CITY OF COVINGTON COMPREHENSIVE PLAN UPDATE 2015

CAPITAL FACILITIES APPENDIX

CAPITAL FACILITIES 1

1. Capital Facilities Overview 1
2. Capital Facilities Planning Framework 1
3. Capital Facilities Inventory 2
   - Municipal Buildings 2
   - Police Services 3
   - Fire and Emergency Services 5
   - Schools 5
   - Parks, Recreation, and Open Space Facilities 7
   - Stormwater 14
   - Streets 16
   - Water 19
   - Sewer 22
4. Level of Service (LOS) 25
   - Municipal Buildings 25
   - Police Services 26
   - Fire and Emergency Services 27
   - Schools 31
   - Parks, Recreation, and Open Space 31
   - Stormwater 34
   - Water 34
   - Sewer 35
   - Opportunities and Challenges 37
5. Capital Improvement Program (CIP) 37
   - Funding Plan 46
   - Overview 46
   - Future Funding Sources 48

Historical Funding Sources 51
Fire and Emergency Services 52
Schools 52
Stormwater 52
Water 53
Sewer 53
Future Revenues 53
Financial Capacity for Capital Investments 55

Exhibit List

Exhibit 1. Public Service Providers 2
Exhibit 2. Municipal Buildings Inventory 3
Exhibit 3. City of Covington Police Service Inventory 3
Exhibit 4. Administration and Public Safety 4
Exhibit 5. Kent Fire Department RFA Fire Services 5
Exhibit 6. School Districts 6
Exhibit 7. Kent School District Schools in the City of Covington 7
Exhibit 8. City of Covington Parks, Recreation, and Open Space Facilities 8
Exhibit 9. Combined City and Non-City Sites by Type 9
Exhibit 10. Inventory of Current Park Facilities: 2015 10
Exhibit 11. Existing Trails and Bikeways, 2015 11
Exhibit 12. Parkland Acquisition Target Areas 12
Exhibit 13. Proposed Capital Facilities 13
Exhibit 14. Current Facilities Inventory – Surface Water Management (2015) 14
Exhibit 15. Stormwater System 15
Exhibit 16. Transportation Facility Capacity 16
Exhibit 17. Bridges and Culverts Inventory 16
Exhibit 18. Street Light Unit Inventory 16
Exhibit 19. Street Network by Functional Class 17
Exhibit 20. Existing Non-Motorized Transportation Network 18
Exhibit 21. Covington Water District Inventory 19
Exhibit 22. Covington Water District's Average Annual Demand and Maximum Demand Forecast by Millions of Gallons per Day for 2005, 2011, and 2025 19
Exhibit 23. Covington Water District Annual Average Daily Water Usage by Customer Category, 1999 - 2004 20
Exhibit 24. Water Service Areas 21
Exhibit 25. Current Facilities Inventory – System Wide 23
Exhibit 26. Soos Creek Sewer District Service Area 24

Exhibit 27. Level of Service (LOS) Summary by Service Type 25
Exhibit 28. Municipal Buildings Level of Service (LOS) Analysis 26
Exhibit 29. City of Covington Police Services Existing Level of Service (LOS) Standard – Number of Police Officers 27
Exhibit 30. City of Covington Police Services Existing Level of Service (LOS) Standard – Office Square Feet 27
Exhibit 31. Kent Fire Department Regional Fire Authority Level of Service (LOS) Standards 28
Exhibit 32. Kent Fire Department Regional Fire Authority (RFA) Suburban Level of Service (LOS) Response Times, 2013 29
Exhibit 33. Kent Fire Department Regional Fire Authority (RFA) Urban Level of Service (LOS) Response Times, 2013 30
Exhibit 34. Number of Students Generated by Addition Dwelling Units in Covington 31
Exhibit 35. Parks, Recreation and Open Space Level of Service (LOS) Standards (2014 Comprehensive Plan) 31
Exhibit 36. Parks, Recreation, and Open Space Level of Service (LOS) Analysis 32
Exhibit 37. Base and Target Parks LOS Standard 33
Exhibit 37. Level of Service (LOS) Requirement Analysis – Surface Water Management Capital Facility Type 34
Exhibit 38. Gallons of Water per Day Generated by Additional Housing and Employment Growth 35
Exhibit 39. Sewer System Growth Projections – Soos Creek Water and Sewer District 35
Exhibit 40. Growth Projection Comparison 36
Exhibit 41. Level of Service (LOS) Requirements Analysis – Sanitary Sewer Capital Facility Type 36
Exhibit 42. Six-year Parks Capital Improvement Program (DRAFT) 39
Exhibit 43. Municipal Buildings Capital Improvement Program (DRAFT) 40
Exhibit 44. Six-year Transportation Capital Improvement Program 40
Exhibit 45. Six-year Stormwater Capital Improvement Program 41
Exhibit 46. Covington Water District Capital Improvement Program 42
Exhibit 47. Sewer Capital Improvement Program 42
Exhibit 48. Summary of Capacity Projects Specific to the City of Covington (In Thousands) 43
Exhibit 49. Fire and Emergency Services Capital Improvement Program – Kent Fire Department Regional Fire Authority (In Thousands) 44
Exhibit 50. Kent School District Capital Improvement Program 45
Exhibit 51. Historical Revenues, Capital Facilities, 2005-2014 (Year of Estimate Dollars (YOE$)) (in Thousands) 47
Exhibit 52. Future Transportation Impact Fee Revenue 48
Exhibit 53. Future Park Impact Fee Revenue (2015$) 49
Exhibit 54. Future Transportation Grant Revenues 50
Exhibit 55. Future Park and Recreation Grant Revenues 50
Exhibit 56. Future Stormwater Grant Revenues 50
Exhibit 57. Future General Capital Facilities Revenue 51

Exhibit 58. Six-Year CIP Projected Revenues, 2015-2020, (YOE$) (in Thousands) 54
Exhibit 59. Projected Revenues, Capital Facilities, 2015-2035. (YOE$) (in Thousands)..... 54
Exhibit 60. Six-Year CIP Costs vs. Revenue, (YOE$) (in Thousands)..... 55
Exhibit 61. Dedicated Revenues, (YOE$) (in Thousands)..... 55

CAPITAL FACILITIES

The Growth Management Act (GMA) required a capital facilities element to address current and projected needs and funding for capital facilities. Capital facilities generally have a long useful life and include city and non-city operated infrastructure, buildings, and equipment. According to WAC 365-196-415, at a minimum the capital facilities to be included are water systems, sewer systems, stormwater systems, schools, parks and recreation facilities, police facilities and fire facilities. This Appendix addresses the technical analysis and projected plans for capital facilities. Capital Facilities Plan (CFP) related policies are addressed in the CFP and Utility Element of the Comprehensive Plan.

The Appendix is organized as follows:

- Municipal Buildings
- Police Services
- Fire and Emergency Services
- Schools
- Parks and Recreation
- Stormwater
- Streets
- Water
- Sewer

1. CAPITAL FACILITIES OVERVIEW

This section provides information on capital facilities that serve Covington including those owned and operated by the City of Covington (City) and other service providers such as the Kent Regional Fire Authority, the Kent School District, the Covington Water District, the Soos Creek Water and Sewer District, and King County Water District 111. For each capital facility type, an inventory of existing facilities and the current and future level of service (LOS) are provided based on anticipated growth during the planning period. Additionally, proposed capital projects and funding sources are addressed based on growth and demand for services.

2. CAPITAL FACILITIES PLANNING FRAMEWORK

The GMA requires all comprehensive plans to include a capital facilities plan element, which analyzes the need for future capital improvements to support the development goals and growth projections stated in the Land Use Element, as well as the funding mechanisms available for implementation. The CFP element must include an inventory of existing facilities, the demand for capital needs considering level of service (LOS) standards, and capital facilities improvements for the 6-year and 20-year planning periods, including a financing plan for the six-year capital improvement program (CIP). (RCW 36.70a.070 (3)) Broad funding is identified for the 20-year CFP.

3. CAPITAL FACILITIES INVENTORY

The City of Covington provides limited public services and associated capital facility planning within the City and relies on special district providers for many public services. Exhibit 1 lists the service providers in the City. The City has an obligation to coordinate with the service providers to ensure that public services can be provided to support new growth and maintain established LOS standards.

Exhibit 1. Public Service Providers

Public Service	Provider	Relevant Plans and Documents
Municipal Buildings	City of Covington	Public Works Maintenance Facility Study 2013 New City Hall Feasibilty Study 2012
Police	King County Sheriff (contracted service)	City Council Police LOS 2007 Resolution (RES 07-42)
Fire and Emergency Services	Kent Regional Fire Authortiy, Maple Valley Fire District (Mutual Aid)	Kent Fire RFA: Kent Regional Fire Authority Capital Facilities and Equipment Plan, 2014-33
Schools	Kent School District	Kent School District: Kent School District, Capital Facilities Plan, 2014-15
Parks and Recreation	City of Covington	Covington Parks and Recreation, and Open Space (PROS) Plan, 2010
Stormwater	City of Covington	Stormwater: City of Covington 2010 Comprehensive Stormwater Plan and 2015 Stormwater Management Plan
Streets	City of Covington	
Water	Covington Water District, King Co. Water District 111, Ham Water Co.	Covington Water District District: Covington Water System Plan Update, 2007
Sewer	Soos Creek Water and Sewer District	Soos Creek: 2014 Soos Creek Water and Sewer District Sewer Comprehensive Plan; King County Wastewater: King County Regional Wastewater Services Plan, 2013 Comprehensive Review

Source: BERK Consulting 2015

Municipal Buildings

The City of Covington leases the City Hall space located on SE 271st Street. See Figure 1. The City signed a 15-year lease in 2002, and has the option to sign two additional five-year lease extensions. In addition to City Hall, the City operates a public works maintenance and office building along with an aquatic center. In 2013, the City of Covington commissioned a Covington Public Works Maintenance Facility Study, which stated that the existing maintenance facility is insufficient to meet the needs for proper maintenance and operations of the City facilities (David A. Clark Architects, 2013). Municipal buildings and locations are listed on Exhibit 2 and illustrated on Exhibit 4.

Figure 1. Covington City Hall

Source: www.choicehomes4sale.com

Exhibit 2. Municipal Buildings Inventory

Municipal Facilities	Location	Size (SF)
City Offices		
City Hall	16720 SE 271st Street Covington, WA 98042	17,079
Total City Offices		**17,079**
City Maintenance Shops		
City Maintenance Facility (Maintenance and Office Building)	17852 SE 256th Street Covington, WA 98042	2,304
Total City Maintenance Shops		**2,304**

Source: City of Covington, 2015; BERK, 2015.

Police Services

The City of Covington contracts with the King County Sheriff's Office to provide police services in the City. Currently, the existing office space for the department is 958 square feet (SF) and accommodates 14 existing police officers. Covington's Police Department consists of 2 individual offices in City Hall (1 for the Chief and 1 for the Detective) and shared space for the rest of the department. A photo a police officer on duty is shown in Figure 2 and the address of the police department and current officers are shown in Exhibit 3.

Figure 2. Covington Police Officer

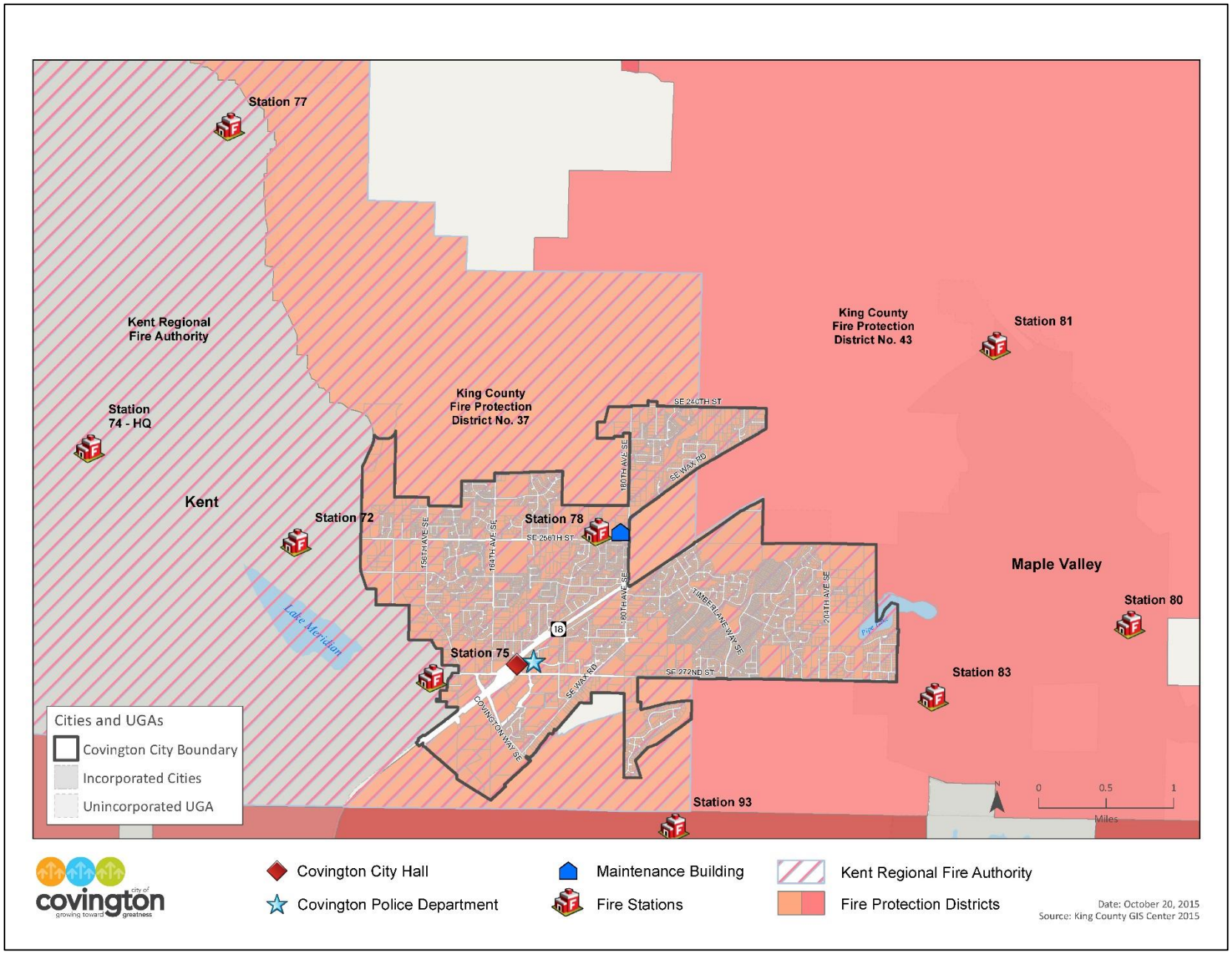
Source: City of Covington

Exhibit 3. City of Covington Police Service Inventory

Facility/ Officers	Location	Size (SF)/ Number
Covington Police Department SF	16720 SE 271st St., Ste. 100, Covington, WA 98042	958
Total Covington Police Department SF		**958**
Covington Police Officers		14
Total Covington Police Officers		**14**

Source: City of Covington, 2015.

Exhibit 4. Administration and Public Safety



Source: King County GIS Center, 2015

Fire and Emergency Services

The Kent Fire Department Regional Fire Authority (KDRFA) provides fire services to the citizens of Kent, Covington, SeaTac, and unincorporated areas of King County. The KDRFA covers approximately 50 square miles and a population of 140,000 people. Fire stations that provide services to the City of Covington are shown in Exhibit 5 and include stations outside the City limits. Three fire stations from Maple Valley Fire and Life Safety also provide fire services to citizens of the City of Covington by an automatic mutual aid agreement. Additional assistance is provided upon request from Mountain View Fire Stations 92 and 98 that are part of King County Fire District #44. Fire Stations that may be dispatched to provide fire services for the City of Covington include the following:: 72, 74, 75, 77, 78, 80, 81, 83, 92, and 98.

Exhibit 5 shows the fire district boundaries and the fire stations that serve the City of Covington.

