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ORDINANCE NO. 844

AN ORDINANCE OF THE CITY OF CARNATION, WASHINGTON, AMENDING THE CARNATION COMPREHENSIVE PLAN; AMENDING CHAPTER 9 CAPITAL FACILITIES ELEMENT TO UPDATE LEVEL OF SERVICE STANDARDS FOR TRANSIT AND WASTEWATER SERVICE, AND TO ADOPT AND INCORPORATE BY REFERENCE THE CITY'S 2014 TRANSPORTATION IMPROVEMENT PLAN AND THE 2014 RIVERVIEW SCHOOL DISTRICT CAPITAL FACILITIES PLAN; ADDING A NEW CHAPTER 4 ECONOMIC DEVELOPMENT ELEMENT; SETTING FORTH LEGISLATIVE FINDINGS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 36.70A RCW, the City of Carnation has adopted a Comprehensive Plan for the purpose of guiding and informing future growth, development, and infrastructure planning within the City; and

WHEREAS, the City desires to amend Chapter 9 Capital Facilities Element of the Carnation Comprehensive Plan for purposes of updating and revising level of service standards for transit and wastewater in order to ensure consistency with relevant sewer planning and transit service provisions, and to incorporate by reference both the City's 2014 six-year Transportation Improvement Plan and the 2014 Riverview School District Capital Facilities Plan; and

WHEREAS, the City further desires to amend the Comprehensive Plan in order to add a new Chapter 4 Economic Development Element establishing local goals, policies, objectives and provisions for economic growth and vitality in accordance with RCW 36.70A.070(7); NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF CARNATION, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council hereby adopts the above recitals as findings in support of the Comprehensive Plan amendments set forth in this ordinance. The City Council further adopts by reference the findings of the Planning Board dated June 26, 2014, together with the following:

A. The City is authorized by state law, including but not limited to Chapter 36.70A RCW, to adopt and periodically amend a local comprehensive plan.

B. The Planning Board conducted a public hearing on the substance of this ordinance on June 24, 2014, and recommended adoption by the City Council. The City Council held a public hearing on this ordinance on August 19, 2014.

C. The Comprehensive Plan amendments set forth in this ordinance have been processed and considered by the City in material compliance with all applicable procedural requirements, including but not limited to requirements related to public notice and comment.

D. All relevant requirements of SEPA have been satisfied with respect to this ordinance.

E. The City Council has carefully considered, and the Comprehensive Plan amendments set forth in this ordinance satisfy, the review criteria codified at CMC 15.100.030(E).

F. The Comprehensive Plan amendments set forth in this ordinance will advance the public health, safety, and welfare.

G. The Comprehensive Plan amendments set forth in this ordinance have been considered by the City Council concurrently to enable the cumulative effect of these amendments to be ascertained.

Section 1. Amendment of Comprehensive Plan Chapter 9. Chapter 9 Capital Facilities Element of the Carnation Comprehensive Plan is hereby amended to provide in its entirety as contained in Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full.

Section 2. Amendment of Comprehensive Plan; Addition of New Chapter 4. The Carnation Comprehensive Plan is hereby amended by the addition of a new Chapter 4 Economic Development Element to provide in its entirety as contained in Exhibit B, attached hereto and incorporated herein by this reference as if set forth in full.

Section 3. Copy to Commerce. Pursuant to RCW 36.70A.106, the Planning Director is hereby authorized and directed to provide a copy of this ordinance to the Washington Department of Commerce within ten (10) days of adoption.

Section 4. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 5. Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after publication.

APPROVED by the Carnation City Council this 19th day of August, 2014.

CITY OF CARNATION

MAYOR, JIM BERGER

ATTEST/AUTHENTICATED:

CITY CLERK, MARY MADOLE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____
J. ZACHARY LELL

FILED WITH THE CITY CLERK: 07/31/2014
PASSED BY THE CITY COUNCIL: 08/19/2014
PUBLISHED: 08/27/2014
EFFECTIVE DATE:..... 09/02/2014
ORDINANCE NO. 844

EXHIBIT A

CHAPTER 9 – CAPITAL FACILITIES ELEMENT

I. INTRODUCTION

The Capital Facilities Element has been developed in accordance with Section 36.70A of the Growth Management Act to address the financing of Capital Facilities in the City of Carnation Urban Growth Area (UGA). It represents the community's policy plan for the financing of the public facilities for the next 20 years, and includes a six-year financing plan for Capital Facilities over the next six years, from 2014 to 2020. The policies and objectives in this plan will be used to guide public decisions on the use of capital funds. They will also indirectly guide private development decisions by providing a strategy of planned public capital expenditures.

The Element has also been developed in accordance with the King County County-wide Planning Policies, and has been integrated with all other planning elements to ensure consistency throughout the Comprehensive Plan. The Element specifically evaluates the city's fiscal capability to provide the public facilities necessary to support the other Comprehensive Plan elements. The Capital Facilities Element includes:

- Inventory and Analysis
- Future Needs and Alternatives
- Six-Year Capital Improvement Plan
- Monitoring and Evaluation
- Goals and Policies

LEVEL OF SERVICE (LOS) STANDARDS

Where LOS standards are established, they are also discussed in the subject element of this Comprehensive Plan (e.g. Transportation, Parks, etc.) A detailed listing of those standards is provided in those chapters.

MAJOR CAPITAL FACILITIES CONSIDERATIONS AND GOALS

The Capital Facilities Element is the mechanism the City uses to coordinate its physical and fiscal planning. This planning effort requires ongoing communication between various disciplines, including engineering, finance, and planning. The Comprehensive Plan is realistic and achievable as a result of integrating the concerns of various local administrators and coordinating all of the Comprehensive Plan Elements.

The Capital Facilities Element promotes efficiency by requiring the City to prioritize capital improvements for a longer period of time than the single budget year.

Long-range financial planning presents the opportunity to schedule projects so that the various steps in development logically follow one another, with regard to relative urgency, economic desirability, and community benefit. In addition, the identification of adequate funding sources results in the prioritization of needs, and allows the trade-off between projects to be evaluated explicitly.

II. INVENTORY AND ANALYSIS

The inventory presented in this Element provides information useful to the planning process as well as summarizing new capital improvement projects for the growth projected from 2014 and beyond, and major repair, renovation, or replacement of existing facilities.

EXISTING CAPITAL FACILITIES

This section includes a brief summary of existing city facilities. Additional information can be in each respective Comprehensive Plan Element under which the facility would be considered.

City Hall. The facilities for general government and police consist of a 6700 square-foot two-story City Hall building located at 4621 Tolt Avenue. The building is comprised of three separate attached structures, built in different decades. General government is administered from the ground floor, which underwent partial interior renovation and finish work in 2001 and 2002. The general government facility provides meeting space, office space, and ADA accessible public spaces. Office space consists of a front office with capacity for three employees, and four private offices. City Hall office space is currently at maximum capacity.

Public Works Maintenance Shop. A 5,000 square foot public works maintenance building was constructed in 1995, and is located at NE 45th and 330th Avenue NE. The building consists of two heated bays, three storage bays, and office/parts area. This facility should be adequate to meet public works maintenance needs throughout the planning period.

Water System. Principal water facilities include a spring fed water supply supplemented by a groundwater well located in Loutsis Park, and three above-ground storage reservoirs providing a total of 938,000 gallons. The city water distribution mains consist of pipes ranging in size from 2" to 12". The quality of the water provided by the City is good. The capacity is adequate to serve current needs, and the City anticipates having enough capacity to serve the projected population. The City's last update of the Water

Comprehensive Plan was approved in July of 2009 by the State of Washington Departments of Health and Ecology and King County. The next update must be approved on or before July 27, 2015.

Provision of water to future development not only depends on capacity, but also on design considerations. See the Utilities Element for more information on the water system.

Sanitary Sewer System. The City has an operational public sewer system. The City constructed and operates the collection system, and King County provides wastewater treatment at a facility located at 4405 Larson Street. The outfall is approximately one mile to the north of the City at Chinook Bend, where it is used for enhancement of .a wetland.

Stormwater. The stormwater drainage system consists of two major drainage basins draining to the Tolt and Snoqualmie Rivers. The majority of the city's planning area drains to the Snoqualmie River, with only approximately 33.1 acres draining to the Tolt River.

The City of Carnation does not have a public storm sewer system. Stormwater from impervious surfaces must be infiltrated on-site, which can sometimes be difficult to achieve given localized areas of poorly drained soils and/or seasonal high water tables. Local drainage facilities that collect and convey surface water runoff consist of open channels and roadside ditches, wetlands, infiltration systems and detention ponds. The Snoqualmie and Tolt rivers ultimately serve as receiving waters, but there are no direct outfalls to the rivers. The existing infrastructure is generally in poor to fair condition.

Solid Waste Disposal. Garbage collection is mandatory throughout the City of Carnation. Curbside recycling and yard waste collection is also available to all residents. The City previously operated a landfill which stopped receiving refuse in 1990, and entered a post-closure period in 1995. See the Utilities Element for additional information.

Transportation Facilities. City streets consist of various street pavement, alleys, sidewalks, street lighting, signals and surface water drainage facilities. The City street network consists of 5 miles of paved streets, and 1.55 miles of alleys. Approximately 1 mile of the paved street system features sidewalks either on one side or both. The remaining streets have gravel shoulders. A traffic signal was recently completed at the intersection of SR 203 and Entwistle; prior to completion of the signalization project, this intersection had been the City's only failure of its LOS standard. Transportation throughout the rest of the City is adequate to meet LOS standards through the planning period if the Transportation Improvement Plan identified in Chapter 7 and in this Element are implemented. . See the Transportation Element for more information.

