



**City of Port Townsend
Capital Facilities Plan
2025-2030**

Report Date: Adoption December 16, 2024

Adopted: Ordinance ____

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Schedule

The following schedule is typical with the every other year development of a Capital Facilities Plan.

- Start assembling the tables in August
- Initial Draft presented to the City Council with capital budget for the next calendar year
- City Council Workshop November 12, 2024
- SEPA Determination of Non-significance for non-project action published in November 18,2024
- Public Hearing and City Council Adoption anticipated On December 2, 2024.

Prelude

Historically, the City has adopted a Capital Improvement Plan (CIP) in order to comply with the Growth Management Act. The CIPs have been adopted coinciding with the budget process and typically included funded projects scheduled over a 6-year period. These CIPs have included little detail regarding the projects but served useful as a capital projection for funded projects.

The Capital Facilities Plan adopted in 2022 accomplished the same purpose as previous years but took a more expansive and longer-term look at infrastructure needs for the city by including unfunded projects. The plan also provided a high-level narrative associated with each type of infrastructure need based on how infrastructure is funded and categorized according to the requirements established by state law and city codes.

The objective of this revised format is to build on the plan annually to create a continuum of infrastructure development while clearly representing long term needs to the public in an abbreviated form. This Capital Facilities Plan is an update to the 2022 plan incorporating new information obtained over the last 2 years as well as removing projects that have been completed or will be completed by the end of year 2024. The Capital Facilities Plan is fully intended to be a living document with annual or bi-annual updates to reflect changes in the City funding and planning landscape.

Introduction

The quality, availability and affordability of infrastructure is fundamental to the health, wellbeing, success and sustainability of our community. With limits to funding based on the relatively small scale of our tax base, we need to make strategic and, at times, difficult decisions about infrastructure investment priorities. We do this in the best overall interest of our entire community over the long term.

The City of Port Townsend has a number of infrastructure needs as identified in various focused city plans. Capital planning is the term used to identify the timing of infrastructure investment. Capital planning for the replacement and development of new public infrastructure is a core governmental purpose of the City in providing for public health, safety, and welfare. The overall purpose of this plan is to consolidate all infrastructure planning into a concise document to illustrate the overall infrastructure needs and aspirations for the community. This plan is intended to be used by staff, policy makers, and the public to develop effective and efficient \$70 million in funded infrastructure and \$133 in unfunded need.

Another primary purpose of this plan is to comply with the state Growth Management Act (GMA).

The Growth Management Act, RCW 36.70a.600(3), requires a fully planning City to adopt a Capital Facilities Plan Element that consists 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. Park and recreation facilities shall be included in the capital facilities plan element.

This capital facilities plan draws upon other city planning documents included by reference and included in the city's comprehensive plan. Examples of these plans include but are not limited to the Water System Plan, General Sewer Plan, Six Year Transportation Improvement Plan, Rainier Subarea Plan, Non-motorized plan, Parks Recreation and Open Space Plan, and many more available on the City's website at <https://cityofpt.us/citycouncil/page/city-plans>. These plans are where inventories and further detail can be found concerning existing city infrastructure. Periodically, the City updates the Comprehensive Plan to address land use elements and other state requirements. In summary, capital facilities planning is a component of the Comprehensive Plan and serves as a tool for a community to strategically address existing and future conditions of the community while planning for growth as required by the State.

The final purpose of this plan is to facilitate procurement of grants. Often, granting agencies will not allow for the application of funding unless projects are specifically identified in an adopted plan of the City. Some projects included in the Capital Facilities plan do not have a home in other adopted plans, but are community priorities and may be emerging issues. These projects are included in this plan to the extent that information is available.

Definitions

Capital is defined in the City's purchasing policy as capital equipment having an initial value of \$1,000 or more and a useful life of 3 years or more. For the purposes of this plan, Capital is defined at having an initial purchase value of \$10,000 or more and a useful life of 5 years or more. This keeps most of the repair and maintenance capital items outside of this plan.

Capital Facilities Plan is defined as an overall assessment of the City's capital needs. The term facilities when included inside the title of the plan includes all city infrastructure and not just city buildings.

Comprehensive Facilities Assessment means an evaluation of the condition and capital needs of the City buildings.

Comprehensive Plan means the most recent version of the City adopted Comprehensive Plan as required and identified in Chapter 20.04 PTMC.

Facilities means city buildings for the purpose of this plan. This definition is not confused with the overall name of the plan.

Functional Plan means an adopted plan or study that clarifies and supports elements of the City’s Comprehensive Plan.

Rate Study means a study utilized to establish rates for services. Rate studies are typically performed for a five-year period for utility systems to ensure sustainable operations.

Subarea Plan means an adopted plan with a focus on a specific area of the City that clarifies and supports the Comprehensive Plan.

Level of Service Standards

A local government cannot determine what it will need in the future for public facilities and services without knowing what levels of service (LOS) it must meet. To serve new growth and development, the Growth Management Act (GMA) requires that certain facilities and services be provided concurrent with expected new development using population projections for the 20-year planning period or ultimate build-out under the growth patterns established by the Land Use Element (Chapter 8, Policy 1.2). The City's Comprehensive Plan requires, in the case of transportation improvements, a financial commitment to provide them within six years.

Facilities that are subject to concurrency in the City are transportation, water, wastewater, and stormwater. The Capital Facilities Financing Plan in GMA requires a municipality to reassess the land use element if probable funding falls short of meeting existing needs. The Capital Facilities Plan is not merely a wish list, and should account for meeting critical maintenance and planning for the density allowed for in the Comprehensive Plan.

The City’s Capital Facilities Plan adopts Level of Service standards that must be met for these facilities per Chapter 8 Goals 3 and 4 are as follows.

Table 8-1

Water and Wastewater Level of Service Standards

Facility	Standard
Raw Water Supply	Sufficient capacity to fully serve customer demands
Raw Water Storage	A Minimum of 60 days of storage for City customer demands
Water System	A flow volume that meets peak demand and fire flows.
Wastewater System	A level that allows collection and treatment of peak wastewater flows and meets Dept. of Ecology criteria

**Table 8-2
Transportation Level of Service Standards**

Road Type	Standard
Urban Corridor	D
Other Roads w/in Urban Growth Area (UGA)	D

Stormwater and Surface Water	A level of conveyance, detention, and treatment that meets the Department of Ecology (DOE) Stormwater Manual adopted by the City or as defined in the City’s Stormwater Master Plan
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These standards should then be applied to additional population and employment growth anticipated. Jefferson County selected a medium population growth, which sets the 2045 growth target at 40,486. The City of Port Townsend is allocated 40% of that population growth, resulting in 12,931 people in 20245, which is an additional 2,781 people from the 2020 US Census count of 10,148 people. The Housing Action Planning Tool in the 2025 Port Townsend Comprehensive Plan to be updated in 2025 projects the 20-year housing forecast to add an additional 1,648 housing units by the year 2045 from the current count of 5,371 households for a total of 7,018 housing units. 2020 US Census counted 10,148 people and the 2021 WA Office of Financial Management estimates 2021 population at 10,220. The 2016 update projected a need of 55 acres over 20 years to support the high wage jobs projected. The Rainier Street and Upper Sims Way Corridor is intended to provide this need with approximately 82.5 acres of fully served, shovel-ready industrial acreage.

Each development must meet the aforementioned level of service standards prior to issuance of a building permit; however, it may demonstrate meeting the standards for transportation facilities within six years issuance of a building permit (Chapter 8, Policy 4.1). The City may condition development permits to provide for appropriate facilities, services, and utilities not subject to concurrency such as EMS, parks, law enforcement, and schools (Chapter 8 Policy 4.2). A development that cannot meet the minimum concurrency requirements can mitigate impacts on levels of service, revise to reduce impacts, or phase the development coincident with the availability of services (Chapter 8, Policy 4.3). All development must pay its proportionate share of the cost of new capital facilities and utilities needed to serve that development.

Under the Growth Management Act and Chapter 8 Goals 6 of the City’s Comprehensive Plan, the Capital Facilities Plan must also be coordinated and consistent with CFP’s of other public facility providers. Other public facility providers include but are not limited to Jefferson County Transit, East Jefferson Fire and Rescue, Port of Port Townsend, Jefferson Health Care, Jefferson County PUD, the Port Townsend School District, and Jefferson County. The City engages in partnerships with these other providers in an effort to coordinate the procurement of limited resources.

Financial Constraints (Revenue Sources)

Most if not all governmental agencies experience financial needs for infrastructure that exceed the available resources. This reality is a reiteration of the primary purpose of the plan. As such, the plan is organized by funded projects and unfunded projects. Funded projects means that the City either has a revenue stream in place to accomplish the project, or has dedicated funds from a specified funding source. These funding sources are often in the form of grants, loans, or use of reserves for one-time investments.

Financial constraints means that projects are either funded or can be reasonably funded. For the purposes of this plan, financially constrained projects are included in the funded portions of the plan. As the plan develops over time, the objective is to hone financially constrained projects into the first 6 years of the plan.

More specifically the City's Comprehensive plan Chapter 8 provides the following goal:

Funding & Financial Feasibility

Goal 5: Provide needed public facilities within the City's financial capabilities or within the City's authority to require others to provide such facilities.

Policy 5.1: Base capital facilities planning on estimates of local revenues and external revenues that are reasonably anticipated to be received by the City.

5.1.1: Consider a wide variety of potential funding sources to finance the capital improvements specified in the Capital Facilities Plan, such as real estate excise tax, user fees, general obligation bonds, and impact fees.

5.1.2: Match revenue sources to capital projects on the basis of sound fiscal policies. Sound fiscal policies include cost-effectiveness, prudent asset and liability management, ensuring that the length of financing does not exceed use of the City's borrowing capacity, prudent use of the City's borrowing capacity, and maximizing the use of grants and other external revenues.

Policy 5.2: Finance the six-year Capital Improvements Program to assure a positive balance between available revenue and needed capital facilities and utilities. If projected funding is inadequate to finance needed capital facilities and utilities based on adopted level of service standards and forecasted growth, make adjustments to one or more of the following:

- a. Level of service standard;
- b. Land Use Element; and/or
- c. Sources of revenue.

Policy 5.3: Ensure adequate funding is available for long-term operations and maintenance costs prior to the construction of new capital facilities.

Policy 5.4: Ensure that new development pays a proportionate share of the cost of new capital facilities and utilities needed to serve that development.

Policy 5.5: Ensure that developers provide capital facilities and utilities concurrent with new development or provide a contractual agreement for the phasing of facilities and utilities, subject to approval by the City.

Current Revenue Sources

Current revenue sources for infrastructure include the following sources. These sources are listed from top to bottom from least restrictive to most restrictive as required by laws and city code.

<p>General Fund, Fund Balance.</p>	<p>There are four categories of fund balance: restricted, committed, assigned, and unassigned. Restricted – Amounts reserved to specific purposes by their providers (such as grantors, bondholders and enabling legislation); Committed – Amounts reserved to specific purposes by a government itself, using its highest level of decision-making authority; Assigned – Amounts a government proposes to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and Unassigned – Amounts that are available for any governmental purpose; these amounts are reported only in the general fund.</p>
<p>Limited Tax General Obligation Bonds:</p>	<p>Backed by general fund revenues, the City Council can issue debt for infrastructure. The amount of Debt is limited by law and practicality. As discussed above, debt takes away from operating funds and other capital funds and thus use of debt is a strategic choice.</p>
<p>Transportation Benefit District</p>	<p>In 2023, the voters of Port Townsend approved a 0.3% Sales Tax increase for for Streets improvements and repairs. The majority of funding is dedicated to street repair, grant match, and non-motorized improvements as outlined in the Transportation Benefit District fact sheets. This revenue source is estimated at approximately \$800,000 per year.</p>
<p>Banked Capacity:</p>	<p>In February 2019, residents approved adding Port Townsend to East Jefferson Fire & Rescue (EJFR) fire district. EJFR now collects the dedicated Fire and EMS levies from City property taxpayers directly. In addition to the dedicated levies, the City was funding fire service through the general property tax levy. The City no longer makes payments from the general fund for fire protection. The City agreed to suspend the collection of an equivalent amount of property taxes it would have paid EJFR from the general levy – a reduction of the City levy or a “banked capacity” of about \$908,000. An agreement with the fire district and a policy adopted by City Council spelled out an approach that allows increased levies of the banked capacity over the course of four years. For the first three years, funding is restricted to four main uses consistent with existing plans: local roads, parks and trails, the City’s housing trust fund and utility tax relief. In 2020, the City decided not to levy any of the possible</p>

	<p>\$303,000 banked capacity given the dire COVID situation and its related impacts. In 2021, the City levied \$605,000 in banked capacity for use in 2022. More about that process and corresponding documents can be found on the 2021 Banked Capacity page in Completed Initiatives. In 2022, that “banked capacity” goes to \$908,000 and stays at that level after that; the restricted use requirement sunsets in 2023. Looking forward, much of banked capacity has been invested in street operating associated with equipment and staff to accomplish pavement repairs. The earlier funding dedication will be wrapped up in 2025.</p>
Real Estate Excise Tax (REET)	<p>State law restricts REET 1 and REET 2, or the first and second quarter percent (.25%) of REET funds to the following uses: Planning, acquisition, construction, re-construction, repair, replacement, rehabilitation or improvement of: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water system and storm and sanitary sewer systems. Planning, construction, reconstruction, repair, rehabilitation or improvement of park and recreation facilities. State law allows REET 1, or the first quarter percent (.25%) to also be used for: Acquisition of parks and recreation facilities. Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of: law enforcement or fire protection facilities, trails, libraries and administrative and judicial facilities.</p>
Revenue Bonds	<p>Revenue bonds are debt that is secured by dedicated revenue. Utilities often use revenue bonds to pay for infrastructure backed by utility rates. Another form of secured revenue are voted bonds in which the tax payer votes to accomplish a certain project and taxes are raised to pay for the public project.</p>
Motor Vehicle Fuel Tax (MVFT)	<p>In addition to Street Fund operations and maintenance this can be used for construction and improvement projects. The City has very limited amounts of MVFT and currently it is all dedicated to operations. The majority of the street operations is funded through general taxation resources and thus impacts the general fund.</p>
Multimodal Funds:	<p>These funds are restricted to transportation purposes.</p>
Sale of Assets:	<p>Assets that can be sold generally include real-estate and vehicles. The City owns considerable real-estate that is not currently dedicated to a specific use. The real-estate is owned by the utilities and the general fund. If there is a sale of real-estate, the proceeds must be used by the fund that owns the property. For example, proceeds from the sale of property owned by the water utility, cannot be used for general fund purposes. A number of properties have been declared surplus by the City Council in the last 15 years for the purpose of housing. These properties have not yet been sold.</p>
Grants:	<p>Grants are very specific to the purpose of the granting agency. Grants are an important revenue source and is how most of the City’s new infrastructure is funded. In particular, grants fund street projects on a periodic basis with an average of over \$1 million per year. Other grants for parks, historic properties, energy, utilities, climate, hazard mitigation, and housing are also available to the City.</p>
Housing Tax:	<p>RCW 82.14.530 and 540 allow a city and county to impose a sales and use tax up to 0.1% for housing and related services through HB 1406 and 1590. The 148 and 149 funds are authorized by RCW 36.22.178 and 179, which allow</p>

	counties to collect shares of revenue from document recording to fund affordable housing and homeless housing programs. The City and County have a joint Interlocal Agreement on administration of these funds authorized. The City collects funds from HB 1406 and provides them to the county for deposit in the 148 Fund for budgeting and allocation subject to the interlocal agreement.
System Development Charges for Utilities:	Also known as SDCs, these charges for new utility connections help fund system expansion for growth.
Street Fee-in-lieu	In 2023, the City Council adopted a fee in lieu program to allow developers to voluntarily contribute fees instead of building improvements. This program is primarily directed at requirements to build sidewalks. The fee in lieu program provides equity in transportation infrastructure and fees are used in places that serve the development as well as the rest of the public. Fee in lieu investment in sidewalks will be dedicated to creating connections where sidewalk gaps exist. This plan documents fee in lieu collection and investments
Utility Rates:	Utilities are enterprise funds that are specific independent business units within the City. Utilities are required to set rates for services that ensure payment for operations and capital to address system needs. This business model is set forth to ensure essential public services such as water, sewer, and stormwater are addressed.
Donations and Fund Raising	Fund raising by the public, volunteerism, and donations are all sources of revenue the city has utilized for capital improvements historically.
Library Foundation	The foundation has the opportunity to fund capital programs if in concert with Library capital improvement needs and planning.
Quimper Parks and Tree Foundation	Created in 2024, this foundation provides an opportunity for the public to donate to improvements in sustaining and growing parks and tree on the Quimper Peninsula.