Exhibit 5. Kent Fire Department Regional Fire Authority Services

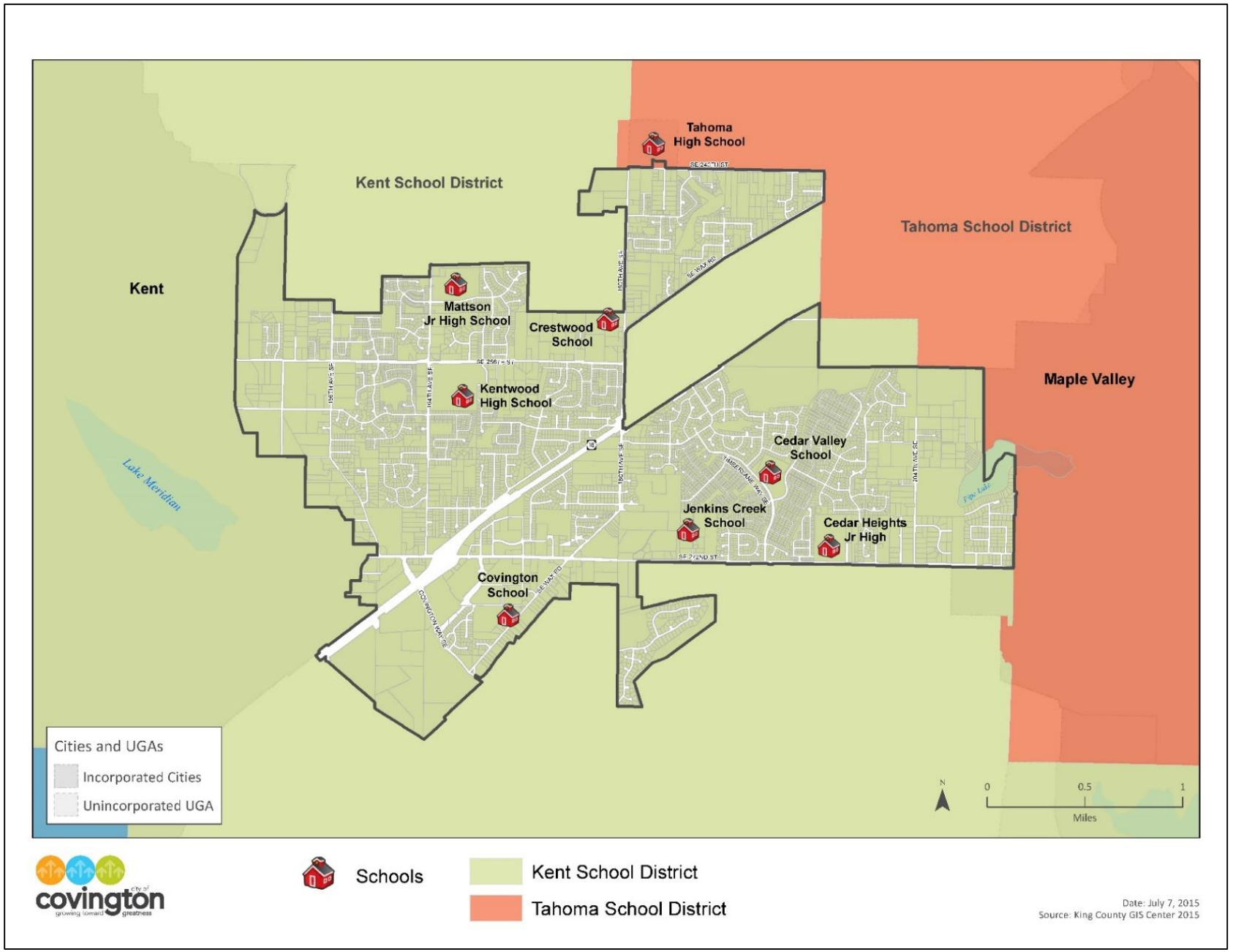
Facility	Location	Apparatus	Building Size (SF)
Kent Fire Department Regional Fire Authority			
Station 72	25620 140 Ave SE, Kent, WA 98042	Mobile Air Rig, Engine	9,000
Station 74	24611 116 Avenue SE Kent, WA 98030	Ladder, Engine, Aid Car, Command Vehicle, Engine (Training Engine), Reserve Command	16,600
Station 75	15635 SE 272 St., Kent, WA 98042	SkyBoom, Engine	12,650
Station 77	20717 132 Ave SE Kent, WA 98031	Engine, Lance Engine	15,500
Station 78	17820 SE 256 St, Covington, WA 98042	Quantum Engine, Smeal Ladder (reserve), Lance Engine, Zone 3 Mass Casualty Incident Unit	17,385
Total King County Fire District 37			**71,135**
Maple Valley Fire and Life Safety			
Station 80	23775 SE 246th Street Maple Valley, WA 98038	Engine, Aid Vehicle	8,985
Station 81	22225 SE 231st Street Maple Valley, WA 98038	2 Engines, Aid Vehicle, Tender Vehicle, and Brush Vehicle	11,500
Station 83	27250 216th Ave SE, Maple Valley, WA 98038	Engine	3,000
King County Fire District 44 Mountain View Fire and Rescue			
Station 92	31709 Kent Black Diamond Road Auburn, WA 98092	Pumper Engine, Aid Vehicle, and Brush Truck	6,280
Station 98	22015 SE 296th Street Black Diamond, WA 98010	Engine, Aid Vehicle, and Brush Truck	4,915
Total Maple Valley Fire and Life Safety 43			**34,680**
Total All Types			**105,815**

Source: Kent Fire Department Regional Fire Authority, 2015; BERK, 2015.

Schools

The City of Covington is served by the Kent School District, the fourth largest school district in the state, which also serves residents of the cities of Auburn, Black Diamond, Covington, Kent, Renton, and SeaTac as well as portions of unincorporated King County. The Kent School District boundaries and schools within the Covington city limits are shown in Exhibit 6. The list of Kent School District schools in Covington and each school's student capacity is shown in Exhibit 7.

Exhibit 6. School Districts



Source: King Count GIS Center 2015

Exhibit 7. Kent School District Schools in the City of Covington

Facility	Location	Capacity (Students)
Elementary Schools		
Cedar Valley Elementary	26500 Timberlane Way SE, Covington, WA 98042	364
Covington Elementary	17070 SE Wax Road, Kent, WA 98042	488
Crestwood Elementary	25225 180th Ave SE, Covington, WA 98042	432
Grass Lake Elementary School	28700 191st Place SE, Kent, WA 98042	438
Horizon Elementary School	27641 144th Avenue SE, Kent, WA 98042	477
Jenkins Creek Elementary	26915 186th Ave SE, Covington, WA 98042	459
Lake Youngs Elementary School	19660 142nd Avenue SE, Kent, WA 98042	510
Meridian Elementary School	25621 140th Avenue SE, Kent, WA 98042	524
Sawyer Woods Elementary School	31135 228th Avenue SE, Black Diamond, WA 98010	486
Sunrise Elementary School	22300 132nd Avenue SE, Kent, WA 98042	543
Total Elementary Schools		**4,721**
Middle Schools		
Cedar Heights Middle School	19640 SE 272nd Street, Covington, WA 98042	895
Mattson Middle School	16400 SE 251st Street, Covington, WA 98042	787
Total Middle Schools		**1,682**
High Schools		
Kentlake Senior High School	21401 SE 300th Street, Kent, WA 98042	1,957
Kentwood Senior High School	25800 164th Ave SE, Covington, WA 98042	2,159
Total High Schools		**4,116**
Total Kent School District		**10,519**

Source: Kent School District, Capital Facilities Plan, 2014-15.

Parks, Recreation, and Open Space Facilities

Exhibit 8 lists the Parks, Recreation, and Open Space facilities owned by the City of Covington including the facility type, location and acreage. Exhibit 9 lists city and other non-city owned recreational facilities that serve the City of Covington.

Exhibit 8. City of Covington Parks, Recreation, and Open Space Facilities

Facility	Size (Acres)
Community Parks	
Covington Community Park	29.90
Jenkins Creek Park	20.30
Total Community Parks	**50.20**
Greenspace	
Cedar Valley Park	6.75
Covington Legacy Greenspace	10.15
Emerald Downs Open Space	4.00
Foss Open Space	1.10
Foxwood Greenspace	3.40
Jenkins Creek Greenspace	1.10
Mattson Open Space	0.60
Meridian Trace Open Space	1.20
Morgans Creek	1.70
N. Jenkins Creek Park Greenspace	1.88
North Wingfield Open Space	3.60
S. Jenkins Creek Open Space	9.70
S. Soos Creek	3.30
Total Greenspace	**48.48**
Natural Areas	
Cedar Creek Park	31.50
Jenkins Creek Trail Park	3.40
Rainier Vista Open Space	21.50
South Wingfield Open Space	5.50
West Gateway	0.10
Total Natural Areas	**62.00**
Neighborhood Parks	
Crystal View Park	1.90
Evergreen Park	1.70
Friendship Park	0.60
Total Neighborhood Parks	**4.20**
Special Facility	
Covington Aquatic Center	1.45
Gerry Crick Skate Park	0.30
Total Special Facility	**1.75**
Total All Types	**166.63**

Source: City of Covington, 2015

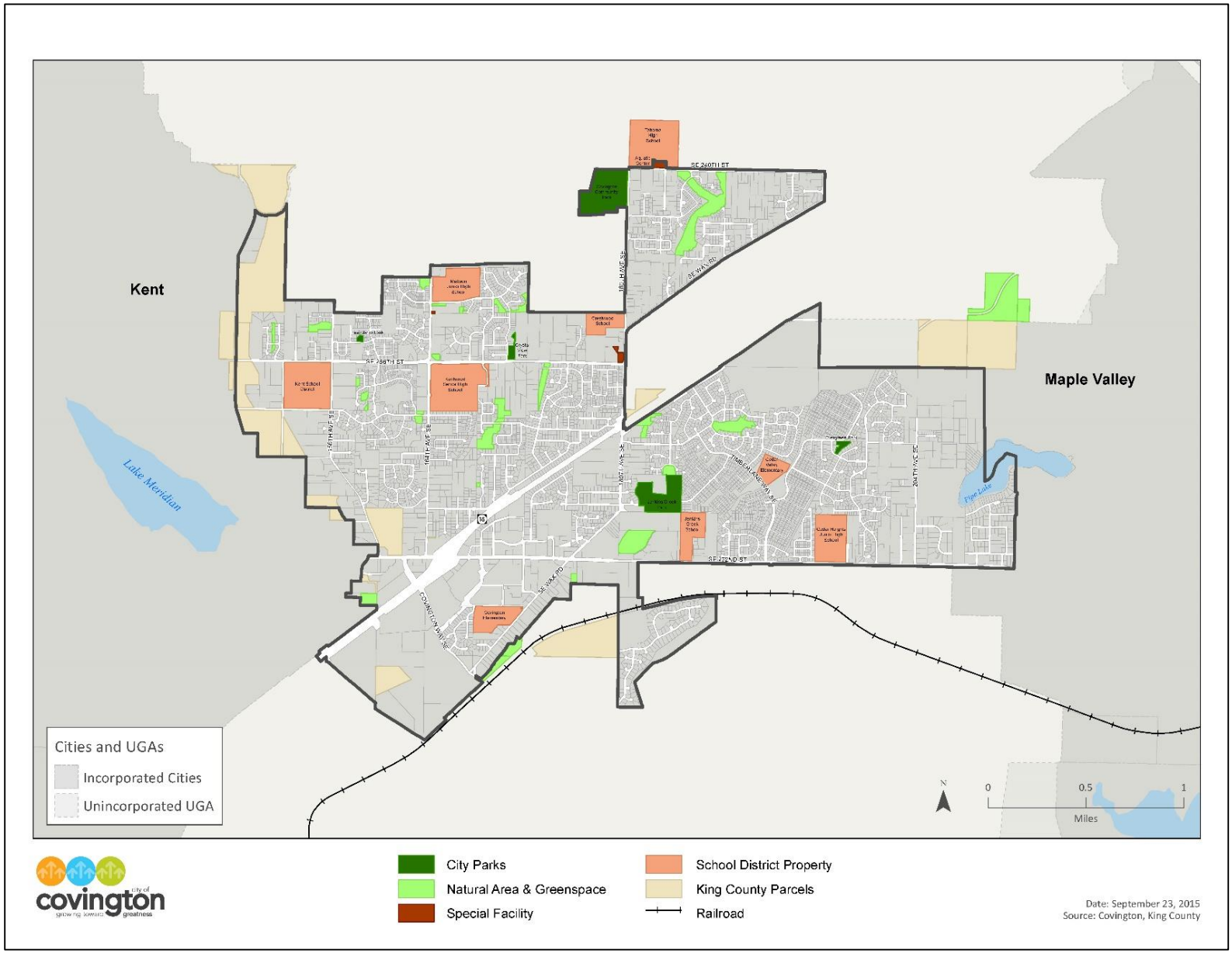
Exhibit 9. Combined City and Non-City Sites by Type

Type	Number of Sites	Acreage
Community Parks	**2**	**50.2**
Neighborhood Parks	**11**	**73.22**
Public, City-owned	*3*	*4.2*
Private	*8*	*69.02*
Pocket Parks	**13**	**5.07**
Public, City-owned	*0*	*0*
Private	*13*	*5.07*
Natural Areas and Greenspace	**33**	**184.16**
Public, City-owned	*17*	*110.48*
Private	*16*	*73.68*
Special Facilities	**3**	**39.9**
Public, City-owned	*2*	1.75
Private	*1*	38.15
County	**5**	**276.5**
Schools	**8**	**77.9**
	Total Acreage:	**706.95**

Source: City of Covington 2014

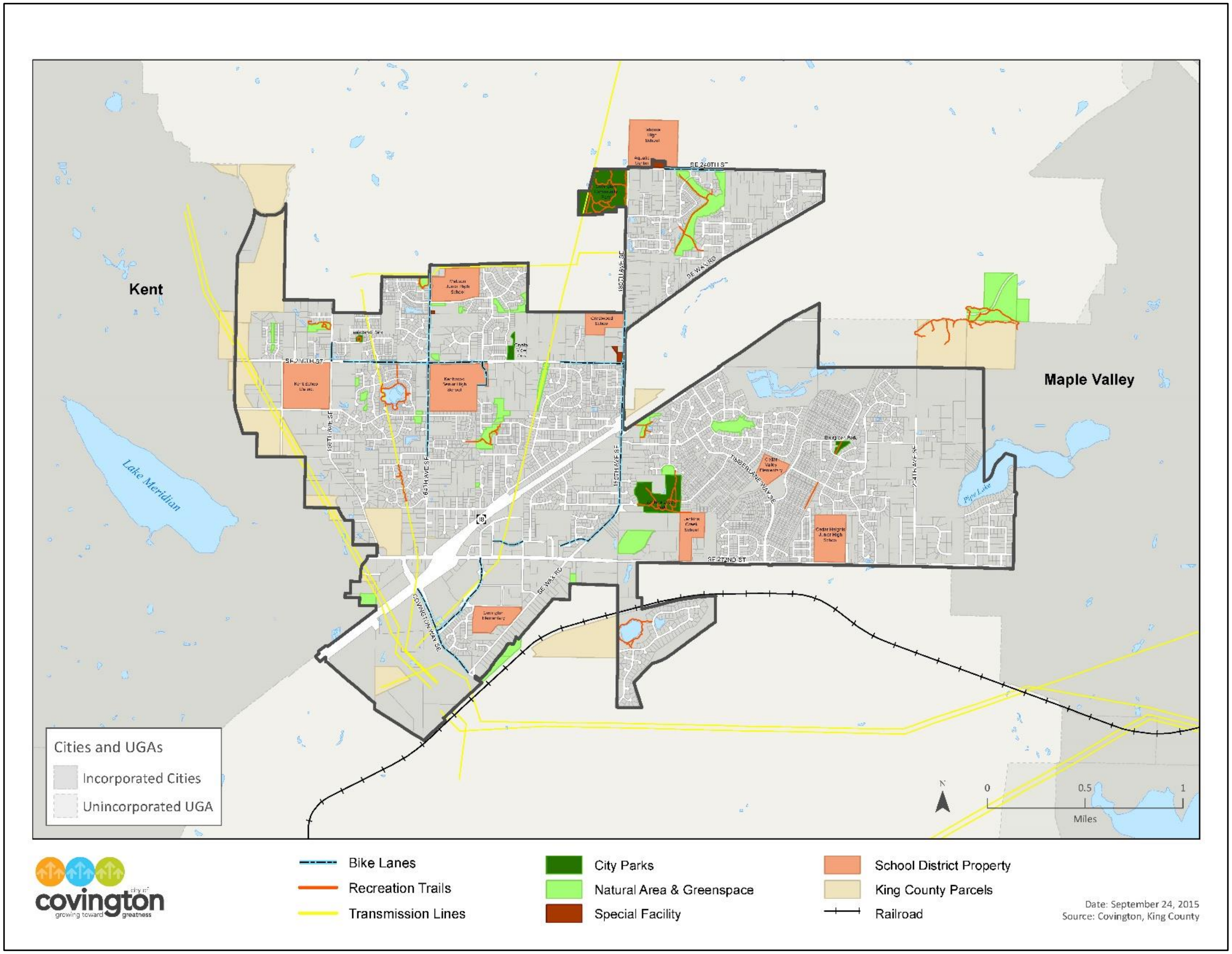
Existing parks and trails are shown in Exhibit 10 and Exhibit 11. Park acquisition target areas are shown in Exhibit 12 and future park, trail, and bikeway capital project are shown in Exhibit 13.