Parks and Recreation Facilities. City park land consists of three developed city parks: Valley Memorial Park, Hockert Park, and Loutsis Park.

Valley Memorial Park features two tennis courts, children's playground equipment, a skateboard bowl, BMX track, open space, and picnic areas. Hockert Park is a mini-park featuring a children's play structure and other playground equipment. Loutsis Park consists of open spaces and dense, poorly spaced conifer trees. It also houses the city's well-site. Additionally, the City and a few Homeowners Associations own several acres of land which have been dedicated as open space. Park and recreation facilities that are enjoyed by Carnation residents and visitors but not owned by the City include Tolt McDonald Park, which is a 500 acre regional park located partially within and adjacent to the City, as well as facilities owned and operated by the Riverview School District, King County Library System, Senior Center, etc.

The City has adequate park and recreation land to satisfy current demand although some of its park facilities are in poor condition with out of date equipment and some of its park lands are undeveloped or under developed. More information about park and recreation facilities and needs are listed in the Park and Recreation Element.

Library. The City of Carnation is part of the King County Library System (KCLS) which operates a 5,000 sq. ft. library on Tolt Avenue. Property owners pay a property tax assessment for operations and maintenance of the library plus levy assessments for any voter approved library bond levies.

Cemetery. The City operates a 2.1-acre cemetery located at 5110 Carnation-Duvall Road. The Carnation Cemetery consists of two sections, the north section which was founded by the Masonic Cemetery Association in 1905, and the south section which was founded by the Tolt Lodge International Order of Odd Fellows (IOOF) in 1906. The cemetery was deeded to the City in 1993.

Emergency Preparedness Evacuation Site. In 2001 with funds provided by Seattle Public Utilities and the King County Council the City purchased Tolt Highlands Lot 'W' from Weyerhaeuser, a 20.4-acre site adjacent to the north-eastern portion of the city limits. The site was purchased for the purpose of providing an elevated evacuation site for the community in the event of catastrophic failure of the Tolt Dam. In 2005, a pedestrian trail was constructed that serves as the evacuation route in the event of a dam failure. In addition to the pedestrian trail, the parcel can also be accessed by vehicles from Tolt Highlands Drive. The site includes an abandoned gravel pit. Three large metal storage containers which are owned by Riverview School District and house emergency preparedness supplies are presently located at the gravel pit. In 2004, the City and American Red Cross entered into an agreement and the Red Cross paid for and constructed the first King County Disaster Relief Shelter, which is located at the gravel pit.

In addition to its function as an evacuation site, Lot 'W' can also be used for limited passive recreation.

Medical, Emergency, and Fire Protection Facilities. The City of Carnation has annexed to both the Snoqualmie Valley Hospital District and Fire District #10. Fire District #10 entered into a joint operation inter-local agreement with Fire District #38 and the cities of Issaquah, North Bend and Sammamish in 1999.

This agreement formed a new agency called Eastside Fire and Rescue. The total Fire District service area, including Carnation, is 165 square miles. The Carnation fire station is located at 3600 Tolt Avenue and is operational 24 hours a day, seven days a week. The Station is adequate to meet current and future needs through the planning period. Staff and equipment at the Carnation Fire Station consists of twelve career firefighters, ten reserve firefighters, two fire engines, one aid car, and one tender. The average response time within the Carnation city limits is approximately two minutes. The fire district has three major sources of funding -- property tax revenues, a share of the King County Emergency Management Services (EMS) funding, and fees charged for services.

Public Education Facilities. Riverview School District No. 407 serves the lower Snoqualmie Valley area, particularly Carnation and Duvall. The District annually issues a Capital Facilities Plan that describes the facilities needed to accommodate projected student enrollment over the following six year period. The Riverview School District's 2014 Capital Facilities Plan is hereby adopted by reference.

The District has four elementary schools (Carnation, Cherry Valley, Stillwater Elementary and the Eagle Rock Multi-Age Program), one middle school (Tolt) in Carnation, and one senior high school (Cedarcrest) in Duvall. In addition, the District has an alternative Learning Center located near the Carnation Elementary School. An inventory of existing school facilities, including locations and capacities of those facilities at various grade levels, is provided below:

Table CF-1
Riverview School District Public School Facility Inventory

FACILITY	LOCATION	BUILDING AREA (sf)	PERMANENT STUDENT CAPACITY
Carnation Elementary (K-5)	4950 Tolt Avenue, Carnation	50,567	444
Stillwater Elementary (K-5)	11530 320th Avenue N.E.,	49,588	492
Cherry Valley Elementary (K-5)	26701 N.E. Cherry Valley Road, Duvall	56,252	504
Multi-Age Program (K-5)	29300 NE 150th Street, Duvall	0 *(@CHS site)*	0 *(96 Interim Capacity)*
SUBTOTAL (K-5)			1,440
Tolt Middle School (6-8)	3740 Tolt Avenue, Carnation	85,157	720

FACILITY	LOCATION	BUILDING AREA (sf)	PERMANENT STUDENT CAPACITY
Cedarcrest High School (9-12)	29000 NE 150th Street, Duvall	108,946	972
Riverview Learning Center	32240 NE 50th Street, Carnation	14,545	168

Source: Riverview School District 2014 Capital Facilities Plan, Table 4.1

Table CF-2
Riverview School District Projected School Enrollment, – 2014-15-2019-20

Grade Level	2013-14 Actual	2014-15	2015-16	2016-17	2017-18	2018-19	– 2019-20
K-5	1,498	1,494	1,527	1,528	1,532	1,582	1,629
6-8	777	803	795	853	866	876	853
9-12	949	1,014	1,049	1,064	1,113	1,111	1,146
Total	3,224	3,311	3,371	3,445	3,511	3,569	3,628

Source: Riverview School District 2014 Capital Facilities Plan, Table 5.1.

There are four elementary schools in the district with a combined permanent capacity for 1,440 students (see Table CF-1 above). Tolt Middle School and Cedarcrest High School serve the entire District. New facilities to serve grades K-5 and 6-8 are being planned in the Duvall area where the most substantial District population growth is occurring. . The District is also planning to augment capacity by using portables at all grade levels.

Financing School Facilities. Voter approved bonds are typically used to fund construction of new schools and other capital improvement projects. In addition, the Riverview School District has an interlocal agreement with the cities of Duvall and Carnation as well as King County for the implementation of a school impact fee. This permits the district to use the impact fee proceeds to partially fund needed Capital Facilities to house and accommodate new students generated by residential development. Capital projects may also be funded through voter approved property tax levies, and state financial assistance from the Common School Construction Fund.

CAPITAL FACILITIES PROGRAM

Capital Facilities are characterized by long useful life and substantial cost. Capital Facilities Programs include the plan for financing these facilities but do not include the cost of operation or maintenance. The Capital Facilities Program includes facilities that are provided by the City of Carnation (i.e., city streets, parks, city hall, utilities, etc.) and facilities that are provided by other entities (i.e., state roads, public schools, County parks, utilities, etc.). These facilities require a policy for long-term financing rather than the annual budget cycle. Once future capital facility requirements are determined, the six-year Capital Facilities Plan will assist with annual budget decisions to incrementally fund these facilities. The six-year Capital Facilities Plan is not a substitute, but a budgetary tool for making budgetary decisions.

The Capital Facilities Program within this element is a six year financing plan for capital expenditures. Because most Carnation projects are dependent of various grants, which may or may not be available or awarded, it is not realistic to put a year to the project. Thus, facilities may be listed by priority, with high priority projects being those to be undertaken first whenever possible, preferably the next budget year.

The capital project list sets forth each capital project which the City plans to undertake and presents estimates of the resources needed to finance the project. The Capital Facilities Program reflects the goals, objectives, and implementation strategy of the Capital Facilities Element. The top priorities of the Capital Facilities Program will be converted to the annual capital budget whenever possible, while the remaining projects will be considered for future years. The Capital Facilities Program is a rolling plan that is periodically revised and extended to reflect changing circumstances.

The list of improvements contained in this Element has been limited to these major projects. Smaller scale improvements are addressed in the annual budget of the City as they occur over time. A capital project may include design, engineering efforts, permitting, environmental analysis, land acquisition, construction, major maintenance, site improvements, energy conservation projects, landscaping, initial furnishings, and equipment.

FINANCIAL INVENTORY AND ANALYSIS

The City has employed State authorized financing mechanisms to fund city services and capital improvements, and uses the Washington State Budgeting, Accounting, and Reporting System (BARS) as prescribed by the Washington State Auditor. The City currently funds capital projects from the following funds:

- Parks Development Fund 108
- Transportation Impact Fund 109

- Capital Improvement Fund 301
- Water Capital Replacement Fund 402
- Landfill Post-Closure Financial Assurance Account 406
- Sewer Capital Improvements Fund 408

The only dedicated revenue source for the Capital Improvement Fund is the Real Estate Excise Tax. Other revenues consist of transfers from enterprise funds and other sources for capital improvements. During the 1990s and early 2000s, there was very little or no excess general revenue, after funding basic operations and maintenance activities, to transfer to the 301 Fund for capital improvements. The City's street and general government capital improvements are budgeted in this fund.

In 2004 the City conducted a water rate study and since that time, a capital replacement component has been incorporated into the water rate, providing for the availability of funds that are directly deposited into the 402 Fund for capital water system improvement projects. In addition to the capital replacement component of the utility rates, new development is charged a capital facilities charge (GFC) to connect to the water system. The GFCs for water are also deposited into the 402 Fund.

The 408 Fund is the Sewer Capital Improvement Fund. New development must pay GFCs to connect to the sewer system; the GFCs for sewer are directly deposited into the 408 Fund. Beginning in 2013, the sewer rate includes a capital replacement component to be deposited directly into the 408 Fund. In addition to the GFCs to connect to the City's sewer collection and conveyance system, sewer customers also pay a Capacity Charge to King County.

