 12, at Porter and Kent Way. Water from Wells 3, 10 and 12 receives corrosion control at the treatment plant. Well 5 receives no treatment onsite, although it mixes with treated water from the other sources. The City disinfects the water that is drawn from Wells 3, 10 and 12 and the Corridor Wells through chlorination at the treatment plant.

The City of Milton has three reservoirs totaling 3.35 MG of storage. The 15th Avenue Reservoir (0.35 MG) is supplied with water from Well Nos. 3, 10, and 12 and the Corridor Wells. The 1 MG Reservoir is supplied by water directly from Well No. 5 and indirectly through water from Well Nos. 3, 10 and 12 and the Corridor Wells through the 15th Avenue Booster Station. The 2 MG Reservoir is located in the 434 Zone and is supplied directly from Well No. 5 and indirectly from Well Nos. 3, 10 and 12 and the Corridor Wells through the 15th Avenue Booster Station.

The City has three pumping stations. The 15th Avenue booster station is located on 15th Avenue just north of Oak Street. The 1 MG reservoir booster station is located on 20th Avenue, north of Milton Way, next to the 1-MG reservoir. The 2 MG reservoir booster station is located adjacent to the City's 2-MG reservoir.

The City's transmission and distribution system was developed over the years using materials current with water industry technology at the time of construction, including cast iron, asbestos cement, polyvinyl chloride and steel. The City now uses ductile iron pipe for repairs and improvements. As the City continues to grow, the distribution system has spread to the boundaries of the water service area.

³ Information provided in the water section is from the 2010 Milton Water System Plan and the City's 2014 water capital improvement plan.

The City updated its telemetry and SCADA system in 2008. The system monitors levels in the storage facilities and the status of the booster stations and groundwater wells. The central control for the system is located at Well 12 and can be monitored from the Public Works maintenance center. Currently, the City has six pressure reducing stations that allow water to flow back into the lower zones when pressure or demands dictate.

Forecast of Future Needs

The City has enough water rights available to provide the necessary amount of water to its current customers and future projected population. However, the City is not able to fully utilize these rights due to aquifer constraints. Combined current output of the City’s wells is 2,020 gpm. Wells are operated at or near production limits based on aquifer capacity. Maximum day demands are projected to exceed well and aquifer capacity in 2022. The City will need to develop additional source capacity before this time. The City’s interties with the Lakehaven Utility District and the Mt. View-Edgewood Water Company can help to augment supply if needed. Other future capital improvement requirements include maintenance and upkeep of existing facilities.

Capital Projects and Funding

The City has developed a 2015-2021 Capital Improvement Plan (CIP) for its water utility. Projects are shown in Table 9. The funding source for all of these projects is rate revenue. The City increased rates in 2009 to help maintain reserve funds.

Table 9. Water Utility Capital Improvement Projects: 2015-2021

Project Description	2015	2016	2017	2018	2019	2020	2021	Total Cost
Test Well drilling	\$208,000							208,000
Well# 10 Upgrades		100,000	402,000					502,000
15th Ave Watermain			79,000	131,000				210,000
12th Ave Watermain				78,000	307,000			385,000
13th Ave Watermain					77,000	307,000		384,000
Well# 5 Upgrades							300,000	300,000
Asset Replacement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	800,000
Totals	308,000	200,000	581,000	309,000	484,000	407,000	400,000	2,789,000

Fire & Emergency Medical Services

East Pierce Fire & Rescue provides fire protection and emergency medical services within the City of Milton. Emergency medical services include Basic Life Support (BLS) and Advanced Life Support (ALS) emergency medical treatment and transport. These services are provided through a combination of career and volunteer Firefighter/Emergency Medical Technicians and Firefighter/Paramedics.

Areas outside of the City of Milton but inside of the City's UGA are served by Pierce County Fire District No. 10 and King County Fire District No. 39.