Exhibit 10. Inventory of Current Park Facilities: 2015



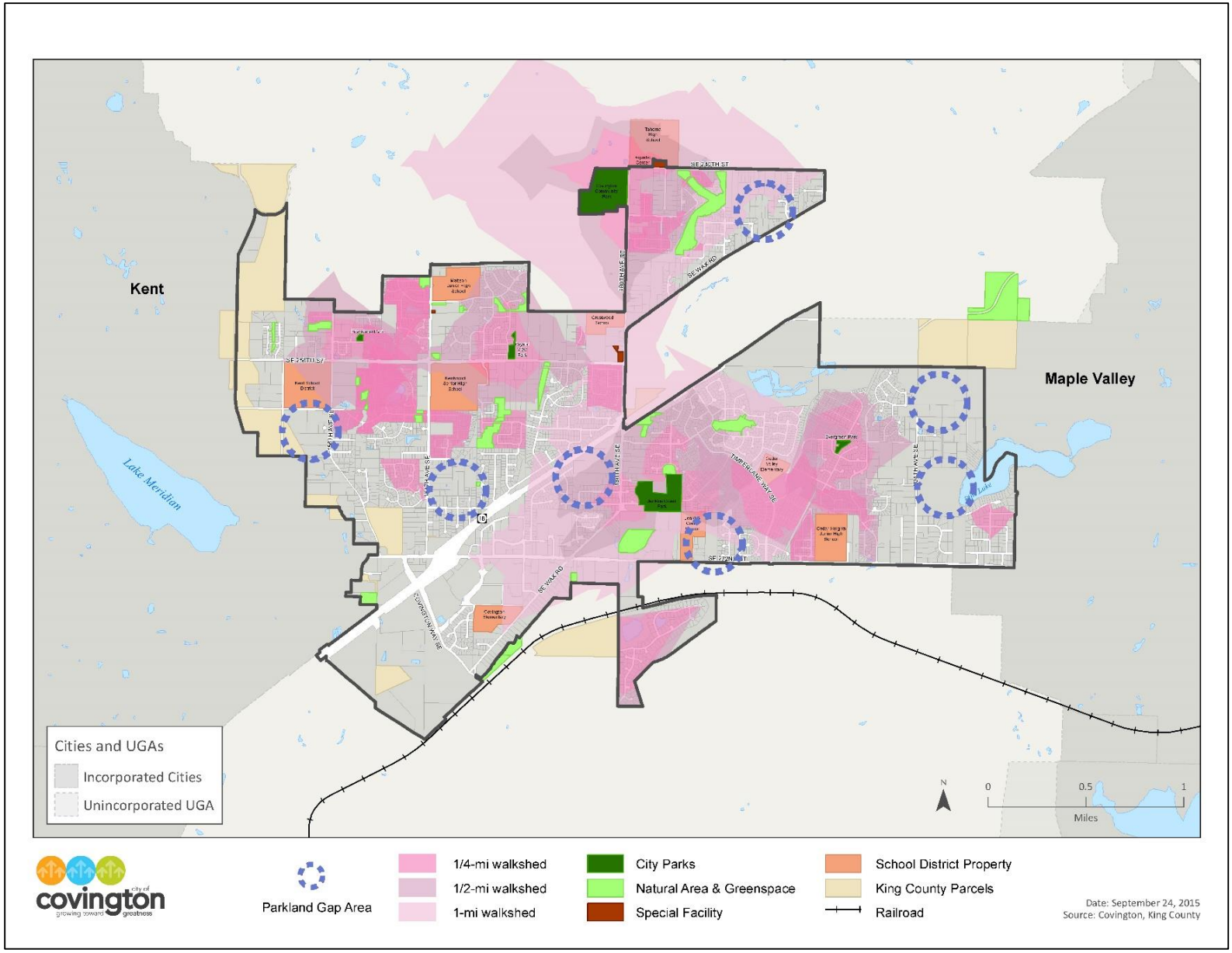
Source: King County GIS Center, 2015

Exhibit 11. Existing Trails and Bikeways, 2015



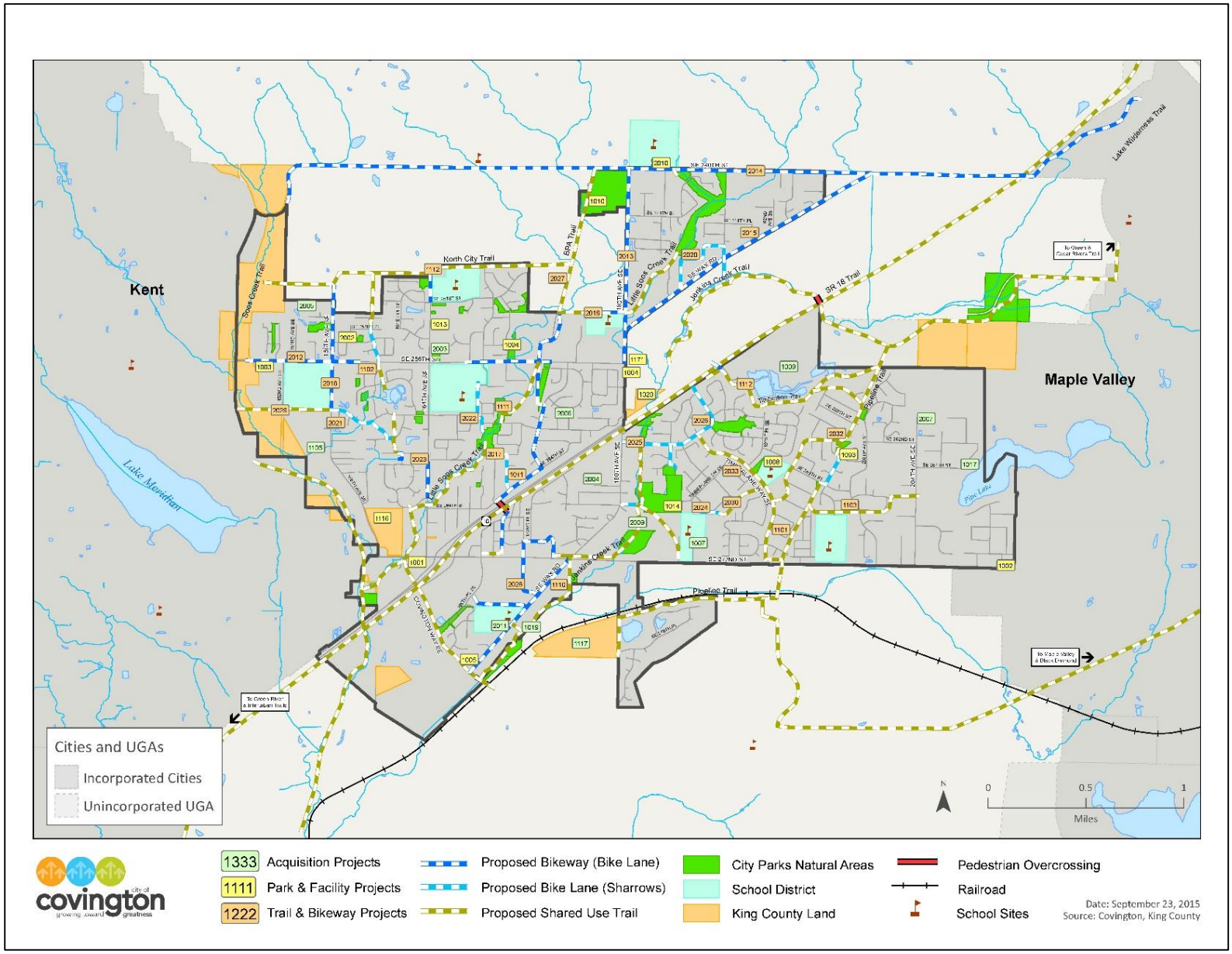
Source: King County GIS Center, 2015

Exhibit 12. Parkland Acquisition Target Areas



Source: City of Covington, 2015

Exhibit 13. Proposed Parks, Recreation, and Open Space Capital Facilities



Source: Covington 2014

Stormwater

The City lies in the Soos Creek drainage basin, addressed for stormwater management purposes in the Covington Master Drainage Planning Area designated by King County. The Covington Master Drainage Planning Area boundaries were developed from the Soos Creek Community Plan and roughly consist of SE 252nd Street to the north, 164th Avenue SE to the west, 180th Avenue SE to the east, and Jenkins Creek to the south. While planning for stormwater management began with King County's efforts, after incorporating in 1997, the City contracted with Gray and Osborne, Inc. to prepare a stormwater comprehensive plan. The results of that plan are documented in the City of Covington's Comprehensive Stormwater Plan, issued in 2002 (2002 Plan). A 2010 Comprehensive Stormwater Plan Update (Plan Update) was developed by Parametrix to complement and amend the information presented in the 2002 plan. This Plan Update was prepared in conjunction with the City's update to its Comprehensive Plan, as required under GMA. A Stormwater Management Plan was completed on March 31, 2015 and is updated annually as part of the City's National Pollutant Discharge Elimination System (NPDES) Phase II permit. These plans have identified facilities, programs, and regulations to help manage stormwater quantity and water quality.

The City's existing stormwater conveyance system consists of several components such as curb inlets, catch basins, piping, open ditches, natural streams, wetlands, detention ponds, infiltration facilities, and water quality ponds as show in in Exhibit 14 (Covington, 2010 and 2015).

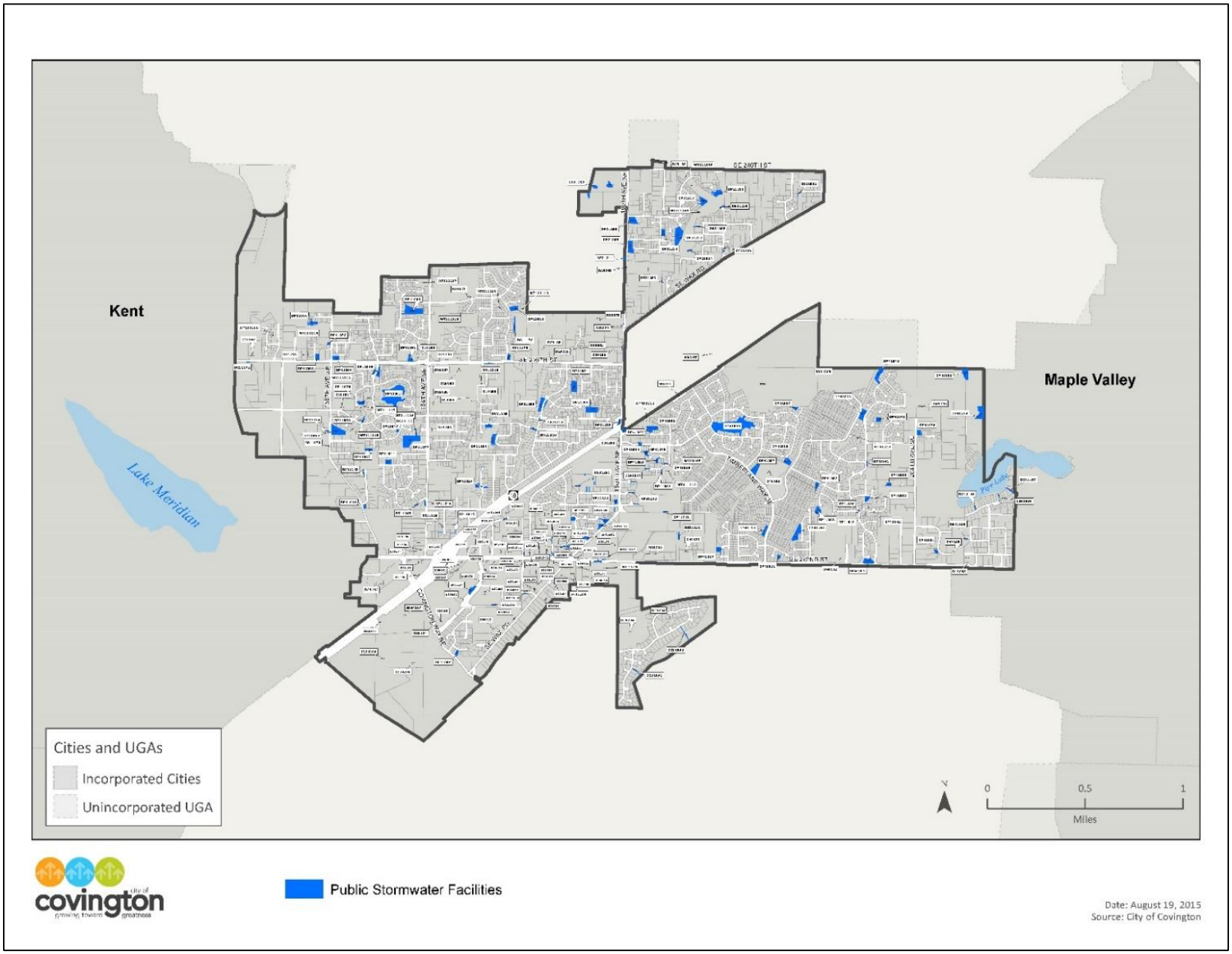
Exhibit 14. Current Facilities Inventory – Surface Water Management (2015)

Facility	Size/Amount (Miles, Number)
Conveyance Pipe/Channel:	
Closed Pipe	71.6
Ditch	12.7
Swale	4.1
Perforated Pipe	2
Total Conveyance Pipe/Channel	**90.4**
Stormwater Controls:	
Ponds	67
Vaults/Tanks	26
Conveyance	12
Swale	7
Total Stormwater Controls	**112**
Collection/Conveyance Structures (Catch basins, Manholes, etc.)	**3,316**

Source: Surface Water Management Program Coordinator, 2015.

Allowing for changes in land cover without providing adequate on-site mitigation results in higher demand for the City to implement stormwater capital improvement projects to address problems adjacent to or downstream of developments or other projects with land cover changes. In accordance with the NPDES Western Washington Phase II Municipal Stormwater Permit the City requires development to provide on-site stormwater management to mitigate these impacts. The City has also adopted the Department of Ecology's Stormwater Manual for Western Washington, allowing the most recent manual and amendments to apply. The City has also adopted the Puget Sound Partnership Low Impact Development Technical Guidance Manual for Puget Sound (CMC 13.25.020)

Exhibit 15. Stormwater System



Source: City of Covington, 2015; BERK, 2015

Streets

Transportation facilities within the City of Covington include road and street segments, rights of way, sidewalks, and bike lanes. Exhibit 16 shows the miles for each transportation facility. These transportation facilities are owned by the City of Covington. The existing conditions report and Transportation Element contain additional information about streets and other transportation facilities including LOS and capital projects.

Exhibit 16. Transportation Facility Capacity

Facility/ Designation	Capacity (Miles)
Centerline Miles	69.5
Lane Miles	150
Sidewalks	67.1
Bike Lanes	5

Source: City of Covington, 2015; BERK, 2015

Exhibit 17 shows the bridges and culverts owned by the City of Covington.

Exhibit 17. Bridges and Culverts Inventory

Facility Name/ Designation	Location	Date Acquired
Bridges		
Rainier Vista Bridge	0.2 S SE 240th Street	2007
Wingfield Bridge	0.5 W 180th Avenue SE	2006
Culverts		
164th Avenue SE Bridge	0.25 N SR 516	1969
SE 262nd Place Bridge	SE 262nd Place	1963

Source: City of Covington, 2015; BERK, 2015

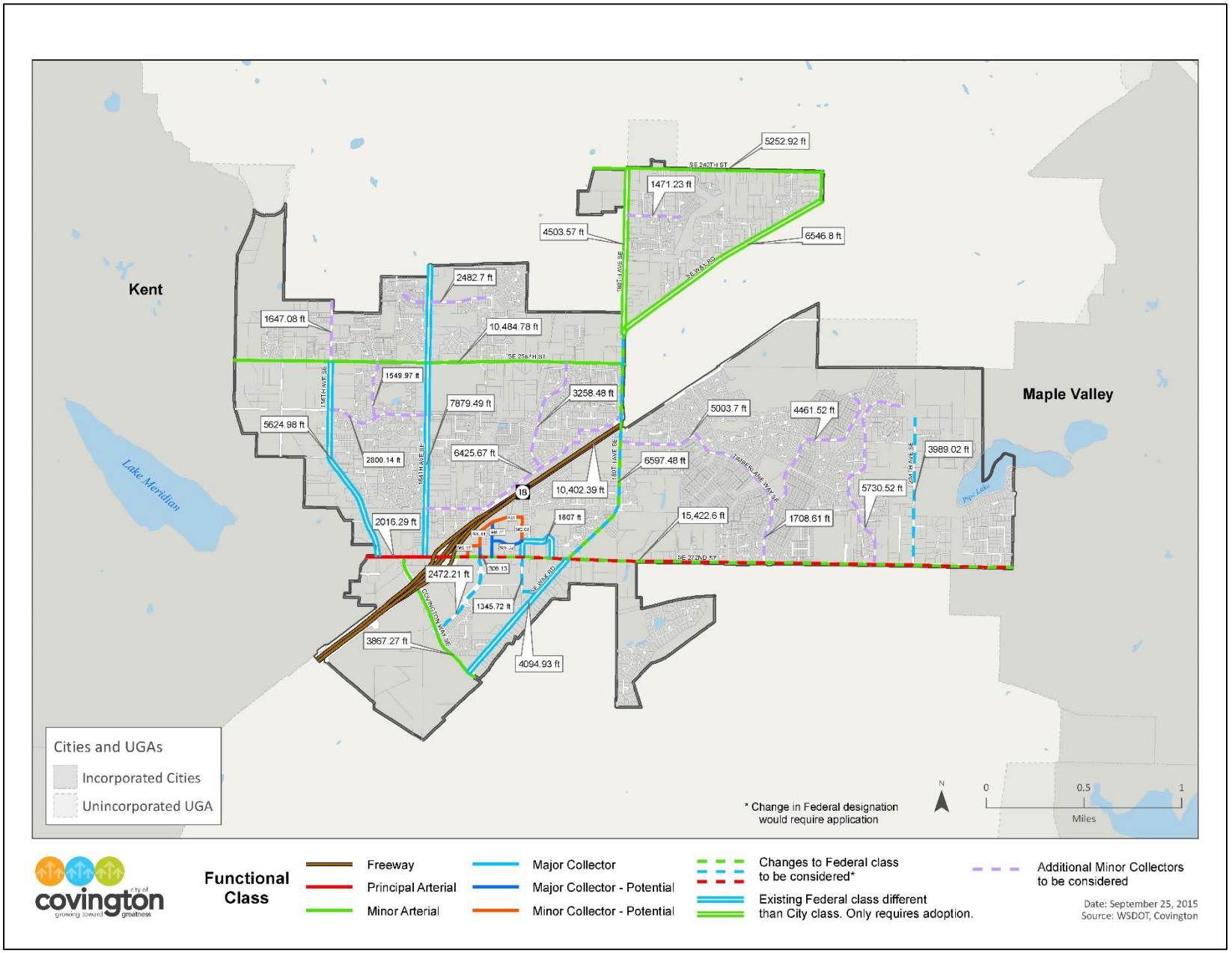
Exhibit 18 shows the street light inventory for the City of Covington, which is broken down by the street lights owned by INTOLIGHT and the City of Covington. INTOLIGHT is a street and area light installation and maintenance company.

Exhibit 18. Street Light Unit Inventory

Type of Street Light Unit	Number of Units	Unit Cost	Total Cost
INTOLIGHT-Owned Street Lights			
Cobraheads on Power Poles	36	$ 300	$ 10,800
Green Fiberglass Lamposts with Cobraheads	290	$ 3,500	$ 1,015,000
Acorn Style Lamposts	109	$ 3,000	$ 327,000
City-Owned Street Lights			
SR 516 Steel Pole Style Lights	56	$ 6,000	$ 336,000
Total Street Light Units	**491**		**$ 1,688,800**

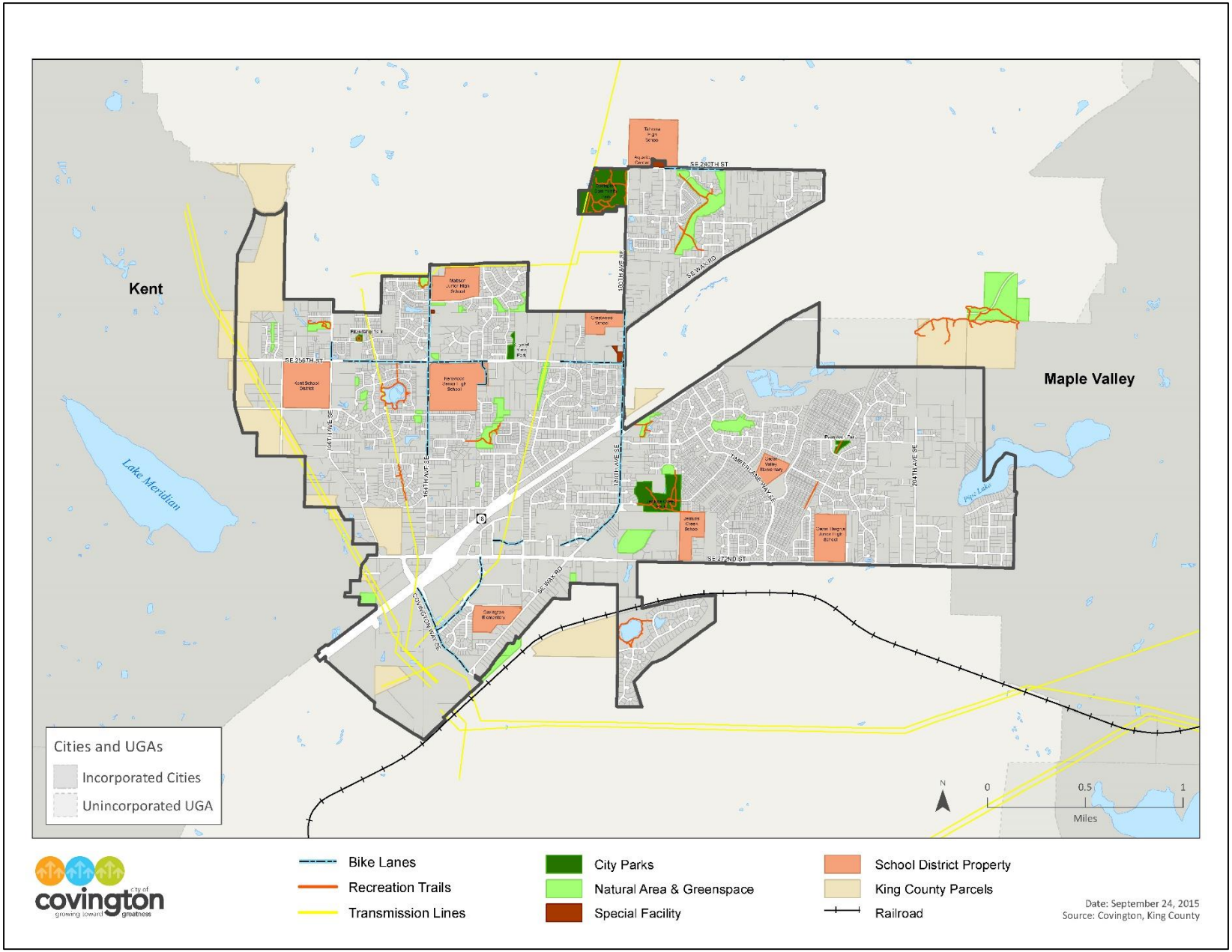
Source: City of Covington, 2015; BERK, 2015

Exhibit 19. Street Network by Functional Class



Source: King County GIS, WSDOT, 2015

Exhibit 20. Existing Non-Motorized Transportation Network



Source: King County GIS Center, 2015

Water

Water service is provided primarily by the Covington Water District, an independent non-municipal service provider. As of July 2013, the District serves approximately 50,000 people through 17,000 connections. The District's service area includes residential, small farm, commercial, governmental, medical facility, and institutional/ educational development. The District has 11 production wells and interties to receive water from neighboring water purveyors, 20.5 million gallons of water storage in steel water tanks at seven locations throughout the District, and approximately 267 miles of pipeline. Exhibit 21 shows the District's wells and associated capacity measured in million gallons per day (mgd).