The Landfill Post-Closure Financial Assurance Account receives its revenues through a flat rate charged to each property for landfill post-closure monitoring and maintenance activities. Revenues in this fund are restricted to financing costs associated with the post-closure maintenance and water quality monitoring at the closed Carnation landfill.

The City of Carnation has adopted a Transportation Impact Fee (TIF) on all new development within the City and a Parks Impact Fee on new residential development. Funds from Impact fees can be combined with other funding sources such as grants to pay for improvements to the City's transportation system and parks facilities. The transportation and parks improvements that may be funded in this way are identified in the Transportation and Parks and Recreation Elements of the Comprehensive Plan; these improvements insure that levels of service for parks and transportation will remain at acceptable levels once new development occurs. The Riverview School District also imposes a School Impact Fee on new development which is collected for the District by the City in accordance with an Inter-local Agreement (ILA).

III. FUTURE CAPITAL NEEDS AND ALTERNATIVES

PROJECTION OF CAPITAL FACILITY NEEDS

Public facility needs have been identified in the other Elements of this plan. Through the process of developing this Capital Facilities Element, the other elements have been modified to ensure their financial feasibility. The other plan elements describe the location and capacity of facilities, and analyze the need for increased capacity from 2014 and beyond. The capital improvements needed to satisfy future and existing substandard development and maintain adopted level of service standards are summarized below in Table CF-4. Policy C3.3 summarizes the current and adopted level-of-service standards. Capital improvement projects have been identified for parks and recreation, transportation, and utility facility improvements. Facilities for fire protection and schools are contained in district and agency plans. These have been coordinated with, but are independent of, the Comprehensive Plan. The Riverview School District's Capital Facilities Plan is adopted by reference in this Element.

Prioritization of Projected Needs. The identified capital improvement needs listed in the Table CF-4 were developed by the City staff in view of the needs identified in this Plan. The projects contained in this plan undergo review by the Planning Board, City Council, and are subjected to a public hearing. The following criteria may be used to evaluate the priority of various capital projects.

Economic Considerations:	***Feasibility Considerations:***
Potential for Financing	Legal Mandates
Impact on Future Operating Budgets	Community Support
Timeliness of Opportunity	
Benefit to Economy and Tax Base	***Concurrency Considerations:***
Grant and or Loan Availability	Goals and Objectives in Other Elements
	Linkage to Other Planned Projects
Service Considerations:	Level of Service (LOS)
Safety, Health, and Welfare Factors	Plans of Other Jurisdictions
Environmental Impact	
Effect on Quality of Service	

Revenue Sources and Cost Estimates for Projected Needs. Cost estimates in this Element are presented in year of implementation dollars for both the Transportation Plan and Parks Plan. These cost estimates were derived from various federal, regional, local, and state documents, published cost estimates, records of past expenditures, information from private contractors, and general knowledge.

The Capital Facility Plan for the City of Carnation is based upon:

- Current Revenue Sources

- Financial Resources
- Capital Facilities Policies
- Method for Addressing Shortfalls

The City has reviewed and identified various means to finance Capital Facilities. It should be noted that financial regulations and fund availability change over time. Furthermore, changing market conditions may influence the city's choice of financing mechanisms, and the timing of specific improvements may depend upon future development patterns. The following list of sources includes major financial resources available and is not limited to those sources which are currently in use or will be used in the six-year schedule of improvements. The list of financial resources that are available to cities for capital projects includes the following:

- Local Multi-Purpose Levies
- Local Single-Purpose Levies
- Local Non-Levy Financing Mechanisms
- Federal, State, Regional, County, and Local Grants and Loans

Federal, State, Regional, County, and Local Grants and Loans

The City of Carnation has used and continues to look to a variety of grants and loans to fund needed capital improvements. The following is a non-exhaustive list of grant and loan programs used by the City:

Community Development Block Grant (CDBG): Funds are available annually statewide through the federal Department of Housing and Urban Development for public facilities, economic development, housing, and infrastructure projects which benefit low- and moderate-income households.

Community Economic Revitalization Board (CERB): The state Department of Commerce provides low interest loans and occasional grants to finance infrastructure projects such as sewer, water, access roads, bridges and other facilities which support specific private developments or expansions in manufacturing and businesses that support the trading of goods and services outside of the state.

Public Works Trust Fund (PWTF): The Washington State Public Works Board provides low interest loans to finance capital facility planning; emergency planning;, and construction of bridges, roads, domestic water, sanitary sewer, and storm sewer.

The Recreation and Conservation Office (formerly the Interagency Committee for Outdoor Recreation or IAC) provides grant-in-aid funding for the acquisition, development, and renovation of outdoor recreation facilities. Park grants require a 50% local match.

Small City Program (SCP): The Washington State Transportation Improvement Board (TIB) administers the Small City Program. Projects are selected based on the condition of the pavement, roadway geometrics and safety.

Transportation Improvement Board (TIB): The state Transportation Improvement Board (TIB) provides funding for projects to alleviate and prevent traffic congestion caused by economic development or growth. Funds are awarded on an 80%/20% local matching basis. Eligible projects should be multi-agency, multi-modal, congestion and economic development related.

Centennial Clean Water Fund: The Department of Ecology (DOE) provides grants and loans for the design, acquisition, construction, and improvement of water pollution control facilities and related activities to meet state and federal requirements to protect water quality. Funded projects must address water quality problems related to public health and environmental degradation. The City was awarded both grants and loans to help pay for the new sewer system through the Centennial Clean Water Fund.

State and Tribal Assistance Grants (STAG). The State and Tribal Assistance Grant is a special appropriation in the Congressional Budget. Projects to be funded through this special appropriation may include water, wastewater and groundwater infrastructure.

USDA Rural Development: This federal agency provides assistance to rural areas through direct or guaranteed loans and grants. The Rural Development programs help rural communities build or improve community facilities.

Department of Health Water Drinking Water State Revolving Fund (DWSRF): Grants for upgrading existing water systems. The DWSRF is a federal/state partnership program whose purpose is to provide loans to public water systems for capital improvements aimed at increasing public health protection.

CAPITAL FACILITY STRATEGIES

The Growth Management Act (GMA) requires that Transportation and Capital Facilities Elements of the Comprehensive Plan contain finance plans that match future transportation and other Capital Facilities needs against projected revenue capacities. To project realistic available revenues and expected costs for Capital Facilities, the City needs to consider all current programs and policies that influence decisions about the funding mechanisms for public facilities. The most relevant of these are described below. These policies along with the goals and policies articulated in the Comprehensive Plan form the basis for the development of various funding scenarios.

MECHANISMS TO PROVIDE CAPITAL FACILITIES

Increase Local Government Appropriations. The City will investigate the impact of increasing current revenues, including any related tax rates, and will actively seek new revenue sources. In addition, on an annual basis at the time of budget preparation and adoption, the City will review the implications of the current revenue system as a whole.

The City has developed and adopted its Six-Year Capital Improvement Program within this chapter as required by the GMA. However, many funding sources are difficult to forecast and it is understood that many of the projects require grants which may not be approved in the timeframe desired by the City. The actual year of the project would depend on need and available funding. Also, a number of long range projects have been identified for the remaining fiscal years of the Comprehensive Planning period.

Analysis of Debt Capacity. Generally, Washington state law permits a city to ensure a general obligation (GO) bonded debt equal to 1.5% of its property valuation without voter approval. By a 60% majority vote of its citizens, a city may assume an additional general obligation bonded debt of 1%, bringing the total for general purposes up to 2.5% of the value of taxable property. The value of taxable property is defined by law as being equal to 100% of the value of assessed valuation. For the purpose of supplying municipally-owned electric, water, or sewer service and with voter approval, a city may incur another general obligation bonded debt equal to 2.5% of the value of taxable property. With voter approval, cities may also incur an additional general obligation bonded debt equal to 2.5% of the value of taxable property for parks and open space. Thus, under state law, the maximum general obligation bonded debt which a city may incur cannot exceed 7.5% of the assessed property valuation.

Municipal revenue bonds, such as water utility bonds, are not subject to a limitation on the maximum amount of debt which can be incurred. These bonds have no effect on the city's tax revenues because they are repaid from revenues derived from the sale of service.

The "pay as you go" financing method is easy to administer and may be appropriate for certain capital projects, especially during periods of slow growth and when future tax receipts may be uncertain. However, the city will consider using debt financing if a significant level of growth occurs. This will shift some of the cost for Capital Facilities to future users, and the effects of inflation will allow the city to repay the debt in "cheaper" dollars.

User Charges and Connection Fees. User charges are designed to recoup the costs of public facilities or services by charging those who benefit from such services. As a tool for affecting the pace and pattern of development, user fees may be designed to vary for the quantity and location of the service provided. Thus, charges could be greater for providing services further distances from urban areas.

Mandatory Dedications or Fees in Lieu of. The City may require, as a condition of plat approval, that subdivision developers dedicate a certain portion of the land in the development to be used for public purposes, such as roads or parks. Dedication may be made to the local government or to a private group, such as a homeowners association. The provision of public services through subdivision dedications not only makes it more feasible to serve the subdivision, but may make it more feasible to provide public facilities and services to adjacent areas. This tool may be used to direct growth into certain areas.

Negotiated Agreement. This is an agreement whereby a developer studies the impact of development and proposes mitigation for the city's approval. These agreements rely on the expertise of the developer to assess the impacts and costs of development. Such agreements are enforceable by the jurisdiction. The negotiated agreement may require lower administrative and enforcement costs than impact fees.