Inventory of Existing Facilities

Response to incidents occurring within the City of Milton comes from the Milton Fire Station (Station 124) as well the Edgewood fire station (Station 118).

Station 124

Station 124 is located at 1000 Laurel Street, adjacent to the Milton City Hall. It is staffed by one-to-three volunteer personnel who stay at the fire station, generally in the evenings and on weekends. It is anticipated that the station will continue to be staffed by volunteer personnel for the foreseeable future. The station was originally built in 1982 and contains approximately 6,337 square feet of floor space on one level with a partial mezzanine. The station contains four apparatus bays, office space, a training/meeting room and living quarters for response personnel. The station has one Basic Life Support (BLS) aid unit and one fire engine with a rated pump capacity of 1,250 gallons per minute.

Station 118

Station 118 is located at 10105 24th Street E in Edgewood. It is staffed by a minimum of four career personnel, 24 hours a day. It is anticipated that the station will continue to be staffed by career personnel in the future and that the number of personnel assigned on a daily basis will increase as call volumes in the area increase. The station was originally built in 1948 with several additions having occurred over time. The most recent remodel of the station occurred in 1988. The station is approximately 8,175 square feet on one story and contains three, double-stack apparatus bays, office space, a training/meeting room and living quarters for response personnel. The station has one Advanced Life Support (ALS) medic unit, one reserve ALS medic unit, one fire engine with a rated pump capacity of 1,500 gallons per minute and one reserve fire engine with a rated pump capacity of 1,500 gallons per minute.

Forecast of Future Needs

A 2011 architectural, mechanical, structural and electrical engineering evaluation of Station 124 concluded that the station is in average condition for its age and mission. Assuming the mission of the station doesn't change, major improvements or replacement are not recommended for this facility.

A 2011 architectural, mechanical, structural and electrical engineering evaluation of Station 118 concluded that the existing facility and building systems are near the end of their lifespan. The current apparatus bay of Station 118 is too small in terms of height and depth to accommodate anticipated equipment. It is anticipated that staffing at the station will grow from the current four personnel to ten personnel over the next 20 years. As additional personnel are added, consideration will be given to moving career staff to Station 124.

East Pierce Fire & Rescue has identified a potential need for a ladder truck to serve anticipated growth in the Milton and Edgewood Communities. Specifically, a ladder truck would provide the capability for suppressing fires in structures over three stories in height. Existing equipment has limited potential for extinguishing such fires. This is a capital need that responds more to the type of urban growth envisioned in the Comprehensive Plan than to estimated population levels in 2035.

Fire Insurance Rating

The City of Milton encourages fire providers to maintain an ISO insurance rating classification within the City of Milton of six or lower. The rating evaluation is conducted by the Washington Survey and Rating Bureau and is on a scale of one to ten, with one being the best and then the worst. An ISO insurance rating evaluation for East Pierce Fire & Rescue was completed in March 2015, resulting in an improved rating from the previous rating of six to a new rating of four. Pierce County Fire District No. 10 has a Washington Survey and Rating Bureau rating of five and King County Fire District No. 39 has a rating of three.

Fire Code

The City strictly enforces fire and building codes to assure that new construction will not unduly burden fire protection services. The City's fire-flow related code requirements also help to ensure that the City's utility systems can provide the water flow needed to respond to fires.

Capital Projects and Funding

Within the next 20 years, East Pierce Fire and Rescue plans to replace Station 118 with a new building on the existing site. The estimated cost of the station replacement in 2015 dollars is approximately \$11,073,438. It also plans to purchase a ladder truck in order to serve buildings over three stories tall. The estimated cost of a ladder truck is \$1,267,000. Replacement of Station 118 and purchase of the ladder truck are anticipated to be financed through the issuance of general obligation bonds by the fire district.

Libraries

In addition to schools, public libraries also offer education, information and recreational services to the community. The Milton Pierce County Library is the only public library in the City. Milton citizens voted to annex to the Pierce County Library System in 1999, effective in January 2001.