King County Water District #111 and the Ham Water Company also provide limited water service in the western portion of the City. King County Water District #111 covers approximately 4,000 acres around Lake Meridian in Kent, WA. Water District #111 has three storage tanks, 150,000 gallons elevated, a 2 million gallon standpipe, and a 2 million gallon concrete reservoir. In the City, the District #111 overlays the Soos Creek Trail and Parkland and serves few homes. Approximately 80 single family homes in the City are within the King County Water District #111 boundaries. The Ham Water Company is a small privately-held water district serving a few lots.

Exhibit 21. Covington Water District Inventory

Facility	Location	Number of Wells	Capacity (mgd)
Covington Water District Water Supply			
222nd Wellfield	222nd Place	5	4.9
Witte Wellfield	Witte Road	4	1.84
264th Street Well	264th Street		0.37
City of Auburn (Purchase)			0.75
City of Tacoma (Purchase)			18.47
Total Covington Water District Capacity (mgd)			**26.33**

Source: Covington Water System Plan Update, 2007; BERK, 2015

In 2007, the Covington Water System Plan update identified the level of demand as shown in Exhibit 22. The factors used to determine the water demand forecast included demographic projections, non-revenue water, historical water use patterns, and effects of conservation.

Exhibit 22. Covington Water District's Average Annual Demand and Maximum Demand Forecast by Millions of Gallons per Day for 2005, 2011, and 2025

	2005	2011	2025
Average Annual Day (mgd)	4.49	5.22	6.92
Maximum Day (mgd)	8.85	10.29	13.64

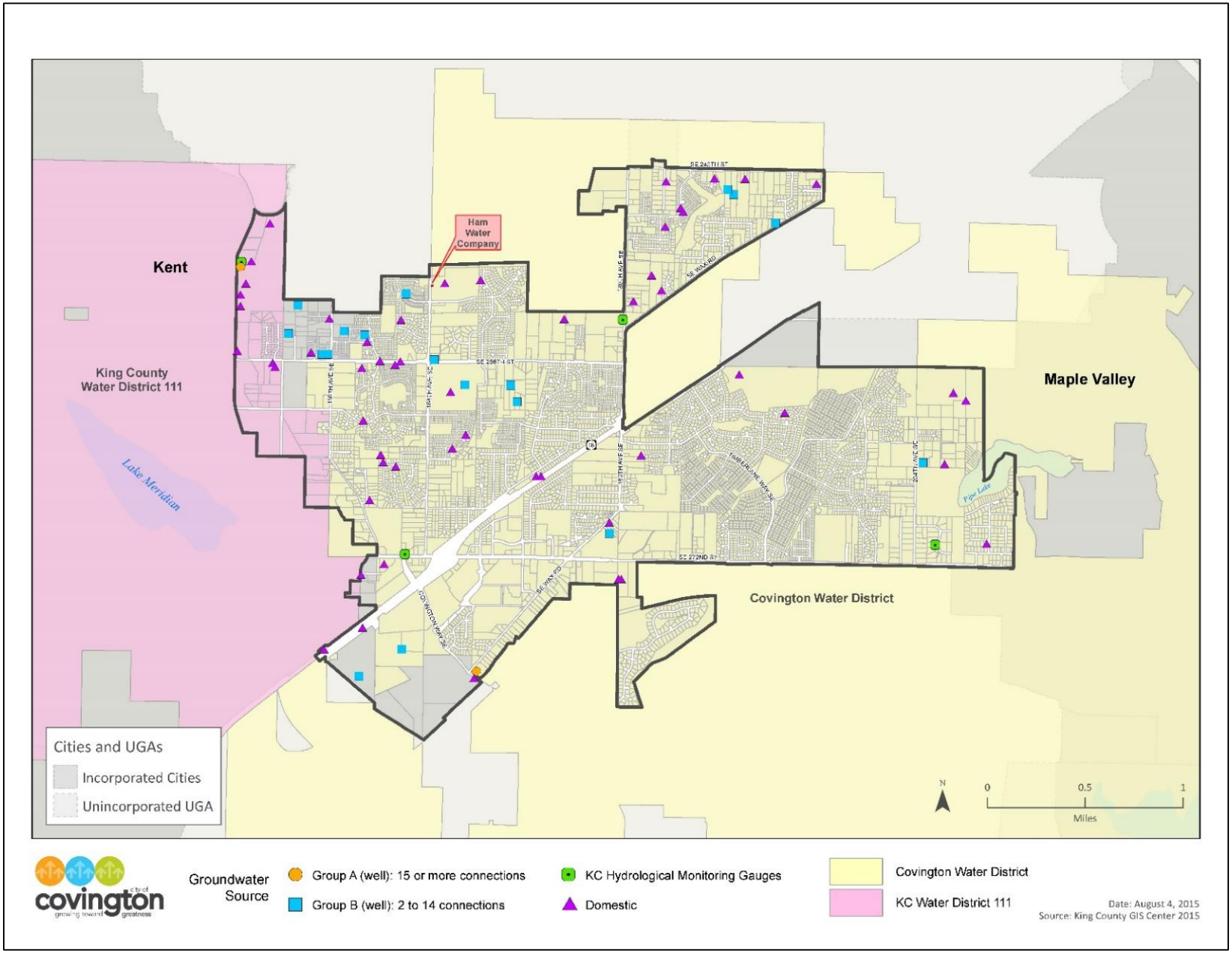
Source: Covington Water System Plan Update, 2007; BERK, 2015

Exhibit 23. Covington Water District Annual Average Daily Water Usage by Customer Category, 1999 - 2004

Customer Category	Water Usage Factor (gpd)
Single Family Households	222
Multifamily Households	133
Employees (Commercial Non-Irrigation Customers)	89

Source: Covington Water System Plan Update, 2007; BERK, 2015.

Exhibit 24. Water Service Areas



Source: King County GIS Center, 2015

Sewer

Soos Creek Water and Sewer District

Soos Creek Water and Sewer District (District) is located in southeastern King County and serves more than 91,800 people over an area of approximately 35 square miles. The City of Covington is located completely within the sewer planning area of the District, however the City of Covington is only a small portion of the District's service area.

The District's wastewater is treated by King County Wastewater Treatment Division's (formerly known as METRO) treatment plant in Renton. Some of this flow is delivered through conveyance facilities of other utilities. Wastewater leaves the District at 19 locations with 11 discharge connections to the Cedar River Water & Sewer District, three to the City of Renton, one to the City of Kent, and four directly to King County trunk lines.

The District serves approximately 33,500 family residential sewer connections and 11,500 commercial customers. The District maintains approximately 483 miles of gravity sewer, 32 miles of force mains, and 29 lift stations. There are approximately four miles of King County gravity trunk line within the District. The District monitors and controls the operation of its system with the use of a telemetry system. All lift stations have automatic controls and consist of a minimum of two pumps (Soos Creek, 2014). Exhibit 25 includes an inventory of the District's capital facilities including those within the Covington.

The majority of pipes in the collection system that were installed prior to the mid-1970s are made of concrete and reinforced concrete. However, in recent years, the predominant pipe material used has been PVC.

The Urban Growth Area (UGA) is the area that must be provided sewer service consistent with King County land use and policies. Most of the District's existing service area and future planning area is within the UGA. The District, however, does not currently provide sewer service to all of the residents within its boundaries, including in Covington. Many residences are served by on-site septic systems and will not be required to hookup to public sewers until the on-site systems fail or there is a health or pollution problem. Nonetheless, the City and the District must work collaboratively to ensure that new and existing development can be served. Exhibit 26 shows the service area for the District.

King County Wastewater Treatment Division (WTD)

King County protects water quality and public health in the central Puget Sound region by providing high-quality and effective treatment of wastewater collected from 17 cities, 16 local sewer utilities, and one Indian Tribe. The County's WTD serves about 1.5 million people, including most urban areas of King County and parts of south Snohomish County and northeast Pierce County.

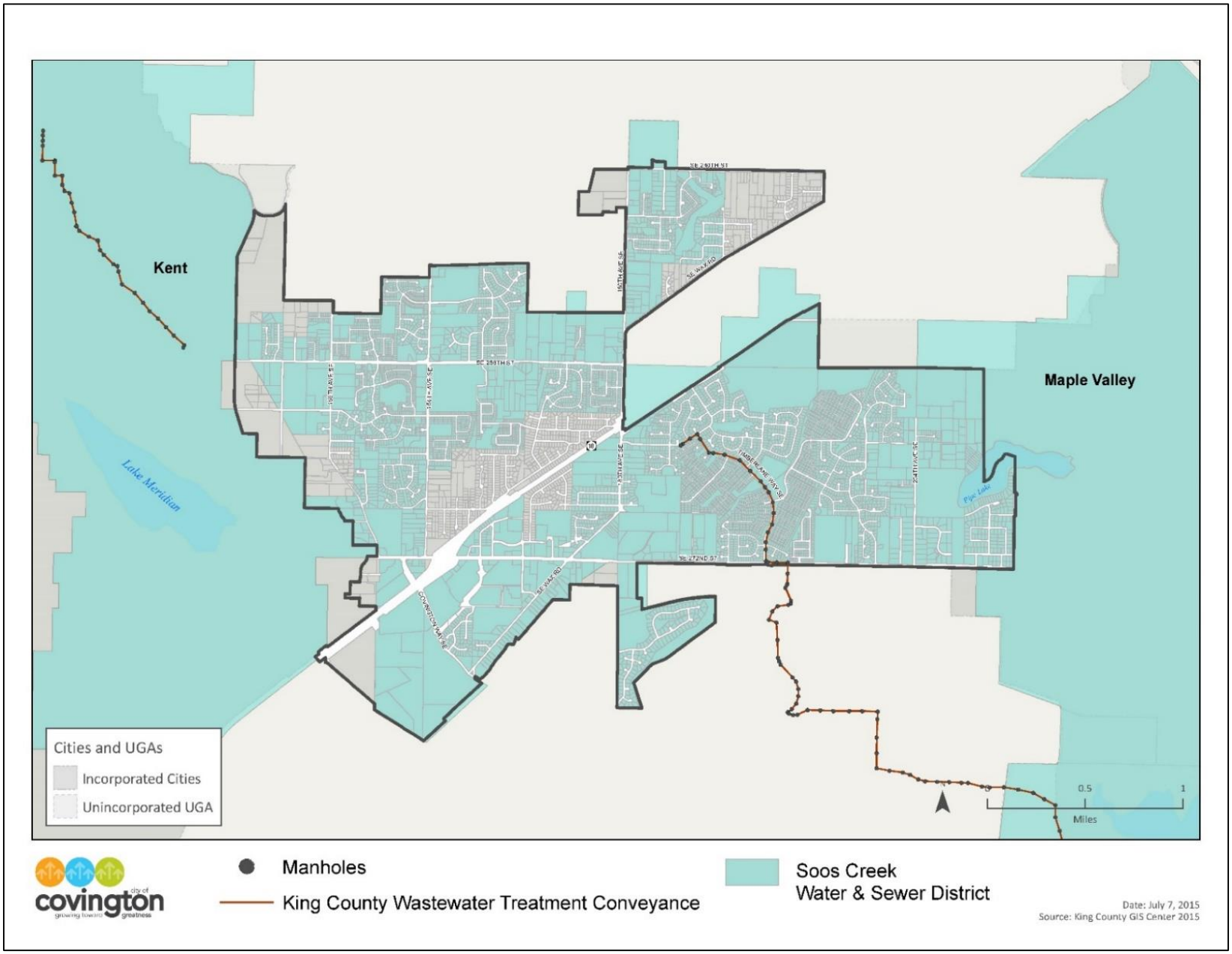
The wastewater system includes three large regional treatment plants (the West Point Plant in the City of Seattle, the Brightwater Plant in south Snohomish County, and the South Plant in the City of Renton), one small treatment plant on Vashon Island, one community septic system (Beulah Park and Cove on Vashon Island), one reclaimed water treatment plant in the City of Carnation, four combined sewer overflow (CSO) treatment facilities (Alki, Carkeek, Mercer/Elliott West, and Henderson/Norfolk—all in the City of Seattle), over 360 miles of pipes, 19 regulator stations, 43 pump stations, and 38 CSO outfalls (King County, 2013). The South Plant in the city of Renton serves the City of Covington (King County, 2013).

Exhibit 25. Current Facilities Inventory – System Wide

Facility	Size/Amount
Soos Creek Water and Sewer District	
Gravity Sewer Pipe	483 miles
Force Main Pipe	32 miles
Lift Stations	29
King County Wastewater Treatment Division	
Large Wastewater Treatment Plants	3
Small Wastewater Treatment Plants	1
Reclaimed Water Treatment Plant	1
CSO Treatment Facilities	4
Force Main and Gravity Pipe	360 miles
Regulator Stations	19
Pump Stations	43
CSO Outfalls	38

Source: 2014 Soos Creek Water and Sewer District Sewer Comprehensive Plan; King County Regional Wastewater Services Plan, 2013 Comprehensive Review.

Exhibit 26. Soos Creek Sewer District Service Area



Source: King County GIS Center, 2015

4. LEVEL OF SERVICE (LOS)

The LOS analysis establishes the existing and future LOS for each type of capital facility and serves as the basis for identifying future capital needs to maintain existing and desired levels of service. The LOS analysis informs the development of the capital facilities plan and financing plan to maintain or improve existing levels of service as new growth occurs during the planning period. See Exhibit 27 for a summary of the existing LOS standards by facility type.

Exhibit 27. Level of Service (LOS) Summary by Service Type

Service Type	Level of Service Standard
Municipal Buildings	Base: 617 SF/1,000 Population Target: 1,100 SF/1,000 Population
Police	0.75 Officers /1,000 Population
Fire Service	Response time objectives consistent with Kent Regional Fire Authority Capital Facilities and Equipment Plan, 2014-33
Schools	Student to teacher ratios and student generation rates of Kent School District, Capital Facilities Plan, 2014-15
Parks	See adopted PROS plan
Stormwater	New Facilities are constructed in accordance with the current adopted stormwater design manuals and the City's design standards
Transportation	See Transportation Element
Water	Gallons per capita consistent with Covington Water System Plan Update, 2007, as amended
Wastewater	Gallons per capita consistent with 2014 Soos Creek Water and Sewer District Sewer Comprehensive Plan and King County Regional Wastewater Services Plan, 2013 Comprehensive Review

Municipal Buildings

The City of Covington has adopted two levels of service (LOS) standards for municipal buildings in its 2014 Comprehensive Plan:

- City Offices LOS Standard: 1,100 to 1,800 square feet per 1,000 population.
- City Maintenance Shops LOS Standard: 800 to 1,200 square feet per 1,000 population

Exhibit 28. Municipal Buildings Level of Service (LOS) Analysis

Time Period	Population	Square Feet Needed to Meet LOS Standard	Current Square Feet Available	Net Reserve or Deficit
Current City Offices LOS Standard: 1,100 to 1,800 square feet per 1,000 population				
2015	18,520	20,372	17,079	(3,293)
2021	21,257	23,383	17,079	(6,304)
2035	27,645	30,409	17,079	(13,330)
Current City Maintenance Shops LOS Standard: 800 to 1,200 square feet per 1,000 population				
2015	18,520	14,816	2,304	(12,512)
2021	21,257	17,006	2,304	(14,702)
2035	27,645	22,116	2,304	(19,812)

Source: City of Covington Comprehensive Plan, Capital Facilities Element, 2014; BERK, 2015

Exhibit 28 shows that the City of Covington is currently not meeting its City Offices and City Maintenance Shops levels of service standard. The City is planning to build a new City Hall within the next six to 10 years that will address the deficit in the existing and projected LOS. The City conducted a space needs analysis for the City maintenance facilities in 2013. The recommended space needs for City maintenance facilities was 12,750 square feet based on current needs, which indicates the City may be able to lower their LOS standard (David A. Clark Architects, 2013). Based on a maintenance facility with 12,750 square feet the existing LOS would be 688 square feet per 1,000 people and 460 square feet per 1,000 people by 2035 without building additional facilities. Additional maintenance facility space or a reduction in the LOS standard will be required in the future.

Police Services

The City of Covington passed Resolution 07-42 in 2007, which determined that a minimum of two officers will be on patrol at all times. Covington's Reactive Patrol is staffed in the following way:

- 1st Shift: 3 Officers
- 2nd Shift: 3 Officers
- 3rd Shift: 1 Officer (Power Shift)
- 4th Shift: 3 officers

Currently, the City of Covington employs 14 police officers. In addition to the 10 officers assigned to reactive patrol, the city has one Police Chief, one Detective, one Traffic Officer, and one School Resource Officer. Based on this, the existing LOS standard is 0.75 police officers per 1,000 residents. Exhibit 29 shows the current police officers per 1,000 residents. In order to maintain current staffing standards, by 2021 the City of Covington Police Department will need to hire an additional 2 officers, and by 2035, an additional 7 officers. The City could lower the LOS standard or add officers over time.