Future Revenue Sources

Future revenue opportunities are available to the City to address capital needs. Below are a few of the more common revenue sources used by cities across the State. As the City looks toward financial sustainability, additional revenue sources may be recognized and brought forward for consideration. In 2023, the City completed a Financial Sustainability Initiative to strategize stabilizing city government finances recognizing that revenues typically do not keep up with inflation. The Financial Sustainability Initiative evaluated a number of options to generate revenue necessary to sustain city services. Depending on the success of these initiatives, the City may be able to enhance services identified in various City strategic and functional plans. Fundamentally, the tax system in Washington State is set up with growth as a necessity. Local Governments struggle to sustain services accordingly.

- **Transportation Benefit District:** While the voters approved a 0.3% sales tax beginning in 2024, additional revenue capacity is available as authorized by State Law. The City could add vehicle car tab fees to the voted sales tax at various levels.
- **Levy Lid lift:** Voted property tax increase for specific purposes.
- **Sales tax:** Several sales tax options are available for various purpose which are typically voted.
- **B&O Tax Increase:** Councilmanic authority to set B&O tax rates.
- **Metropolitan Parks District:** Voted opportunity for funding of parks through a property tax levy.
- **Tax Increment Financing Districts:** Councilmanic authority to establish up to two districts in which increases in tax revenue is used to fund infrastructure.
- **Impact fees for transportation, parks, fire protection, and schools** are permitted by State law. Impact fees are currently not in place in Port Townsend.
- **Cultural Access Program:** County wide voted sales or property tax to fund cultural access organizations such as arts, heritage and science organizations.
- **Economic Development** associated with expanding the job base, tax base, and creating a city where there is more opportunity to live and work in the same location is a fundamental challenge and objective identified in the Financial Sustainability Initiative. Economic Development ranges from encouraging the development of apartments, possibly lodging, and expansion of job creating industrial base into Glen Cove with necessary urban services. Additionally, maximizing under utilized commercial and residential property with infill and private investments is a key to growing the City's tax base. **1% for the Arts:** The City has voted to include a limited number of general municipal projects that are subject to this tax. The City could expand the definition of capital to include utility funded capital projects in order to increase revenues.
- **Development Services Fees:** both PW and PSD related
- **Fines & Fees:** Councilmanic authority to implement or increase parking fees & others
- **Foundations and Public Fund Raising:** Foundation support, donations, and pubic fundraising are all sources of capital. Historically, significant fund raising has been accomplished through volunteerism. This can be expanded through strategic city support of fund raising.
- **Partnerships:** Working with partner agencies to achieve mutual goals provides a great opportunity for increased revenue for capital.
- **Marketing:** Marketing the City through partner organizations for business recruitment, retention, and growth has the potential to increase tax revenue. Sustained tax revenue increases are typically used for operations to support increases in demands for public service; however, one-time revenues or cyclic increases in tax revenue serve as an opportunity for a source of funds for capital investments.

Existing Debt Summary

The City currently has significant debt in terms of revenue bonds, LTGO bonds, and voted bonds. Debt has a significant impact on the ability to pay for capital and debt services takes away from recurring revenues. Staff recommends developing a debt strategy for the future to consider when debt is

appropriate and to what level of debt should be on the city’s books. The following considerations should be considered in the development of a debt policy:

- General Obligation vs. Revenue debt
- Principle, payoff date, and revenue sources
- Term of debt should not exceed the lifespan of asset. ie 20-year bond for 15-year roof.
- Debt term should generally not exceed 20 years
- Evaluation of opportunity cost for issuing debt. What is this interest rate differential and how does it compare to projected inflation.
- Should general obligation debt be limited to a specific percentage of revenues.

The following table provides a summary of the city’s debt.

NonVoted General Obligation Debt Outstanding

LTGO 2017A (2008 Refi) NonTaxable Bond	9,155,000	9,155,000	9,155,000	9,155,000	9,155,000
LTGO 2017B (2008 Refi) Taxable Bond	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
LTGO 2020 (Refi 2010 LTGO)	4,273,350	4,073,350	3,868,350	3,658,350	3,356,900
LTGO Refi 2012 (PORTOWGORE12)	3,165,000	2,680,000	2,175,000	1,660,000	1,135,000
LTGO 2018 Homeward Bound Debt Svc	834,000	834,000	834,000	808,104	781,069
NonVoted GO Debt Outstanding	18,487,350	17,802,350	17,092,350	16,341,454	15,487,969

Voted General Obligation Debt Outstanding

LTGO Refi 2015 (PORTOWUTGO15)	3,205,000	3,020,000	2,835,000	2,640,000	2,440,000
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Voted GO Debt Outstanding	3,205,000	3,020,000	2,835,000	2,640,000	2,440,000
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Total General Obligation Debt Outstanding	21,692,350	20,822,350	19,927,350	18,981,454	17,927,969
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Revenue Debt Outstanding (excluded from General Purpose Debt limits)

Amount Outstanding at End of Year

	2018 Actual	2019 Actual	2020 Actual	2021 Forecast	2022 Budget
SRF 2002: DOE Wastewater Conveyance Syst	337,212	291,098	244,376	196,950	148,811
PWTF 2002: Morgan Hill Wtr System Impr.	333,510	266,808	200,106	133,404	66,702
PWTF 2012 City Lake Loan	736,842	684,211	631,579	578,947	526,316
DWSRF 2012: LT2 Water Treatment Facility	2,917,945	2,782,025	2,627,468	2,472,911	2,318,354
DWSRF 2012: LT2 Water Treatment Facility	1,566,900	1,454,978	1,343,057	1,231,135	1,119,214
PWTF 2013: LT2 UV Disinfection	3,696,963	3,450,499	3,204,035	2,957,571	2,711,107
PWTF 2013: 5 MG Reservoir Replacement	1,125,937	1,050,875	975,812	900,750	825,687
DWSRF 2015: 5MG Reservoir Replacement	4,414,363	4,196,495	3,986,670	3,765,189	3,543,707
DWSRF 2015: Mandated Drinking Water Treat	3,537,275	3,360,411	3,183,548	3,006,684	2,829,820
Rev Bond 2020: LT2 & Big Quil	-	-	-	1,914,980	1,834,800
CERB 2015: Howard St Corridor Public Infrastructure	-	1,200,000	1,165,407	1,119,007	1,071,216
	18,666,947	18,737,400	17,562,058	18,277,528	16,995,734

City Capital Plan Summary

The following table illustrates the vast needs of the City by category. This table wraps up all the following sections of the Capital Facilities Plan to provide an overall view of the challenges the City faces in terms of capital needs. This is not an uncommon situation for most cities. This first-year draft of the capital facilities plan includes approximate estimates for capital needs as a place holder where information is missing. Examples include needs for buildings, the future of parks, wastewater, fleet, housing/economic development/environment, and streets. These categories are currently under evaluation or are anticipated to be under evaluation in the near future to help provide more refined estimates. Each section of this plan will identify where data is needed or currently under analysis.

Department	Funded (2025-2030)	Unfunded (2025-2030)	2031+
Facilities (Buildings)	\$ 400,000	\$ 1,835,000	\$ 21,000,000
Parks and Recreation	\$ 850,350	\$ 6,164,841	\$ 6,500,000
Water	\$ 4,802,999	\$ 750,000	\$ 334,603
OGWS	\$ 10,906,924	\$ -	\$ 51,503,792
Wastewater	\$ 43,540,034	\$ 2,891,250	\$ 58,065,859
Stormwater	\$ 4,002,655	\$ 1,873,628	\$ 5,080,119
Transportation (Streets)	\$ 5,115,824	\$ 114,044,800	\$ 14,000,000
Fleet (Streets and Utilities)	\$ 2,116,587	\$ -	\$ 3,699,000
General Fund (Fleet)	\$ 120,000	\$ 1,932,753	\$ 303,000
Information Technology	\$ 685,000	\$ -	\$ -
Housing Economic Development	\$ 860,644	\$ 3,980,820	\$ 6,275,000
Totals	\$ 73,402,000	\$ 133,474,000	\$ 166,762,000

Note: The funded totals for 2025-2030 does not include carry forward budgets from 2024. Many projects budgeted in 2024 have not been completed and thus investment carries forward and will be added to the 2025 budget through the first budget supplement usually in the first quarter of the year.

Facilities (Buildings)

This section of the Capital Facilities Plan is dedicated to city buildings, lands, and art. The term facilities is confusing due to its name duplicated in the overall plan. This section is also applied to facilities which are under the purview of the General taxation as compared to facilities that are directly tied to the utilities such as the water treatment facility. Looking forward, facilities represents a significant public investment. The City Council recognizes the liabilities on future generation of failure to proactively maintain buildings and thus included in the 2025 budget funding for the development of a facilities repair and replacement program which mirror the City's fleet equipment repair and replacement program.

Buildings

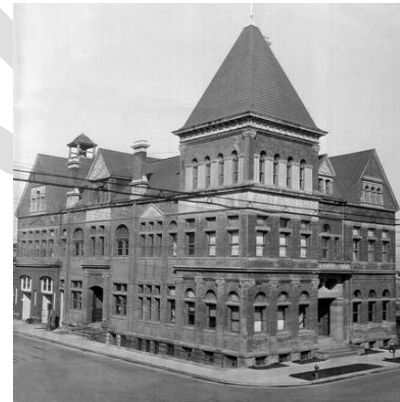
City buildings are a major asset of the community. City buildings also carry significant financial liability in terms of maintenance and upkeep. A facilities assessment is needed to accurately identify building needs and estimate time frames for periodic preventative maintenance such as rehabilitation of roofs, HVAC systems, carpets, elevators, weather protection, and other maintenance needs. The larger maintenance projects are classified as capital investments and thus need to be included in the Capital Facilities Plan. The following narrative describes each of the City facilities and includes known and unknown placeholders for significant needs.

The City Hall Annex- Owner: City of Port Townsend, 12,000 square feet renovation was finished in 2006. Total construction costs of \$4,626,000. It sits at 250 Madison Street quietly beside the stately 1894 Historical City Hall in downtown Port Townsend. Their adjacency is intentional; the Annex was designed to seismically support the historic structure, thus minimizing aesthetically invasive upgrades to its façade. The Annex design references the materials and proportions of its Victorian neighbor, including strong vertical lines, tall narrow windows, and precast details. Close collaboration with the Port Townsend Historic Preservation Committee resulted in a respectful yet modern new Annex and a sensitive rehabilitation of the historic City Hall that included seismic and technology upgrades



Completed in 2021, upgrades to the front lobby included an administrative counter that consist of three workstations to properly welcome and direct the public as they enter the building. The counter replaces an existing conference room that was designed with the new construction. Additional wall construction was done on the 2nd floor to enclose several open workspaces making way for new staff members. During the 2021 season, major rebuilds were done to both boiler units that provide heating to the City Hall Annex and Historical City Hall buildings. In 2022, City staff completed acoustical upgrades by adding noise dampening boards in the front lobby and workstation areas to lessen the reverb and traveling echoes. As the building was not built with mechanical cooling, staff have been working to find ways to limit the warming of the building during the summer months. New heat and sun reducing shades were installed throughout the building along with the existing ventilation fans being converted to programmable timers to correspond and run with the HVAC unit helping to remove warmer air as it tends to stack up on the third floor. Also completed in 2022 was the City Hall Space Planning Phase II study. This study looked at reconfiguring the 2nd floor conference admin room with renovations, acoustic controls, and office furniture on floors 2R and 3. Floor 2R and 3 were never finished with the annex project in 2006. Now, after COVID and a changing work environment, these updates are needed more than in the past. Phase III also continues with HVAC updates. Major renovations of floors 2R and 3 were completed in 2023 with newly installed workstations, carpet, quiet rooms, interior paint, wall murals, cabinets and acoustical panels. In 2024 staff completed a buildout of a 25+ person conference room on the 2nd floor. New furniture and carpet were added at that time.

Historical City Hall and Museum- Owner: City of Port Townsend, the 12,500 SF of building is located at 540 Water Street and is currently operating as the Jefferson County Museum of Art and History in addition to elements of City Hall. The City of Port Townsend carries a 15-year lease agreement with the Jefferson County Historical Society which is set to renew for an additional 15-year period on January 1st, 2023. On the first floor you will find many rotating displays of art and historical artifacts along with the original Fire Hall and Court Room from 1892. The second floor consists of City administrative offices and a working City Council Chambers that continues to hold public meetings on the first and third Mondays of each month and is the oldest Council Chambers in its original form operating in Washington State. Originally the building was built with three floors until around the late 1940s the third-floor roof was removed due to deterioration and deferred maintenance, making it a two-story building as it sits today. The city hall was listed on the National Register of Historic Places, administered by the National Park Service, in 1971. Land for the city hall was purchased from Henry Landes in 1887. Voters in Port Townsend passed a bond issue to fund a new \$30,000 city hall in 1891. Construction began in 1891 and finished on 02/1892, with space allocated for the city administration and fire department, as well as a jail and municipal court. City council meetings have occurred in a chamber on the second floor. Architects Batwell and Patrick designed Port Townsend's City Hall, an eclectic building with some Neo-Classical, Romanesque, and Queen Anne Style motifs.



In 2005, as part of the construction of the new City Hall Annex, contractors replaced the roof with a flat rubber membrane. Much needed repairs to the exterior brick and mortar on the south facing and waterward side as it begins to show signs of deterioration. The public elevator has experienced a few major repairs and needs to be replaced in the next 10 years depending on the outcomes of an assessment. Most of the original single pane windows are beginning to fail as the glass thins and frames begin to break. There is no forced air or ventilation system in this building which is a concern for the displays and the preservation of the artifacts. The need for soundproofing on the first and second floors is of concern as the original wood flooring and lath and plaster walls do not absorb the acoustics of the room. In 2023 the city invested in significant upgrades to the historical council chamber's audio and video systems. At that same time new furniture was added, and ADA access to the chambers was improved.

In 2024 Jefferson County Historical Society was awarded a grant to upgrade and improve the ADA access to the museum. Construction to begin in 2025.

Looking forward, minor upgrades are planned for improved ADA access and improved HVAC/energy operations.

Mountain View Campus- 7.6 Acres. Owner: Port Townsend School District. Located at 1925 Blaine St, Mountain View houses many nonprofit entities including the Red Cross, Food Bank, KPTZ, YMCA, the ReCyclery and New Image clothing. Mountain View is also home to the City of Port Townsend Police Department and other administrative offices. The land parcels, buildings, and facilities all remain owned by the Port Townsend School District and are only leased to the City for management and operations.



Mountain View Pool and Park exist at the site of a former school, Mountain View Elementary. Mountain View Pool is an indoor aquatic facility that is now operated by the YMCA and consists of a non-competitive 20 yard "L" shaped pool that provides programming and classes for swim lessons, aquatic fitness, lap swim, open swim, and special events. YMCA's lease agreement at Mountain View remains in effect until December 31, 2028, or until a new aquatic facility is completed and the current facilities are demolished, whichever is sooner. Mountain View Park is anchored by a 1-acre fenced dog park, a playground, open field, and sport courts for basketball and newly resurfaced pickleball court sponsored by the Port Townsend Pickle Ball Club.

Beginning in August of 2009 the City of Port Townsend entered into a five-year lease agreement with the Port Townsend School District for the property known as Mountain View Campus. In 2014, the City expanded the lease agreement with the School District to 15 years with an option for an additional 15-year renewal. This extension positioned the City to qualify for grants and other funding opportunities to

invest in the buildings and grounds. With this change in place, the City passed a bond in 2015 for \$3.6M and received an additional \$414,150 Community Development Block Grant through the State of Washington for needed infrastructure and deferred maintenance improvements. Also, in 2015 City officials determined that extensive repairs were needed to the Mountain View Campus. Phase I repairs included the complete replacement of two giant propane boilers used to heat the pool and the rest of the buildings as well as the outdated HVAC system needed an overhaul. As well as the roof on the old elementary school needed replaced. \$2.5 million was spent between replacing the boiler units, HVAC upgrades and the new roof on just one of the buildings.