Inventory of Existing Facilities

The Milton Pierce County Library is a full service public library. Originally a 1,625 square foot facility located adjacent to Milton City Hall, it was relocated into a store front in the Lake Surprise Shopping Center in January 2011. The expanded facility is now 6,583 square feet and provides residents access to a collection of over 28,000 books, movies, music, magazines, audiobooks and reference resources. The library has a meeting room for use by civic groups, as well as two conference rooms for small groups. Public computers are available and free Wi-Fi is available to mobile computer users in the library as well as in the surrounding neighborhood.

As part of the Pierce County Library System, Milton residents have access to the System's collection of 1.7 million books, movies and other resources, as well as its online collection that provides free access to downloadable books, movies, music, magazine and audiobooks. In 2014, the Milton Library had 96,049 visitors and checked out 211,056 books. It currently has 9,774 library cardholders.

A 24/7 digital branch also provides Milton residents with access to library services and materials. Mobile services reach schools, adult care facilities, the homebound, and are present at community events. Pierce County Library has reciprocal borrowing agreements that provide Milton residents with free use of other Washington libraries including the nearby King County Library System, Tacoma Public Library and the Puyallup Public Library.

Forecast of Future Needs

"Pierce County Library 2030", the Library's facilities master plan, was completed in January 2010 with the input and participation of community residents. It establishes a service level target of 0.61 to 0.71 square feet per resident. The desired service level is based on best planning practices for library design and space, both nationally and within the West Coast region. The plan identifies the need to regularly evaluate and revise target service levels to reflect changing technology and service directions. In the future the Library will need to reassess service level targets to ensure they accurately reflect changing needs and use patterns of the community.

Milton's estimated 2035 population is 8,434 people. Based on this estimate, the Milton Pierce County Library will continue to exceed current level of service standards in 2035.

Capital Projects and Funding

As one of the Pierce County Library's newest facilities, the Milton Library is not scheduled for major capital improvements during the next 20 years. As such, no funding is needed.

Sewer⁴

Pierce County Public Works and Utilities is the primary provider for the City. The Lakehaven Utility District serves a small area in the northeast corner of Milton. There are also a few septic systems still in existence throughout the City.

Inventory of Existing Facilities

Wastewater Treatment

Pierce County Public Works and Utilities Sewer Division and the Lakehaven Utility District both own a portion of the Average Daily Water Flow (ADWF) at the Tacoma Central Wastewater Treatment Plant (WWTP). The Tacoma Central WWTP treats wastewater from the City of Milton. This plant has a

⁴ Information provided in the sewer section is from the 2012 Pierce County Unified Sewer Plan

permitted capacity of 60 million gallons per day (MGD). The plant is a pure oxygen activated sludge secondary treatment plant with a permitted Maximum Month Flow (MMF) of 60MGD. Ninety (90) percent oxygen is used in aeration basins to provide efficient oxygen transfer to the bacteria in the treatment process. Aeration basins are covered to keep oxygen levels high in the tanks.

Conveyance System

Milton is located in Pierce County’s Hylebos service area in the Puyallup River Basin. The Hylebos Service area is serviced by a series of 18 through 48-inch interceptors and 9 pump stations. Wastewater flows from the City of Milton down to the Hylebos Pump Station where it pumps to the Taylor Way Pump Station and then connects into the City of Tacoma Central WWTP conveyance system and into the Tacoma Central WWTP. See Tables 10 and 11 for a list of conveyance facilities in the Hylebos service area.