Exhibit 29. City of Covington Police Services Existing Level of Service (LOS) Standard – Number of Police Officers

Time Period	Population	Population in 1000s	LOS Per 1,000 People	Officers Needed to Maintain LOS Standard	Current Number of Officers Available	Net Reserve or Deficit
Existing LOS Standard: 0.75 police officers/ 1,000 residents						
2015	18,520	18.52	0.75	14	14	0
2021	21,257	21.26	0.75	16	14	(2)
2035	27,645	27.64	0.75	21	14	(7)

Source: BERK, 2015

Currently, the existing office space LOS standard for the City of Covington Police Department is 51.7 square feet per 1,000 people. The City has not adopted an LOS standard for police officers space needs, but Exhibit 30 shows how much space is needed in the future to maintain the existing ratio of square footage per police officer. In order for the City of Covington Police Department to maintain the current office space LOS standard, the City will have to gain an additional 136 square feet of space in 2021 and an additional 478 square feet of space in 2035.

Exhibit 30. City of Covington Police Services Existing Level of Service (LOS) Standard – Office Square Feet

Time Period	Number of Officers	Square Feet per Officer	Square Feet Required	Current Square Feet Available	Net Reserve or Deficit (sf)
Existing LOS Standard: 68.4 square feet/officer					
2015	14	68.4	958	958	0
2021	16	68.4	1094.4	958	(136)
2035	21	68.4	1436.4	958	(478)

Source: BERK, 2015

Fire and Emergency Services

The Kent Fire Department Regional Fire Authority (KFDRFA) has established LOS standards based on response times that differ for the following service areas: urban, suburban, and rural. Exhibit 31 identifies the KFDRFA LOS Standards. Exhibit 32 shows the actual response times between 2011 and 2013 by the suburban benchmark of 7 minutes and 40 seconds.

Exhibit 31. Kent Fire Department Regional Fire Authority Level of Service (LOS) Standards

Service Area	Response Time
First Unit to Arrive Objectives "Benchmark" to be Performed 90% of the time	
Urban Service Area	7 minutes 20 seconds
Suburban Service Area	7 minutes 40 seconds
Rural Service Area	8 minutes 35 seconds
Minimum First Alarm Arrival Objectives (first three units) "Benchmark"	
Urban Service Area	9 minutes 35 seconds
Suburban Service Area	9 minutes 50 seconds
Rural Service Area	10 minutes 05 seconds
Full First Alarm Arrival Objectives "Benchmark"	
Urban Service Area	11 minutes 05 seconds
Suburban Service Area	12 minutes 05 seconds
Rural Service Area	13 minutes 05 seconds
Minimum Hourly Unit Reliability "Benchmark"	
Urban Service Area	Units are available from assigned station 90% of the time.
Suburban Service Area	Units are available from assigned station 90% of the time.
Rural Service Area	Units are available from assigned station 90% of the time.

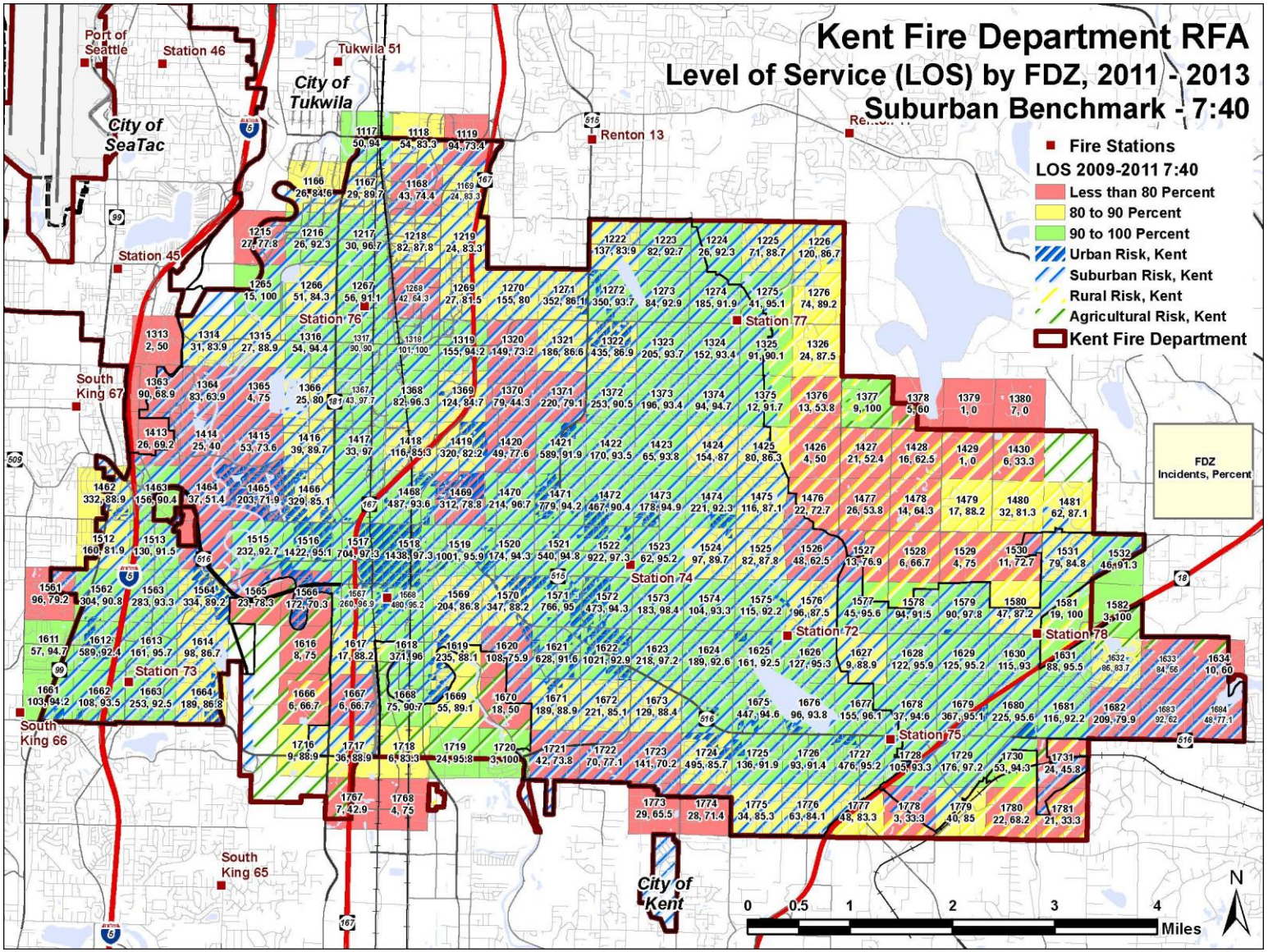
Source: Kent Fire Department Regional Fire Authority, 2015; BERK, 2015

Currently, most of the City of Covington is categorized as suburban; however, that categorization is changing to urban in many areas. Exhibit 33 shows the actual response time between 2011 and 2013 by the urban benchmark of 7 minutes and 20 seconds. The maps with the use of colors identify where the LOS is being met 90%-100% of the time (green), 80%-90% of the time (yellow), and less than 80% of the time (red). The red and yellow areas are not currently meeting the suburban LOS Standard.

Some of the City experienced response times that meet the established LOS standard; however, a significant portion of northeast Covington experienced response times below the established suburban LOS standard of 90% and represents an opportunity for improved service in the City.

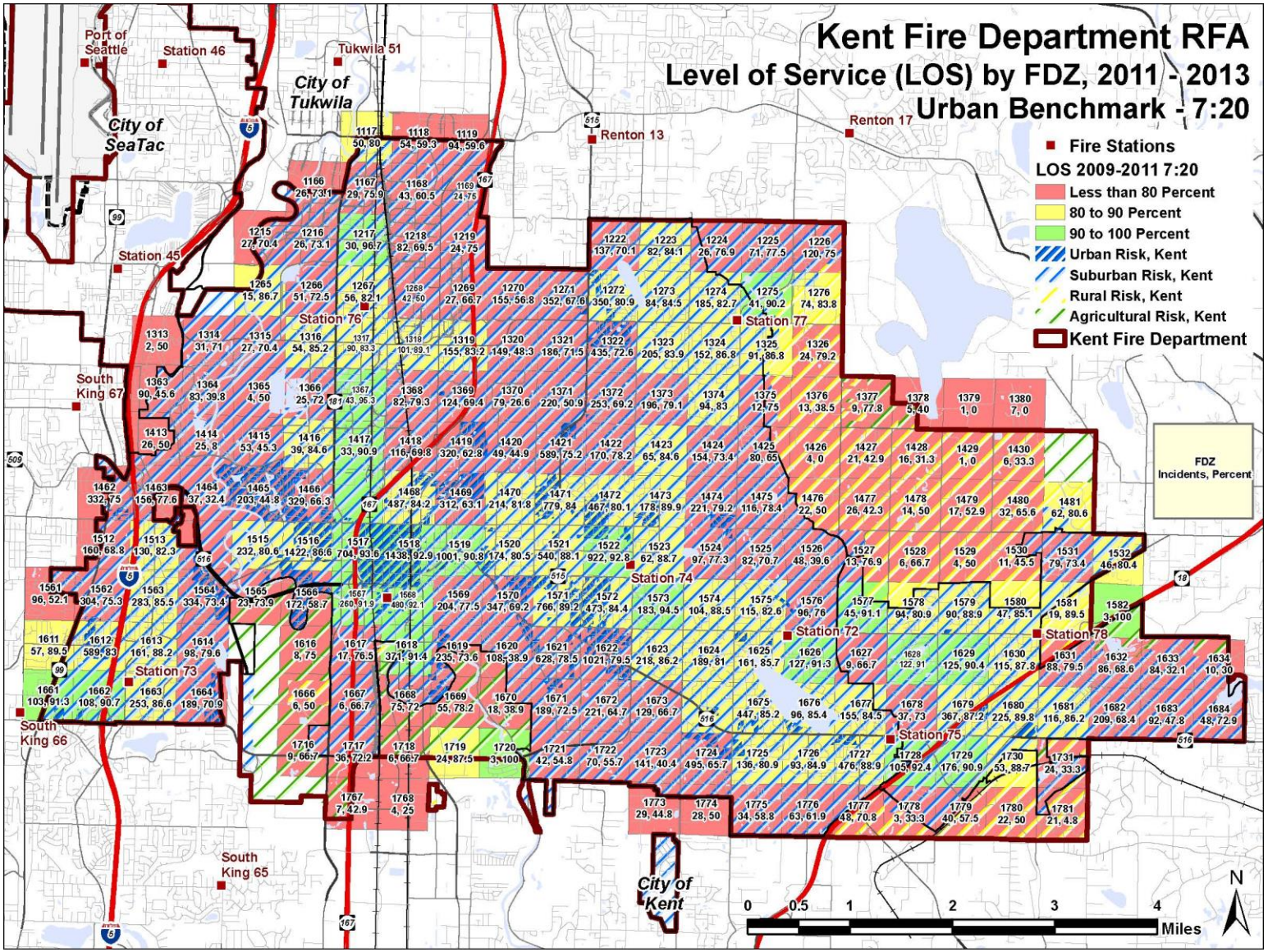
Even though the response time standards have improved in the City of Covington, the KFDRFA is still not meeting the suburban LOS Standard 90% of the time. Therefore, the KFDRFA is currently pursuing fire impact fees in Covington to ensure as growth occurs appropriate facilities are available. The KFDRFA Capital Facilities Plan includes building an additional fire station in Covington, which would be better able to serve the southern part of the City. Additionally, Station 75 will be moved further west, and there will be an extension of SE 256th from SR 18 out to 204th Avenue, which should improve response times in Eastern Covington.

Exhibit 32. Kent Fire Department Regional Fire Authority (RFA) Suburban Level of Service (LOS) Response Times, 2013



Source Kent Fire Department Regional Fire Authority, 2015

Exhibit 33. Kent Fire Department Regional Fire Authority (RFA) Urban Level of Service (LOS) Response Times, 2013



Source: Kent Fire Department Regional Fire Authority, 2015

Schools

By 2021, it is anticipated an additional 515 single family housing units and 661 multifamily housing units would be built in Covington. By 2035, an additional 1,718 single family housing units, and 2,202 multifamily housing units are anticipated. The Kent School District has calculated that 0.862 as the single family housing unit student generation rate, and 0.508 as the multifamily housing unit student generation rate.

Exhibit 34. Number of Students Generated by Addition Dwelling Units in Covington

Type of Housing	*Household Breakdown* Number	Percentage	Student Generation Rate	Additional Students Generated
2021 Additional Dwelling Units: 1,176				
Single Family	515	93.31%	0.862	444
Multifamily	661	6.69%	0.508	336
Total Number of Additional Students Generated in 2021				**780**
2035 Additional Dwelling Units: 3,920				
Single Family	1,718	93.31%	0.862	1,481
Multifamily	2,202	6.69%	0.508	1,119
Total Number of Additional Students Generated in 2035				**2,600**

Source: U. S. Census, American Community Survey 5-Year Estimates, 2009-2013; BERK, 2015

Using present student generation rates approximately 780 additional school age students could be added by 2021, and approximately 2,600 school-age students could be added by 2035. Additional cities such as Kent, Covington, Maple Valley, Renton, Black Diamond and unincorporated areas in King County also contribute students to the Kent School District. Therefore, in addition to the number of students generated by new growth in the City of Covington there will also be additional students generated from growth in other cities that are served by the Kent School District.

Parks, Recreation, and Open Space

Existing (LOS) standards per the City's Comprehensive Plan are identified in Exhibit 35 by facility type.

Exhibit 35. Parks, Recreation and Open Space Level of Service (LOS) Standards (2014 Comprehensive Plan)

Facility Type	Size Guideline	Proximity Guideline	Level of Service Standard
Community Parks	20-30 acres; 20 acre minimum desired	up to 1-mile radius	5 acres/1,000
Neighborhood Parks	3-5 acres; 2-acre minimum desired	up to 1/2 -mile radius	3 acres/1,000
Pocket Parks	N/A	up to 1/4-mile radius	
Natural Areas & Greenspace	N/A	N/A	6 acres/1,000
Trails and Bikeways	N/A	N/A	0.75 miles/1,000

Source: City of Covington, 2014

Exhibit 36 addresses the existing LOS by facility type based on the 2015 population of 18,520. Non-city owned facilities are not included in the existing LOS information in Exhibit 36. The City has a deficit for all facility types with the largest deficit for Neighborhood and Pocket Parks.

Exhibit 36. Parks, Recreation, and Open Space Level of Service (LOS) Analysis

Time Period	Population	Acres Needed to Meet LOS Standard	Current Acres Available	Net Reserve or Deficit
Community Park LOS Standard: 5 acres/ 1, 000 people				
2015	18,520	92.60	50.2	(42.40)
2021	21,257	106.29	50.2	(56.09)
2035	27,645	138.22	50.2	(88.02)
Neighborhood Parks LOS Standard: 3 acres/ 1,000 people				
2015	18,520	55.56	61.12	5.56
2021	21,257	63.77	61.12	(2.65)
2035	27,645	82.93	61.12	(21.81)
Natural Areas & Greenspace LOS Standard: 6 acres/ 1,000 people				
2015	18,520	111.12	206.97	95.85
2021	21,257	127.54	206.97	79.43
2035	27,645	165.87	206.97	41.10
Trails LOS Standard: 0.75 miles/ 1,000 people				
2015	18,520	13.89	5.94	(7.95)
2021	21,257	15.94	5.94	(10.00)
2035	27,645	20.73	5.94	(14.79)
Bikeways LOS Standard: 0.75 miles/ 1,000 people				
2015	18,520	13.89	5.03	(8.86)
2021	21,257	15.94	5.03	(10.91)
2035	27,645	20.73	5.03	(15.70)

Note: Comprehensive Plan Table 6.3 Inventory and Current LOS had an existing inventory column that seemed not to match the inventory of parks by park type in Table 6.2, either considering public or public and private sites together. The table above is based on the City-owned inventory per the Element information in Table 6.2.

Source: City of Covington, 2015; BERK, 2015

As the population is expected to grow by 50% the estimated deficits are anticipated to grow if these same LOS standards remain in place. See Exhibit 36.

The City define certain services as required to be adequate at the time of development (e.g. transportation, sewer, water, stormwater, fire protection and schools). The City does not define a concurrency requirement for parks though onsite parks and recreation facilities are required, and the City does collect parks impact fees to address the impacts of growth. Since the City would have an existing deficiency with the parks standards in 2015 the City could adopt LOS standards in the PROS Plan as target LOS standards and the observed LOS as a 2015 base year LOS. Thus in 2015 the LOS would be met but the proposed standard would apply for the next 6 and 20 years; the City would work its way to the standard 2016 forward.

Exhibit 37. Base and Target Parks LOS Standard

Facility Type	Service Standard	Existing Inventory	Observed LOS: 2015	Surplus/ (Deficit) 2015 with Service Standard
Community Park	5 acres/1,000	50.2	2.71	(42.40)
Neighborhood and Pocket Parks	3 acres/1,000	61.1	3.30	5.56
Natural Areas & Greenspace	6 acres/1,000	206.97	11.18	95.85
Trails	0.75 miles/1000	5.94	0.32	(7.95)
Bikeways	0.75 miles/1000	5.03	0.27	(8.86)

Source: City of Covington; BERK Consulting 2015

Stormwater

LOS for stormwater activities are regulated by the city code and design standards. New development is conditioned to meet water quality, runoff control, and erosion control requirements, in the following documents (current manuals as they may be amended):

- Washington State Department of Ecology Stormwater Management Manual for Western Washington;
- Puget Sound Partnership Low Impact Development Technical Guidance Manual for Puget Sound;
- Washington State Department of Transportation Hydraulics Manual;
- City of Covington Design and Construction Standards; and
- The definitions, minimum requirements, adjustment, and variance criteria found in Appendix 1 of the NPDES Phase II Permit, except that the erosivity waiver is not adopted.

As growth occurs, developments will be required to install new conveyance and stormwater management systems. Faculties installed in the public right-of-way are owned and maintained by the City. Under the Western Washington Phase II Municipal Stormwater Permit, the City is also required to annually inspect private and public stormwater facilities. Additional funding for maintenance and inspection will be required as new facilities are installed. Capital improvement projects will be focused on maintaining existing facilities (City of Covington, 2010 and 2015). The NPDES Phase II permit covers compliance with the GMA, the City's LOS standard for stormwater facilities, the National Flood Insurance Program (NFIP), the Endangered Species Act (ESA), and the City of Covington Municipal Code.

Exhibit 38. Level of Service (LOS) Requirement Analysis – Surface Water Management Capital Facility Type

Time Period	
CURRENT LOS	
2015	Maintain existing capacity. New facilities are constructed in accordance with the 2013-2018 Western Washington Phase II Municipal Stormwater Permit.
2021	Maintain existing capacity. New facilities will be constructed in accordance with future Municipal Stormwater Permit.
2035	Maintain existing capacity. New facilities will be constructed in accordance with future Municipal Stormwater Permit.