The remaining funds from the 2015 bond and CDBG grant were used for the Phase III repairs. The repairs included construction of an ADA ramp and new accessible doors that serve the pool restrooms and main entrance to the buildings. Remodeling of Foodbank, Working Image, and Police station offices. Remodel to include electrical, plumbing, and other interior needs. Phase III also included repainting of the exterior of the buildings and a new fire alarm system.

On September 1st, 2017, the City of PT and the PTSD entered into 15-year lease agreement expiring on August 31, 2032. With this agreement it was determined that the sub-lease agreements the City has with Dove House, Foodbank, and the Red Cross would be extended 10 years set to renew in 2029. In 2018, the City accepted a donation for the expressed purpose of creating a fenced dog park and completed the effort in August 2019. In 2022 the Port Townsend Pickleball Club raised funds to resurface the Mountain View public pickleball courts, as well as adding new nets and posts. In addition, the group is planning on adding a new playable fence to increase the quality of the game. In spring of 2023 pool staff (YMCA) reported the pool roof had leaked causing extensive damage to the interior of the pool ceiling and walls. Further inspection found that the roof had reached its life expectancy. In 2023 contractors installed a special rubber coating as a temporary bandage fix to last another 5-7 years max.

Looking forward, the Mountain View Campus needs significant electrical and HVAC upgrades. The original plumbing and wiring is a continual maintenance challenge and will ultimately need to be upgraded.

Pope Marine Building- Owner City of Port Townsend

More information is needed for this facility.

2022 siding assessment was conducted by Terrapin Architects to determine the costs and repairs for the deteriorating siding on the waterward side of the building.



Outstanding Repairs: Exterior siding on the waterward side, interior floorboards, windows, HVAC, exterior deck boards, and structural bracing underneath is beginning to rot.

Cotton Building- Owner City of Port Townsend

BARTLETT/COTTON BUILDING 607 Water St. built in 1888 by Charles C. Bartlet was a three-story, one bay brick building. In 1889, the first tenant was the Bartlett House, considered as the focal point of the city. It had a saloon, wine parlor, clubrooms, cigars, and sporting newspapers. In 1932, Water Street Garage took over and then in 1939 Olympic Pile Driving Company office and later, the Cotton Corporation (George Cotton) stayed until 1974. In 1955, George Cotton removed the top two floors, which needed repair after a windstorm caused irreparable damage. The City of Port Townsend Police Department moved to the site in 1975 until moving to Mountain View Campus in the early 2000's.



The Cotton Building renovation project had its genesis in the planning to relocate the Police Department away from the Downtown Historic District waterfront and its associated tsunami and seismic hazards. It was recognized that the Department had to continue to operate effectively during an emergency event that may otherwise destroy the Police operations center and restrict access to/from the rest of the City. The move of the Police Station raised the question of what to do with the Cotton Building. The historic character of the building precluded its demolition so a plan for an alternate use was pursued, but it was clear that the unreinforced masonry building needed structural improvements to make it safe for continued use.

In 2010 the building was completely renovated for city, civic and community uses. The project was funded through a 2008 City Council bond, along with funds from the Washington State Military Department, FEMA and the Department of Ecology. The initial total project cost with construction, design, overhead and technical support came in at \$980K. Once construction and demolition began in the fall of 2009 it became apparent that the condition of the building was far worse than anticipated. Issues developed around the rotting floorboards, crawl space, lead based paint and additional asbestos were found in the ceiling, roof, floor and walls. Unknown until the time of demolition were four large underground fuel tanks which were half full at the time.

Outstanding repairs: Depending on the outcomes of an assessment, the rubber membrane roof will need to be replaced in the next five years, estimated to cost \$75K. Brick and mortar work on the waterward side.



Golf Course- Owner City of Port Townsend- Leased to the Friends of the Golf Park.

On January 1st, 2024 the City of Port Townsend signed a long-term lease agreement with the Friends of the Golf Park. This lease agreement includes metrics and phases that are outlined in the lease agreement.

The Port Townsend Municipal Golf Park was developed in 1904 and includes a regulation-length 9-hole course, driving range, maintenance buildings, and clubhouse with a commercial kitchen for restaurant services, and retail sales. The Golf Park, once privately owned and operated, was converted to a public course in 1927 and first administered by Jefferson County but is now owned and operated by the City of Port Townsend. The City leases the Golf Park to a local business for management and operations. When converted to a public course, there were deed restrictions on the property. There is a deed restriction that the largest parcel will be used for municipal purposes only.

According to a recent study completed by the National Golf Foundation (NGF) in 2019, the NGF found that the facility is challenged by its declining physical condition and somewhat remote location which limits its potential market support. NGF has estimated that it would cost \$935,000 - \$1.2M to bring it up to standard to attract more visitors and become a viable Golf Course. The upgrades would include improvements to the irrigation system and pump house (\$735,000), tree and stump removal, purchase of appropriate maintenance equipment (\$120,000), clubhouse repair, and course repair. Based on this analysis, the City Council at the time decided not to pursue the recommendation because of the cost for both the capital and operations.

Port Townsend Golf Park has historically used an average of 9 million gallons per year of treated drinking water from the Big and Little Quilcene Rivers for irrigation. In 2002 Port Townsend applied for a ground water right water of 150 gallons per minute with a maximum annual withdrawal of 34 acre-feet to irrigate 35 acres of the city-owned golf course. A 10" well was converted to 105' feet in 2017/2018 and a

pump and controls were installed in 2022. The cost to develop the well was \$450,000. The well will also serve as an emergency water supply if the city's Olympic Gravity Water System is not functional.



Library - Owner City of Port Townsend

The historic Carnegie Library building is a jewel in the community. The library is the most frequently and heavily used City facility. The Port Townsend Public Library was established in 1898 by a group of "leading community ladies." By 1913 they had acquired the land, secured City funding, and received a grant from the Carnegie Library Foundation to construct a new building in keeping with Carnegie architectural design standards of the period. The Port Townsend Carnegie Library served its community so well that a 4,500 sq. ft. addition was added in 1990 to accommodate the high volume of use that continues to increase significantly each year. In 2014 a major renovation was completed. Click [here](#) to view a slideshow of the project.

Read [A Source of PT Pride](#) -- History of the Port Townsend Carnegie Library by Pam McCollum Clise for more in-depth history of the library and historic Carnegie building. From the library's website <https://ptpubliclibrary.org/library/page/history-library>

This beloved building is in great condition given its age. Nevertheless, several repairs are needed including replacement of the HVAC system which experiences problems every winter season and the anticipation of replacement/ modernization of the elevator car. The addition of an AC and air filtration unit would help address equity issues for the community during a time of climate change allowing the library to serve as a climate resiliency center. The annex part of the building is still waiting for much needed window replacements. The bathrooms are also waiting to be remodeled. Permits and plans for the windows and bathrooms have been issued and completed and the library is waiting to hear back about a Department of Commerce Library Capital grant to help with the costs. Along with this grant, funds from the Port Townsend Library Friends and Foundation and bond proceeds are planned for this project. The Carnegie building needs to be included in an overall building assessment to ensure that preventative maintenance is not overlooked in order to preserve this beloved community treasure for another one hundred years into the future.

Project History:

1990 - Annex addition. This project modernized and doubled the square footage of the library with a single level structure attached to the Carnegie building. Major site work created the current parking lots and sidewalks around the building. The annex currently houses the bulk of the library collections (fiction, nonfiction, A.V. YA, Large Print), circulation and staff work areas and teen-room.

2009-2012 Combined structural retrofit to life safety standard and nonstructural retrofit of shelving systems. \$598,089 total project costs. FEMA funded seismic upgrades to the Carnegie building. New roofing for the Carnegie building in 2013. Carnegie historic window restoration and storm windows.

2012 – Pink House interior renovations. Large scale interior work was completed to make the Pink House downstairs into two public meeting room and presentation spaces. The work included bathroom renovations, kitchen renovations, wall and fireplace removal, new carpeting, electrical work, painting, trim, and furniture – complete interior renovations.

2014 Library Renovations – New carpet throughout building, new paint (interior and exterior throughout), power/data improvements for public computers and staff work areas, ADA bathroom improvements, automatic door openers, new signage, new shelving, and library furniture, wall removal to open circulation and work areas, new built-in countertops and shelving for staff work room. Fire and panic alarms installed. Extensive landscaping work.

2014/2015 – Pink House and Carnegie room presentation and programming space creation. Work included new integrated projectors and podium, screens and speakers, wiring work and data.

2017 – Historic rock wall fronting Lawrence Street restored. Also, concrete work was completed to fix Carnegie exterior stairs and handrails. Carried over front the 2014 project list but scaled back from original plans which would have rebuild the Carnegie stairs instead of repairing. This project won a JCHS Historic Preservation Award in 2018.

2017 – New Annex roof completed, carried over from 2014 project list.

2023/2024– Contractors installed new windows in the Annex part of the Library as well as completely renovated the existing public restrooms making them ADA accessible and aesthetically pleasing.

2024 – Library was selected for a Library Capital Improvement Grant to upgrade the current HVAC system for energy efficiency and adding a cooling center. Additionally, this grant will provide the opportunity to upgrade the current elevator that is in need of repairs. Project is scheduled for 2026.

Outstanding Repairs: Elevator replacement, HVAC Unit, .



Charles Pink House- Owner City of Port Townsend

The Charles Pink House is a unique asset for the library. Constructed in 1868 in the Late Greek Revival style of architecture, it is one of the last remaining houses of its kind in the state. Built by Horace Tucker, who is known for building many of the oldest houses in Port Townsend, the house was purchased by Charles Pink in 1874. The house remained in the Pink family for the next 92 years. In the late 1880s the Pink family expanded the house, rebuilding the porch and adding Victorian bays. Near the turn of 20th century, the house was once again renovated, with the original pillars and front doors replaced by substitutes in the style of the Arts and Crafts movement that was popular at the time. These changes made the Pink House a unique building architecturally in Port Townsend. Because it was difficult to peg down as an example of a specific style, the house sat neglected for most of the latter half of the 20th century.

The City of Port Townsend purchased the Pink House in 1981 for the purpose of serving as an expansion to the adjacent Carnegie Library. Because of difficult economic times, the City lacked the funds to rebuild the dilapidated structure. In exchange for a complete restoration of the building, the City gave a long-term lease on the building to [Little and Little Construction](#). After a massive renovation, the building was leased out until 2003 when the lease expired, the City regained control of the building. It then served as the administration house for the local fire department. The library took over the house in 2007 and uses it to supplement the Carnegie Library. First floor program and meeting spaces and second floor offices give the library needed flexibility in offering services to the public.

In 2012 the Pink House underwent another renovation, this time focused on making the first floor interior spaces better suited for public programming and meetings. The project included interior wall removal and structure repairs, fireplace removal and chimney repairs, bathroom and kitchen renovations, new carpet, paint, flexible furniture and technology systems for presentations. 2018/19 saw the [restoration of the of the rock retaining wall](#) fronting Lawrence and Harrison Streets. Much care was taken with this project by reusing the historic rocks from the original wall that fallen over the years.

The Pink House is listed as a secondary building in the Port Townsend National Historic district. A secondary ranking indicates a building with moderate historical or architectural qualities which have maintained good integrity. The Pink House has been a constant reminder to everyone who travels Lawrence Street of the origins of Port Townsend.

Currently the exterior of the Pink House is in dire need of repairs. The siding, soffits, roof, porches and trim all have reached their limits and are fading quickly in our damp climate. The library hopes to secure funding through grants, donations and City support to continue the legacy of the Pink House for future generations.

More on the library's website <https://ptpubliclibrary.org/library/page/history-charles-pink-house>

2014/2015 – Pink House and Carnegie room presentation and programming space creation. Work included new integrated projectors and podium, screens and speakers, wiring work and data.

2022 – Pink House new carpet downstairs, and new blackout curtains.

2022- Terrapin Architect completed siding and fascia assessment.

2

2025- The 2025 budget includes significant repair/restoration work to the Charles Pink House including replacement siding, roof, gutters, fascia, and front porch. Also new exterior paint and roofing.

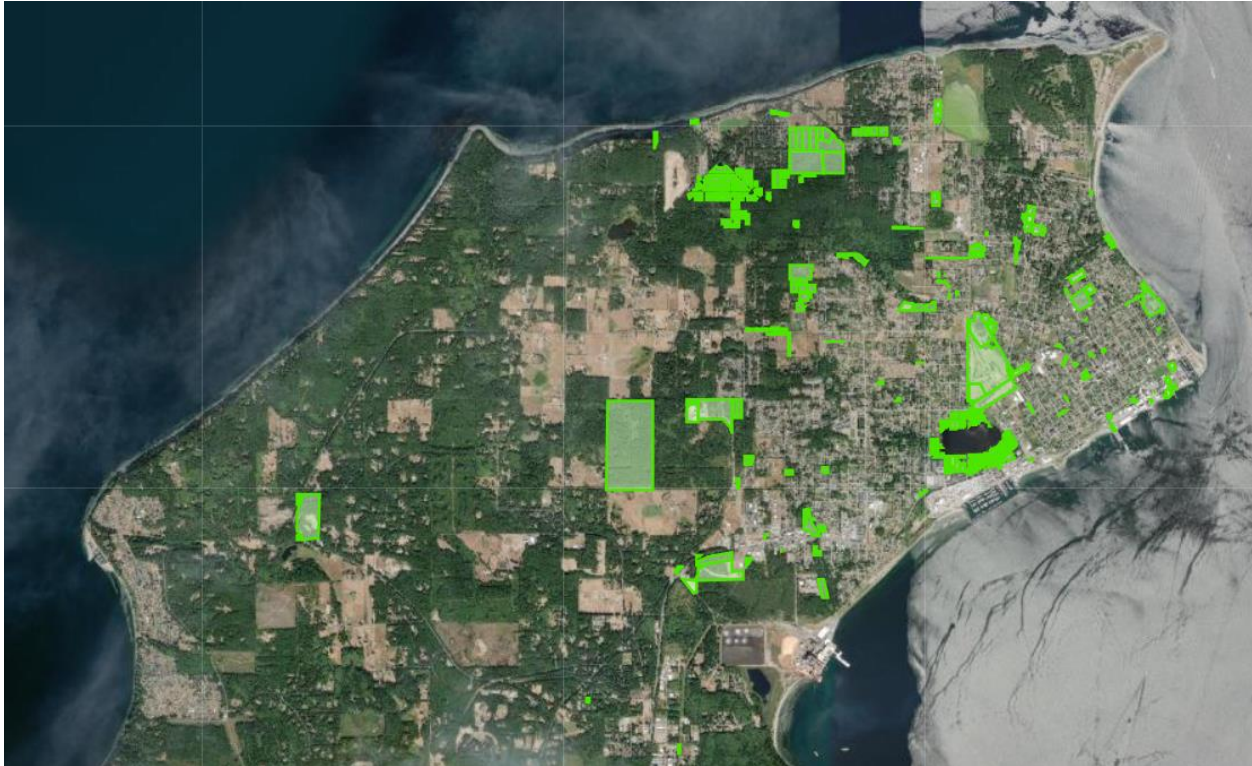


Public Works Shops- Owner City of Port Townsend

Located at 1818 Beach Street, this site houses the Public Works Department, Fleet Department, Storm Water and Admin offices. The Main Public Works Shop building features an attached open-air canopy, storage mezzanine, automotive lifts, mechanics shop, and storage area. The facilities are aging and in poor condition. Two modular units serve as office space. The City has explored in the past relocating City Shops to the Water Treatment Facility located on 20th Street. Relocation would allow for the property at the current location to be cleared on surpluses for housing or another use. No further plans have been developed, other than when the Water Treatment Facility was constructed, space was set aside for the possibility of relocating City shops. The next step in vetting a plan for relocation would be to do a schematic design process which would quantify the space needs and provide a rough layout of buildings while establishing an approximate cost estimate and ensuring feasibility.