Table 10. Interceptor Lines

Name	Size (inches)	Length (feet)
Milton-Hylebos Interceptor	15-48	15,262
Hylebos ULID Interceptor	6-18	5,034
Small force mains	4-6	7,875
Small gravity mains	8-12	149,439

Table 11. Pump Stations

Name	Number	Type of Station	Location	Capacity (gallons per minute)
Hylebos	03	Wet/Dry Well	6200 12th Avenue East	1,250
Taylor Way	04	Wet/Dry Well	3801 Taylor Way	1,350
Olympic	90	Submersible	388th 22nd Avenue Court	40
Emerald	91	Wet/Dry Well	501 5th Avenue	250
Porter	93	Pneumatic Ejector	420 Porter Way	65
Birch	94	Pneumatic Ejector	301 19th Avenue	40
Greenwood	96	Self-Priming	2205 6th Avenue	150
North Surprise Lake	97	Wet/Dry Well w/ odor control	2309 Milton Way	300
South Surprise Lake	98	Wet/Dry Well	2300 Taylor Way	450

Forecast of Future Needs

Wastewater Treatment

In 2008, the Hylebos service area contributed roughly 0.5 MGD ADWF to the Tacoma Central WWTP. This is expected to increase to approximately 3.0 MGD ADWF under projected build out. No additional

improvements to the Tacoma Central WWTP are anticipated at this time to accommodate increased flow from the Hylebos service area.

Given land use designations in the Hylebos service area, wastewater is expected to remain primarily residential. Any new commercial businesses within the City of Milton and in unincorporated Pierce County will be required to comply with the Pierce County prohibited discharges and industrial pretreatment regulations. Any new commercial and industrial businesses in the East Hylebos basin of the Lakehaven Utility District will be required to conform to the industrial pretreatment and prohibited discharges regulations of the Lakehaven Utility District.

Conveyance System

It is anticipated that improvements to the Hylebos service area conveyance system will be needed in the next 20 years in order to meet demand. Projects are proposed for the Fife Heights Trunk, Hylebos 5 Force Main, and Hylebos 5 Pump Station.

Conveyance system improvements for the Hylebos Service Area assume that the Lakehaven Utility District does not increase the amount of flow beyond the volume contractually permitted from the Lakehaven's East Hylebos service area prior to sending flows to the Lakota WWTP. Should Lakehaven's intentions change, expansion of the Milton-Hylebos Interceptor will be needed to accommodate the additional wastewater flowing to Tacoma Central WWTP through the Pierce County Wastewater Utility conveyance system.

Capital Projects and Funding

The Pierce County Unified Sewer Plan includes two proposed improvements that impact the City of Milton. Both are estimated for completion after 2025. The proposed projects are listed below. Specific funding sources have yet to be identified for these projects. In general, the Pierce County Public Works and the Lakehaven Utility District fund sewer infrastructure projects through a combination of sewer operating funds, bonds, and non-utility sources such as grants and loans.

- Hylebos 5 Force Main (Project # FM99-03) - Proposed for completion in 2030
The 18-inch diameter Hylebos 5 Force Main (FM99-03) will transmit wastewater to Tacoma Central WWTP from Fife Heights, Lakehaven's East Hylebos Basin, and the City of Milton. The pressure line is estimated to extend a distance of 17,394 feet from the Hylebos 5 Pump Station to Tacoma Central WWTP. Estimated cost: \$5,218,000 (in 2009 dollars).
- Hylebos 5 Pump Station (Project # PS99-04) - Proposed for completion in 2030
The Hylebos 5 Pump Station (PS99-04) is estimated to receive a peak flow of 4.5 MGD. The pump station will convey wastewater from the Fife Heights Trunk and Milton-Hylebos Interceptors to the new Hylebos 5 Force Main (FM99-03) en route to the Tacoma Central WWTP. This improvement coupled with the Hylebos 5 Force Main will relieve capacity in Tacoma's Lincoln Avenue pump station and force main and provide additional conveyance

capacity for future development of the service area. Estimated cost: \$2,500,000 (in 2009 dollars).

Schools⁵

The City of Milton is served by the Fife School District. The Fife School District serves a population of over 15,000 students. It includes the cities of Fife, Milton, and Edgewood; unincorporated areas of Trout Lake, Jovita, Fife Heights; and a portion of the Port of Tacoma.