Source: Stormwater Management Plan, 2015

Water

Exhibit 39 shows the average number of gallons of water needed per day by the additional population and employment growth generated in 2035 for the Covington Water District and the King County Water District 111. According to Fred French with the Covington Water District the District has the capacity to serve its designated service area in the City and UGA. The District has acquired additional water rights in recent years and expects that water consumption rates per residential unit will continue to decline based a greater share of multifamily units being built in the future. The District is in the process of updating their master plan, which was last completed in 2007 (Personal Communication, 2015).

Exhibit 39. Gallons of Water per Day Generated by Additional Housing and Employment Growth

Customer Category	Number of Households/ Employees	Water Usage Factor (gpd)	Water Per Day (gpd)
Covington Water District			
Single Family Households	1,666	222	369,852
Multifamily Households	2,202	133	292,866
Employees	3,611	89	321,379
Total Gallons per Day			**984,097**
King County Water District 111			
Single Family Households	52	222	11,544
Multifamily Households	0	0	0
Employees	0	0	0
Total Gallons per Day			**11,544**

Source: Covington Water District Comprehensive Plan, 2007

Sewer

Soos Creek Water and Sewer District

Exhibit 40 shows the Soos Creek Sewer District population forecast based on data obtained from the Puget Sound Regional Council (PSRC) for the years 2010, 2020, 2030, and 2040. The data used was delineated in the 2000 Transportation Analysis Zone (TAZ) data for population, households and employment which was updated in 2006. This data was used to ensure necessary coordination was provided to meet the requirement of the GMA. A comparison between the growth rates of PSRC projections and King County growth targets was conducted. Overall, PSRC data had higher growth rates in both housing and employment than King County.

Exhibit 40. Sewer System Growth Projections – Soos Creek Water and Sewer District

	2010	2020	2030	2040	Ultimate
Population	91,184	104,150	115,052	127,036	215,833
Household	33,499	39,677	45,517	52,175	92,955
Employment (Commercial)	11,477	13,238	15,092	17,327	28,461

Source: Soos Creek Water and Sewer District, 2014

The 2014 Soos Creek Water and Sewer District Sewer Comprehensive Plan identifies numerous capital projects, some of which are located within the City of Covington. All recommended projects belong to one of two categories, pipe replacements/upgrades or lift station replacement/upgrades.

The Soos Creek Water and Sewer District develops and analyzes their own growth projections to ensure the District can accommodate future urban growth within their service area. The District indicates that new growth is partially offset by increases as residences become more efficient and result in increases in water conservation. Exhibit 41 compares the City of Covington growth allocations to the Districts 2040 growth projections.

Exhibit 41. Growth Projection Comparison

	Covington 2035 Estimate	District 2040 Estimate (Covington Drainage Basins Only)	Percent Growth within City Limits
Population	27,645	31,131	**89%**
Households	10,297	12,936	**80%**
Jobs	8,459	6,167	**N/A**

Source: City of Covington, 2015; Soos Creek Water and Sewer District, 2014

King County Wastewater Treatment Division (WTD)

In general, WTD updates its treatment plant flow and loading projections every 10 years using population and employment forecasts provided by the Puget Sound Regional Council (PSRC) that reflect the most recent U.S. Census data. WTD also evaluates and updates other key planning assumptions, such as water use, water conservation, and the service area growth rate.

The most recent projections, were made in 2014 as part of the 2007−2013 Regional Wastewater Services Plan comprehensive review. The projections extend through 2060, using 2010 as the base year and relying on 2013 PSRC forecasts based on the 2010 U.S. Census. King County uses the population projections to forecast wastewater treatment plant flows and solids loadings (wasteloads) by multiplying population and employment forecasts by average wet weather flow and wasteload factors representing average volumes generated per person. Peak flows to the treatment plants are also important in evaluating capacity needs. Peak flows represent the highest combination of base flow and infiltration/inflow (I/I) expected to enter a wastewater system during wet weather over a set time period (for example, 30-minute increments). The information needed to forecast the peak flows is being generated as part of the 2015 Conveyance System Improvement (CSI) Program update; therefore, peak flow forecasts for the treatment plants will be generated following completion of the Covington Comprehensive Plan 2015 Update. As discussed in the Land Use Element, the City of Covington's share of regional growth is low compared to the market for new development. Therefore, the City should monitor the results of the CSI program update.

The King County Regional Wastewater Services Plan, 2013 Comprehensive Review confirmed the benefits of having a three-plant regional system. Findings indicate that with the Brightwater Plant, there is sufficient treatment plant capacity until the 2030s. Current forecasts indicate that solids loadings capacity will be needed sooner than average wet weather flow capacity at all three plants, which could require additional equipment and digesters to handle the solids capacity needs. The forecasts indicate that a full expansion at South Treatment Plant is unlikely to be needed in 2029 as previously projected. WTD will continue to monitor the factors and trends that affect treatment plant capacity needs (King County, 2013). The City of Covington's growth projections represent a small portion of total growth being served by WTD.

Exhibit 42. Level of Service (LOS) Requirements Analysis – Sanitary Sewer Capital Facility Type

Time Period	
CURRENT LOS	
2015	Provide conveyance and treatment of current sewer flows.
2021	Provide conveyance and treatment of forecasted sewer.
2035	Provide conveyance and treatment of forecasted sewer.

Source: Soos Creek Water and Sewer District Sewer Comprehensive Plan, 2014

Opportunities and Challenges

Limited resources for Capital Investments

Like most cities, Covington has limited resources to allocate towards both capital facility maintenance and new facilities. Revenues for capital facilities are also impacted by regional and national economic trends, which brings uncertainty to the capital planning process. The City must adequately plan for existing and new capital facilities to support new growth while accounting for changes in revenues over time.

New Growth to Support Capital Facility Investments

Covington expects an additional 3,920 housing units and 3,706 jobs during the planning period. The robust growth expected will provide additional revenues for investments in capital facilities. The City must ensure that new growth is coordinated with capital facility needs and that investments are coordinated, prioritized, and meet other objectives for the City such as implementing the Downtown and Hawk Property subarea plans.

Reduced LOS Standards

As Covington continues to grow the City may have to reduce their LOS standards for certain facilities or risk falling below the established LOS standards.

5. CAPITAL IMPROVEMENT PROGRAM (CIP)

The City of Covington's six-year Capital Improvement Program (CIP) is shown in Exhibits 40 through 43 and include parks and recreation, transportation, municipal facilities, and stormwater facilities. The total estimated cost for the six-year CIP is approximately $135 million. Currently, the City of Covington has minimal projects identified during the 7-20 year planning period and therefore the total cost of projects has not been identified. The City does have plans to construct a new City Hall facility as a 20-year capital planning project. The City is also currently working on a Parks, Recreation, and Open Space (PROS) plan that includes an updated six-year CIP and a longer-term parks plan. The draft PROS CIP is shown in Exhibit 43.

Projects highlights include:

Parks

- Covington Community Park Phase II (2016-17): $8,375,000
- South Covington Park (2016-2019: $5,523,599
- Community Park #3 (2019-20): $4,510,000

Transportation

- SE 272nd St, (SR516) and Jenkins Creek to 185th Place SE (2016-17): $12,614,000
- SE 272nd St. (SR516) and 185th Place SE to 192nd Ave SE (2017-19): $16,890,000

Stormwater

- Pioneer Ridge Swale (2017): $52,416
- Timbercrest Estates (2016): $7,351

Key revenue sources for capital projects include:

- Transportation Impact fees
- Parks Impact fees

- Miscellaneous Revenues
- General Revenues
- Transportation Grants
- Stormwater Grants
- Park Grants
- Parks Property Tax Levy
- Stormwater Management Fees
- Stormwater Capital Funding from Cash Reserves

In addition to annual revenue sources for capital facilities the City sometimes funds capital facilities with one-time revenues such as operating transfers from the general fund, bonds, the sale of assets, energy efficiency rebates, grants for transportation, parks and stormwater. Even though these revenues have historically provided significant funding for capital facilities most are not included in the future revenue projections because they are not acquired on a consistent annual basis. Currently the revenue projects for future capital facilities show a total funding gap of approximately $78 million for all Parks, Stormwater, and Transportation. If the average annual operating transfer in over the prior 10-year historical period is factored the gap decreases to approximately $75 million. See the Future Revenue section for more information on options to address the funding gap.

Exhibit 43. Six-year Parks Capital Improvement Program (DRAFT)

Project	CIP #	2016	2017	2018	2019	2020	2021	6-Year Total
Covington Aquatic Center	2010	$ 300,000						$ 300,000
Covington Community Park Ph 2	1010	$ 1,000,000	$ 7,375,000					$ 8,375,000
South Covington (SoCo) Park	1019	$ 1,010,500	$ 823,125		$ 3,689,974			$ 5,523,599
Town Center Park Plaza	2011		$ 20,000					$ 20,000
Jenkins Creek Park	1014	$ 50,000	$ 45,000	$ 166,794	$ 1,722,330			$ 1,984,124
Gerry Crick Skate Park Renovation	1013	$ 120,000						$ 120,000
Friendship Park Renovation	2002		$ 171,412					$ 171,412
Crystal View Park Renovation	1094			$ 224,663				$ 224,663
Pipeline Trail North	1101				$ 477,507			$ 477,507
Jenkins Creek Trail	1110		$ 20,000	$ 30,000	$ 30,000			$ 80,000
Community Park #3	1178				$ 2,010,000	$ 2,500,000		$ 4,510,000
Off Leash Dog Park	1021			$ 60,000				$ 60,000
North City Trail or Highland Trail	1112							TBD
Evergreen Park	1093			$ 556,467				$ 556,467
Little Soos Trail North	1111						$ 3,187,500	$ 3,187,500
BPA Trail (Tri-City Trail)	2027						$ 1,869,000	$ 1,869,000
Jenkins Creek Trail Connect	2030						$ 85,440	$ 85,440
Community/Recreation/Aquatic Center S	3006	$ 60,000						$ 60,000
Non-Motorized Plan	3005				$ 50,000			$ 50,000
Hawk Park	1009						$ 1,070,901	$ 1,070,901
Suncrest Park	1011						$ 1,591,735	$ 1,591,735
Neighborhood Park NH-1	2003				$ 960,000			$ 960,000
Neighborhood Park NH-2	2004					$ 960,000		$ 960,000
Neighborhood Park NH-3	2005						$ 960,000	$ 960,000
Soos Creek Trail Connect	2029						$ 320,400	$ 320,400
Revolving Repair & Maintenance								
	Total	**$ 2,540,500**	**$ 8,454,537**	**$1,037,924**	**$ 8,939,811**	**$ 3,460,000**	**$ 9,084,976**	**$ 33,517,748**

Source: City of Covington, 2015; Conservation Technix, 2015

Exhibit 44. Municipal Buildings Capital Improvement Program (DRAFT)

Project	CIP #	2015	2016	2017	2018	2019	2020	2021	6 - Year Total	2022-2035
Municipal Buildings										
Public Works Maintenance Facility										$3,000,000
City Hall										$22,000,000
TOTAL		$0	$0	$0	$0	$0	$0	$0	$0	$25,000,000

Source: City of Covington, BERK 2015

Exhibit 45. Six-year Transportation Capital Improvement Program

Project	CIP #	2015	2016	2017	2018	2019	2020	2021	6 - Year Total	2022-2035
Transportation										
SE 272nd Street (SR 516) and Jenkins Creek to 185th Place SE)	1127		$5,923,000	$6,691,000					$12,614,000	$0
204th Avenue SE and SE 272nd Street to SE 256th Street	1201				$27,136,000				$27,136,000	$0
164th Avenue SE and SE 264th Street to SE 256th Street	1086		$91,000	$848,000					$939,000	$0
SE 272nd Street (SR 516) and 185th Place SE to 192nd Avenue SE	1128			$1,383,000	$793,000	$14,714,000			$16,890,000	$0
SE 272nd Street (SR 516) and 160th Avenue SE to 164th Avenue SE	1063				$1,008,000	$1,440,000	$10,650,000		$13,098,000	$0
SE 256th Street and 180th Avenue SE	1056 and 1149					$498,000	$242,000	$5,316,000	$6,056,000	$0
SE 276th Street and 168th Place SE to SE Wax Road	Town Center 1					$13,180,000			$13,180,000	$0
172nd Avenue SE and SE 275th Street to SE 276th Street	Town Center 2						$3,300,000		$3,300,000	$0
185th place SE Extension and Wax Road/180th Avenue SE Roadabout to SE 272nd Steet	1124						$1,131,000	$5,339,000	$6,470,000	$0
SE 240th Street/196th Avenue SE	N/A									$900,000
SE Wax Road/180th Avenue SE	N/A									$750,000
Covington Way/SE Wax Road	N/A									$2,500,000
191st Avenue SE	N/A									$1,960,000
SE 272nd Street/204th Avenue SE	N/A									$1,350,000
SE 256th Street/State Route 18 Westbound Ramps	N/A									$2,250,000
SE 256th Street/State Route 18 Eastbound Ramps	N/A									$3,350,000
TOTAL		**$0**	**$6,014,000**	**$8,922,000**	**$28,937,000**	**$29,832,000**	**$15,323,000**	**$10,655,000**	**$99,683,000**	**$13,060,000**

Source: City of Covington, 2015; BERK, 2015

Exhibit 46. Six-year Stormwater Capital Improvement Program

Project	CIP #	2015	2016	2017	2018	2019	2020	6 - Year Total	2021-2035
Stormwater									
Stormwater Facility Rehab									
DP21065 Parke Meadows	21065	$35,385						$35,385	
DP11069 Prestige Park II	11069					$23,022		$23,022	
DP11068 Prestige Park I	11068					$23,022		$23,022	
DP41039 Shire Hills	41039						$11,351	$11,351	
DP41040 Shire Hills	41040						$11,241	$11,241	
DP41052 Timber Heights	41052						$10,989	$10,989	
DP41017 Timbercrest Estates	41017		$7,351					$7,351	
DT11045 Pioneer Ridge Swale	11045			$52,416				$52,416	
DP41008 Covington Park Div.1 (Dog Park)	41008				$45,926			$45,926	
DP21055 Foxwood	21055	$13,192						$13,192	
DP21088 North Park	21088		$40,569					$40,569	
Facility Fence Repair	N/A	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$15,000	
Annual Neighborhood Drainage								$0	
Crystal View Outfall Retrofits	N/A				$146,954			$146,954	
Lillian's First Addition Outfall Retrofits	N/A					$191,751		$191,751	
The Reserve Capacity Improvement/Outfall Study	N/A			$30,000				$30,000	
Clements Capacity Project/ 263rd Drainage Improvments	N/A	$240,000						$240,000	
Timberlane/Jenkins Creek Park Stormwater LID	N/A	$118,447	$243,349	$236,651				$598,447	
Park Meadows Outfall	N/A						$54,560	$54,560	
Channing Park Swale Rehab	N/A						$51,345	$51,345	
212th AVE SE Outfall Retrofit	N/A				$88,252			$88,252	
DP21060 Woodcreek Inlet Retrofit	21060						$8,303	$8,303	
DP41150 Timberlane Inlet Structure Rehab	41150						$6,656	$6,656	
20 - Year Projects									
The Reserve Capacity Improvement									$1,075,133
Terrace Park Habitat Restoration									$318,672
180th Ave SE Drainage Improvements - SE 240th to SE 248th									$1,360,106
Little Soos Creek Channel Widening at SE 264th Street									$841,299
SE 204th Street Drainage Outfall									$3,788,012
Little Soos Creek Culvert Replacement at SE 256th Street									$1,297,173
North Jenkins Culvert Replacement at SE 240th Street									$1,353,401
North Jenkins North Culvert Replacement on 180th Ave SE									$1,394,003
North Jenkins South Culvert Replacement on 180th Ave SE									$1,459,979
SE 240th Culvert Replacement at Rainier Vista									$797,679
	TOTAL	**$409,524**	**$293,769**	**$321,567**	**$283,632**	**$240,295**	**$156,945**	**$1,705,732**	**$13,685,456**

Source: City of Covington, 2015; BERK, 2015

Other agencies providing urban services to the City of Covington likewise have capital facility plans.

The Covington Water District's 2007 Water System Plan has a category of projects identified for improvements between 2016 and 2025. The District is in the process of developing a new water system plan, and when available the City will review it and may incorporate it by reference into the CFP.

Exhibit 47. Covington Water District Capital Improvement Program

Projects	Capacity	Funding Source	2016-2025
Distribution Improvements			
M56 (248th St) (Emerald Downs Ext)	Yes	Unfunded	$324,000
M57 (Maple Valley-Blk Dmnd Rd to 770 Zone)	Yes	Unfunded	$504,000
Total Capital Projects			$828,000

Note: The Covington Water District will be releasing a new plan in December 2015

Source: Covington Water District Plan, 2007; BERK, 2015.

The Soos Creek Water and Sewer District's CIP for projects within the City of Covington is shown in Exhibit 48. The projects are identified as capacity and non-capacity projects.

Exhibit 48. Sewer Capital Improvement Program

Project and Cost/Revenue (thousands $)	Capacity	Short Term 2012-2022	Long Term 2012-2032
CAPACITY AND NON-CAPACITY PROJECTS (Projects Required to Meet LOS and Other Projects Needed for Maintenance and Operations)			
Soos Creek Water and Sewer District			
Q9-1: Lift Station 46 Force Main	X	2,006	
Q9-2: Lift Station 46 Gravity Sewer – North (Lift Station 21 Diversion)	X	805	
S10-3: Lift Station 46 Gravity Sewer – South (Lift Station 28B Interceptor)	X	9,550	
P12-8: Lift Station 11B Force Main Bottleneck Upgrade	X	1,657	
M12-15: Lift Station 43 Interceptor	X		4,284
N11-16: Little Soos Creek Main Upgrade	X		2,027
Q7-18: Meridian Trunk Line Upgrade	X		4,132
Q9-20: Lift Station 45 Interceptor	X		2,350
P10-21: Lift Station 14 Interceptor			1,190
Q9-1A: Lift Station 46	X	6,000	
R12-2: Lift Station 24B Abandonment		913	
GF-1: Maintenance Facility		1,300	
GF-2: SCADA Upgrade		375	
TOTALS		**22,606**	**13,983**

Source: Soos Creek, 2014; SvR, 2015

Note: Projects listed are located within the City of Covington as identified in the 2014 Soos Creek Water and Sewer District Sewer Comprehensive Plan. Some projects are for the benefit of other jurisdictions.

King County Wastewater Treatment Division Projects are identified in the King County Regional Wastewater Services Plan, 2013 Comprehensive Review.

