

# Capital Facilities Planning 101

Capital facilities planning is where the rubber hits the road in community building, sometimes literally in the case of street construction or reconstruction. Fundamentally, it is a formal tool to link long range planning with actually getting public projects built. Done correctly, it is a pretty cool and transparent way to connect the community's expectations for public improvements to the actions and means necessary to see them achieved. Generally, capital facilities are big ticket items which simply cannot be funded without financing from multiple years of revenue, either by paying off a loan or bond or by putting money in the bank until we have enough. The Council supports a major rewrite to our capital facilities plan.

## Relationship between key documents

**20-Year Capital Facilities Element** – a required element of the Langley Comprehensive Plan that provides an inventory of capital facilities, establishes a community Level of Service (LOS) for capital facilities (the yardstick by which we measure the adequacy of public facilities and services), projected capital improvement needs over the 20-year planning horizon, a six-year Capital Improvement Program (CIP) and a list of potential revenue sources to pay for it all. A complete Capital Facilities Element would also include public facilities in and around Langley provided by other providers, such as the School District, Port of South Whidbey, Fire District 3, Island Transit and South Whidbey Parks and Recreation.

**6-Year Capital Improvement Program (CIP)** – a six-year financing plan for capital improvements in Langley, encompassing streets, sanitary sewer, water, stormwater, parks, public buildings and other acquisitions or improvements that the City has defined as a capital facility need. The CIP is a major component of the Capital Facilities Element and contains a list of needed projects year by year, an estimate of the revenue needed to fund each project and the source(s) for that money. Annual amendments to the CIP drop the current year and add the new sixth year on the end, and also make adjustments as appropriate to the revenue and project cost forecasts.

**1-Year Annual Budget** – the plan adopted annually to identify anticipated revenue and planned expenditures. Part of the budget includes the list of capital improvements that will be built or acquired during the budget year. This list should match Year 1 in the six-year year Capital Improvement Program.

## Steps involved in creating the Capital Improvement Program

1. **Inventory Existing Capital Facilities** – Establish a description of each capital facility and prepare a list that identifies owner, location, original cost, replacement cost and condition.
2. **Establish Level of Service (LOS) Standards** – Determine what we as a community expect as a minimum standard for our public facilities and services (for example, how much parkland per capita do we consider essential to our quality of life?).

- 3. Identify Existing Gaps in Service** – Compare the adopted LOS with the level being achieved currently to determine shortfalls in existing service. This analysis should also include a projection based on population growth of which public facilities and services might be expected to drop below the adopted LOS within the next six years.
- 4. Estimate Revenue and Timeframe Needed to Remedy Shortfalls** – From the list of current and projected gaps between adopted LOS and actual levels, figure the costs associated with construction and operations and a timeframe for implementation.
- 5. Prioritize Capital Facility Needs** – By type of fund (general, enterprise, special), determine the most critical capital facility needs.
- 6. Assemble the Capital Improvement Program** – Match the highest priority needs with appropriate funding sources and project expenditures for the next six years.

While the current Capital Facilities Element of the Langley Comprehensive Plan is deficient in several areas (for example, there is no comprehensive inventory of public facilities), the immediate need is to update the list of needed capital project on the Capital Improvement Program.