Inventory of Existing Facilities

All of the schools in the Fife School District serve students from the City of Milton. A summary of school facilities is provided in Table 12.

Table 12. Inventory of Existing School Facilities in the Fife School District

School	Grades	Year Built	Location
Discovery Primary School	K1 and preschool	1992	1205 19th Ave, Milton
Endeavour Intermediate School	Grades 2-5	1951, with major renovation in 1993	1304 17th Ave, Milton
Alice V. Hedden Elementary School	Grades 2-5	2001	11313 8th Street East, Edgewood
Surprise Lake Middle School	Grades 6-7	1970, with major renovation in 1992	2001 Milton Way, Milton
Columbia Junior High School	Grades 8-9	2003	2901 54th Ave E, Fife
Fife High School	Grades 10-12	1930, with major renovation in 1995	5616 20th St E, Fife

Forecast of Future Needs

Beginning with the 2014-15 school year, the district will no longer be providing part time kindergarten to students, and will be moving to a full time instructional model. To address the additional classroom needs as a result of this model, as well as enrollment projections, the district needs to add 5 additional classrooms to Discovery Primary School within the next six years.

Enrollment in the Fife School District is expected to increase between 2014 and 2020. As core facilities become overcrowded, the District will utilize portable classrooms and consider grade re-configuration to accommodate student growth on a temporary basis until enrollment is sufficient to occupy a new school. Projected enrollment levels between 2014 and 2020 are listed in Table 13.

⁵ Information provided in the schools section is from the 2014 Fife School District Capital Facilities Plan.

Table 13. Enrollment Forecasts, 2014-2020

School	2014 Enrollment	2020 Enrollment
Discovery Primary School	553	617
Endeavour Intermediate School	603	673
Alice V. Hedden Elementary School	493	550
Surprise Lake Middle School	516	600
Columbia Junior High School	555	583
Fife High School	777	825

Note: Enrollment figures are based on District-adjusted 13/14 OSPI enrollment projections

Capital Projects and Funding

During the next six years, the Fife School District has the following planned improvements. The primary funding source for these projects will be general obligation bonds, with impact fees providing an additional funding source. These projects may also be eligible for state funding assistance.

- Discovery Primary School: Add 5 additional classrooms to the existing school within the next six years. This would provide capacity for an additional 85-95 students. The estimated cost for these additional classrooms is \$2,605,350.
- Surprise Lake Middle School: Add 12 new classrooms to the school within the next six years. This would provide capacity for an additional 240 students. By expanding Surprise Lake Middle School, the district would then address grade level reconfiguration across the district to balance capacity at all of the schools. The estimated cost for these additional classrooms is \$6,326,987.

4. Capital Facilities Funding Sources

The preceding section of the Capital Facilities Element lists capital improvement projects that the “Forecasts of Future Needs” for each type of public facility indicate are necessary. The “Funding” for each type of public facility summarizes funding sources for those projects and/or improvements. This section provides more information about those funding sources, and descriptions of additional funding sources that the City does not currently use, but which may be available to the City for some of its capital improvement projects. The descriptions of funding sources include any restrictions on the type of projects that can be funded, but there are no references to any specific project. The funding sources are presented in six categories: 1) Developer Payments, 2) Local Taxes, 3) Rates, Fees or Charges, 4) Property Assessments, 5) Debt (Borrowed Money), and 6) Grants.

Developer Payments

Payments by developers can take several forms: impact and mitigation fees, system development charges, and developer financing.

Impact and Mitigation Fees

The City has the ability to require developers to pay the cost of improvements necessary to offset the additional burden created by the new development on four types of public facilities: transportation, parks, fire protection and schools. Impact fees can be required by ordinance for specified system improvements as a predetermined, proportional share of the cost of new facilities required to offset impacts. The facilities to which impact fees are applied must be identified in the Capital Facilities Element. Impact fees must be expended on the identified projects within ten years or be refunded. The fees may also be charged for improvements that are already constructed, if such improvements serve the new development, but they cannot be used to make up for existing deficiencies. Milton currently requires impact fees for transportation and schools.