The Kent RFA *Capital Facilities and Equipment Plan 2014-33* includes capital projects serving the City in Exhibit 49 and Exhibit 50. The Plan states the following:

- **Covington Fire Station**: A new Covington Fire Station will be constructed on the southern end of Covington along or near the Covington Sawyer Road. This station will provide distribution coverage of central and southern Covington as well as quicker access to areas of the Kent Fire Department Regional Fire Authority (KFDRFA) south of Covington. In addition, as Covington continues to expand and create denser development, this station will be capable of meeting the future demand of growth in that area.
- **Re-Location of Station 75**: Upon formation of the KFDRFA, the City of Kent retained ownership of Fire Station 75 with hopes if or when Station 75 was relocated, the property could be used to improve the sales tax base of the City of Kent. An agreement exists between the City of Kent and the KFDRFA were Kent would provide funding for the relocation of Station 75 in exchange for the commercially zoned property where Station 75 is currently located.

  Moving current Station 75 west at the same time as the new Covington station is implemented will maintain LOS standards in the Covington area, provide improved responses to the urban areas of Kent Kangley Road south of Station 74, and provide capacity necessary for future growth.

Exhibit 49. Summary of Capacity Projects Specific to the City of Covington (In Thousands)

Station Project	Capacity	2015	2016	2017	2018	2019	2020	2021	7 - Year Total	2022-2033*
Covington	Yes	$0	$0	$0	$0	$0	$0	$0	$0	$3,746
Station 75 Move	Yes	$0	$0	$0	$0	$0	$0	$0	$0	$9,961

Note: *The Kent Fire Department Regional Fire Authority only provides data through 2033. Costs are in thousands based on 2013 dollars.

Source: Kent Regional Fire Authority Capital Facilities and Equipment Plan, 2014-33; BERK, 2015

The Kent School District has identified capital projects serving Covington area residents and students. Some are funded by impact fees. See Exhibit 51.

Exhibit 50. Fire and Emergency Services Capital Improvement Program – Kent Fire Department Regional Fire Authority (In Thousands)

Cost/Funding Source	Capacity	2015	2016	2017	2018	2019	2020	2021	7 - Year Total	2022-2033*
Expense Sources										
Station Construction & Land Purchase	Yes	$565	$429	$765	$3,225	$3,743	$4,937	$2,369	$16,033	$26,930
Apparatus	No	$1,825	$2,245	$1,509	$985	$910	$287	$4,847	$12,608	$14,834
Equipment	No	$300	$2,131	$444	$329	$329	$510	$300	$4,343	$6,265
Asset Preservation	No	$10	$0	$0	$0	$0	$0	$0	$10	$0
I.T. Capital	No	$200	$150	$150	$150	$200	$150	$150	$1,150	$1,800
Debt Cost	No	$0	$0	$35	$35	$35	$65	$115	$285	$2,255
Revenue Sources										$0
Annual Tax Revenue to Capital	N/A	$2,600	$2,421	$2,432	$2,732	$2,667	$2,696	$2,747	$18,295	$26,739
Taxpayer Bond Funds	N/A	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sale of Surplus Property	N/A	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covington Impact/LOS Fees	N/A	$275	$225	$215	$215	$215	$215	$215	$1,575	$2,860
Kent Impsct/Los Fees	N/A	$25	$1,000	$256	$1,778	$1,179	$1,179	$1,179	$6,596	$14,021
Councilmatic Bonds	N/A	$0	$1,309	$0	$0	$1,157	$1,859	$3,640	$7,965	$8,464
Summary of Revenues Less Expenses										
Expenses	N/A	$2,900	$4,955	$2,903	$4,725	$5,218	$5,949	$7,781	$34,431	$52,084
Revenue	N/A	$2,900	$4,955	$2,903	$4,725	$5,218	$5,949	$7,781	$34,431	$52,084
Balance	N/A	$0	$0	$0	$0	$0	$0	$0	$0	$0

Note: *The Kent Fire Department Regional Fire Authority only provides data through 2033. Costs are in thousands based on 2013 dollars.

Source: Kent Regional Fire Authority Capital Facilities and Equipment Plan, 2014-33; BERK, 2015.

Exhibit 51. Kent School District Capital Improvement Program

Project	Capacity	Funding Source	2015	2016	2017	2018	2019	2020	6 - Year Total	2021-2035
Schools										
Covington Elementary Replacement	Yes	Unsecured Local and State Funds Impact Fees			$31,840,000				$31,840,000	TBD
Addition to Neely-O'Brien Elementary	Yes	Unsecured Local and State Funds Impact Fees				$14,100,000			$14,100,000	TBD
Additional Portables	Yes	Impact Fees	$2,366,400	$1,357,722	$2,772,000	$2,826,000	$2,240,000		$11,562,122	TBD

Note: The Covington Elementary Replacement Project is specific to the City of Covington.

Source: Kent School District Capital Facilities Plan, 2014/15 -2019/20; BERK, 2015.

Funding Plan

Overview

Cities and counties planning under GMA are required to develop a financing plan to demonstrate the ability to fund the 6-year capital facilities plan and support future growth consistent with the land use plan. The City should provide a sense of the funding sources for the 20-year period though it can be less detailed than for the 6-year period.

Cities and counties typically fund capital facilities through a variety of dedicated funding sources, as is the case for the City of Covington. Some revenues may fund any type of capital facility while others are earmarked for certain types of capital facilities such as transportation or park impact fees. However, in Covington, only a percentage of projects are funded through dedicated revenues, with a significant amount of funding coming from general fund sources or operating transfers. This can be problematic, as it means the amount of funding that might be available in any given year is more uncertain. Additionally, there are often more pressures on general funds than dedicated revenues, as they can fund operations and maintenance, which would often be prioritized ahead of capital projects.

BERK Consulting evaluated the funding that has supported the City of Covington's capital facilities over the last ten years (2005 – 2014) to understand the dedicated and general revenues that have supported capital facilities in the City during that time, and to establish trends in both in availability of those funding sources for capital facilities across the three relevant City departments: Transportation, Parks and Recreation, and Stormwater Utility.

Exhibit 52 provides a summary of the historical revenues that supported capital facilities in the City of Covington from 2005 to 2015. Capital funding during the historical period has ranged from a low of approximately $600k in 2011 to a high of approximately $16.3 million in 2007 due to a bond for transportation projects Projected future revenues total approximately $57 million over the six-year CIP period and are substantially less than the approximately $135 million in CIP projects. While additional one-time revenues are likely over the six-year period they are not included in the revenue projections. Options for addressing the revenue shortfall are addressed in the Final Capacity for Capital Investments section below.

Exhibit 52.
Historical Revenues, Capital Facilities, 2005-2014 (Year of Estimate Dollars (YOE$)) (in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
Transportation Impact Fees	$529	$191	$2,111	$875	$1,814	$444	$54	$1,385	$165	$22	**$7,591**
Park Impact Fees	$1	$26	$35	$0	$0	$29	$0	$0	$0	$25	**$116**
General Revenues	$211	$320	$202	$107	$36	$2	$2	$4	$3	$2	**$890**
Transportation Grants	$456	$977	$2,443	$809	$586	$2,227	$647	$949	$300	$683	**$10,078**
Stormwater Grants	$0	$0	$0	$0	$41	$19	$0	$0	$0	$0	**$61**
Park Grants	$0	$50	$0	$353	$0	$0	$82	$490	$59	$283	**$1,317**
Parks Property Tax Levy	$0	$0	$0	$0	$0	$0	$111	$46	$0	$35	**$192**
Stormwater Capital Funding from Cash Balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$249	$39	$94	**$382**
Real Estate Excise Tax	$0	$987	$1,029	$0	$0	$0	$0	$0	$0	$0	**$2,016**
One Time Revenues	$532	$1,725	$2,768	$1,237	$72	$8	$0	$42	$0	$0	**$6,384**
Bonds	$0	$0	$12,558	$0	$0	$0	$0	$0	$0	$0	**$12,558**
Operating Transfers	$2,151	$440	$11	$262	$751	$54	$0	$133	$245	$0	**$4,047**
TOTAL	**$3,879**	**$4,716**	**$21,158**	**$3,643**	**$3,301**	**$2,783**	**$897**	**$3,299**	**$812**	**$1,144**	**$45,631**

Source: City of Covington, 2015; BERK Consulting, 2015

Future Funding Sources

As shown in Exhibit 52, on the previous page, a variety of funding sources support capital facilities in the City of Covington. These funding sources are described below. They were categorized to allow for later projecting of revenues. These categories, in the order they will be discussed, include:

- Transportation Impact fees
- Parks Impact fees
- Miscellaneous Revenues
- General Revenues
- Transportation Grants
- Park Grants
- Parks Property Tax Levy
- Real Estate Excise Tax
- One-time Revenues
- Bonds
- Operating Transfers In

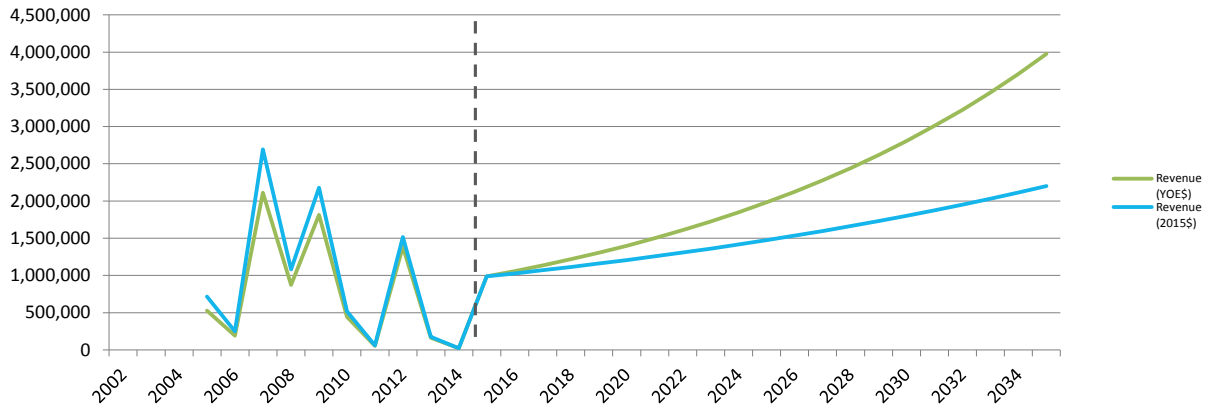
Transportation Mitigation Fees

The City of Covington charges several different fees. These include:

- **General Transportation Impact Fees** – Transportation mitigation fees are restricted to transportation projects that are necessary to support new growth.
- **Fee-in-Lieu of Street Improvement** – Fee-in-lieu payments are voluntary payments by developers instead of installing the street improvements as part of the project. The funds are restricted to improvements to mitigate specific project level impacts.

These revenues are best aligned to capital facilities projects that include an expansion or increase in LOS component, as they are intended to support projects that support new growth. Exhibit 53 shows projected revenues for transportation mitigation fees.

Exhibit 53. Future Transportation Impact Fee Revenue



Source: City of Covington, 2015; BERK, 2015

Parks Impact Fees

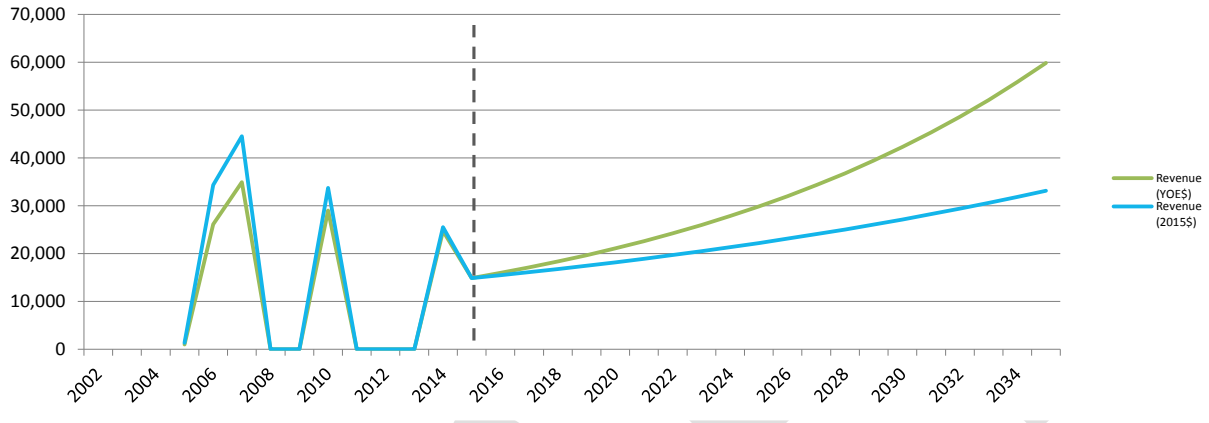
The City of Covington charges two main mitigation or impact fees that support parks and recreation. These include:

- **General Parks Impact Fees** – Park mitigation fees are restricted to park projects that are necessary to support new growth.

- **Parks Fee-in-Lieu** - Fee-in-lieu payments are voluntary payments by developers instead of installing the street improvements as part of the project. The funds are restricted to improvements to mitigate specific project level impacts.

Like in the case of transportation mitigation fees, these revenues are best aligned to capital facilities projects that include an expansion or increase in LOS, as they are intended to support projects that support new growth. Exhibit 54 shows projected revenues for park mitigation fees.

Exhibit 54. Future Park Impact Fee Revenue (2015$)



Source: City of Covington, 2105; BERK, 2015

Earned Income and Interest

- **Investment Interest.** The City of Covington receives some income from investments.

Grants

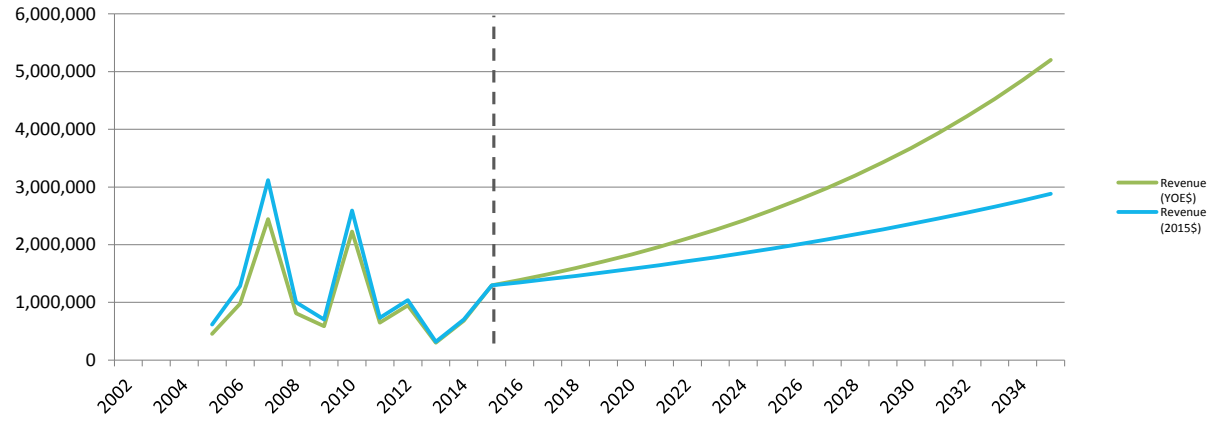
The City of Covington receives grants from several sources to help build capital facilities.

Transportation

Exhibit 55 shows projected revenues for transportation grants. Grant sources include:

- Transportation Improvement Board
- Washington State Department of Commerce
- Washington State Department of Transportation

Exhibit 55. Future Transportation Grant Revenues



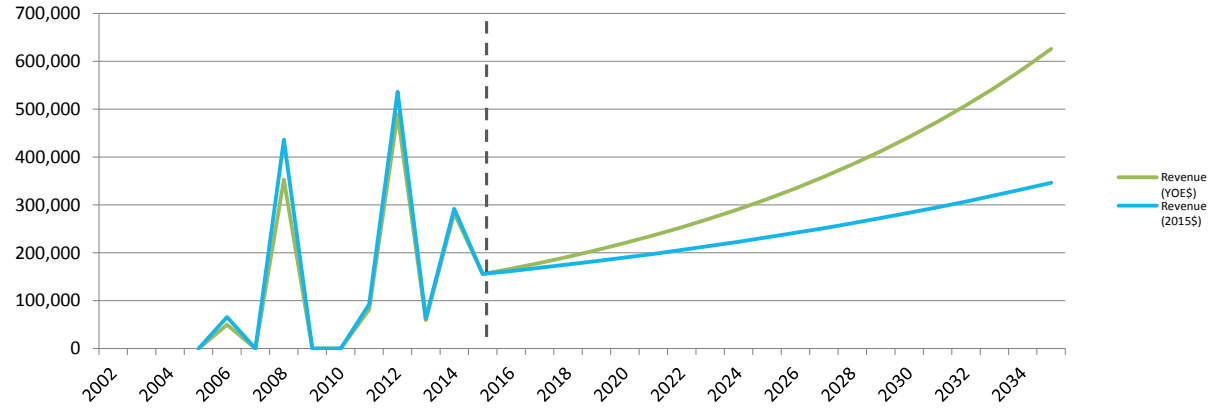
Source: City of Covington, 2015; BERK, 2015

Parks and Recreation

shows projected revenues for park and recreation grants. Grant sources including:

- King County Youth Sports Facilities Grants
- Washington State Recreation and Conservation Office

Exhibit 56. Future Park and Recreation Grant Revenues



Source: City of Covington, 2015; BERK, 2015

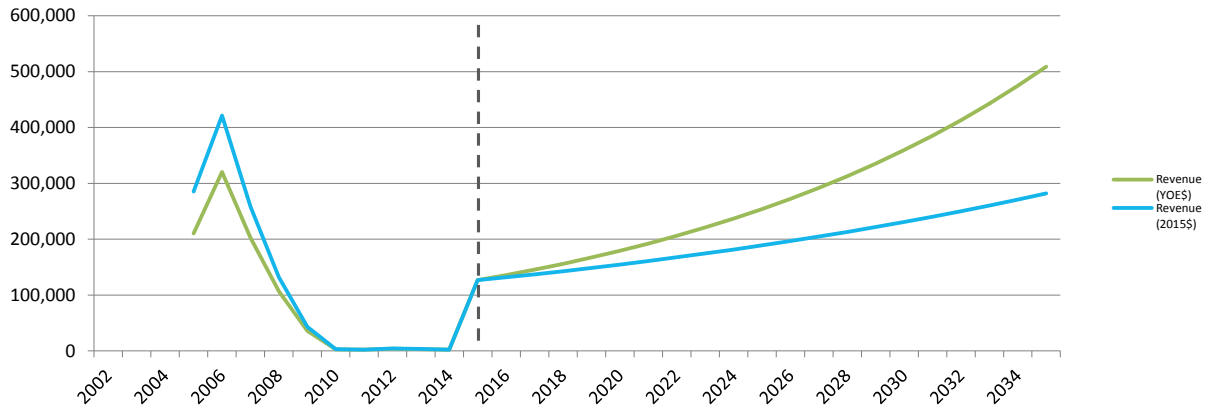
Parks Property Tax Levy

The King County levied a levy lid lift for parks expansion that began during the 2008 budget year and was extended for an additional six years in 2013. The City of Covington receives a portion of the overall levy. This levy expires in 2019, however it is likely to be renewed (as it has been in the past), so we have included it in our projected future revenues.

