Chapter 1: An Overview of the GMA Requirements

The Growth Management Act (GMA) provides statutory requirements for local governments in planning for Capital Facilities. In addition, the rules\(^1\) in Washington Administrative Code (WAC) 365-196-415 provide guidance to meet the requirements. Additional direction has been provided by the Growth Management Hearings Boards. This chapter provides an overview of the requirements. Later Chapters provide more detail and helpful information, including applicable WACs, examples, and resources.

![Diagram of capital planning process]

Representation of the major components of capital facilities and public services planning.

The Capital Facilities Element

RCW 36.70A.070(3) requires a capital facilities plan element consisting of:

a. An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities;

b. A forecast of the future needs for such capital facilities;

c. The proposed locations and capacities of expanded or new capital facilities;

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\(^1\) See WAC 365-196-415
d. At least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and
e. A requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.

Inventory of existing facilities
Knowing which capital assets are owned by the jurisdiction, what condition they are in and when you need to start thinking about replacing or repairing them is a prudent business practice. It’s also a requirement of the GMA. RCW 36.70A.070(3)(a) requires: “...An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities...”.

The information in the inventory should be updated at least every eight years as part of the periodic update, however, it may be more helpful to update when a new capital facility is added or an old one is replaced.

It is likely that not all publicly owned capital facilities will be owned by one jurisdiction. The inventory will most likely include working with adjacent jurisdictions and special purpose districts. It is important to provide adequate time to gather information needed from other providers. Also, the information will probably be provided in different formats. Some may provide electronic data layers while others may give you an excel spreadsheet or list of facilities and their attributes. Each jurisdiction will need to compile the data and put it into a format that works for them to meet their needs.

There are several examples available for creating your inventory. Growth Management Services has a webpage devoted to the capital facility plan: www.commerce.wa.gov/cfp which includes a template for an inventory. The Grays Harbor Council of Governments developed a simplified spreadsheet for their customers which can be accessed here. (Link to GHC report if online. For now, internal staff can review it at S:GMI/Tech Assist by GMA Topics/Capital Facilities then select A Small City Capital Facilities Plan Case Study).

Forecast of future need: RCW 36.70A.070(3)(b)
In addition to knowing what you already own, the Capital Facility Plan should include any capital assets that are needed to accommodate future growth.

An important aspect of Capital Facilities planning is a forecast of a fully implemented plan and a determination what will be needed to serve that growth. To determine what is needed, the levels of service (LOS) standards for services and facilities to serve growth must be identified. This should be consistent with the planning horizon and the densities and distribution of growth in the Land Use Element.
In determining the future need, the jurisdiction may include reasonable assumptions about the effect of any identified system management or demand management approaches that will be used to preserve capacity or avoid the need for new facilities. For example, governments that implement a new water reduction program may be able to delay or avoid improvements to add domestic water supply. Likewise, new or expanded reclaimed water systems that could be used to provide irrigation to school grounds, parks, golf courses or other large areas may result in significant reductions in domestic water supply needs that can be factored in to the forecast.

This forecast should include all capital facilities that are planned to be provided within the planning period, including the general locations and anticipated capacity needed. Local governments should divide the needed improvements into two categories – those needed to fix existing deficiencies and those needed to serve new growth.

Proposed locations and capacity of future facilities: RCW 36.70A.070(c)
Some facilities, such as water storage tanks or sewer lift stations, are dependent on geography for future location. Knowing in advance where these types of facilities will be needed can help the city or county acquire land. Determining future capacity needed for the various facilities provides the city or county with a clear idea of what will be needed and provides more time to meet those needs. For more information, please see Chapter 4 of this guidebook.

At least a six year financial plan—and why you probably need more: RCW 36.70A.070(d)
The Growth Management Act (GMA) requires that the capital facilities element include at least a six year capital facilities plan for financing capital facilities needed within that time frame.

Most jurisdictions are familiar with developing a six year Transportation Improvement Plan (TIP) which is required in order to obtain federal funding through the Washington State Department of Transportation (WSDOT) for transit, roadway, bridge, etc. improvements. The six-year Capital Improvement Plan (CIP) for capital facilities is similar to the TIP. These are the projects that rise to the top in terms of priority and funding availability. The jurisdiction should identify funding sources, both public and private, that can reasonably be anticipated. This may require including revenue estimates that will be provided by others, such as special purpose districts.

“To achieve planning goal 12, a capital facilities element should address, over the life of the plan, how the needed public facilities and services will be provided and financed throughout the jurisdiction. This does not need to be as explicit or detailed as the financing plan specifically required by the RCW 36.70A.070(3)(d), but an effective CFP should describe a strategy (or at least an approach) for financing the facilities needed and how it will be able to support the land use plan at the adopted levels of service.”

Pat Dugan, “The Third Promise of the Growth Management Act” (2007)
Reassessment of the land use element if probable funding falls short of meeting existing needs: RCW 36.70A.070 (e)
This requirement ensures that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall also be included in the capital facilities plan element.
WAC 365-916-415(2)(d) makes recommendations on how to interpret the RCW:

(i) Counties and cities must reassess the land use element and other elements of the comprehensive plan if the probable funding falls short of meeting the need for facilities that are determined by a county or city to be necessary for development. Counties and cities should identify a mechanism to periodically evaluate the adequacy of public facilities based on adopted levels of service or other objective standards. The evaluation should determine if a combination of existing and funded facilities are adequate to maintain or exceed adopted level of service standards.