Alternatively, the City can collect mitigation fees through the SEPA review process. These fees must apply to impacts that can be directly associated with the development project. Unlike impact fees, mitigation fees are applied on a case-by-case basis which is costly, time-consuming, and the results are not predictable.

Charges for Utilities

Utilities can collect a form of impact fee, but they have different names, such as system development charges, plant investment fees, or general facility charges. The City may adopt these charges to finance improvements of general benefit to the total utility system that are required to meet future growth. The charges are generally established as one-time charges assessed against developers or new customers as a way to recover a part or all of the cost of additional utility system capacity constructed for their use.

The charge is deposited in a separate fund to construct the facilities. The intent is that all new system customers will pay an equitable share of the cost of the utility system improvements needed to accommodate growth.

Developer Financing

Developers may fund the construction of capital facilities to serve property within new plats. The developer improvements, such as utility lines, local streets or local parks, are turned over to the City for operation and maintenance when completed.

It may be necessary, in some cases, to require the developer to construct more facilities than those required by their development in order to provide improvements beyond or greater than the development. The City may, by policy, reimburse the developer through direct outlay, latecomer charges, or reimbursement agreements for the additional cost of facilities. Developer reimbursement (latecomer) agreements generally provide up to 10 years or more for developers to receive payment from other development.

Local Taxes

Local taxes can include real estate excise taxes that must be used for capital improvements, or other types of taxes that can be used for any purpose.

Real Estate Excise Tax (REET)

The City is allowed to assess a 0.5 percent tax on the sale of real estate. The proceeds may be used for projects that are identified in the Capital Facilities Element, debt service on previous capital projects, or a limited portion for street maintenance. Milton currently charges the full 0.5% REET in the two increments of 0.25% authorized by state law. REET 1, the first 0.25%, is regularly used by Milton for debt service to repay a Public Works Trust Fund loan for streets. A small amount of REET 2, the second 0.25%, is used for parks, and a larger amount is used for streets. Both REET funds have fund balances that could be used for capital projects.

Other Local Taxes: Property Taxes, Sales Taxes, Utility Taxes

The City collects property taxes, sales taxes and utility taxes, and small amounts from gambling taxes. Milton, like other cities, uses these taxes to pay for City operations through its "General Fund". Milton has transferred some General Fund money to its Street Fund to pay for maintenance and/or capital projects.

Rates, Fees or Charges

Rates, fees and charges are amounts collected by cities for the use or consumption of specific facilities and their products or services.

Utility Rates

Utility rates are controlled by the governing body that controls the utility. For example the rates for water and electricity are controlled by the Milton City Council while the sewer rates are controlled by the Pierce County Sewer District.

Most water, sewer, and electric utilities charge their customers for the water they use, the sewage they discharge, and the electricity they use. The rates pay for the operation and maintenance of the utility, but the rates can also include amounts needed to construct capital improvements, and/or repay the

debt (borrowed money) that was used to construct the facilities. Milton charges utility rates for its water and electric utilities.

Storm Drainage Fees

Milton, like many other cities, charges a fee to property owners for the cost of maintaining and improving the City's stormwater facilities.

Property Assessments

Assessments paid by property owners are made to local improvement districts that can build capital improvements that benefit the properties in the district.

Local Improvement Districts

Some capital improvements can be built and funded through the formation of a Local Improvement District (LID). The district builds the capital improvement, and property owners in the district pay an assessment that is based on the value of the benefit that each property receives from the capital improvement.

Local Improvement District financing is primarily applied to water, sewer, and street system capital improvements for previously unserved or underserved areas. Typically, LIDs are formed by the City at the written request (by petition) of the property owners within a specific area of the City. Upon receipt of a sufficient number of signatures on petitions, the local improvement area is defined, and a system is designed for that particular area in accordance with the City's Municipal Code. Each separate property in the LID is assessed in accordance with the special benefits the property receives from the system improvements.