The City of Port Townsend 2025 budget includes schematic design of a Municipal Service Center that would house our Public Works team (Feet, Streets and Stormwater division, Water crews, and Parks and Facilities team). This is a first step to long range planning for the likely relocation and construction of new public works shops. If approved and successful, the current shop property could be redeveloped into housing.

City owned property



Caption from the City's Public Transportation Map Illustrating City Real Property Ownership

The City owns a considerable amount of property. Properties included as part of the City's park system are addressed in the parks section of this plan. Properties owned by utilities that have improvements on it are addressed in the respective utilities section of this plan. The remaining properties are included in this plan as an inventory. Because property represents generally a non-depreciating asset, it is a source of capital funds. Properties also carry liabilities of maintenance for weed control, vegetation management, and camping control. The City created an inventory of properties suitable for affordable housing as formalized in Resolutions 09-035, 10-024, and 15-018. A most recent acquisition of property was made with grant funding for housing and is included in the housing section of this plan. Per Chapter 3.44 Port Townsend Municipal Code, prior to surplus, the City Council should determine if a property may be suitable for affordable housing.

Other properties remain in the City's inventory that are encumbered by critical areas or are isolated without formal access to utilities and roadways. An inventory identifying 157 properties was performed dating back to 1999. A current assessment of City property ownership identifying usable property and those that need to remain in open space would be of value to assist with stewardship of the public's resources.

Developing a pipeline of City property to support the mandated and community desires of developing affordable housing is a key work item in 2025. In the next Capital Facilities Plan Update, the pipeline of properties will be documented below.

Art

The City owns public art and also facilitates the display of art on loan. An inventory of the City's art collection is below. Installation of new art is generally funded by grants, through the community, or through the 1% for the arts program. Chapter 3.50 PTMC establishes a public arts policy for the visual, written, and performing arts. This chapter also establishes a funding source for the creation of art in the amount of 1% of the capitalized cost of the project. Chapter 3.50.030 defines exemptions and clarifications for how capital is determined. The primary factor impacting the amount of funds generated through this program is the exclusion of grants, utility projects, and repair projects. Eligible capital projects dedicate 1% of the capitalized costs to the art fund to be used for art or artwork as part of the projects. A potential source for increased funding for the arts is to include utility projects within the definition of capitalized costs.

Port Townsend also has a Creative District named by the Washington State Arts Commission in 2020. The Port Townsend Creative District encompasses Downtown, Uptown, and Fort Worden with the intent of supporting the creative economy.

The help steward the City's art collection and participation in the arts, an Arts Commission was created through Chapter 3.50.050 PTMC. The Arts Commission's mission, as an appointed City Commission, is to facilitate public arts programs that enhance the cultural life of community residents. The Arts Commission promotes and encourages public programs to further the development and public awareness of and interest in the arts and acts in an advisory capacity to the City government in connection with the artistic and cultural development of the City. Members are selected based on their knowledge and expertise with respect to the performing, visual and literary arts.



In the PROS Plan the Port Townsend Arts Commission prepared a Public Art Plan adopted by the City Council in 2019. The plan serves as a guide to sites for their readiness and appropriateness to site art. Each site evaluated was rated based on: Readiness of location based on current zoning and development. Viability and appropriateness for public art. Each site was then rated either as a site ready within the short-term or long-term or as not recommended. Sites can be re-visited regularly. Of 70 survey sites, the Public Art Plan identifies 26 that are suitable in the short term. Beyond the site suitability each piece of art will come with its own set of requirements around infrastructure, safety, maintenance and security. The sites in the categories were not ranked in the plan. Below is a list of the sites that immediately overlap with the City's Park inventory:
Long-term: City Entrance Triangle Park III at Kearney/Sims Way Short



Term: Chetzemoka Park Kah Tai Lagoon Nature Park Larry Scott Memorial Trail and Port Wetlands
Mountain View Commons Port Townsend Golf Course Tyler Street Plaza

City of Port Townsend Public Art

Title	Artist	Location	Year	Maintenance Plan	Notes	WCIA schedule
<i>Boundary Markers for Puget Sound</i>	Sara Mall Johani	Taylor Street near Union Wharf	1996	Maintenance info provided in email from Dan Groussman on 2/11/22.		N
<i>Chief Chetzemoka</i>	Dick Brown	Golf course	1996	Made of bronze – refer to info for Georgia Gerber piece.	Artist passed away in 1998.	Y
City Hall railing	David Eisenhower (discs) and Steve Lopes (fabrication) based on Russell Jaqua design	Front lobby of City Hall	2005	Steve Lopes recommends carnauba paste wax (used in auto waxing) if needed.	David Eisenhower will look at railing and let the City know if any maintenance is required (May 2021).	Y
<i>Courting Guillemots</i>	Tony Angell	By the Northwest Maritime Center	2014	Contacted artist through website April 2021; no response yet.	Agreement for Commissioned Artwork dated May 12, 2014. Installed by Greenstone Landscaping (Aragorn Deane).	Y
<i>Galatea & Haller Fountain</i>	Mark Stevenson and David Eisenhower (1993 version); original artist unknown	Bottom of Taylor Street stairs on Washington Street	1993 (original version 1893)	No written plan. Maintained by City Parks Dept. Mark Stevenson provided general information on statute composition and water valve replacement in June 2021.	Emailed both artists June 2021; response from Mark.	Y
<i>Great Blue</i>	Matt Babcock	Taylor Street by Community Center	2014	City has maintenance plan from artist.	Clock repaired in 2021.	Y

<i>Leafwing</i>	Russell Jaqua	Larry Scott Trail near Boat Haven	2006	City has maintenance plan from Willene Jaqua McRae and Jim Garrett.		Y
<i>For Willene</i>	Russell Jaqua (installed by Jim Garrett)	Visitors' Information Center Plaza on Sims Way	Installed in 2019	City has maintenance plan from Willene Jaqua McRae and Jim Garrett.	Donation agreement with Willene Jaqua McRae dated January 18, 2017 and Installation contract with Garrett Metals dated July 12, 2019.	Y
<i>Milestones : Stream of Consciousness</i>	Sara Mall Johani	Three locations on F Street; one on Discovery	2002	Maintenance info provided in email from Dan Groussman on 2/11/22.		N
<i>Quimper Coho</i>	Max Grover	Children's section of the library	2002	"Don't put it outside. Dust it."	May not meet criteria for public art in Public Art Policy.	N
<i>Salish Sea Circle</i>	Gerard Tsutakawa	Pope Marine Plaza	2011	Youtube video transcribed by Dan Groussman July 2021.	Agreement for Commissioned Artwork dated 2010	Y
<i>Two Cats from Clinton</i>	Georgia Gerber	Outside library entrance	1992	General information on bronze care provided by artist's husband, Randy Hudson.		N
Public art not owned by City						
Creative District art markers	Jonah Trople	Two downtown, two in Uptown, one at Fort Worden	2021	N/A	Commissioned, owned, and maintained by Port Townsend Main Street Program	N/A
Girl with the Wheel Barrow	Jim Davidson (mass produced)	Gateway Park	Installed by Soroptimists 2006	N/A	Considered a park memorial by City, not public art. Owned and maintained by the Soroptimists	N/A

					(License Agreement 2/26/07).	
Heron weathervane	Russell Jaqua	Haines Place Park & Ride	1995	N/A	Commissioned by JTA through Port Townsend Arts Education Center; Park & Ride facility designed by Yvonne Pepin Wakefield (according to Willene McRae)	N/A
<i>Memory's Vault</i>	Richard Turner (poetry by Sam Hamill)	Fort Worden	1988	N/A	Owned by WA State Parks & Recreation Commission	N/A
Totem pole	Jamestown S'Klallam Tribe	NWMC (corner of Water & Monroe)	2019	N/A	Owned by the Maritime Center	N/A
Other City-Owned Art or Installations						
Kah Tai Community Tiles	Yvonne Pepin & community members	Kah Tai restrooms	1985			N
<i>Wave Viewing Gallery</i>		Covered deck structure behind Cotton Building			Formerly listed as public art along with <i>Tidal Clock</i> , which was deaccessioned and removed in 2011/2012.	Y

The anticipated capital improvements for the facilities section of this plan are as follows: Many placeholders are presented in this table as a facilities assessment is needed to more accurately define capital investment amounts and timing for each building.

The following table provides a list of projects associated with facility improvements including the addition of a new Downtown Restroom. This project is 50% funded by Lodging Tax and 50% funded with sewer funds.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Library Windows and Restroom Rehab	Grant, Bond, ARPA	160,000						160,000	
PW Shops	Water Distribution	210,000							
Facilities Strategic Management Plan	ARPA							-	
Upgrades Phase III, & Carpet 1,3 floor	ARPA							-	
Pink House & Pope Marine	ARPA, Donation	240,000						240,000	
New Restroom Downtown	Lodging Tax Sewer Ops	185,000	315,000						
City Hall ADA and HVAC		31,000							
Cherry St. Property Disposition	Bond	69,249							
Subtotal Funded		895,249	315,000	-	-	-	-	400,000	-
Unfunded									
Mountain View									
Campus Assessment	Gen Fund, REET							-	
Campus Redevelopment	Gen Fund, Bond, Grant							-	10,000,000
Mountain View Pool Roof Assessment	Gen Fund, REET							-	
Mountain View Pool Roof Replacement	Gen Fund, REET		200,000					200,000	
Mountain View Pool Liner Replacement	Gen Fund, REET						75,000	75,000	
Boiler Pipe Replacement	Gen Fund, REET							-	1,000,000
Parking Lot Resurfacing	Gen Fund, REET						150,000	150,000	
City Hall								-	
City Hall Elevator Replacement (1)	Gen Fund, REET			200,000				200,000	
Exterior Brick and Mortar Work	Gen Fund, REET			75,000				75,000	
City Hall Roof	Gen Fund, REET				250,000			250,000	
Library								-	
Library HVAC Upgrades	Gen Fund, REET			200,000				200,000	
Library Elevator Replacement (1)	Gen Fund, REET			200,000				200,000	
Pope Marine Buidling Siding	Gen Fund, REET	60,000						60,000	
Public Works Shops	Gen Fund, REET							-	10,000,000
PW City Shop Preesign	Gen Fund, REET		250,000					250,000	
Cotton Building								-	
Cotton Building Roof Assessment	Gen Fund, REET							-	
Cotton Roof Replacement	Gen Fund, REET			75,000				75,000	
Water Barn Repairs	Gen Fund, REET			100,000				100,000	
Land	Gen Fund, REET							-	
Art	Gen Fund, REET							-	
Energy Retrofits	Gen Fund, REET							-	
Subtotal Unfunded		60,000	450,000	850,000	250,000	-	225,000	1,835,000	21,000,000
Total Projects		955,249	765,000	850,000	250,000	-	225,000	2,235,000	21,000,000

Facilities (Buildings)

The purpose of a capital facilities plan for parks is to identify priority investments to sustainably maintain safe and accessible parks throughout the City. In addition, it allows the City to accommodate projected population growth in accordance with the growth management act (GMA) of Washington State.

The City's Parks, Recreation and Open Space Plan (PROS plan) is used as a guide to identify and plan for these priorities. It is required to be updated every six years. The latest adoption was in March 2020. The Comprehensive Plan Capital Facilities Element provides a level of service for parks in two parts:

1. 7.6 acres/1000 residents
2. Local service standards for equitable access, distribution and function as outlined in the PROS plan.
 - A. Provide parks and recreation facilities within a 10-minute walk (approximately a half mile) to reach over 90% of Port Townsend's population by 2036. Currently, based on the Trust For Public Land's Park score, about 68% of current Port Townsend residents are within a 10-minute walk of a park. This objective would increase the percentage of residents with equitable access over the Comprehensive Plan period.
 - B. Ensure parklands are within a 10-minute walk meets minimum standards for the park classification.
 - C. Prioritize neighborhoods with higher concentrations of families with children or seniors living alone.
 - D. Target filling of gaps in central and western city limits by 2036

From the current identified gaps in the PROS plan, the following is a list of CFP projects that need to be prioritized.

1. Land Acquisition, development of parks: central and western Port Townsend.
2. Trail connections, open space connections, trail improvements:
 - a. Near Fairgrounds – 49th and San Juan Avenue
 - b. Discovery Road – West of Sheridan
 - c. SR20/Sims Way – West of Sheridan
 - d. Improvements at Lary Scott Trailhead and better wayfinding from ferry.
 - e. City Watershed – Connect to Olympic Discovery Trail
3. Improve amenities within trails
4. Kah Tai Lagoon Rehabilitation
5. Port Townsend Golf Course, Mountainview Commons concept planning and subsequent development.
6. Master Plan for 35th street park and subsequent development
7. Improvements at Bobby Mcgarraugh Park, including play and fitness, trails, restrooms, ADA, upgraded
8. Connected trail loop

Projects that provide capacity at existing parks, allowing more people to enjoy Port Townsend Parks include:

1. Improvements at Kah Tai Lagoon to increase passive recreation opportunities, improve existing facilities and conduct habitat restoration.
2. Improvements to picnic shelters, restrooms, and repairs to slope erosion at Chetzemoka Park.
3. Longer-term improvements across the system to improve parks consistent with concept plans or minimum classification standards.

Currently, the City has primarily funded its parks and recreation services through the Community Services Fund, which includes revenues from property taxes, sales taxes, utility taxes, and transfers from the General Fund. As the Community Services Fund also funds other City services, demand for resources is competitive and may be constrained in the future. To mitigate the risk of constrained resources on delivering parks and recreation services, the City is looking for ways to identify and pursue alternative parks and recreation funding sources.

Funding Source	Magnitude	Feasibility	Flexibility	Notes
Current Available Options				
Real Estate Excise Tax	▲ \$100,000s	▼	■	capital only; currently earmarked for debt payment
Motor Vehicle Fuel Tax	▼ \$1,000s	▼	▼	paths and trails; currently used for transportation projects
Utility Taxes	▲ \$100,000s	▼	▲	politically unfeasible
Property Tax from Fire District Annexation	▲ \$100,000s	■	■	capital only (2012-2023; then unrestricted)
Possible Future Options				
Grants	▲ \$100,000s	▲	■	often require matching funds

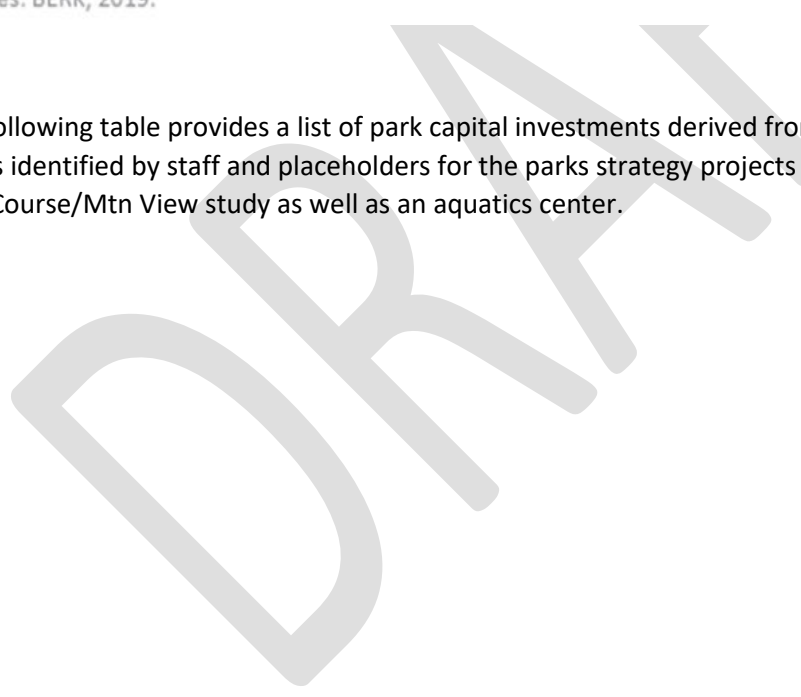
Note: this figure is taken from the PROS Plan. Utility Taxes indicates that they may be politically infeasible. However, utility taxes are currently used for parks maintenance.