Impact Fees. Impact fees may be used to affect the location and timing of infill development. Infill development usually occurs in areas with excess capacity of Capital Facilities. If the local government chooses not to recoup the costs of Capital Facilities in underutilized service areas, infill development may be encouraged by the absence of impact fees on development(s) proposed within such service areas. Impact fees may be particularly useful when a community is facing rapid growth and new residents desire a higher level of service than the community has traditionally provided.

OBLIGATION TO PROVIDE CAPITAL FACILITIES

Coordination with Other Public Service Providers: Local goals and policies as described in the other Comprehensive Plan Elements are used to guide the location and timing of development. However, many local decisions are influenced by state agencies, special service districts, and utilities that provide public facilities within the City. The planned capacity of public facilities operated by other jurisdictions must be considered when making development decisions. Coordination with other entities is essential not only for the location and timing of public services, but also in the financing of such services. Such coordination would include financing for construction and operation of such facilities as fire stations, libraries, schools, state facilities, and river levees.

The City's plan for working with the natural gas, electric, and telecommunication providers is detailed in the Utilities Element. This Element includes policies for sharing information and a procedure for negotiating agreements for provision of new services in a timely manner.

Level of Service (LOS) Standards: Level of service standards are an indicator of the extent or quality of service provided by a facility related to the operational characteristics of the facility. They are a summary of existing or desired public service conditions. The process of establishing level of service standards requires the city to make quality of

service decisions explicit. The types of public services for which the city has adopted level of service standards will be improved to accommodate the impacts of development and maintain existing service in a timely manner with new development.

Level of service standards will influence the timing and location of development, by clarifying which locations have excess capacity that may easily support new development, and by delaying new development until it is feasible to provide the needed public facilities. In addition, to avoid over extending public facilities, the provision of public services may be phased over time to ensure that new development and projected public revenues keep pace with public planning. The city has adopted level of service standards for a number of public services, as summarized in Policy C3.3.

Potential Annexation Areas: The City's Potential Annexation Areas can adequately be served by the current City services when annexed. Prior to approval of new development within these areas, the city will review the Capital Facilities and other Elements of the Comprehensive Plan to ensure the resources will be available to provide the services necessary to support such new development at adopted or specified levels of service.

IV. CAPITAL FACILITIES PROJECTS

Table CF-4 sets forth a six year Capital Facilities project plan, based on the capital facility needs identified in this plan. Since the Comprehensive Planning process is dynamic and ongoing, the six-year plan will be periodically reviewed and updated. Given the uncertainties of funding sources, patterns of development, etc. it is sometimes impractical to identify in the plan a specific year in which a given capital facility project will be undertaken.

There are a number of financial assumptions upon which the Capital Facilities Element is based. The assumptions about current and future conditions include the following:

- The cost of running the City government will continue to increase due to inflation, state and federal mandates, and other factors, while state and federal shared revenues will continue to decrease.

- New revenue sources will be necessary to maintain and improve city services and facilities.

- In the General Fund, revenues are inadequate to meet operating and maintenance needs, let alone capital needs.

Significant capital investment is needed to maintain, repair, and rehabilitate the City's aging infrastructure and to accommodate future growth.

WATER UTILITY FACILITIES

The Water Comprehensive Plan approved in 2009 included a Capital Improvements Program for water improvements. In 2012, the City re-evaluated the water Capital Improvements Program and adopted Resolution 373, which adopted a five year program for water improvements, for the years 2012 through 2016. Table CF-3 summarizes the Water System Capital Improvements Program adopted by Resolution 373 as updated since 2012.

TABLE CF-3
Water System Improvements - 2012 through 2016

Item # (Project Key)	Improvement Description	From	To	Old Pipe Size (inches)	New Pipe Size (inches)	Pipe Length (feet)	Project Budget (2012 Dollars)	Projected Start Year	Benefit	NOTES
1R (Key O3)	Commercial & Residential Meter Replacement						$5,000	On-going	Meter replacements provide additional revenue to City	
2R (Key O4)	Water Efficiency Investigation						$3,000	On-going	ID causes of City's extremely high water loss	Includes water use eval, meter eval, Remlinger, Girl Scouts
3R (Key O7)	Base/Wall Map Updates						$5,000	On-going	Accurate City Records	Should fund each year
4 (Key O10)	Additional Isolation Valves	Various locations					$30,000	On-going	Ability to shut off parts of water system	Some locations TBD
5 (Key S7)	Steel Pipe Condition Assessment						$10,000	2015	Assist in prioritization/timing of steel pipe replacement	Initial assessment of pipe condition to assist in prioritization/timing - actual budget pending
6 (Key S6)	Guardrail to protect pipe	Exposed transmission pipe with no guardrail		12		20	$19,000	2014	Reduces risk of car breaking pipe	Work w WSDOT to install guardrail to protect pipe (pipe spans ditch near Earth to Earth)

	Morrison and Stephens intersection						$12,000	2014	Connect 8" mains	
5 (Key R1)	Spilman Avenue Replacement	Entwistle St.	Morrison St.	6	8	1,100	$380,000	2014	Failing AC main replaced prior to/simultaneous to road project	Design and construct water improvement and road overlay
6 (Key O6)	2016 Water Comprehensive Plan*						$105,000	2015	Required by DOH every 6 yrs - system planning	Start in 2015, complete in 2016
2012 – 2016 TOTALS							**$626,000**			

SEWER UTILITY FACILITIES

As the City's sewer collection and conveyance system was very recently built, there is no Capital Improvements Program developed for it as this time. The City should consider creating a program for the sewer system in the near future.

TRANSPORTATION FACILITIES

The Transportation Element was updated in 2011 and was amended in 2013. The twenty year Transportation Improvement Program (TIP) is presented in Table T-5 below. The TIP includes projects that are needed to increase the capacity of the City's arterial roadways in order to accommodate new growth.

Table T-5: Proposed Transportation Improvement Program

Improvement Project	Implementation Year	Grant Share (75%)	Grant Type	Impact Fees (25%)	Total in 2007 dollars	Total in Year of Implementation dollars
Larson Avenue Connector	2012	1,146,454	TIB-SC/ STP	382,151	1,314,000	$1,528,605
SR-203/Morrison Street Signal	2015	562,500	TIB-SC	187,500	550,000	$750,000
Milwaukee Avenue Connector	2017	1,640,925	TIB-SC/ STP	546,975	1,683,000	$2,187,900
316th Avenue Connector	2018	2,020,200	TIB-SC/ STP	673,400	1,924,000	$2,693,600
20-Year Totals		5,895,079		1,965,026	5,821,000	$ 7,160,105

The City is required to update a Six-year Transportation Improvement Program (STIP) and file it with the State of Washington Secretary of Transportation. The STIP must include all transportation projects that the City plans to do within the next six years, including those projects from Table T-5 above that are planned for the six year period, as well as other transportation projects that might not add capacity, but that are also necessary infrastructure improvements. For example, the Tolt Corridor Project will provide many improvements along Tolt Avenue but these are not designed to increase the capacity for cars by providing another lane of traffic. (See the Transportation Element

for a more complete description of the Tolt Corridor Project.) New development is not expected to contribute to the costs of the improvements that do not increase capacity.

Table CF-4
Six Year Transportation Plan 2015 - 2020
(adopted 6/3/2014 by Resolution 385)

Project Name	Start Year	Federal Funds ($)	State Funds ($)	State fund Code	Local funds	Total Funds
Tolt Corridor: CBD						
Design	2015	735,250		WSDOT	114,750	850,000
Construction		1,000,000	1,950,000	TIB	1,650,000	4,650,000
Total		1,735,250	1,950,000	Other	1,764,750	**5,550,000**
Spilman Avenue Reconstruction						
Design	2015		27,000	SRTS	3,000	30,000
Construction	2016		198,000	SRTS	22,000	220,000
Total			225,000		25,000	**250,000**
East Entwistle pedestrian improvements						
Design	2020		105,000	TIB	15,000	120,000
Construction	2020		395,000	TIB	45,000	440,000
Total			500,000		60,000	**560,000**
Tolt Corridor: S. Greenway						
Design	2018	680,000	408,000	TIB/WSDOT	272,000	1,360,000
ROW	2018		25,000	TIB	25,000	50,000
Construction	2019	896,000	1,792,000	TIB/WSDOT	1,792,000	4,480,000
Total		1,576,000	2,225,000		2,089,000	**5,890,000**
Signalized intersection SR203/Morrison Street						
Design	2015		63,750	TIB	21,250	85,000
Construction	2016		255,000	TIB	85,000	340,000
Total			318,750		106,250	425,000
Tolt Corridor: North Greenway						
Design	2020	365,000	219,000	TIB	146,000	730,000
Construction	2020	480,000	960,000	TIB/WSDOT	960,000	2,400,000
Total		845,000	1,179,000		1,106,000	**3,130,000**
Tolt Corridor: South Entry						
Design	2020		266,000	TIB	114,000	380,000
Construction	2020		882,000	TIB/WSDOT	378,000	1,260,000
Total			1,148,000		492,000	**1,640,000**
Tolt Corridor: North Entry						
Design	2020	305,000	183,000	TIB	122,000	610,000
Construction	2020	400,000	800,000	TIB/WSDOT	800,000	2,000,000
Total			983,000		922,000	**2,610,000**

Larson Avenue Connector					
Design	2020	203,000	Other	22,500	225,000
ROW	2020	180,000	Other	20,000	200,000
Construction	2020	1,148,000	Other	381,000	1,529,500
Total		1,531,000		424,000	**1,955,000**
NE 40th St Reconstruction					
Design	2020	514,000	TIB	70,000	584,000
Construction	2020	136,000	TIB	15,000	151,000
Total		650,000		85,000	**735,000**
Tolt Hill Road/SR203 Intersection					
Design	2020	126,000	TIB	54,000	180,000
Construction	2020	399,000	TIB	171,000	570,000
Total		525,000		225,000	**750,000**
Tolt River Bridge	2020	308,000	TIB	132,000	440,000
Design	2020	1,015,000	TIB/WSDOT	435,000	1,450,000
Construction		1,323,000		567,000	**1,890,000**
Total					
Local Street improvements					
Design	2015	300,000	Other	300,000	600,000
Construction	2015	700,000	Other	500,000	1,200,000
Total		1,000,000		800,000	1,800,000

A new STIP will be adopted in 2015 that will update the plan for the next six year period beginning in 2016.