The advantages of LID financing to the property-owner include:

- The ability to avoid interest costs by early payment of assessments.
- If the LID assessment is paid off in installments, the interest may be eligible to be deducted from federal income taxes.
- Some Community Block Grant funds are available to property owners with incomes near or below the poverty level. Funds are available only to reduce assessments.

The primary disadvantage to the LID process is that it may be difficult to approve formation. The LID process may be stopped if owners of 40 percent of the property within the LID boundary protest its formation.

Debt (Borrowed Money)

The City can borrow money to build capital improvements, but the debt must be repaid by other money, such as taxes or fees paid by Milton residents.

General Obligation Bonds

The City may issue general obligation bonds to finance almost any project of general benefit to the City. The City must submit the proposed bonds to the voters to ask approval to issue the bonds (i.e., borrow

the money) and also to increase property taxes to repay the bonds. The property taxes are levied annually against all privately owned properties within the City. This includes vacant property which otherwise would not contribute to the cost of such general improvements. This type of bond issue is usually reserved for municipal improvements that are of general benefit to the public, such as arterial streets, bridges, lighting, municipal buildings, firefighting equipment, and parks. Inasmuch as the money is raised by taxes levied on property values, the business community also provides a fair share of the funds to pay off such bonds.

General obligation bonds typically carry the lowest rate of interest of all types of bonds available to the City because they are backed by the additional property taxes that the voters approve as part of approving the issuance of the bonds.

Disadvantages of general obligation bonds include the following:

- Voter approval is required which may be time-consuming, and the risk that voters will not approve the bond.
- The City has a legal limit on the total amount of general obligation debt. Financing large capital improvements through general obligation debt limits the ability of the city to issue future debt.
- Extensive use of general obligation debt may endanger the City's credit rating.

Revenue Bonds

The most common source of funds for utility construction is the sale of revenue bonds. User charges and connection fees from the individual utility customers are collected by the City and used to repay the revenue bonds. The revenue bond should relate the benefit of the project to the revenues derived from the beneficiaries. The fiscal analysis to determine the feasibility for reimbursement should be on an investment basis; that the additional income derived from the specific improvement would be sufficient to pay for the facility, including interest.

The City is capable of issuing tax-exempt revenue bonds up to a 20-year term without public vote. In order to qualify to sell revenue bonds, the City must show that its net operating income (gross income less expenses from the utility) is equal to or greater than 1.4 times the annual principal and interest payments due for all outstanding bonded indebtedness. This 1.4 factor is commonly referred to as the coverage factor and is applicable to revenue bonds sold on the commercial market. As a comparison, the Farmers Home Administration loan program only requires a coverage factor of approximately 1.1.

The major disadvantages to revenue bonds when compared to general obligation bonds are:

- Issuance costs tend to be higher.
- Interest rates tend to be higher because of lower security than the property taxes that repay general obligation bonds.
- Revenue bonds usually require that all of the project's net revenues first be applied to either reducing outstanding debt or creating reserve funds for the same purpose.

Farmers Home Administration

The Farmers Home Administration, a Federal agency, has a loan program for needy communities that

cannot obtain funding by commercial means through the sale of revenue bonds. The loan program provides long-term 30- to 40-year loans at an interest rate that is based on federal rates, varying with the commercial market. Milton is not likely to get funding from this source because of its income level and because it still has other financing mechanisms available to it.

State Revolving Loan Fund

State low-interest loans and loan guarantees administered by the Department of Ecology for water pollution control projects. Applicants must show a water quality need, have a facilities plan for treatment works, and show the ability to pay back the loan through a dedicated source of funding. Funds must be used for construction of water pollution control facilities (wastewater treatment plants, stormwater treatment facilities, etc.).