Funding Source	Magnitude	Feasibility	Flexibility	Notes
Parks Impact Fees	\$10,000s			<i>capital only; Council action required</i>
Metropolitan Parks District*	\$1,000,00 0s			<i>vote required</i>
Parks Levy	\$1,000,00 0s			<i>vote required</i>
Financing Options				
Parks and Open Space GO Debt	\$1,000,00 0s			<i>vote required; capital only</i>

Notes: *An MPD could be formed for multiple purposes (construction and operate a pool; general parks functions) and within either the City or a combination of City and County. Financing options do not represent new revenue but are mechanisms to move money through time.

Sources: BERK, 2019.

The following table provides a list of park capital investments derived from the PROS plan along with needs identified by staff and placeholders for the parks strategy projects currently underway for the Golf Course/Mtn View study as well as an aquatics center.



PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Skate Park Lighting Project	Donation	24,000						24,000	
Parks 22 Banked Capacity	Banked Capacity Grant	134,000						134,000	
USDA USF		116,450	232,900					349,350	
Kah Tai Restrooms	Reserves	75,000						75,000	
Demo Park House and Golden Age Club	Reserves	65,000	75,000					140,000	
Annual Tree Maintenance	Reserves	15,000	15,000	15,000	15,000	15,000	15,000	90,000	
Addition of Benches	Reserves		18,000					18,000	
Bell Tower Painting	Reserves		20,000					20,000	
								-	
Subtotal Funded		429,450	360,900	15,000	15,000	15,000	15,000	850,350	-
Unfunded									
Chetzemoka Park								-	
Chetzemoka Master Planning	Gen Fund			40,000				40,000	
Erosion and ADA Repairs	RCO, REET, Bond,		30,000					30,000	500,000
Chetzemoka Open Air Shelter Replacement	Gen Fund				100,000			100,000	
Restroom Replacement	Gen Fund			250,000				250,000	
Maintenance Shop Replacement	Gen Fund						300,000	300,000	
Bobby McGarraugh Park								-	
Bobby McGarraugh Park Master Plan	Gen Fund		25,000					25,000	
Bobby McGarraugh Park Revitalization	RCO, REET, Bond,			400,000				400,000	
Golf Course								-	
Playground	RCO, REET, Bond,			714,286				714,286	
Irrigation Replacement							2,000,000	2,000,000	
Bishop Park								-	
Howards End Trail/Wet Lands								-	100,000
Howards End Master Planning	Gen Fund						25,000	25,000	
Howards End Redevelopment	RCO, REET, Bond,							-	200,000
Skate Park Resurfacing	Gen Fund							-	350,000
Tyler Street Stairs Railing Replacement	Gen Fund			50,000				50,000	
35th Street Park								-	
35th Street Park Master Planning	Gen Fund			25,000				25,000	
35th Street Redevelopment	RCO, REET, Bond,							-	300,000
Landscape and Tree Removal	Gen Fund							-	50,000
Dog Park Improvements	RCO, REET, Bond,				350,000			350,000	
Hancock									
Neighborhood Park				555,556				555,556	
General (New Parks)									
Westside Park Dev.				1,000,000				1,000,000	
Land/Park Aquisition Opportunity Fund	RCO, REET, Bond,	50,000	50,000	50,000	50,000	50,000	50,000	300,000	5,000,000
Subtotal Unfunded		50,000	105,000	3,084,841	500,000	50,000	2,375,000	6,164,841	6,500,000
Total Projects		479,450	465,900	3,099,841	515,000	65,000	2,390,000	7,015,191	6,500,000

Parks

Utilities

City utilities of wastewater, water, stormwater, and garbage collection are enterprise activities within the city structure. Enterprise funds must operate on a cost neutral basis. This means that rates are set to ensure that costs are covered. Part of covering costs, includes investment in capital infrastructure. Typically, utilities are infrastructure intensive such as with the Water Treatment Facility, Wastewater Treatment Plant, Compost Facility, and miles of pipe. Typically, the City adopts periodic updates to utility plans and follows up with rate studies to ensure that funding meets projected expenses. The rates are balanced with the needs to operate the system and invest in capital. The Capital investments included in this Capital Facilities Plan is based on the investments included and funded from adopted rates generated from rate studies.

Waste Collection Services

The City currently contracts with Olympic Disposal to provide waste collection services. A new contract went into place in 2020 and expires in 2030. The new contract includes rates that upgraded equipment and individual carts. The services include pickup of Trash, Recyclables, and Yard Waste. No specific capital improvements are included in this plan at this time. However, the City may want to consider the following topics concerning waste collections.

- The City currently leases Big Bellies for downtown at a cost of approximately \$25,000 per year. This lease includes maintenance and capital. Additional Big Bellies may be helpful in controlling trash overflows as they include a solar operated trash compactor within them.
- The end of Tyler Street at the foot of the Tyler Stairs is a problem area for waste collections. PT Main Street and businesses often complain about the look and congestion of multiple cans. The most effective solution would be to install a joint use trash compactor. This could be funded by the City, Waste Connections, and the business owners. Typically they are funded by the businesses. The cost for a compactor is on the order of \$150,000.
- The City has numerous garbage receptacles throughout town. These are unique and decorative and developed by a local foundry. These cans will need to be replaced or rehabilitated at some point. Staff estimates that there is at least 5 years of life remaining.
- Jefferson County is currently going through the process of planning for an upgrade to the existing transfer station on Jacob Miller Road or new transfer station at a different location. The city is a large user of this station and thus, there may be a request for city participation in funding the transfer station. This could come in a cash contribution or through our contracted tipping rate fees.

Olympic Gravity Water System

The OGWS, supplied by surface water diversions on the Big Quilcene and Little Quilcene Rivers, is the sole source of supply for the city of Port Townsend and the Port Townsend Paper Corporation. Thirty miles of transmission pipeline deliver raw water to the city and paper mill via Lords Lake and City Lake Reservoirs. The City of Port Townsend and paper mill have a historical partnership dating back to 1928 with the mill being responsible for the operation and maintenance of the diversions, reservoirs and transmission system. Negotiations for a new 20-year water supply agreement in 2021 continued the mill's responsibility for the operation and maintenance of the system but established a cost of service approach to funding operations and maintenance of the Olympic Gravity Water System as well as funding capital replacement of the aging infrastructure. This arrangement is documented in a Water Supply Agreement – 2021 (WSA) between the City and the Port Townsend Paper Corporation.

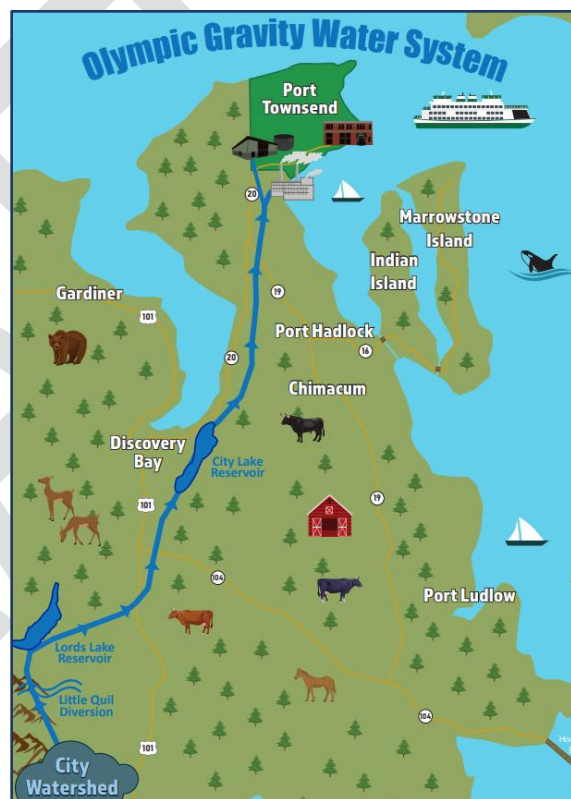
The 30-mile transmission pipeline is by far the largest individual asset in the OGWS system and is approaching its expected end of useful life. Approximately one third of the pipeline is 94 years old while the remaining pipeline is between 50-77 years old.

Assessing useful remaining life is critical for budgeting and planning purposes. The first phase of a comprehensive pipeline condition assessment is currently underway to:

- Evaluate the soil corrosivity
- Condition of both butt and longitudinal welds
- Condition of the protective coating
- Condition of the cathodic protection systems.

This data will be used to help to inform the replacement schedule of the steel pipeline as outlined in the Capital Improvement Plan Section C of the WSA and the additional needs for cathodic protection improvements to reduce corrosion and extend the life of the pipeline.

The WSA established raw water rates for a five-year period beginning April 1, 2022. Rates are per thousand gallons of usage is based on an analysis of the cost of service over a 20-year period. Cost of service includes a forward projection of operations, maintenance, and capital costs. Annual revenue from raw water consumption for the first five-year period



was estimated to be \$4.5 million from the Mill and \$450,000 from the city's retail water system. The rate model will be updated every five years to establish rates for the following five-year period. The capital spending plan will be updated at the same time as the rate model. The rate model does not contemplate that the city will issue any OGWS debt in the next 20 years and that any capital costs will be paid from revenues received by the OGWS fund. In lieu of debt, the city will fund capital costs using the capital sinking fund approach to build OGWS reserves to an amount sufficient to fund the capital costs identified in the capital spending plan. The OGWS fund shall maintain a minimum balance of \$2,000,000 to provide for emergency repairs.

DRAFT

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Lords Lake Dam Rehab - 6403	Raw Water Rates	400,000	1,745,000					2,145,000	
Lords Lake - Pipeline Improvements	Raw Water Rates	200,000	2,550,000					2,750,000	
Eaglemount	Raw Water Rates	290,000	780,000					1,070,000	
Snow Creek Break	Raw Water Rates	233,500						233,500	
1928 OGWS Pipeline - 6404.3	Raw Water Rates	149,000						149,000	
Pipeline Condition Assessment - 6404.2	Raw Water Rates	520,000						520,000	
Control Valve Building Replacement	Raw Water Rates	123,500						123,500	
Pipeline and Appurtenances	Raw Water Rates	35,000						35,000	
Easement Survey Marking (2042)	Raw Water Rates							-	96,882
Security and Facilities	Raw Water Rates	30,320							
Vegetation clearing - contracted	Raw Water Rates	100,000						100,000	223,728
Road maintenance (5 culverts per 5 years)	Raw Water Rates		29,264					29,264	121,294
easement right purchases (2051)	Raw Water Rates				249,338			249,338	
Air Valves and Boxes (25)	Raw Water Rates		146,322					146,322	
Pipeline Condition Assessment	Raw Water Rates							-	
Cathodic Protection Replacement (1928) Phase 1 (High)	Raw Water Rates			800,000	800,000	800,000	800,000	3,200,000	26,619,816
Replacement (1928) Phase 2	Raw Water Rates							-	22,324,883
Install Drain Valve at Woodsman Gulch	Raw Water Rates			8,000				8,000	
City Lake Fencing Replacement (2041)	Raw Water Rates							-	187,756
Lords Lake Fencing Replacement (2041)	Raw Water Rates							-	187,756
City Lake House and Outbuildings (2036)	Raw Water Rates							-	982,182
Diversion House and Buildings (2036)	Raw Water Rates							-	678,300
Equipment Implement Replacement	Raw Water Rates							-	
Truck Replacement (3)	Raw Water Rates	148,000						148,000	
Subtotal Funded		2,229,320	5,250,586	808,000	1,049,338	800,000	800,000	10,906,924	51,503,792
Unfunded									
Subtotal Unfunded		-	-	-	-	-	-	-	-
Total Projects		2,229,320	5,250,586	808,000	1,049,338	800,000	800,000	10,906,924	51,503,792

Olympic Gravity Water System

Water

Periodically, the City adopts a water system plan update outlining the condition of the existing system and planning for the future consistent with the City's Comprehensive Plan. In this plan, a capital improvement plan is outlined to project for the capital needs of the system. The water system plan can be viewed on the City's website at <https://cityofpt.us/citycouncil/page/city-plans>. A general overview of the water system is as follows:

An ultrafiltration membrane filtration system with chlorine disinfection treats raw surface water to drinking standards. After treatment, a 5-million gallon reservoir and 1-million gallon standpipe provide required storage while serving different elevations zones within the service area. The city maintains approximately 110 miles of distribution pipelines delivering water to over 5100 service connections. In addition, the city maintains over 756 fire hydrants and 1800 valves as part of the distribution system.

The priority for Water Distribution capital improvements during this planning period will be the replacement of aging distribution system waterlines. Funding will be significantly less than what is ultimately needed for pipeline replacement at the end of anticipated useful life. Focusing main replacement activities on the sections of pipeline in the poorest condition and on those that are known to have substantial leakage can maintain the overall distribution system in a good serviceable condition. Replacement of pipelines and service lines will also be prioritized where street work is planned. The level street improvements will impact the extent of utility improvements. For example, a chip seal treatment is anticipated to last about 15 years, thus underground utility work would only be performed if the expected life of the pipe and services lines is less than 15 years.



Water utility revenues fully support capital infrastructure and operations of water treatment and distribution. Monthly base rates include a fixed operation and maintenance rate and a capital surcharge based on meter size for water service inside City limits. The capital surcharge was adopted to pay for a new water treatment facility and 5-million gallon reservoir, which cost more than \$24 million. Water service for customers outside the city limits is based on the same fees at a 20 percent higher rate. Utility rates vary on income level, meter size, type of service and are based on usage per 1,000 gallons.

The city also charges a water system development charge (SDC). The one-time new customer SDC is assessed based upon the customer's fair and equitable share of the general water facilities. The SDC is determined by multiplying the total number of equivalent residential units (ERUs) based on meter size for the service(s) to be installed. The city may allow deferral of payment of SDCs for a private or public nonprofit organization which is developing or constructing low-income single-family housing units for low-income individuals or families.

The financial health of a utility may be judged by employing four financial viability tests including operating cash reserves. Reserves must be greater than one eighth of annual operating expenses. According to the DOH Financial Viability Manual, operating expenses do not include debt or capital

costs. The rate model shows the city expects to maintain a minimum of 60 days of operating expenses each year over the 2019-2028 planning period.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Replacements & Upgrades and Corrosion Protection	Rates	200,000	239,628	248,015	256,696	265,680	274,979	1,484,999	284,603
Water Meter Replacement	Rates	407,000	405,750	405,750	405,750	405,750		2,030,000	
Filter Membrane Replacement	Rates			350,000				350,000	
Water System Plan Update	Rates				100,000			100,000	50,000
Subtotal Funded		1,445,000	645,378	1,003,765	762,446	671,430	274,979	4,802,999	334,603
Unfunded									
Solar Roof at Water Treatment Fac.	Grant		750,000					750,000	
Subtotal Unfunded									
		-	750,000	-	-	-	-	750,000	-
Total Projects		1,445,000	1,395,378	1,003,765	762,446	671,430	274,979	5,552,999	334,603

Water Distribution and Treatment

Wastewater

The City of Port Townsends wastewater handling involves 3 distinct areas. 1. Collection system, all the pump stations and pipes that transport sewage to the Treatment Plant. 2. The Wastewater Treatment Plant where the sewage gets treated and made safe to put back into the environment. 3. This wholistic system takes wastewater generated in Port Townsend and returns the bioproduct of solids to the land in Port Townsend and the surrounding area rather than exporting waste outside of the area.

The wastewater system has been developed over time to comply with the Clean Water Act and subsequent regulations to mitigate environmental impacts of wastewater. The City’s Wastewater liquid stream is returned to the environment after being treated through an outfall to the Strait of Juan De Fuca. In the last 25 years, the following studies have been conducted to inform capital investments in the system.