PARKS FACILITIES

In 2012, an Update of the City's Parks and Recreation Element was undertaken, based on input from the community. The Parks and Recreation Element was amended in 2013. The capital improvements plan for parks is found in Table P-5 of the Parks Element which is included below.

Table P-5
Capital Improvements Plan

	2012 Cost Estimates	Phase 1 2012-2018	Phase 2 2019-2025	Phase 3 2026-2031
Hockert Park				
Replace play structure	$150,000	$163,500		
Toddler structure	$20,000	$21,800		
New swing set	$10,000	$10,900		
New Climbing structure	$6,000	$6,540		
Merry go round	$10,000		$13,000	
Add a picnic table	$3,000		$3,900	

	$199,000			
Valley Memorial Park				
Re-finish tennis/basketball courts	$20,000	$21,800		
Picnic structure	$64,000	$69,760		
Looped trail	$37,500	$40,875		
Basketball hoop	$3,000	$3,270		
Toddler structure	$20,000	$21,800		
Reconfigure/pave parking lot 18 spaces	$40,600		$52,780	
Skatebowl improvements	$40,000		$52,000	
BMX viewing/picnic area	$4,000	$4,360		
	$229,100			
Tolt Commons/Community Shelter				
Picnic tables	$6,000	$6,540		
Grills	$2,000	$2,180		
Land acquisition between Commons + Shelter	$56,250	$61,313		
	$		$	
Land acquisition between Commons + Shelter	142,650		185,445	
	$183,125			
River's Edge Park				
New Fence	$10,000		$13,000	
Other improvements desired by neighborhood	$50,000		$65,000	
	$60,000			
Loutsis Park				
Landscape screen along western boundary	$15,000	$16,350		
Fitness course	$40,000		$52,000	
Pave parking lot	$44,000		$57,200	
	$99,000		$109,200	
West Side Park				
Site work	$10,000		$13,000	
Fence:	$12,160		$15,808	
Play structure(s)	$50,000		$65,000	
Picnic table	$3,000			$4,440
Grill	$1,000			$1,480
Open sided structure	$16,000			$23,680
	$92,160			
Trails system				
Pathway on Entwistle/NE 45th				
Sidewalk on SR203 west side s. of NE 40th	$20,000	$21,800		
Work with King County on Tolt Levee Trail				
Work with King County on Snoqualmie River Trail				
Signage	$50,000	$54,500		
Bicycle racks 10 in CBD/SC zones	$12,000	$13,080		
	$82,000			
New Mini-parks	**$300,000**			
In PAA west of SR203	$150,000			$222,000
Northeastern development	$150,000			$222,000
		Phase 1	**Phase 2**	**Phase 3**

Total in 2012 Dollars	$ $1,268,160			
Totals	$ $1,711,301	$540,368	$ $697,333	$473,600

SIX YEAR CAPITAL IMPROVEMENTS PLAN

Table CF-4 contains a summary of the City's capital improvements for water, streets and parks over the next six year period, which totals approximately $9 million dollars. It should be noted that the year of implementation for some of the projects may not fall within the next six-year period, as these projects may be dependent upon funding availability, or in some cases, upon development that may not occur within that time period. For example, there are two transportation projects included in Table CF-4 that will be needed to serve development of the Potential Annexation Area (PAA) to the north of the City. Recent downturns in the economy have slowed development such that annexation and development of the PAA may not occur within the next six year period. Absent those projects, the total capital investment expected over the next six years is approximately $4.1 million.

City of Carnation
2014 Comprehensive Plan
CAPITAL FACILITIES ELEMENT

TABLE CF-5
SIX YEAR CAPITAL IMPROVEMENTS PROGRAM

Project	Cost Estimate	Funding Source(s)	Benefit/Need	Total Costs
	(total over the 6 year period)			
WATER SYSTEM IMPROVEMENTS				
On-going projects to improve water system management			Annual actions designed to improve water use efficiency and management of the water utility	
Meter replacement	$30,000	402 Fund		
Water efficiency investigations	$30,000	402 Fund		
Map updates	$25,000	402 Fund		
Isolation valves	$30,000	402 Fund		
Steel pipe condition assessment	$10,000	402 Fund		
Add guardrail to protect exposed pipe on SR203	$19,000	402 Fund	Risk reduction	
Spilman Avenue AC water pipe Replacement	$380,000	CDBG, 402 Fund	Replace failing AC water main/Risk reduction	
2016 Water Comp Plan	$105,000	402 Fund	Regulatory requirement	
Morrison and Stephens intersection	12,000	402 Funds	Risk reduction	
Total costs water improvements				$626,000
TRANSPORTATION IMPROVEMENTS				
Non capacity adding improvements				
Tolt Corridor: CBD	5,450,000	TIB/WSDOT/other	Economic development/Risk reduction	
Spilman Avenue Reconstruction	620,000	TIB/Safe Routes	Widen and reconstruct poor quality pavement/Pedestrian Safety	
Tolt Corridor: S Greenway	5,890,000	TIB/WSDOT	Economic Development/Risk Reduction	
East Entwistle Pedestrian Improvements	560,000	TIB	Risk reduction/pedestrian connectivity	
Tolt Corridor: N Greenway	3,130,000	TIB/WSDOT	Economic Development/Risk Reduction	
Tolt Corridor: S Entry	1,640.000	TIB/WSDOT	Economic Development/Risk Reduction	
Tolt Corridor: N Entry	2,610.000	TIB/WSDOT	Economic Development/Risk Reduction	
NE 40th St Reconstruction	735,000	TIB	Improve access to Tolt McDonald Park	
Tolt Hill Road/SR203 Intersection	750,000	TIB	Improved access/safety	

Local street improvements	1,800,000	Other	Preserve, repair, reconstruct, resurface existing streets	
Tolt River Bridge	1,890,000	TIB/WSDOT	Economic development	
Total non-capacity transportation				$25,075,000
Improvements that add capacity				
Larson Avenue Connector	$1,528,605	TIB-SC/STP, impact fees	Connect Entwistle and NE 40th to allow by-pass of SR203, serve industrial development	
SR203/Morrison St signalization	$750,000	TIB-SC, impact fees	SR203 crossing	
Milwaukee Avenue Connector	$2,187,900	TIB-SC/STP, impact fees or developer extensions	Connect new development in PAA to rest of the City.	
316th Avenue Connector	$2,693,600	TIB-SC/STP, impact fees or developer extensions	Connect new development in PAA to rest of the City	
Total costs transportation improvements				$7,160,105
PARKS IMPROVEMENTS				
Hockert Park	$202,740	RCO, impact fees	Replace outdated play equipment	
Valley Memorial Park	$161,865	RCO, impact fees	Add trail, play equipment for younger kids	
Tolt Commons/Community Shelter	$70,033	USDA, impact fees	Create town center	
Loutsis Park	$16,350	RCO, impact fees	Fencing and landscape screening	
Trails system	$89,380	RCO, impact fees	Improve connectivity, promote walking, biking, horseback riding, etc	
Total costs park improvements				$540,368
TOTAL				$ 33,401,473

V. MONITORING AND EVALUATION

The Capital Facilities Element is the mechanism by which the City can stage the timing, location, projected cost, and revenue sources for the capital improvements identified for implementation. The planned expenditures and funding sources for each project from FY 2012 through FY 2018 are shown by priority. Top priority is generally given to projects which correct existing deficiencies, followed by those required for facility replacement, and those needed for future growth.

Monitoring and evaluation are essential in ensuring the effectiveness of the Capital Facilities Element. This Element will be reviewed and amended periodically to verify that fiscal resources are available to provide public facilities needed to support adopted level of service (LOS) standards and measurable objectives.

The review will include an examination of the following considerations in order to determine their continued appropriateness:

1. Any corrections, updates, and modification concerning costs; revenue sources; acceptance of any dedications which are consistent with the element; or projected dates of construction of any proposed improvements;

2. The Capital Facilities Element's continued consistency with the other elements and its support of the Land Use Element;

3. The priority assignment of existing public facility deficiencies, especially those related to health and safety;

4. The City's progress in addressing existing deficiencies;

5. The criteria used to evaluate capital improvement projects in order to ensure that projects are being ranked in their appropriate order of priority;

6. The City's effectiveness in maintaining the adopted LOS standards and achieving measurable objectives;

7. The use and effectiveness of impact fees or mandatory dedications of property which may be required of a new development in order to provide new developments' *pro rata* share of Capital Facilities costs required to meet adopted LOS standards.

8. The impacts of special districts or other regional service providers on the City's ability to maintain its adopted LOS standards;

9. Efforts made to secure grants or private funds, whenever available, to finance the provision of capital improvements;

10. The criteria used to evaluate proposed plan amendments. .

VI. GOALS AND POLICIES

GOAL CF 1

To assure that capital improvements necessary to carry out the Comprehensive Plan are provided when they are needed.

Policy CF1.1 The City shall coordinate its land use and public works planning activities with an ongoing program of long-range financial planning, in order to conserve fiscal resources available to implement the Capital Facilities plan.