(ii) This evaluation must occur, at a minimum, as part of the periodic review and update required in RCW 36.70A.130(1), during the review of urban growth areas required by RCW 36.70A.130(3) and as major changes are made to the capital facilities element.

(iii) If public facilities are inadequate, local governments must address this inadequacy. If the reassessment identifies a lack of adequate public facilities, counties and cities may use a variety of strategies including, but not limited to, the following:
   (A) Reducing demand through demand management strategies;
   (B) Reducing levels of service standards;
   (C) Increasing revenue;
   (D) Reducing the cost of the needed facilities;
   (E) Reallocating or redirecting planned population and employment growth within the jurisdiction or among jurisdictions within the urban growth area to make better use of existing facilities;
   (F) Phasing growth or adopting other measures to adjust the timing of development, if public facilities or services are lacking in the short term for a portion of the planning period;
   (G) Revising county-wide population forecasts within the allowable range, or revising the county-wide employment forecast.
Existing comprehensive plans should have a policy or policies in place to reassess the plan if probable funding falls short of meeting the need for facilities. This reassessment should at a minimum, occur as part of the periodic review and update.

It is recommended that local governments identify when and how often this reassessment will occur. If public facilities, or the funding for them, are deemed to be inadequate, the local government must address the inadequacies. There are a number of strategies the local government can use, such as:

- Reduce demand through demand management strategies;
- Reduce level of service standards;
- Increase revenue;
- Reduce the cost of the needed facilities;
- Reallocate or redirect planned population and employment growth to areas within the urban growth area that do have available capacity;
- Phase growth or adopt other measures to adjust the timing of development, if public facilities or services are lacking in the short term for a portion of the planning period;
- Revise county-wide population forecasts (e.g. select the medium or low range rather than the high or medium range) or revise countywide employment forecasts.

In the McVittie case (9316c, FDO at 26-27), the Growth Management Hearings Board (GMHB) found that local governments can use various regulatory techniques to avoid situations when funding shortfalls occur in order to reassess and re-evaluate its plan; that it does not automatically require revision of the land use element.

Relationship between the capital facilities element and the Land Use Element: RCW 36.70a.070 (e) … and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.

The land uses and assumed densities/intensities identified in the land use element and Future Land Use Map determine the location and timing of the need for new or expanded facilities. Facilities needed for growth, whether new or expanded, the needs for maintenance and rehabilitation of the existing systems, and the need to address any existing deficiencies, constitutes the demand.

The provision of these facilities can often include facilities and services provided by others (e.g. Fire, Library, or School Districts). Counties and cities have a responsibility to prepare a capital facilities element that meets the requirements of the GMA. However, they don't always have control over the full range of services and facilities provided. To meet their responsibility, cities and counties should not merely rely on the assurances of availability by other providers. When the plans of other providers are adopted by reference, the city or county should:
• Summarize the information in the city or county’s comprehensive plan;
• Synthesize the information from the various providers to show that the actions, when taken together, will provide adequate public facilities;
• Conclude that the capital facilities element shows how the area will be provided with adequate public facilities.

“One of the best ways to make a future land use plan come true is to use investments in public facilities to reinforce the plan. The community should invest in new roads, sewer and water lines and other facilities where it wants growth to occur. It should refuse to make investments in areas where it does not want growth to occur.”


In Cederdale Property Owners v Mt. Vernon (02-2-0010), the GMHB stated there are parameters to the City’s obligation to see that infrastructure is provided within the urban growth area (UGA). By creating the UGA boundaries that it did, the City, in partnership with the County, committed to public facilities necessary to support the planned development within the UGA.

Implementation in Conformance with Comprehensive Plan

The capital facilities element is meant to demonstrate that the jurisdiction has a realistic plan to provide the needed facilities to serve development at the levels of service standards adopted, in order to implement the vision of the comprehensive plan. It should serve as a guide in future financial planning and decision making.

Important factors to consider:
• Counties and cities should identify in the capital facilities element, which types of facilities it considers to be necessary for development.
• Counties and cities should identify facilities as necessary for development if the need for new facilities is reasonably related to the impacts of new development.
• Capital facilities must be identified as necessary for development if a county or city imposes an impact fee as a funding strategy for those facilities.
• In urban areas, all facilities necessary to achieve urban densities must be identified as necessary for development.

Local governments can establish concurrency mechanisms for facilities necessary for development. However, they do not have to establish concurrency for facilities other than transportation. Some facilities may be necessary for development but not subject to concurrency. These types of decisions should be identified and included in the capital facilities element. For capital facilities that are necessary for development, but not subject to concurrency, the city or county should set a minimum level of service standard, or provide some other basis for assessing the need for new facilities or capacity. It should be the
standard the jurisdiction strives to meet as growth occurs. Policies to measure or evaluate
the level of service should be adopted. Such review should occur at least every eight years
as part of the periodic review and update of urban growth areas, comprehensive plans, and
development regulations under RCW 36.70A.130.

Capital Facilities and Periodic Review
Every eight years counties and cities are required to review and update, if necessary, the
comprehensive plan and the development regulations that implement it. This includes
review of the urban growth area and critical areas ordinances. The purpose of the periodic
update is to ensure the plans and regulations are consistent with the GMA and any
amendments that have occurred to the Act since the previous update. It is also the time to
review the capital facilities element to determine if the county or city is “on track” to meet
its provision and financial obligation of providing capital facilities and services.