- 2000 General Sewer Plan
- 2009 Southwest Basin Sewer Study
- 2012 Mill Road Lift Station Study
- 2019 Jacobs “Port Townsend Condition Assessment Summary Report” 9/11/2019

General Sewer Plan – Adopted 2024

The City completed and adopted the sewer plan in 2024. This plan gives directions to the city for updates to the sewer system for the next 20 years. Due to growth and changing regulations the aeration ditches, that we currently operate at the treatment plant, will not be able to fulfill the needs of treatment of the City's sewer. This will be a major upgrade to the treatment system which will require some land acquisition and major construction. This work is required to be done when the plant reaches 85% flow or BOD loading thereby mandating the start of planning for and designing an upgrade. For flow that is projected to be 2038, for loading (BOD) that is projected to be 2029. This will also require us to build additional clarifiers to handle the volume. At this time, rebuild the headworks building will be undertaken. Staff does not see a need to change the office and lab facilities along with the current dewatering equipment which is functioning well. Continuing proper maintenance extends the life for the near future until the plant upgrade planning begins. Future upgrades to the chlorine contact basins may be required to insure sufficient flow capacity to continue to disinfect properly before the effluent is discharged back to the environment. These are all projects that will need to be done in the not-too-distant future, but outside of the 6 year horizon. These projects could be moved to a closer date depending on new regulations and the new Nutrient Reduction Permit that the Department of Ecology implemented in 2023. This permit will be updated with new regulations in each new 5-year permit cycle, and we will have to comply with the new regulations and limits when they come to us. Soon we are going to be doing some maintenance work on our influent wet well and replacing our non-potable water pumps. We will also look at different ways of operating our ditches and air delivery to them in order to meet new regulations, until loading requires major upgrades. The City continues to work with Jacobs Engineering, resource agencies, and Dearment of Ecology to come up with the best plan at the time for upgrading our sewer outfall pipe. The updated plan also evaluated the collection system extensively and recommended a number of sewer system capacity improvements as well as rehabilitation work on an annual basis.

Kuhn St House:



Built in 1901 the Kuhn Street house known as the Wastewater Treatment Plant office building was an old two-story home that has been converted to serve as office space. Major renovations include heat pump replacement in 2019 and new roof was added in 2020. Outstanding repairs- Exterior decking needs replaced along with siding is showing signs of rot. Carpet and windows are also showing their age. The Kuhn St House is separated from the Wastewater Treatment Plant by a right of way. The right

of way cannot be vacated as it accesses a shoreline of the State. The City may want to consider selling the Kuhn Street House as a source of capital for the sewer system and use the proceeds to purchase land nearby for future expansions. This question will be evaluated as part of the General Sewer Plan update.

Wastewater Collection

The city maintains more than seventy-seven miles of sanitary sewer lines, has 120 manholes, 6 lift stations, and 3 emergency generators.

The City's maintenance program is intended to avoid or minimize problems that can occur in the system and to keep it running efficiently as possible. The city is responsible for the sewer main lines and the business/homeowner are responsible for their sewer service line, or side sewer. This runs from the main line connection to the residence/business. Annual Maintenance: Each year, the Public Works crews clean approximately 2 ,miles of the City's sewer lines. Cleaning is typically performed in the winter and on an as needed basis throughout the year. Some of the lines are cleaned more frequently to keep them functioning properly. The sewer lines are cleaned with a cleaning nozzle that is propelled from one maintenance hole to the next using water under high pressure (1,500 to 2,000 PSI). The nozzle is then pulled back to the starting maintenance hole. As the nozzle is pulled back, water scours the inside of the sewer pipe. Any debris in the pipe is pulled back with the water. The debris is removed from the maintenance hole with a vacuum unit. If roots are found, they are cut with a root cutter. The city cleans and root cuts any problem areas one to two times per year. City sewer lines requiring a higher level of maintenance are cleaned annually or semi-annually. Much of the aging sewer lines are clay and are in need of replacing or relining. Sewer pipe retrofits can be done by using in-situ cast in place liners if done before the pipe collapses. The General Sewer Plan recommends annual investment in lining sewer pipes. The General Sewer Plan rate study also includes the purchase of a camera system to provide improved assessment of pipes that need to be prioritized for repair or replacement. The 6 year plan includes repair of the Washington street damaged sewer pipe as well as the Water Street sewer replacement. Additionally, upgrades to existing pipeline systems are planned to accommodate growth in the Rainier area of the City along with the Mill Road Lift Station.

Wastewater Treatment

Our Current WWTP was constructed in the early 1990's and as a tribute to its designers, the people who built it, and the operators who have kept it going since, the facility has not had to have any major repairs and except for a new chlorine storage tank, we have not had to replace any of the major components that make up the Treatment Plant. It has done an exceptional job of living up to its design and potential, however, it is really starting to show its age. As pointed out in the Jacobs report and shows in the 2024 sewer plan there are some big areas of the Plant that will need some attention very soon. When a treatment plant is designed it is designed for a 20-year life and we are currently beyond 30 years. One pressing area we need to look at very soon is our SCADA system, or electronic communication between different pieces of equipment, as you can imagine there have been a few changes in electronics since



1990 and new parts for our system are not being made, so we must look at the used market to get repair parts for what we have. That market will end one day. Many of the original pumps and other equipment are still in use today, yet they are operating on borrowed time. In the next 6 years, the General Sewer Plan outlines a series of Wastewater Treatment Plant upgrades to extend the life of aging equipment. Most of these upgrades are not the result of capacity upgrades as described above, but simply replacing worn out equipment. Rehabilitation of the influent wetwell, replacement of the Supervisory and Data Acquisition system, and replacement of pumps and motors are all planned in the next 6 years.

Compost

The Composting Facility was constructed at the same time as the WWTP. It was designed as a way for The City to manage its own bio-solids and be a place for Jefferson County to have the required place to manage septage that gets pumped in Jefferson County. The Compost facility has seen a few upgrades since it was built but it is also running on the original SCADA system and still has a lot of original equipment that needs to be looked at getting replaced.

The Composting Facility where three waste streams (bio-solids, septage, and yard waste) are combined to make an extremely useful and beneficial product that we are able to sell to the public and use in many areas around the City.

A Few Places Around Town Where Our Compost Has Been Used



How Your City
WORKS
City of Port Townsend

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Jefferson County Health Department (who issues our compost permit) is looking at options of managing septage from Jefferson County. The County funded a preliminary study as to best options for the Compost Facility to be able to accept and manage double, (8000 gallons per day) what it was originally designed to do, (4000 gallons per day). The County, in cooperation with the City, has applied for a grant

to be able to do an engineering study to determine exactly the complete details of what it will take to expand the current facility to manage this increase. Once a direction is determined the County can then apply for additional funds to design and construct whatever additional infrastructure will be needed. The City will be supplying some engineering staff time to manage the project as it progresses forward, the major funding will come from the County for septage expansion.

Revenues for the Wastewater system are derived from rates. As an enterprise fund, the system must be a self sustaining business unit. In 2024, the City Council adopted significant rate increases to address wastewater capital needs as well as operations. This year’s capital facilities plan is significantly different from past years based on the identified capital needs. The monthly sewer rate for 2025 is \$71.60___ per ERU assuming 3,000 gallons or less per month. System development charges are also another important revenue source. New connections to the system, pay \$5,603 per ERU. A new System Development Charge approach was adopted in 2024 to correlate home size to the charge amount to incentivize smaller homes as follows and more attainable housing costs.

Residential - Single Unit & Mobile Home				
House Size	Number of Houses	Average House Size	Number of ERUs	SDC
Up to 750 SF	141	598 SF	0.36	\$ 1,871
751 - 1,500 SF	1,976	1,175 SF	0.70	\$ 3,676
1,501 - 1,900 SF	993	1,681 SF	1.00	\$ 5,258
1,901 - 2,600 SF	592	2,179 SF	1.30	\$ 6,819
Larger Than 2,600 SF	190	3,200 SF	1.90	\$ 10,011

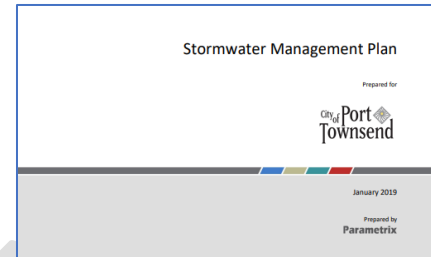
The following table illustrates a significant amount of funding already secured for capital projects. With this level of funding, the rate model anticipated the need to issue low interest debt. Staff will be evaluating various debt options in 2025 including the issuance of utility rate funded bonds.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Annual Wastewater Collections	Rates	382,200	397,488	413,388	429,923	447,120	465,005	2,535,124	1,509,621
Annual Lift Station Upgrades	Rates	54,600	56,784	59,055	61,418	63,874	66,429	362,160	
Wilson/Hocomb Sewer Upsize	Rates	1,331,500	829,000					2,160,500	
Combined Stormwater Sewer System	Rates, Grant	256,810	2,821,250					3,078,060	
Mill Road Lift Station	Rates, Grant	3,420,000	2,880,000					6,300,000	
Water Street Sewer Repl.	Loan/Grant, SDC	2,063,200						2,063,200	
Collapsed Sewer Replacement	Rates	436,000						436,000	
Howard St./S. Park	Rates							-	2,335,393
Sims Way/3rd/Gise	Rates							-	1,755,206
Monroe Lift Station	Rates, Loan				1,115,500	3,494,400	2,271,360	6,881,260	
New Outfall	Rates, Loan	450,000	3,885,499					4,335,499	
Headworksr Rehabilitatoin						191,623	1,424,243	1,615,866	1,688,472
Clarifier #1 Rehab	Rates, Loan					191,623	631,078	822,701	863,580
Clarifier #2 Rehab	Rates, Loan					191,623	631,078	822,701	863,580
Non-Pot pump rebuild	Rates	6,000	68,141					74,141	
WWTP Near Term Oxidation Ditches	Rates, Loan	110,000			491,341	191,623	1,424,243	2,217,207	1,688,472
WWTP Electrical Upgrades	Rates		715,478					715,478	
Compost Office	Rates	60,000	267,000					327,000	
ARC Flash study	Rates	98,000						98,000	
Kuhn Street land purchase	Rates	75,000	2,105,000					2,180,000	
WWTP Influent Wetwell	Rates, Loan	301,000	1,934,440					2,235,440	
WWTP SCADA Update	Rates, Loan	164,000	1,125,000					1,289,000	
WWTP Compost Solids Handling	Rates		181,709	431,104	448,348			1,061,161	
WWTP Compost Solids Handling Tank	Rates		311,438	153,544	159,868	40,880	42,515	708,245	135,022
Compost Office	Rates	60,000	267,000					327,000	
Compost Loader	Rates	300,000						300,000	
Compost Blower Repl.	Rates	20,748	21,578	27,165				69,491	
Compost Fire Hydrant	Rates		327,600					327,600	
Arc Flash Safety	Rates	98,000						98,000	
PW Shops	Rates	30,000	69,200					99,200	4,109,813
								-	
Subtotal Funded		9,717,058	18,263,605	1,084,256	2,706,398	4,812,766	6,955,951	43,540,034	14,949,159
Unfunded									
Lawrence Street Combined Sewer	Grant		2,821,250					2,821,250	
Long-term collections	Rates/Loan							-	41,159,000
Long-term Lift Stations	Rates/Loan							-	1,148,700
Long-term WWTP	Rates/Loan							-	
Long-term Compost	Rates/Loan							-	809,000
Kuhn St. House Siding and Windows	Rates/Loan		60,000					60,000	
Kuhn St. House Deck	Rates/Loan		10,000					10,000	
Subtotal Unfunded		-	2,891,250	-	-	-	-	2,891,250	43,116,700
Total Projects		9,717,058	21,154,855	1,084,256	2,706,398	4,812,766	6,955,951	46,431,284	58,065,859

Wastewater Treatment and Sewer Collections

Stormwater

The City's stormwater system consists of a combination of stormwater collection pipes, roadside ditches, rain gardens, stormwater drainage corridors, and storage facilities such as Froggy Bottoms and Kah Tai Lagoon. A complete description of the City's stormwater system is included in the Stormwater Management Plan adopted in 2019.



The City's stormwater utility funds maintenance and operations of the stormwater system and just a small amount of capital. Several investments have been made recently utilizing economic development loans and grants. The Regional Stormwater Facility completed in 2021 receives reimbursement funding as development occurs in the Rainier Subarea. The reimbursements were established as mitigation fees by Ordinance 3267. The current rate for 2025 is \$22.01 per Equivalent Service Unit which equates to 3,000 sf of impervious area. These rates increase annually according to the rate study completed in 2024. In addition to adjustment of the monthly rates, the rate study in 2024 included the addition of a stormwater System Development Charge of \$1,470 and added an urban forestry fee of \$0.50 per month per ERU.



Urban Forestry

Port Townsend has recently been awarded a \$403,268.80 grant from the USDA Forest Service to create the city's first-ever Urban Forestry Plan and update its Tree Conservation Code. This initiative aims to ensure that the city's growth—especially the development of affordable housing—is balanced with the protection and expansion of its tree canopy, providing a healthier and more sustainable environment for all residents.

Why Trees Matter: The Multifaceted Benefits of an Urban Forest

The trees and vegetation throughout Port Townsend make up the city's **Urban Forest**, which provides a wide range of benefits that directly improve the quality of life for everyone. These include:

- **Increased Property Value:** Trees enhance the aesthetic appeal of the city and boost property values.
- **Wind and Sound Barriers:** Trees act as natural shields against strong winds and noise pollution.
- **Stormwater Management:** Trees help manage stormwater, reducing runoff and improving water quality.
- **Wildlife Habitat:** Trees provide food and shelter for birds, insects, and other wildlife.
- **Environmental Impact:** Trees help fight climate change by sequestering carbon, filtering the air and water, mitigating heatwaves, and converting CO₂ into oxygen.

Ensuring Sustainable Growth and Equity

The goal of the Urban Forestry Plan is to guide Port Townsend’s growth in a way that is both environmentally sustainable and equitable. As the city develops more affordable housing, it is important to ensure that residents—especially those from low-income communities—have access to green spaces and the many benefits that come with a healthy urban forest.

By including goals for the city’s tree canopy alongside new housing, the Urban Forestry Plan will help create a more livable, sustainable, and resilient community for years to come.

Urban forestry fees will be used to support furthering the development of an urban forestry program and the replacement and planting of trees to help mitigate the impacts of impervious surfaces on stormwater.

The Stormwater System Development charge is based on impervious area to incentivize smaller footprints of structures and impervious surfaces as follows.

Residential & Commercial		
Impervious Area	ESU	SDC
Up to 1,500 SF	0.25	\$ 367.50
1,501 to 2,500 SF	0.67	\$ 980.00
2,501 to 3,500 SF	1.00	\$ 1,470.00
Above 3,500 SF	Formula	Formula
ESU = Equivalent Service Unit		
Formula: $SDC = (Impervious\ Area.\ SF / 3,000\ SF) \times \$1,470$		

Much of the stormwater investments are dedicated to the Streets and Collections maintenance efforts. This crew addresses stormwater conveyance and storage through ditch maintenance and raingarden creation. Work on this front is prioritized to accompany street maintenance work.

Beginning in 2029, the City anticipates becoming an NPDES Phase II community meaning the City will be required to be permitted under the General Permit for Western Washington. Complying with these permitting requirements will put additional strain on the stormwater utility. In 2023 a rate study and plan for compliance with the General Permit will need to be performed in preparation for the first NPDES permit cycle.

The following capital investments are based on estimates in the current rate study as well as emergency stormwater repair needs. The current was adopted for 5 years and runs out in 2029. Unfunded estimates of future water quality grants are included based on funding becoming available associated with becoming an NPDES Phase II community.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
General Stormwater Capital (Annual)	Rates	50,000	113,568	147,638	184,253	191,623	199,288	886,370	880,119
Pacific and Spruce Lawrence/Storm Sewer Separation	Rates	56,250	1,810,546					1,866,796	
Capacity projects storm portion	Rates/Grant							-	
Discovery Road	Rates	100,055						100,055	
16th Sheridan to Landes	Rates				257,954			257,954	
Center Street	Rates			472,446				472,446	
Lawrence/Polk	Rates					702,617		702,617	
Basin Planning	Rates		56,784				66,429	123,213	
Capital Plan per Rate Model to 2039	Rates							-	2,200,000
Urban Forestry	Rates	30,000	26,784						
Share of PW Shops	Rates								
Emergency Storm Repairs 2024/Logan	Rates	40,000	52,820						
								-	
Subtotal Funded		276,305	2,060,502	620,084	442,207	894,240	265,717	4,409,451	3,080,119
Unfunded									
Placeholder for Water Quality Imp.	Grants, Rates			500,000				500,000	2,000,000
Lawrence Storm				1,373,628				1,373,628	
Subtotal Unfunded		-	-	1,873,628	-	-	-	1,873,628	2,000,000

Stormwater

Transportation

The City's transportation system is one of the largest assets and liabilities in terms of infrastructure. Streets, Trails, and public right of ways serve numerous public purposes. Port Townsend has established values for right of way such as to support non-motorized interconnected networks through the non-motorized plan, open space, tree preservation, in addition to traditional uses for utilities and streets. The City's right of ways comprise well over 1,100 acres of the City or nearly 2 square miles. The condition of City streets are very poor due to the lack of investments dating back to Initiative 695 in which transportation funding from the State was severely reduced.