Policy CF1.2 Interlocal service agreements with water utilities serving rural and resource lands should specify limitations on the use of the surplus water consistent with Countywide planning policies. Surplus water may be sold to resolve immediate health or safety problems threatening existing residents but must not be in perpetuity unless the City can do so without risks to its current and future residents.

Policy CF1.3 Continue to upgrade the City water system to improve water use efficiency.

Policy CF1.4 Ensure the use of the sanitary sewer system in a manner consistent with the City's adopted Sewer Plan.

Policy CF1.5 The City adopts the School Impact Mitigation Fee Schedule from the Riverview School District Capital Facilities Plan to enable the district to collect impact mitigation fees in accordance with the Interlocal Agreement.

Policy CF1.6 The City will develop and adopt appropriate impact fees or related funding mechanisms to assess the developer's fair share contributions to other public facility improvements (such as parks, and streets) required to serve new development.

Policy CF1.7 The City shall coordinate or provide needed Capital Facilities and utilities based on adopted levels-of-service and forecasted growth in accordance with the Land Use Element of this plan.

GOAL CF2

To ensure that the continued development and implementation of the Capital Facilities Plan (CFP) reflects the policy priorities of the City Council.

Policy CF2.1 High priority of funding shall be accorded projects which are consistent with the adopted goals and policies of the City Council.

Policy CF2.2 Projects shall be funded only when incorporated into the City budget, as adopted by the City Council.

Policy CF2.3 Capital projects that are not included in the six-year Capital Facilities Plan and which are potentially inconsistent with the Comprehensive Plan shall be evaluated through the Comprehensive Planning process prior to their inclusion into the City's annual budget, unless otherwise agreed upon by the City Council.

Policy CF2.4 The six-year Capital Facilities Plan should be updated annually prior to the City budget process.

Policy CF2.5 Any city capital activity with a cost of over $100,000 may require a financial impact analysis that contains sections dealing with sources and uses of funds, impacts on the overall city budget and on public debt, impact on taxes, impacts on users and non-users (e.g. regarding user fees, if any) and benefit-cost computations, if applicable.

Policy CF2.6 All City departments shall review changes to the CFP and shall participate in the annual review as deemed necessary by City Council and the City Manager.

Policy CF2.7 Large-scale capital improvement projects will be included in the Six-Year Schedule of Improvements of this element. Smaller capital improvements will be reviewed for inclusion in the annual budget.

Policy CF2.8 Proposed capital improvement projects will be evaluated using all the following criteria: a. whether the project is needed to correct existing deficiencies, replace needed facilities, or to provide facilities needed for future growth; b. elimination of public hazards; c. elimination of capacity deficits; d. financial feasibility; e. site needs based on projected growth patterns; f. new development and redevelopment; g. plans of state agencies; h. local budget impact; and i. location and effect upon natural and cultural resources.

GOAL CF 3

To actively influence the future character of the City by managing land use change and by developing City facilities and services in a manner that directs and controls land use patterns and intensities.

Policy CF3.1 Development shall be allowed only when and where all public facilities are adequate and only when and where such development can be adequately served by essential public services without reducing levels of service elsewhere.

Policy CF3.2 If adequate facilities are currently unavailable and public funds are not committed to provide such facilities, developers must provide such facilities at their own expense in order to develop.

Policy CF3.3 The following level of service guidelines should be used to evaluate whether existing public facilities are adequate to accommodate the demands of new development:

A. Water - Require that new development have adequate water supply for consumption and fire flow. Maintain the current level of service of 225 gallons per day per equivalent residential unit.

B. Wastewater - Residential flow planning value of 65 gallons per capita per day based on using a vacuum sewer system.

C. Solid Waste - Collection service for garbage, recyclable materials, and yard waste shall be available to all properties within the City.

D. Police Protection - Coordinate development review and police protection facility planning to ensure that: a) adequate police protection can be provided; and b) project designs discourage criminal activity.

E. Fire Protection - Coordinate development review and fire protection facility planning to ensure that: a) adequate fire protection and emergency medical service can be provided; and b) project designs minimize the potential for fire hazard.

F. Public Schools - Coordinate development review and school facility planning to ensure that adequate school facilities will be available to accommodate anticipated increases in students. Adequate school facilities are considered to be permanent school buildings.

G. Parks and Recreation - Maintain level of service standards as identified in the Parks and Recreation Element to provide adequate parks and recreation facilities to serve City residents.

H. Transportation - Maintain the following level of service standards as identified in the Transportation Element:

State Highway Intersections:	Level of Service "D"
Arterials:	Level of Service "D"
Transit:	As established by the Transit service provider
Collectors and Local:	Design Standards

I. Stormwater Management Systems – Stormwater shall be infiltrated on site. Development will be regulated to ensure that its post development run-off to does not exceed the predeveloped discharge volume and/or rate. Stormwater management for new development shall comply with all relevant state and federal regulations,

Policy CF3.4 A development shall not be approved if it causes the level of service on a capital facility to decline below the standards set forth in Policy 3.3, unless capital improvements or a strategy to accommodate the impacts are made concurrent with the development for the purposes of this policy. "Concurrent with the development" shall mean that improvements or strategy are in place at the time of the development or that a financial commitment is in place to complete the improvements or strategies within six years, except in the case of public schools, whereby a financial commitment to complete the improvements within three years is required.

Policy CF3.6 Provide copies of development proposals to the various providers of services, such as the school district, fire district and utility providers, for comments on the available capacity to accommodate development and any needed system improvements.

Policy CF3.7 The community impacts of new or expanded Capital Facilities should be reviewed. They should be compatible with surrounding land uses; to the extent reasonably possible for a growing rural city, such facilities should have minimum impacts on natural and historic resources or built environment, and follow strict adherence to environmental regulations.

Policy CF3.8 City plans and Development Regulations should identify and allow for the siting of essential public facilities. Cooperatively work with surrounding municipalities and King County during the siting and development of facilities of regional significance.

GOAL CF4

To finance the city's needed Capital Facilities in as economic, efficient, and equitable a manner as possible.

Policy CF4.1 Provide needed public facilities that are within the ability of the City to fund or within the City's authority to require others to provide.

Policy CF4.2 Finance the six-year Capital Improvement Program within the City's financial capacity to achieve a balance between available revenue and needed public facilities. If the projected funding is inadequate to finance needed public facilities based on forecasted growth, the City could do one or more of the following:

- Change the land use element;
- Increase the amount of revenue from existing sources;
- Adopt new sources of revenue; and/or
- Adopt a lower level of service for public facilities.

Policy CF4.3 The ongoing operation and maintenance costs of a public facility should be financially feasible prior to constructing the facility.

Policy CF4.4 Base the financing plan for public facilities on realistic estimates of current local revenues and external revenues that are reasonably anticipated to be received by the City.

Policy CF4.5 The City will support and encourage the joint development and use of cultural and community facilities with other governmental or community organizations in areas of mutual concern and benefit.

EXHIBIT B

CHAPTER 4– ECONOMIC DEVELOPMENT ELEMENT

I. INTRODUCTION

An Economic Development Element is a new required element of the Comprehensive Plan; the 2005 Carnation Comprehensive Plan Update did not include an Economic Development Element. As outlined in RCW 36.70A.070.7, the element must include a summary of the local economy, including its strengths and weaknesses, and identification of local goals, policies and provisions for economic growth and a high quality of life.

Encouraging economic development is Goal 5 of the GMA Planning goals found in RCW 36.70A.020:

> *(5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.*

Economic development is a partnership between the public sector and private individuals and establishments. Local communities such as Carnation play an important part in setting the stage for economic development by planning for infrastructure to serve new growth and support new businesses; providing the regulatory framework for land use development through zoning codes, development standards and the like; and promoting healthy, vibrant and livable places that attract new and retain existing businesses. The City Council sets policies, adopts and implements city actions, but it is primarily private investment that creates jobs and new businesses. The Economic Development Element is an opportunity for the City to outline the goals and actions that will promote economic development as necessary to enable the city's future envisioned in the Comprehensive Plan.

In December 2007, the City Council adopted an Economic Development Strategic Action Plan with assistance from Berk and Associates. As part of the process for developing the Action Plan, the Council articulated a vision for future economic development that would support Carnation's core identity as a quality small town. The Action Plan was informed by dialogue with the local community including local businesses. While developing the

Plan, the Council sought input from the community through a public open house as well as meetings with the Carnation Chamber of Commerce. Berk and Associates provided a detailed profile of the city's demographic and economic conditions and a profile of the city's market share to help craft a realistic strategy. Much of the work that went into the Strategic Plan can be used to create an Economic Development Element, especially the goals, policies and actions that were developed as part of the Plan. Much of the data that was available in 2007 was based on the 2000 Census, and so the data in the Economic Development Element will be updated with data the 2010 Census.

Summary of the Local Economy

Carnation is a small community located within the Snoqualmie Valley in east King County. An incorporated city surrounded on all sides by the Snoqualmie Valley Agricultural Production District, Carnation has a population of less than 2,000 people and a geographic area of approximately one square mile. Carnation is "housing rich" as opposed to "jobs rich" in that the community provides housing for households that find employment elsewhere. Local economic opportunities for employment do exist in Carnation or nearby within the Snoqualmie Valley; however, regional employment centers in Redmond, Bellevue, Issaquah and elsewhere within commuting distance provide most of the employment for Carnation's residents. In addition to its residential neighborhoods, a commercial core centered on Tolt Avenue (SR203) provides goods and services, including a grocery store, restaurants, small shops, etc. Carnation has been the location of several small scale industries, primarily in the construction materials sector. Several of these have gone out of business in recent years due to the recession in the last decade.