State Public Works Trust Fund

The Public Works Trust Fund (PWTF) is a revolving loan fund designed to help local governments finance needed public works projects through low-interest loans and technical assistance. The PWTF, established in 1985 by legislative action, offers loans substantially below market rates, payable over periods ranging up to 20 years. The City of Milton has a PWTF loan.

Beginning in 2013, the State has diverted the money from PWTF to other uses; therefore no new PWTF loans are available in the near future. The following description of the program is included in the event that the State restores funding to the PWTF at any point in the future.

Interest rates are 1, 2, or 3 percent, with the lower interest rates providing an incentive for a higher local financial share. A 20 percent local share qualifies the applicant for a 2 percent interest rate and a 30 percent local share qualifies for a 1 percent PWTF loan. The local community must provide a minimum of 10 percent of project costs. The useful life of the project determines the loan term, with a maximum term of 20 years.

To be eligible, an applicant must be a local government, have a long-term plan for financing its public works needs, and have an approved Comprehensive Plan under the Growth Management Act. If the applicant is a county or city, it must adopt the optional real estate excise tax (REET) dedicated to capital purposes. Eligible public works systems include streets and roads, bridges, storm sewers, sanitary sewers, and domestic water.

Grants

Grants are money received by the City from other governments using their taxes to fund the grants. Most grants to cities are from the State of Washington or the U.S. Government. They are usually received for a specific project. Grant revenues are becoming more and more competitive. The amount of money available for grants is declining due to budget issues at both the Federal and State level, and decreases of gasoline purchases which reduces gas taxes, one of the main sources of grants for transportation. Furthermore, federal "earmarks" (a direct appropriation, rather than a competitive grant) used to be common, and now are virtually nonexistent.

Transportation Grants

Grants are made by the U.S. Government and the State of Washington to help cities and counties pay for a variety of transportation improvements. There are several different grant programs. Milton has received several transportation grants and expects to receive additional grants in the future. Each grant program has its own focus on different aspects of transportation, and each has its own criteria for selecting which projects it will support with its grant funds. Grants are typically competitive: many cities and counties submit applications and compete for the grant awards, but not all applications are awarded a grant.

Centennial Clean Water Fund

State grants and loans administered by the Department of Ecology available for the design, acquisition, construction, and improvement of Water Pollution Control Facilities and related activities to protect water quality. State grants and loans are available based on a local matching share between 25% and 50%.

Department of Health Water Grants

State grants available for upgrading existing water systems, ensuring effective management, and achieving maximum conservation of safe drinking water. Grant funds can be used for technical assistance for upgrading current water systems.

Aquatic Land Enhancement Account (ALEA)

Grant program administered by the Department of Natural Resources. ALEA funds are limited to water dependent public access/recreation projects or on-site interpretive projects. A 25 percent local match is required.

Recreation and Conservation Office

The Washington State Recreation and Conservation Office (RCO) provides 14 different programs of grant funding for the acquisition, development and renovation of outdoor recreation facilities. Park and boating program grants require a 50 percent local match.

Housing and Urban Development Block Grant

The City may qualify for Federal Department of Housing and Urban Development (HUD) Community Development Block Grants depending on its needs and the ability to compete with other communities. To qualify for a block grant, the applicant must show that the project predominantly benefits low- and moderate-income persons or households, therefore Milton is not likely to receive funding from this source.

Farmers Home Administration

A Federal Agency, the Farmers Home Administration (FmHA), has a loan program, which, under certain conditions, includes a limited grant program. Grants are awarded to the most financially needy communities where utility and garbage rates are established at or higher than similar municipalities.

Conservation Futures

Administered by Pierce County Government, Conservation Futures is a land preservation program for

protection of threatened areas of open space, wetland, habitat areas, timber and agricultural lands. Funding is through a State authorized County property tax from which funds are used to acquire the land or the rights to future development of the land. Monies are budgeted annually by the Pierce County Council.⁶

⁶ Pierce County Code Chapter 2.96: RCW 84.34.200