The City developed a Comprehensive Streets Program intended to develop an investment strategy balancing the demands for investments in the Streets and right of way networks. Note, that unimproved trails are part of the City's Parks Plan and are considered recreational assets even though they are often used for transportation purposes. With the development of a Comprehensive Street program, the City is pursuing funding sources with the goal of increasing revenues by \$1.5 million. Additional revenue for streets was realized with a public vote in favor of a Transportation Benefit District 0.3% sales tax. The voters approved this measure with nearly 80% approval. This new revenue is estimated at \$1,000,000 per year which is slightly higher than originally projected. Given condition of the City's streets is very poor, this revenue will help the City claw back to a good state of repair.

The Transportation Section is broken down into four sections to define funding and how it is typically allocated to streets.

Revenue for Streets Capital

The Transportation Benefit District yields approximately \$1,000,000 of revenue per year. Revenues disbursed by the State Department of Revenue are deposited in fund 111, entitled Transportation Improvements Funded. These funds are then allocated to Streets Capital and Streets Operations for various capital projects and street repair.

Real Estate Excise Tax (REET), can be used for capital only. REET is typically budgeted to support streets and parks projects. Presently, about \$675,000 is the annual average for revenue associated with REET. A little over \$510,000 is obligated to pay debt. This leaves approximately \$165,000 per year to be allocated to either General Capital or Streets Capital.

Grants make up approximate \$1.5 million per year on average to fund street improvements.

Fee in lieu is results in revenues collected for transportation improvements that benefit the property being developed. Fee in lieu is associated with development when the improvements required by code make are better invested in locations serving both the property being developed and other properties. Fee in lieu is most commonly associated with requirements to build sidewalk frontage. The following table illustrates funds collected to date. These funds must be invested by the City within 5 years.

Item #/Location	Date Collected	Type	2023	2024	2025	2026	2027	2028	2029	2030	Total (2025-2030)
Items Collected to Date											-
SDP23-0111 4520 San Juan	9/3/2024	Sidewalk		9,600							9,600
SDP23-052 1288 21st St	8/15/2024	Sidewalk		5,000							5,000
FEE24-002 1520 Logan St	8/8/2024	Sidewalk		8,500							8,500
											-
											-
License Fees					25,000	25,000	25,000	25,000	25,000	25,000	150,000
Total Revenue			-	23,100	25,000	25,000	25,000	25,000	25,000	25,000	173,100

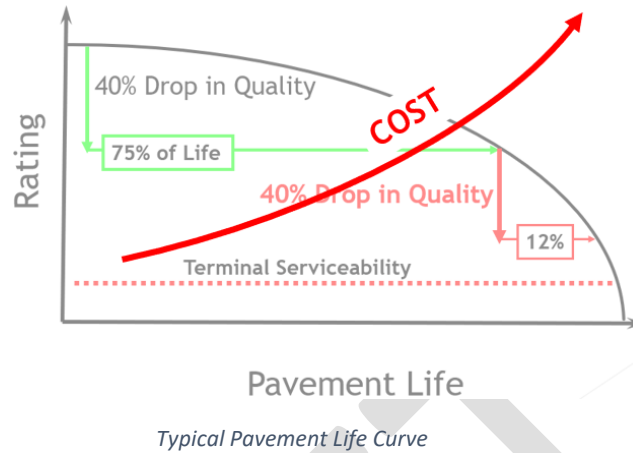
Fee in lieu actuals and estimates

Streets Maintenance

The city maintains over 81 centerline miles of streets in the City Limits as outlined below.

- City Streets (Excludes Fort Worden and Port, Includes Driveways in ROW): **98.18 Miles**
- City Streets (Excludes Fort Worden, Port & Driveways in ROW): **92.37 Miles**
- Paved Streets (Excludes Fort Worden and Port): **83.41 Miles**
- City Maintained Paved Streets (Excludes Fort Worden and Port): **77.85 Miles**
- Privately Maintained Paved Streets (Excludes Fort Worden and Port): **5.56 Miles**
- SR 20: **2.8 Miles**
- Gravel Streets (Excludes Fort Worden and Port, Includes Driveways in ROW): **14.77 Miles**
- City Maintained Gravel Streets (Excludes Fort Worden, Port & Driveways in ROW): **3.52 Miles**
- Total City Maintained Streets (Excludes Fort Worden, Port & Driveways in ROW): **81.37 Miles**

Maintenance of City Streets is generally not classified as capital as it includes pavement patching, vegetation control, striping, plowing, sweeping, signing, lighting and more. However, how the City maintains a street impacts capital investments in terms of rebuilding streets and performing major repairs which then become classified as capital and demand a much greater level of investment. The figure below illustrates how costs go up significantly at about a 40% drop in street quality or condition.



One of the purposes of the Comprehensive Streets Program is to review how the City maintains streets to lessen capital burdens later.

Presently all, street funding goes to the maintenance budget excluding a small portion going toward debt service.

Capital purchases that will support streets maintenance includes equipment purchases such as a 10 CY dump truck, a small roller for patching, and pavement hot box. These capital requests are in the 2023 budget proposal in the fleet section of the plan.

Pavement Rehabilitation and Preservation

Presently, the City does not have a sustainable funding program to perform preventative work on streets. The only work done on streets in the last few years has been associated with large grant funded projects such as Discovery Road. Pavement preservation includes practices such as chip seal, pavement overlays, shoulder and drainage repair. Pavement rehabilitation means that the street requires complete rebuilding or special treatments that are more expensive than pavement preservation.



Street Improvements

Street improvements are defined as making improvements to the transportation system. These improvements may improve mobility, facilitate ADA accessibility, improve safety, and address aesthetics and stormwater runoff. The City is required by the State of Washington to submit annual a Six Year Transportation Improvement Plan (STIP). Street improvements are identified in this plan in order to be eligible for grant funding and to provide a long term outlook of the City’s transportation improvement needs. The STIP can be used to establish transportation minor needs such as pavement preservation and small improvements such as traffic calming in addition to larger road reconstruction projects such as Discovery Road. The Council adopts the STIP every July and therefore, it is included in this plan by reference.

The following table is a summary of all streets needs as adopted in the STIP and projected costs for pavement rehabilitation and preservation.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
2023 Banked Cap. Street Repair	2023 Banked Capacity	152,842						152,842	
2022 Banked Cap.		40,000							
Discovery Road	Grants, REET, Loan, Storm	292,444						292,444	
Sidewalk Infill	Fee In Lieu, TBD	75,000	75,000	75,000	75,000	75,000	75,000	450,000	
Traffic Calming	TBD	25,000						25,000	
Hot Spot Pvmt	TBD	100,000	100,000	100,000	100,000	100,000	100,000	600,000	
Trail - Larry Scott to Fort Worden		120,000	130,000					250,000	
Washington/Walker Sidewalk Project		243,600						243,600	
2025 Chip Seal Project		434,618							
Cohesive Investment Strategy		170,000							
Safety Action Plan (Safe Streets for All)		225,500							
19th Street Safety Project		138,000	700,000						
Boatyard Expansion Project		502,019							
Improvements - 1140.0		179,592							
Road/Sheridan/19th Street Intersection		282,355							
Tyler St Overlay		469,854							
Subtotal Funded		3,450,824	1,005,000	175,000	175,000	175,000	175,000	2,013,886	-
Unfunded									
Annual Rehab. and Preservation	TBD, Prop. Tax, Gen. Fund	500,000	500,000	500,000	500,000	500,000	500,000	3,000,000	14,000,000
Six Year Trans. Imp. Plan	Grants, Gen. Fund,	1,070,000			15,528,000	1,679,000	92,767,800	111,044,800	
								-	
Subtotal Unfunded		1,570,000	500,000	500,000	16,028,000	2,179,000	93,267,800	114,044,800	14,000,000
Total Projects		5,020,824	1,505,000	675,000	16,203,000	2,354,000	93,442,800	116,058,686	14,000,000

Fleet (Equipment Repair and Replacement)

In July 1974, the Port Townsend City Council adopted Ordinance 1712 to establish an Equipment Repair and Replacement Fund (ER&R). The purpose of the fund is to maintain, repair & replace City vehicles and auxiliary equipment. The fund charges the appropriate department/fund annually based on expenses incurred two years prior for maintenance of equipment. The fund also charges depreciation for equipment based on an estimated life and replacement value to replacement of vehicles. By using the Equipment Rental Fund, the City developed an efficient, streamlined and coordinated method of dealing with vehicles and large pieces of equipment.

When equipment is up for replacement or equipment repair costs become too high, the fund generally has accumulated enough capital over its life to replace the equipment. Equipment may be purchased earlier or later than initially scheduled due to the specific circumstance surrounding the equipment. Equipment that is not replaced may incur additional repair expenditures, experience increased breakdowns causing delays and become a safety issue for the City.

The City of Port Townsends Fleet Maintenance Division maintains over 100 pieces of equipment for ten different departments. The Division provides multiple services including asset management, fleet replacement planning and purchasing, vehicle specification, used vehicle sales and maintenance. Repair work includes police cars, backhoes, dump trucks, pickups, mowers, portable equipment, welding and metal fabrication. The Division also conducts repairs back-up generators at several facilities. Replacement schedules for vehicles are influenced by industry standards, but are also based on other variables. Vehicles are also evaluated in replacement based on classes of standard replacement, such utility trucks (pickups) which are set up on a 15-year replacement schedule. The amount of replacement dollars invested is tracked by fund in order to prevent mixing of utility and general funds.

In 2019, the City made a significant change to the replacement portion of the ER&R fund by removing general fund vehicles from the replacement funding schedule. This move was made to save the General Fund operating costs of paying for vehicle replacement. A full description of the change is included on the City's website at this City Council presentation link:

https://cityofpt.granicus.com/MetaViewer.php?view_id=4&clip_id=1803&meta_id=159039

Given, general fund (ie police, parks, engineering, planning, facilities) do not have replacement dollars in the fund and are not saving for replacement, the City is in the process of restoring the ERR program for these vehicles. In 2024, the process began restoring the program with year 1 of 5 equal installments as outlined below. The 2025 budget includes the 2nd of 5 installments. This restoration process is utilizing general fund reserves. Once all the installments have been made, purchase of general fund vehicle replacements can begin. It is noted that some general fund vehicle replacements have occurred through the ARPA funding. These vehicles are currently paying replacement and thus, the fifth installment may be less to account for these replacements.

Department	2024	2025	2026	2027	2028	Total by Dept
PCD		38,805				38,805
Engineering		35,479				35,479
Facilities	50,000	55,436	-	-	-	55,436
Library		37,031				37,031
PW Admin		66,523	-	-	-	66,523
Police	160,000	820,451	114,752	35,631	368,777	1,339,611
Parks	38,000	166,308	39,016	-	-	205,323
Streets	100,705	407,620	-	71,261	92,194	671,780
Total by Year	348,705	1,627,653	153,768	106,892	460,971	2,449,989
* 2024 replacement costs included in proposed budget except Streets						
* Total by Dept includes 2024 Streets						
20% annual funding over 5 years restores Fleet Replacement Reserve	489,998	489,998	489,998	489,998	489,998	2,449,989

Given the history of the fleet replacement policies, two tables have been created. The first table represents fleet capital within the replacement program and the second table provides fleet needs for departments outside of the fleet replacement program. It is noted that the replacement portion of the ER&R fund does not have enough capital for upcoming replacement needs and thus includes an unfunded section.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Streets				71,261	92,194	32,443		195,898	489,000
Storm		450,000			92,194		20,993	563,187	869,000
Water Distribution		215,000			92,194			307,194	597,000
Biosolids		353,000		100,000	307,314			760,314	856,000
Wastewater Treatment			41,311					41,311	
Water Quality		90,000						90,000	
OGWS								-	104,000
Sewer Collections					92,194	31,489		123,683	784,000
Addint a Motorpool Vehicles		35,000						35,000	
Subtotal Funded		1,143,000	41,311	171,261	676,090	63,932	20,993	2,116,587	3,699,000
Unfunded									
								-	
								-	
Subtotal Unfunded		-	-	-	-	-	-	-	-
Total Projects		1,143,000	41,311	171,261	676,090	63,932	20,993	2,116,587	3,699,000

Vehicle Replacements Included in the ER&R fund

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
(3) Police Admin Vehicles	Reserves	120,000						120,000	
Engineering	Eng. Reserves	35,000						35,000	
								-	
Subtotal Funded		155,000	-	-	-	-	-	120,000	-
Unfunded									
Police			820,451	114,752	35,631	368,777	190,842	1,530,453	
Library			37,000					37,000	257,000
Parks			166,000	39,000				205,000	46,000
Facilities			55,000					55,000	
Planning and Building			38,800					38,800	
PW Admin				66,500				66,500	
Engineering								-	
								-	
Subtotal Unfunded		-	1,117,251	220,252	35,631	368,777	190,842	1,932,753	303,000
Total Projects		155,000	1,117,251	220,252	35,631	368,777	190,842	2,052,753	303,000

Fleet Needs with No Funding for Vehicles Outside of the ER&R fund

Information Technology

The purpose of the I.T. Equipment Rental & Replacement Fund (ITERRF) and the I.T. Operations & Maintenance Fund (ITOMF) is to manage replacement and maintenance funds to ensure sufficient monies are available when needed. The ITERRF and ITOMF are designated as Internal Service Funds with three major functions. The Replacement function supports the process to provide for replacement of assets. The Administration function supports asset and operations management. The operations function supports maintenance and intergovernmental activities.

During the budget process, the Information Technology Services Department will establish reserves for the replacement of assets.

1. Replacement charges are generally calculated based on the estimated cost of each equipment category, its useful life, and the anticipated replacement value. Replacement rates are sometimes adjusted for special purposes. Departments will be charged based on the number of devices. A calculation model shall be used to track each individual asset and determine the appropriate replacement charge.

2. Replacement rates may be adjusted when the useful life of an asset is changed, or the cost of the replacement asset is significantly higher or lower than the norm.
3. Assets acquired for service by means other than purchase (e.g. lease) will have a replacement rate established like a purchased asset and will require Finance approval for replacement at the time of acquisition.

The Finance Department and Information Technology Services Department will establish rates for various operational costs and services provided by the approved budget of the Information Technology Services Department. The ITOMF will be used to account for operations and maintenance charges.

1. ITOMF maintenance rates will be established to recover 100% of the actual direct and indirect costs (e.g. Salaries, operational expenses, etc.). Rates will be adjusted during the budget process and mid-year review based on the fund balance if revenue exceeds or is below needs.
2. Each department will be charged based on the number of pieces of I.T. equipment assigned to them in the ITERRF, along with an allocation for citywide shared equipment. The allocation will be calculated by the model.
3. Each department will be charged based on the number of units of specific software assigned to them in the ITERRF. The allocation will be calculated by the model. Charges for citywide shared software will be included in the charges for assigned hardware.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded			60,000	60,000	60,000	60,000	60,000	300,000	
ERP Upgrade, 4-5 year cycle	IT-ERR	35,000	70,000	70,000	70,000	70,000	70,000	385,000	
								-	
								-	
								-	
Subtotal Funded		35,000	130,000	130,000	130,000	130,000	130,000	685,000	-
Unfunded								-	
Secure WiFi; wiring & access points for City Hall								-	
Chamber upgrades; big screen, upgrade recording equipment & cameras								-	
Modernize stairwell switch room								-	
								-	
Subtotal Unfunded	\$	-	-	-	-	-	-	-	-
Total Projects	\$	-	35,000	130,000	130,000	130,000		685,000	-

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Housing, Economic Development, and the Environment

This section of the plan captures capital associated with infrastructure that is often part of a larger community and regional program. These projects are often partnership projects and tend to address the most pressing social issues a community faces based on local, state, national, and world wide conditions.