Population and Income

The US Census reported a population of 1,786 in 2010 for incorporated Carnation. This actually represents a decrease of about 6% from the 2000 census. This population loss was most likely due to the foreclosure crisis which impacted many of Carnation's neighborhoods. Prior to 2000, growth in Carnation had occurred but at a slower rate than other nearby communities, such as Duvall or Snoqualmie, due to the lack of public sewer system and a smaller land base. The city was able to build a city-wide sewer system that became operational in 2008. Unfortunately, the new infrastructure to support growth occurred right as the downturn in the greater economy slowed the demand for new development. Carnation had very few residential permits since its growth spurt in the 1990s: one new house has been built since the sewer became operational. Non-residential construction within Carnation in the last decade was primarily by the public sector, and included a new library and the Riverview School District's alternative learning center.

As the economy and residential housing starts have picked up in the region, the market for residential development in Carnation has re-emerged. Many of the homes that were foreclosed on have since been bought and are now occupied. Local realtors cite a very limited supply of available housing as of 2014. Two formal subdivisions have recently

been approved, which will add approximately 100 new lots. Recent interest in infill development has resulted in permits for new homes on existing lots in the original plat, and several potential short plat applications have been under discussion.

Carnation's median income is $73,269 in 2011 inflation adjusted dollars, as compared to a median income of $70,567 for King County. 20.5% of Carnation's households fall in the $100,000 to $149,999 income category, while 33% fall in the $50,000 to $99,999 range. For King County, 17.7% of households are in the $100,000 to $149,999 category, and 31% have incomes between $50,000 and $99,999. As a whole, Carnation's income brackets are slightly higher than in King County as a whole. (Source: 2005-2011 American Community Survey 5-year estimates, US Census.)

Occupation and Employment

In terms of occupation, which is the type of worker but not a reflection of the economic sector in which the work is done, 34.5% of Carnation's civilian employed population 16 year and over are in a management, business, science and arts occupations. 20.2% are in service and 24.4% are in sales and office occupations. In terms of industrial sector of employers, the largest percentage, 20.9%, of Carnation's civilian labor force are employed in the Educational, health care and social service sector. The construction sector provides 13.6% of the Carnation labor force's employment, and manufacturing provides 13.1% of jobs. The professional, scientific and management sector provides 11.4 of Carnation's employment. Retail trade provides employment to 10.7% of Carnation's labor force. In terms of the type of employment, 78.2% are private wage and salary, government workers are 11.0% and workers who are self-employed in their own business comprise 10.5% of Carnation's labor force. The percent unemployed is reported at 7.2%, slightly higher than the King County unemployment rate of 6.9% (Source: 2005-2011 American Community Survey 5-year estimates, US Census.)

Journey to Work

As can be expected, the bulk (79.1%) of Carnation's work force report driving alone to work, while 10.2% report using a carpool. Public transportation, which is limited in Carnation, provided 1.7% of the commute. Walking to work was reported by 2.2% of the workforce, and 5.4% reported working from home. The mean travel time was 30 minutes, which is slightly longer than the mean travel time to work for King County which was 26.6 minutes. (Source: 2005-2011 American Community Survey 5-year estimates, US Census.)

Inventory and Availability of Land

Cities can promote economic development by making sure there is adequate land capacity to support commercial and industrial lands. The amount of land needed for retail uses will depend to a large extent on the population that will support the local retailers. Carnation's retail base would be characterized as a neighborhood shopping center, typically a small retail center anchored by a grocery store and serving approximately 10,000 population. The Economic Development Strategy estimated that the city would

be competitive for approximately 127,000 to 211,000 square feet of retail space. Currently the City has approximately 88,000 square feet of retail space in use. The capacity for retail uses as zoned within the Urban Growth Area was estimated to be on the order of 275,000 square feet. This estimate is based on assumptions for commercial development in the parcels zoned CBD, Service Commercial and Mixed Use, as described in more detail below. The analysis shows that there is more than adequate capacity for retail uses to serve the Carnation market area for the twenty year planning period.

Table 3-5 in the Land Use Element shows the future land use capacity of various land use types as provided for in the Future Land Use Map; each land use type is summarized as a percentage of the entire Urban Growth Area (UGA). Residential land use is by far the largest percentage of land use and capacity, at 54% of the land UGA. Both the Land Use and Housing Elements contain information on current residential development and future capacity for residential development within the Carnation UGA.

Retail land use is included in the high intensity commercial category, and is comprised of the Central Business District (CBD) and Service Commercial (SC) zones. The retail core is centered on SR203, and the 5 acres zoned Service Commercial located opposite Eugene Street. This is where the Tolt Town Center which contains the grocery store anchor is located. This zoning for this area is Service Commercial, which allows for expansion of service oriented larger scale retail, such as a grocery store, pharmacy, etc. The size and depth of the parcels allows for adequate parking, which is essential to the success of this type of retail. In contrast, the historic Central Business District (CBD) which encompasses four blocks to the north of the anchor is characterized by shallow (100' in depth) parcels that are quite limited for parking. Many of the existing buildings are historic, and are well suited to restaurants, shops, and other retail uses. Retail zones, including both the CBD and Service Commercial zones, account for 19 acres or approximately 3% of the UGA. All of the CBD and SC zoned parcels are located within the current city limits. As described above, land capacity for retail development is estimated to be more than adequate to serve the needs of Carnation and nearby residents, as well as visitors to the area.

Other types of commercial land include medium and low intensity lands. Medium intensity commercial lands include the Mixed Use (MU) and the Agri-tourism and related industries (AGI) zones. The Mixed Use zone allow both residential and commercial uses, including office as well as retail. There are a total of 28 acres zoned Mixed Use, of which approximately 8 are within the Potential Annexation Area. The purpose of the mixed use zone is to create a buffer between the commercial and residential areas. South of Eugene and east of SR203, the Mixed Use parcels have enough depth from SR203 to provide adequate parking if these areas develop for retail use. The Agri-tourism and Industries (AGI) zone would allow for a range of activities related to agritourism and supporting industries, including both the retail and tourist activities themselves and the industries that would support them, such as processing, wholesaling, etc. The Medium Intensity Commercial zones account for approximately 6% of the land area of the UGA.

Low intensity lands are zoned Horticultural Commercial (HC) Zone, which is a unique zone that reflects the economic potential of the agricultural heritage of Carnation. Thirty-nine acres or 9% of the UGA is zoned for this use.

As described above, there is more than adequate capacity for new businesses and expansion of existing businesses within all three categories of commercial lands, especially within the high intensity, retail commercial acreage. There are three vacant parcels within the CBD as of the date of this Element, and there are several vacant storefronts or buildings within the CBD. Similarly, a significant portion of land zoned Service Commercial are currently vacant, and there is a vacant storefront located in the Tolt Town Center development. Much of the City's Mixed Use lands located along Tolt Avenue are currently either vacant or in single family residential use.

Industrial lands provide capacity for land uses that provide employment. Industrial lands comprise a relatively small percentage of Carnation's land area within the UGA. Without direct access to I-90, Carnation's potential for larger scale industrial development is somewhat limited. However, some smaller scale and specialized industries have located in Carnation, and public infrastructure and relatively inexpensive land values help create potential for industrial development. Industrial lands are especially important in providing employment and help create a more sustainable local economy. Currently 33 acres or 5% of the UGA is zoned for industrial use.

Carnation's nonresidential lands have more than enough capacity to meet the employment numbers that have been targeted for the community as part of the King County Countywide Planning Policies Buildable Lands analysis. Carnation's assigned target for new jobs over the next twenty years is 370. Based on the capacity for nonresidential development within its Zoning map, Carnation could potentially support over 1,500 new jobs.

Consistency with Multi-county and County Planning Policies

The Growth Management Act requires counties to create planning policies in cooperation with the cities located within them, and the cities' comprehensive plans are required to be consistent with the adopted Countywide Planning Policies (CPPs). Similarly, Multi-county Planning Policies (MPPs) are required to be developed by two or more counties with contiguous urban populations. In our region, the Puget Sound Regional Council (PSRC) created VISION 2040, the MPPs for the Puget Sound region, in cooperation with the counties and cities. Both the King County CPPs and the PSRC MPPs have policies related to economic development.

VISION 2040 is the Puget Sound Regional Council's document that provides guidance for development of the four-county region. Carnation is characterized as a "free-standing small city" as it is surrounded by unincorporated rural land, and provides input as follows:

VISION 2040 calls for these communities to be the primary places for meeting the service needs — including shopping, jobs, and services — of both their residents and residents in nearby rural areas. Cities in rural areas should also be the focal points of rural-based industries and commerce. Schools and other institutions and facilities serving rural populations should be sited in rural cities. Development patterns in these communities should be at a size and scale appropriate for smaller towns. Commerce should cluster in the town center, which should be walkable and compact.

CITIES IN RURAL AREA POLICIES

MPP-DP-16: Direct commercial, retail, and community services that serve rural residents into neighboring cities and existing activity areas to prevent the conversion of rural land into commercial uses.

MPP-DP-17: Promote transit service to and from existing cities in rural areas. (VISION 2040, PSRC, page 52)

In fact, Carnation's compact and walkable urban form meets the description in VISION 2040, and its downtown provides commercial, retail and community services as described in MPP-DP-16. Transit service from Carnation to employment centers is somewhat limited. Recent re-workings of transit within the Snoqualmie Valley now provide transit service to other valley cities, and transit riders can access employment centers from Duvall or other cities. However, inconvenient and somewhat limited transit service for commuters is still a limitation for Carnation residents.