General Revenues

The general revenue category includes revenues that need to be identified as available for all capital facilities versus those that are dedicated for only certain types of capital facilities. Exhibit 57 shows projected general capital facilities revenues.

Exhibit 57. Future General Capital Facilities Revenue



Source: City of Covington, 2015; BERK, 2015

Historical Funding Sources

Real Estate Excise Tax

The City collects Real Estate Excise Tax (REET), a revenue that is often dedicated to capital facilities for parks and transportation. In the case of Covington, this revenue is dedicated to existing capital facility debt service. Existing debt services from the City's three outstanding bond issuances is greater than the historical proceeds of REET, however, the City funds the difference through general funds, so both REET and debt service have been net out of this revenue analysis.

One-time Revenues

Review of the City of Covington's capital facilities funding over the historical period shows substantial one-time revenues. Despite being substantial sources for funding capital facilities these revenues are that not projected in the future revenue analysis. These one-time revenues may continue to fill gaps in funding in the future, but are more challenging to plan for on a consistent basis.

Intergovernmental Funds

The City of Covington receives some funding from other local government entities, including King County, the King County Conservation District, and the Kent School District. These contributions fund projects of mutual significance, or in some cases, support sharing of

- Funding from King County
- Kent School District Contribution
- King County Community Development Block Grant Jenkins Creek
- King Conservation District

Loan

In 2006, 2007, and 2008 the City of Covington received a Public Works Trust Fund Loan. This is a revolving loan program that supports City infrastructure programs. As the City of Covington participated in this program in 2006-08, the City is not likely eligible to use this funding source again in the 2015-2035 period, and it is not projected as a future revenue.

Proceeds from Sales of Assets

Occasionally, the City of Covington sell City assets like banked land, surplus materials and supplies, fleet vehicles, or other assets.

Puget Sound Energy Rebates

The City of Covington participates in PSE's various energy rebate programs available for energy efficiency upgrades to city facilities.

Bond Proceeds

In 2007 and 2008 the City of Covington issued General Obligation Bonds to Support capital facilities. As of 2015, the City of Covington does not anticipate issuing additional debt to support capital facilities over the 20-year planning period. It is possible that the City will issue debt for a specific long-term project, but that would be handled separately as a dedicated funding source for that specific project. Because the City has already received the bond proceeds, this is not considered an active future funding source, and is not projected as a funding source as part of this funding plan.

Operating Transfer-In

In all but two years of the historical period (2011 and 2014), the City of Covington created additional capacity for capital facilities projects through operating transfers-in from the general fund. These general fund revenues should not be considered a long-term solution to capital facilities funding. Usage of this funding source is an interim solution to capital facilities funding; thus operating transfers from the general fund as a future revenue are not projected.

Fire and Emergency Services

The following revenue options, defined in Washington State Law are available to the KFDRFA to fund capital facilities:

- Tax Levies
- General Obligation Bonds
- Contract Income
- Fees and Charges
- Interest Income
- Donations
- Grants
- Sale of KFDRFA Assets

Schools

The Kent School District Capital Facilities Plan states that, "the financing components include secured and unsecured funding and impact fees. The plan is based on voter approval of future bond issues, collection of impact fees paid pursuant to State Environmental Policy Act."

Stormwater

The City established a stormwater utility in 1997. A stormwater enterprise fund was established in 2012 and a portion of the customer rate charges to fund capital facilities. As the stormwater enterprise fund only three years old, limited historical data is available. Therefore, an understanding of stormwater capital

funding was gained through review of the Stormwater Utility's current CIP, which includes budgeted amounts for capital outlay over the six years 2015 to 2021. However, the CIP includes use of the existing fund balance that results in a projected negative fund balance at the end of the period.

Water

The Covington Water District has utilized the following sources of funds from 1999-2004 to fund capital facilities (Covington Water District, 2007):

- Utility Sales & Service Fees
- Other Service Charges/ Revenue
- Connection Charges
- Grants
- Total Revenues

Sewer

The Soos Creek Water and Sewer District Comprehensive Plan (2014) identifies short and long term capital improvements and a financial plan for funding the improvements. The plan also includes capital funding criteria:

> *The Capital Facility Plan should be funded through District revenues, the sale of sewer revenue bonds, loans or grants. In general, revenue bonds or a low interest long term Public Works Trust Fund Loan should finance facilities with a useful service life extending beyond 20 years. When portions of these facilities serve a new area, the proportional costs of those facilities that provide service to the new area should be assessed to the owners in the new area through general facility charges or special connection charges (Soos Creek, 2014).*

The plan further describes the districts capital funding program:

> *The District has projected approximately $89.55 million dollars in sewer capital projects over the next 20 years. These improvements are summarized in the District's Capital Facility Plan. The District also maintains a Capital Improvement Plan (CIP). The CIP is used to implement the Capital Facility Plan and is updated annually, through the budget process, in order to better forecast project costs and timing. In conjunction with this effort, future rate projections should be analyzed to reflect changes in system costs and other assumptions. As described in* Chapter 7*, projects recommended for the next 10 years total $60.55 million dollars. The remaining projects are recommended for the following ten years and total $29.0 million dollars (Soos Creek, 2014).*

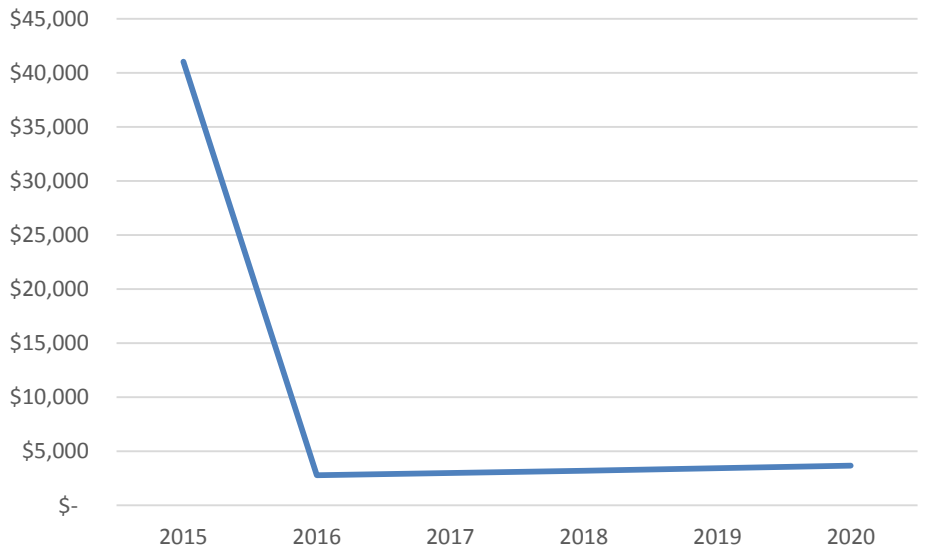
Future Revenues

Projected Revenues

With the exception of Stormwater fee revenue and cash reserves, and legislative allocations, future revenues and expenditures were projected using the compound annual growth rates imputed from 10-year historical averages using past funding data by the City. Because these revenues are mostly driven by population, expected revenues could be projected based on the average per capital revenues received during the historical period. This three year period is being used as a proxy for the 10-year historical period, as the stormwater enterprise fund has only been active for three years (the utility itself has existed since 1997). The City has also received allocations of $13.5 million and $24 million from the Washington

State Legislature as part of the Washington State Transportation Budget for the 204th Avenue SE and SE 272nd Street to SE 256th Street (Covington Connector) CIP project. These monies will fund preliminary engineering, right-of-way acquisition, and construction ($7.3 million) between 2017 and 2019, and $16 million in construction in 2019-2021. These funds will be receive in 2015 and are dedicated to TIP projects.

Exhibit 58. Six-Year CIP Projected Revenues, 2015-2020, (YOE$) (in Thousands)



Source: City of Covington, 2015; BERK, 2015

Exhibit 59. Projected Revenues, Capital Facilities, 2015-2035. (YOE$) (In Thousands)

	6-Yr Period 2015-2020	6-Yr Period 2021-2026	12-Yr Period Subtotal	9-Yr Period 2027-2035	21 Year Period Total
Transportation Mitigation Fees	$ 7,106	$ 10,789	$ 17,895	$ 27,521	$ 45,416
Park Mitigation Fees	$ 99	$ 126	$ 225	$ 256	$ 480
General	$ 910	$ 1,381	$ 2,291	$ 3,524	$ 5,815
Transportation Grants	$ 9,301	$ 14,122	$ 23,423	$ 36,023	$ 59,445
Stormwater*	$ 940	N/A	N/A	N/A	N/A
Park Grants	$ 1,119	$ 1,699	$ 2,817	$ 4,333	$ 7,150
Parks Property Tax Levy	$ 159	$ 241	$ 399	$ 614	$ 1,013
State Legislative Allocation	$ 37,500	$ -	$ 37,500	$ -	$ 37,500
	$ 57,133	**$ 28,357**	**$ 84,550**	**$ 72,270**	**$ 156,820**

Source: City of Covington, 2015; BERK, 2015.

Note: * Future stormwater revenues are based on the Utilities' internal projections.

The estimated cost to fund the six-year CIP is over $93 million. Revenue projections for the 6-year period, which does not include bond proceeds or operating transfers in, is approximately $57 million leaving a shortfall of approximately $80 million. In addition, some of the project revenues are restricted to certain types of capital facilities. Therefore, additional analysis for each type of capital facility based on available revenues is necessary to ensure adequate funding.

Exhibit 60. Six-Year CIP Costs vs. Revenue, (YOE$) (in Thousands)

	Revenue Projections	Six-Year CIP	Shortfall/Surplus
2015-2020	$57,133	$134,907	-$77,774
2015-2020 with Operating Transfer*	$60,500	$134,907	-$74,407

*Average operating transfer in over the previous 10-year historical period corrected to YOE$ for the six year CIP period.

City of Covington, 2015; BERK, 2015

Exhibit 61 identifies dedicated revenues by capital facility type. Additional non-dedicated revenues may be used to address any funding shortfall.

Exhibit 61. Dedicated Revenues, (YOE$) (in Thousands)

Capital Facility Type	Dedicated Revenues 2015-2020	CIP Projects 2015-2020	Surplus/Shortfall
Parks	$1,376	$33,518	-$32,142
Transportation	$53,907	$99,683	-$45,776
Stormwater*	$940	$1,706	-$766

Sources: City of Covington, 2015; BERK, 2015

Note: * The stormwater shortfall with be funded by cash reserves, eliminating the need for additional funding for the utility over the six-year period.

An important observation from Exhibit 61, is that dedicated revenues are insufficient to support the majority of capital facility costs across each capital facilities department. This is due to the fact that historically general revenues, as well as operating transfers, have accounted for a significant portion of the capital facilities funding. This is problematic, as it puts significant pressure on these capital projects to receive adequate funding. It would make sense for the City to establish more policy structure around funding for capital facilities with an emphasis on generating annual revenue sources. Exhibit 61 shows that annual revenues for capital facilities are projected to increase in the future, but even with the increase in expected revenues there will be a significant revenue shortfall.

Financial Capacity for Capital Investments

The projected revenues are significantly less than necessary to support the City's identified capital investment programs. As shown in Exhibit 61, dedicated revenues are projected to support only slightly over a third of the capital facility projects desired by the City over the next six years. In the past Covington has relied heavily on one-time revenues to fund capital facilities that are not included in the revenue projection. As such, it is imperative that the City consider new funding and financing sources that can be dedicated to capital facilities to ensure they can meet their six-year capital improvement program priorities as required under GMA. Several policy changes could be made to generate additional revenues, or establish debt to fund these projects. These are explored in greater detail below.

Beyond financing and funding options, the City always has the option to reprioritize its CIPs based on revised LOS standards to lower the funding need for the overall projects. Otherwise, if the City cannot provide adequate funding for the CIP to support new growth the City's land use plan must be revisited. Depending on the need for capital facilities to support population growth consistent with the land use plan, the amount the City might be able to reduce its project need varies. It is important to note that the City's CIPs are already strategically prioritized, as there are many additional projects identified than can

be feasibly funded over the next six years. In this way, additional prioritization can put additional pressure on the city to meet greater need in the future. Some projects could also be moved from the six-year CIP to the twenty-year capital project list.

Finance Options

Limited Tax General Obligation (LTGO) Bonds – (Non-voted)

Limited tax general obligation bonds (LTGO), also referred to in Washington State as "councilmanic" bonds, do not require voter approval and are payable from the issuer's general fund and other legally available revenue sources. LTGO bonds can be used for any purpose, but funding for debt service must be made available from existing revenue sources. The WA State Constitution limits non-voted municipal indebtedness to an amount not to exceed 1.5% of the actual assessed valuation within the City.

As of 2014, the City's assessed value is approximately $1.63 billion, creating LTGO bond capacity of $24.4 million for general purposes (1.5%). The City of Covington currently has $11.9 million in non-voter approved debt outstanding, leaving a significant amount of debt issuance capacity for LTGO debt of $12.5 million.

Considerations:

- One of the benefits of LTGO bonds is that they can be passed by councilmanic ordinance.
- LTGO bond capacity is substantial, but limited.
- Deploying too much of the City's bond capacity at one time can impact ability to respond to future funding challenges, and can impact the City's credit rating.
- Since bonds are debt, the added costs of interest will increase project costs long-term.

Unlimited Tax General Obligation (UTGO) Bonds – (Voted)

UTGO bonds are both a financing and funding source as their issuance includes the levy of an additional tax to repay them. These bonds require 60% voter approval and may only be used for capital purposes. When residents of a city vote for a bond issue, they are being asked to approve: (a) the issuance of a fixed amount of general obligation bonds and (b) the levy of an additional tax to repay the bonds, unlimited as to rate or amount. Once voter approval is obtained, a municipal corporation is still restricted by constitutional and statutory debt limits with these bonds. The statutory debt limits on this type of debt is 7.5% of the assessed value of property inclusive of any LTGO (non-voted) debt.

As of 2014, the City's assessed value is approximately $1.63 billion, creating UTGO bond capacity of $40.6 million for general purpose, $40.6 million for utility purposes, and $40.6 million for open space and parks facilities, for a total of $121.9 million, if no LTGO debt is levied. This is not directly additive to LTGO debt capacity. Only $97.5 million in UTGO bond capacity would be available if LTGO debt capacity was reached. The City of Covington has no UTGO debt.

Considerations:

- UTGO bonds must be passed by 60% in an election. Thus, these bonds would be most effective for discrete projects, not for general funding.
- Since bonds are debt, the added costs of interest will increase project costs long-term.
- UTGO bonds are both a financing and funding mechanism, in that the bond measure includes levy of an additional tax to repay the bonds.

Funding Options

Enterprise Funds

A portion of the capital facilities needs in this plan are for the City's stormwater utility. These utility services are operated like a private business where fees are set at a level that allows the City to meet both its operating and capital needs through user charges. Enterprise programs may raise their rates (user charges) to increase funding for capital needs. Increase user charges is an option for the City to generate additional revenues for stormwater capital facilities.

Considerations:

- The potential impact on utility rates would need to be evaluated if this alternative is pursued.

Levy Lid Lift

As per RCW 84.55.050, the only way for Washington cities without banked capacity to increase its property taxes by more than one percent is to do a levy lid lift. This occurs when taxing jurisdictions with a tax rate less than their statutory maximum rate ask voters to increase their tax rate to an amount equal to or less than the statutory maximum rate, effectively lifting the lid on the levy rate.

Considerations:

- Levy lid lifts are authorized through public vote, which requires a simple majority to pass. It is unknown whether there is political will to pass such a vote for capital facility funding in Covington.

Additional General Fund Revenues

The City could generate additional general fund revenues to fund capital facilities improvements. This could be accomplished by reexamining existing taxes and fees, including:

- Business Licenses
- Utility Taxes

Considerations:

- These taxes and fees can be reexamined, and potentially increased, through council action.

Transportation Benefit District

As per Chapter 36.73 RCW, cities can create a transportation benefit district (TBD) through their legislative authority. A TBD is an independent taxing district that can impose fees to fund transportation improvements. These taxes are not restricted to capital construction projects and can be used for maintenance and preservation on road and non-motorized projects. The City of Covington has established a TBD. The two taxation options the City is authorized to levy via the TBD are:

- **Up to a $100 Motor Vehicle Excise Tax (MVET) levied via a TBD.** One tax that can be imposed by a TBD is an up to $100 MVET (36.73.075 RCW). A $20 MVET can be imposed without a vote of the people. The City of Covington could consider exploring the policy option of levying this $20 MVET on its entire jurisdiction via a TBD. However, a small population base means that this is unlikely to generate significant revenues. The potential value of this tax can be imputed based on the number of licensed vehicles in the City of Covington, which is available, by request, from the Department of Licensing.
- **Up to a 0.02% Sales and Use Tax (SUT) levied via a TBD.** Another tax that can be imposed by a TBD is an up to a 0.02% SUT (36.73.075 RCW). The City of Covington held an election to approve the addition of this tax in November 2013 and, more recently, on April 28, 2015, when it failed 48% to 52%.

Considerations:

- Revenues generated by a TBD can only be used for transportation purposes.
- The City was not successful in levying this sales tax during an early 2015 election, making it unlikely to pass in time to support capital facilities projects over the next six years.
- The City could levy the $20 MVET through council action, although it is unlikely to generate significant revenues.

Business and Occupation Tax

A B&O tax is levied on businesses operating in or with a physical presence in the City, as described in Chapter 82.04 RCW. The tax can be levied three ways:

- Percentage of gross business income (GBI)
- Per employee tax
- Per square foot tax

Considerations:

- Covington does not currently levy a B&O Tax. The City could likely generate significant funds by levying such a tax, however, this may be politically challenging, especially as local businesses are often considered the payee.
- Local B&O taxes require significant administration and enforcement.
- Long-term, a B&0 Tax could generate significant revenues to support this facilities plan.
- A B&O tax rate of 0.2% on GBI can be levied through council action, however this ordinance is subject to a referendum procedure. It is unknown whether there is political will to pass such a vote for facilities projects in Covington if such a referendum were to occur.