The Funded list includes Evans Vista, Sims Gateway and Boatyard Expansion, Cherry Street-Carmel Building housing project, golf course/Blaine Street parcel conceptual housing plan, and technology upgrades for more timely permit processing.

Evans Vista is an area owned by the City southwest of Rainier Street and Sims Way that is intended to be a demonstration project of mixed-use housing and commercial with a range of affordability pricing. This project is both supported by the Comprehensive Plan Housing Element Implementation Strategy No. 8 and 9 as well as the Rainier Street Subarea Plan. In 2023 and 2024, the City used a County ARPA grant to complete a Master Plan for the Evan Vista property for 319 new housing units and Pro Forma. In 2025, funding will be used to publish a developer Request for Proposal and finish the subdivision approval.

The Sims Gateway and Boatyard Expansion will modify the Sims Gateway subarea to achieve several goals: 1) improve electrical utility safety, 2) remove and replace nonnative tree species with a new native tree standard 3) increase size of Port of Port Townsend boatyard thus expanding economic opportunity. This project originates from the Comprehensive Plan's Implementation Strategy, which requires review and modification of existing subarea plans.

The City and the Homeward Bound Community Land Trust entered into an agreement to deliver affordable housing with the refurbishment of the Carmel building that was barged from Victoria, B.C., in 2017 to be a demonstration project as encouraged in the Comprehensive Plan. The City took out an \$834,000 bond in 2018 to fund engineering, design, permitting, and pre-construction costs and then authorized a loan to Homeward Bound with anticipated repayment funded partly by the rent of those units. The project was plagued with unanticipated challenges and Homeward Bound agreed to exit the project. [The City subsequently authorized the transfer of ownership](#) to another party, Bayside Housing, to complete the project. Work was underway to proceed with the transfer, including advancing a number of land use actions including but not limited to work on easements, right of way dedication and permit review. Due to rising costs of construction and labor, Bayside Housing determined they were not longer able to take the project on. Since that decision in June 2022, the City has been working through a number of possible options and scenarios. Those were debuted at the [City Council workshop](#) on August 8, 2022. The City Council authorized demolition of the Carmel Building in October 2023 because the cost of remodeling the building was too high to prove feasible and the building was removed in December 2023. City staff continue to work with adjacent property owners to adjust property lines in order to prepare the land for listing, marketing, and sale. City Council will evaluate all offers based on price and density.

The City and Jefferson County are working together to consider a Urban Growth Area expansion to include the existing Caswell Brown shelter property. If approved, sewer service would be available via the Mill Road Lift Station project. See the wastewater section of this plan for the Mill Road Lift Station project and how it supports Evans Vista and potentially Caswell Brown.

In 2025, the City will be required to conduct a Periodic Update of its Comprehensive Plan. In 2023, the Department of Commerce provided a formulaic grant of \$125,000 once the City can complete its periodic checklist and scope of work. This will not be enough to complete the project. Additional money through ARPA allocation was used to hire a limited term long-range planning position. The position would assist with the Comprehensive Plan Update, managing grants, and would support housing policy and other long range planning projects. The City also received a Middle Housing Grant of \$50,000 to make policy and code amendment recommendations as part of the 2025 Comprehensive Plan Update that addresses middle housing initiatives aligning with HB 1110, which the City is not required to adopt, but chooses to explore as part of its housing strategy.

Finally, in 2022 the City made investment to support technology upgrades to transition to paperless permitting to enhance predictable timely processing, and to ensure predictability and capability during the COVID-19 lockdowns and social distancing requirements. The City used ARPA funds to purchase Blue Beam Revu licenses for staff to markup development documents as well as a laptop computer so that the building inspector can update project records while in the field. Monitors to assist with digital review were also purchased. In 2023, the City further improved permit processing by purchasing an Application Programming Interface that merged Blue Beam markup with its Smartgov Permit database (where workflow, documents, fees, and status are stored on a project that can be reviewed internally and to a certain extent, externally). This automated some of the manual steps during project review. The funding also was used for an inkjet printer so that the Building Inspector can post site notices on the fly without returning to the office. The City's Finance Department purchased Paygov so that applicants can pay for permits by credit card online in the Smartgov database. In 2024, the City received a Paper to Digital Department of Commerce grant in the amount of \$60,000 to transition its hybrid digital permitting system to fully digital. The remaining permit types to be transitioned are land use permit, such as subdivisions, that often are the first step in the housing pipeline. The grant completion date is in 2025 and includes a suite of customer training videos that teach applicants how to complete and submit permit applications.

The City is currently behind on its Shoreline Master Program Periodic Review that was due in 2021. The City obtained a \$222,890 Department of Ecology Shorelands Planning grant in order to complete the plan, update the SMP consistent with SB 5290 changes in permitting timelines, and to speak with stakeholders about sea level rise armoring downtown with specific emphasis on the Port's boatyard and waterwalk armoring, examining sea level risk target and protection levels. The work is intended to make changes to regulations that enable the appropriate armoring solution based on engagement and engineering analysis.

This plan includes the addition of an additional Downtown restroom facility to be funded with Lodging Tax and Sewer funds in support of economic development. See the Facilities section of this plan for the project.

The City has been awarded two significant U.S. Forest Service grants for planning and development of the City's urban tree canopy. The Urban & Community Forestry Future Grant will provide \$403,269 towards the development of an Urban Forestry Plan and canopy assessment, an amended Tree Conservation Ordinance and Engineering Design Standards, community engagement, plan implementation activities for education and planting events with the Jefferson County WSU-extension.

The 2025 Budget includes one-time funding in the amount of \$47,000 to update the Parks, Recreation, and Open Space (PROS) plan, to adopt it as an appendix to the Comprehensive Plan, and incorporate into a new PROS element. The PROS plan is due for update in 2026; however, an update in alignment with the 2025 Comprehensive Plan Periodic Update means the Plan would be valid for 10-years.

The City also received a \$150,000 Climate Resiliency Grant through the Climate Commitment Act in order to update the Multi-modal Transportation Plan into a new Active Transportation Plan and develop a new climate resiliency element consistent with new requirements in HB 1181.

Finally, the City received a Connecting Housing through Infrastructure grant for \$128,237 for the Olympic Housing Trust (OHT) Dundee Hill townhouse project. This amount provides \$58,055 to reimburse the City for the SDC and utility connection deferrals authorized for the 5 units. The remainder of the grant reimburses the developer, OHT, for the construction costs to install utilities.

The Unfunded list represents community and Council support for 2023 Strategic Workplan projects. Though currently unfunded, this list represents potential budget impacts so that the City can seek various revenue sources such as grants. The list also represents action items and projects identified in the City's Comprehensive Plan, subarea plans, and functional plans. Some of the projects have received significant partner funding or are expected to leverage coordination with other entities. For example, the North Olympic Development Council was awarded funding through the Puget Sound Partnership from the EPA's National Estuary Program for Phase 2: Municipal Level Climate Action Planning for the North Olympic Peninsula. Building on the 2015 Climate Change Preparedness Plan for the North Olympic Peninsula, this project will establish regional adaptation and mitigation goals for the North Olympic Peninsula and develop specific climate action plans for local communities that integrate with the 2015 preparedness plan, local government Comprehensive and Shoreline Master Plans and other relevant plans. The project was drafted October 2022. Of the \$170,000 funding, Port Townsend was amongst four other jurisdictions that received \$18,000 for a sea level rise projection study. . This study will be a critical resource to help identify and prioritize and fund future capital planning projects that improve sea level rise resilience.

PROJECT NAME	Source of Funds	2025	2026	2027	2028	2029	2030	Total (2025-2030)	2031+
Funded									
Evans Vista - Final entitlements and RFP marketing	General fund	152,000							
Cherry Street - Carmel Building	Bond	50,000						50,000	
Middle Housing Grant	Grant	25,000						25,000	
Active Transportation Plan Update - Climate element	Grant	150,000						150,000	
Shoreline Master Program Update	Grant	62,640						62,640	
2025 Comprehensive Plan Update	Grants, Gen Fund	113,565						113,565	
PROS Plan Update	Gen Fund	47,000						47,000	
CHIP - Dundee Hill SDC/utility reimbursement to City	Grant	58,055						58,055	
Urban Forestry Plan	Grant	110,319			189,065			299,384	
Tech. upgrades: Timely permit processing	ARPA, Grants	45,000			10,000			55,000	20,000
Subtotal Funded	\$ -	813,579	-	-	199,065	-	-	860,644	20,000

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Unfunded									-	
Economic Development									-	
Thayer Street - Wash. to Sims	LID								-	
Review and Modify subarea plans (CP Land Use Element Implementation Strategy No. 6).	Gen Fund								-	
Electric Vehicle Charging stations	Grants, LTAC								-	
Bikeshare and escooters	Grants, LTAC								-	
Water walk - Urban Waterfront Plan	Gen. Fund, Grants				100,000				100,000	50,000
Childcare Facility Resources									-	
EDC contract									-	
Facade Improvement Grants									-	
Wayfinding and interpretive heritage signage improvements (CP Econ. Dev Implementation Strategy)					250,000				250,000	25,000
Downtown Market Study in conjuncton with Main Street Program					100,000				100,000	100,000
Downtown Parking Management Plan (CP Economic Development Implementation Stragey No. 2)			120,000						120,000	
Creative District	grants								-	
seasonal weekday public produce market at old ferry dock on Quincy Street					25,000				25,000	5,000
Parking structure feasibility study downtown - Urban Waterfront Plan					200,000				200,000	
Identify needs and cumulative impacts of private ferry proposals with adequate parking					50,000				50,000	
Place utilities underground downtown.		100,000							100,000	
Environmental										
Sea Level Rise Action Plan	Grants, Gen Fund				250,000				250,000	
Work with Port to obtain grand funding for stormwater, flood, and economic development projects (CP Economic Development Strategy)					50,000				50,000	50,000
Climate Action Committee Action Plan Support									-	
Marketing and Coordination with other entities (CP Economic Development Implementation Strategy No.									-	

Environmental									
Sea Level Rise Action Plan	<i>Grants, Gen Fund</i>				250,000			250,000	
Work with Port to obtain grand funding for stormwater, flood, and economic development projects (CP Economic Development Strategy)					50,000			50,000	50,000
Climate Action Committee Action Plan Support								-	
Marketing and Coordination with other entities (CP Economic Development Implementation Strategy No.								-	
								-	

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Housing								-		
Surplus City property for affordable housing	Gen Fund		50,000		50,000			100,000	300,000	
affordable housing and workforce with infrastructure	grants, Gen Fund		250,000	250,000	250,000	250,000	250,000	1,250,000	5,000,000	
Establishment of up to two Tax Increment Financing Districts	REET				500,000			500,000		
Support a Community Housing Land Trust (CP Housing Element Implementation Strategy No. 4)	Gen Fund, grants	100,000		100,000				200,000	300,000	
Audit and adjust zoning code, design standards and fees to accomodate a variety of housing types (CP Housing Element Implementation Strategy No. 2)	Gen Fund, grants	100,000		100,000				200,000	100,000	
Update stock plans for future building code cycles, waive plan review fee	Gen Fund	15,000			15,000			30,000	100,000	
Research and develop a housing incentive program for new development or renovation of existing buildings	Gen Fund, grants	100,000						100,000	50,000	
Explore public-private renovation project for Historic District upper floors to accomodate live/work housing	Gen fund, grants	50,000			50,000			100,000	150,000	
CHIP grant application, Habitat Landes South and Bayside Vince's Village SDC/Utility reimburse	grants	205,820						205,820		
Open space density transfers (transfer development rights)	Gen fund, grants	25,000			25,000			50,000	25,000	
Subtotal Unfunded	\$	-	695,820	420,000	450,000	1,915,000	250,000	250,000	3,980,820	6,255,000
Total Projects	\$	-	1,509,399	420,000	450,000	2,114,065	250,000	250,000	4,841,464	6,275,000

Housing, Economic Development and Environment

Impact Fees

If the City were to implement impact fees, RCW requires tracking of impact fees and annual reporting. This section is a place holder in case impact fees are utilized in the future. An impact fee analysis was provided to the City Council on in December of 2021 while adjustments were being made to the water connection fees. The following table illustrates a comparison of impact fees to other cities. Impact fees

can be a revenue source for growth related impacts to parks, transportation, fire, and school public services.

Note, in 2024 the City updated System Development Charges for Water, Sewer and Storm to \$5,603, \$5,258, and \$1,407 respectively. This brings the City of Port Townsend to a total of \$12,268. As reported above, these fees are reduced to incentivize smaller housing and multifamily housing consistent with the Comprehensive Plan Housing Policy 2.2.1 of the City to incentivize SDC’s for low and moderate income housing builders.

	Util. System Dev. Charges				Impact Fees				Total
	Water	Sewer	Local Fac. Charge	Storm	Transp.	Fire	Parks	Schools	
Olympia	\$ 4,433	\$ 9,860	\$ 6,418	\$ 1,440	\$ 3,662	\$ -	\$ 5,581	\$ 5,448	\$ 36,842
Port Orchard	\$ 11,571	\$ 12,122	\$ 5,569	\$ -	\$ 4,977	\$ -	\$ -	\$ 1,371	\$ 35,609
Mount Vernon	\$ 7,530	\$ 7,859	\$ -	\$ -	\$ 5,292	\$ -	\$ 855	\$ 9,421	\$ 30,957
Bend, OR	\$ 5,857	\$ 5,223	\$ -	\$ -	\$ 8,543	\$ -	\$ 8,867	\$ -	\$ 28,490
Poulsbo	\$ 4,802	\$ 10,965		\$ 1,323	\$ 5,324	\$ -	\$ 1,248	\$ -	\$ 23,661
Sequim	\$ 8,184	\$ 7,548	\$ -	\$ -	\$ 2,491	\$ -	\$ 2,210	\$ -	\$ 20,433
Lacy	\$ 5,449	\$ 8,143	\$ 6,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,674
Chelan	\$ 11,926	\$ 5,531	\$ 1,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,427
Wenatchee	\$ 600	\$ 3,710	\$ 6,389	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 18,199
Bremerton	\$ 6,291	\$ 7,342	\$ -	\$ 1,510	\$ -	\$ -	\$ -	\$ -	\$ 15,143
Port Townsend	\$ 4,494	\$ 3,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,252
Leavenworth	\$ 3,899	\$ 2,620	\$ -	\$ 1,034	\$ -	\$ -	\$ -	\$ -	\$ 7,554
Oak Harbor	\$ 3,081	\$ 1,680	\$ -	\$ -	\$ 907	\$ -	\$ -	\$ -	\$ 5,668
Port Angeles	\$ 2,260	\$ 2,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,520
If adjust for inflation at 3.2%									
Port Townsend 2015	\$ 4,494	\$ 3,758							\$ 8,252
Port Townsend 2022	\$ 5,603	\$ 4,685							\$ 10,288
Notes:									
Sequim include a 1.5 factor of facilities charges for outside the City Limits									
Wenatchee Local Facilities Charge applies only to pipe installed by the City for Sewer. Transp. Impact Fee is for a specific region of the City									
Chelan Local Facilities Charge depends on the location of connection									
Olympia Local Facilities charge is for the regional system.									

Conclusion

This year’s Capital Facilities Plan provides an attempt to look at the city holistically over time from a Capital improvement needs standpoint. The Capital Facilities Plan is a work in progress designed to coordinate with the adoption of the annual capital budget. The process of adoption is an iterative process to develop a comprehensive overview of capital needs in order to balance investments with available resources (revenue and staffing) as well as priorities.

Appendices

Appendix A: 2025 Capital Project Budget Sheets

Appendix B: Capital Facilities Plan Tables

Appendix C: 2025-2030 Six Year Transportation Improvement Program

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