In terms of the regional economy, VISION 2040 looks at the region's ability "to promote a sustainable economy that creates and maintains a high standard of living and quality of life for all." (VISION 2040, PSRC, page 71). Significant growth is forecast for the region in professional, business, education and health employment, as a center for aerospace, information technology, finance, insurance, health care and business and professional services. The strength of the regional employment base will impact demand for housing in Carnation, as there are employment centers within commute distance. In turn, the demand for local businesses and services to serve Carnation and nearby residents will be tied to the population base.

While VISION 2040 provides strategies for economic development for the region, these strategies can also inform Carnation's efforts. VISION 2040 cites the need to support businesses to help retain and expand existing businesses and attract new concerns, including fostering a supportive environment for small and locally owned businesses. Investing in people is another way to promote economic development, through high quality education and promoting family wage jobs. Finally, VISION 2040 cites the need to protect and enhance the environment and great places in order to draw new talent and new business to the region.

The Countywide Planning Policies (CPPs) are developed by King County and ratified by the cities within King County. The CPP were last amended in December of 2012. In its

efforts to support economic development. Carnation's Comprehensive Plan policies need to be consistent with the relevant CPP's.

The King County CPPs for economic development center around three key concepts: business development, people and places. There are 21 CPP policies related to economic development within King County, of which the following are especially relevant to Carnation:

> EC-5 Help businesses thrive though...transparency, efficiency, and predictability of local regulations and policies
>
> EC-7 Promote an economic climate that is supportive of business formation, expansions, and retention and emphasizes the importance of small business in creating jobs.
>
> EC-10 Support the regional food economy including the production, processing, wholesaling and distribution of the region's agricultural food and food products to all King County communities....
>
> EC-16 Add to the vibrancy and sustainability of our communities and the health and well-b3eing all people through safe and convenient access to local services, neighborhood-oriented retail, purveyors of healthy food (e.g., grocery stores and farmer's markets) and transportation choice.
>
> EC-17 Promote the natural environment as a key economic asset. Work cooperatively with local businesses to protect and restore the natural environment in a manner that is efficient and predictable and minimizes impacts on businesses.
>
> EC-21 Encourage economic activity within rural cities that does not create adverse impacts to the surrounding Rural Area and Resource Lands and will not create the need to provide urban services and facilities to those areas.

As described above, the CPPs also include a Buildable Lands target for new households and new employment within each jurisdiction within King County. Carnation has adequate capacity within its Urban Growth Area to accommodate well over the targeted number of new jobs identified by the CPPs, as well as more than enough capacity for the targeted number of new households (See the Housing Element for more detail on the target for households).

II. STRENGTHS AND WEAKNESSES OF THE LOCAL ECONOMY

As identified in VISION 2040, Carnation as a small city can provide goods and services to serve the local population both within the City limits and the nearby rural areas. Commercial development aids the city, not only by locally providing those goods and services, but also by providing local jobs and improving the City's fiscal health through

increased property values and sales tax revenues. Local industrial uses also serve to provide jobs as well as increased property value and sales tax revenue, with the added benefit of employees buying goods and services, eating and local restaurants, etc.

However, Carnation's local economy does suffer from weaknesses. Carnation is comparatively remote from population centers, since it is served by state and county roads as opposed to an interstate such as I-90. There is a prevailing perception within the region that Carnation is far away, even though its only 20-30 minutes to Redmond and even closer to Issaquah. Further, there is a lack of direct transit service to employment centers.

Another weakness is the relatively small population base which provides the demand for commercial and retail services. Currently, Carnation's population is less than 2,000; even if combined with residents in the vicinity, the population is smaller than typically can support a neighborhood shopping center. Land suitable for residential development at urban densities is limited by Carnation's physical setting: rivers to the south and west, steep topography to the east and floodplain to the north. Some small communities draw visitors from the urban centers by being on the path to major recreation areas such as ski resorts, ferry routes, etc. However, while there is wonderful recreation opportunity locally, Carnation is not on I-90 or US Route 2 and so does not benefit from being on the way to the Cascades.

There is no central marketing organization dedicated to marketing Carnation or the Snoqualmie Valley to the region's population centers. Resources to support these types of marketing efforts are limited. Carnation would benefit by creating effective partnerships to provide such marketing with the state, especially WSDOT, as well as King County, and the other Valley cities.

Another constraint on future development is the lack of local medical facilities. There is currently no pharmacy within the city, the nearest hospital is 20 minutes away, and there is no assisted living facility for elders. Lack of convenient medical service may prevent some households from choosing to locate in Carnation, or from staying here, especially for households with seniors. Fortunately, there are local medical providers and clinics, including family medicine and dentists.

The result of these weaknesses can be seen in retail sales "leakage" as reported in the Economic Profile that was prepared by Berk and Associates. Leakage refers to the potential retail sales lost to retailers located outside Carnation. The sales potential of the population is calculated and the spending that would be expected from the residents is compared to sales made within the community. The Economic Profile concluded that Carnation loses about 25% of what it could be expected in retail sales. While the data is a bit out of date (based on 2007 data), it is safe to say that Carnation's retail leakage is unlikely to have changed that much in recent years, as the retail base has seen little change. Retail leakage can be addressed in two ways, by expanding the desirability of locally available goods and services to prevent local residents from buying elsewhere,

and by attracting more visitors to Carnation's retail core. Programs to support "buy local" initiatives also help reduce retail leakage. Adding "rooftops", that is, new residential development within the city, provides a larger customer base to support the city's businesses. Over time, as new residential development occurs, the city will come closer to a critical mass of households needed to support a full range of services within the downtown. For that reason, encouraging new residential development consistent with the Comprehensive Plan and zoning map is important to the city's economic vitality.

Carnation's strengths can help counteract the weaknesses described above. Carnation's local recreation opportunities are great draws with potential to bring many people from the urban centers to the city. The opportunities include those provided by King County's Tolt-McDonald Park, such as mountain biking, as well as the agriculture and natural amenities that can draw tourism to the area. Farm tours within the Snoqualmie Valley, Remlinger Farms and the nearby agriculture provide lots of family fun, and draw many people to Carnation each year. There are also identified potential for sports fields to bring both adult and youth teams to the city. All of these opportunities increase the potential for visitors to purchase goods and services from Carnation businesses, thus supporting the local economy.

In addition to the recreation opportunities surrounding Carnation, the City itself provides recreation for citizens and visitors. Carnation is pedestrian and bicycle friendly, with its small scale, flat topography, and linked trails and pathways. The historic town center and nearby neighborhoods are attractive places to walk and bicycle. The City recently partnered with the King County Parks Department and the Chamber of Commerce to create a map of the city designed especially for visitors. The map, which includes the local trails and highlights Carnation's points of interest, is available at City Hall and local businesses, and is displayed on strategically located kiosks in area parks and along trails.

Finally, Carnation's largest comparative advantage is most likely its character: family and senior friendly, safe, neighborly. As described in VISION 2040, creating great places to live, work and play is an important economic strategy in today's world. Retaining and attracting new residents and businesses is increasingly tied to quality of life factors. The Carnation City Council adopted its own vision for the community as part of the Economic Development Strategy:

Carnation is a friendly and safe family-oriented community where a vibrant small town benefits from the natural beauty, heritage and recreational opportunities of the Snoqualmie Valley. (Adopted by Carnation City Council, April 10, 2007)

In an effort to fine-tune the city's identity, and "get the word out" about Carnation, an Identity Stakeholders Group (ISG) consisting of local citizens and business owners was convened in the fall of 2009. The ISG conducted numerous surveys of residents and visitors. Agriculture and recreation were identified as primary themes in the survey data. In May of 2010, the ISG presented their positioning statement to the Council:

Within easy reach of Seattle, Carnation features an abundance of natural beauty and outdoor experiences. Framed by the Cascade foothills and located where the Tolt and Snoqualmie rivers meet, Carnation is in one of the most productive agricultural regions in the Northwest. Carnation offers biking, hiking, camping, and fishing. In our downtown, you can visit our unique shops and restaurants. Carnation is your natural destination.

To summarize, Carnation has multiple challenges in order to reach its potential for sustainable and on-going economic development that reaches all segments of the city, including residents and businesses. First, Carnation needs to continue its work to create a great small city. On-going work on the Tolt Corridor Project, for example, represents significant public investment in infrastructure to support a great downtown. The city and the business community together need to work on making sure that the existing buildings and streetscape are as clean and attractive as possible, and both need to support existing local businesses and foster bring new businesses. Finally, perhaps the Carnation community's biggest challenge is to find a way to market itself to nearby population centers, so that this great small city will bring in visitors from outside to recreate, enjoy the community, and support the local economy while they are visiting

III. GOALS AND POLICIES TO FOSTER ECONOMIC GROWTH

The Economic Development Strategic Plan provided 6 goals, with policies/actions identified for each. While the goals from the Strategic Plan have been incorporated into the Economic Development Element, the policies and actions have been updated to account for actions have already been accomplished, and new policies and actions that are now appropriate.

GOAL ED-1 Refine and promote Carnation's identity

Policy ED1.1 Design a new Carnation logo and identity

- The new logo and identity should reflect recreational, agricultural, outdoor, and family themes. Use this identity as a common theme in all City promotional efforts
- Cultivate relationships with local media and provide photos and story ideas to encourage positive coverage of Carnation
- Explore social media

Policy ED1.2 Support and promote recreation opportunities and special events

- Promote Carnation's recreational and cultural opportunities including seasonal special events
- Encourage local organizations, including the school district, Tolt MacDonald Park, Remlinger Farms, Jubilee Farm, and others, to notify the City and the Chamber of Commerce of upcoming special events; ensure this information is passed along to businesses so they can be prepared.
- Update information boards or kiosks at key points in town, along the Snoqualmie Valley Trail, and at Tolt MacDonald Park
- Distribute brochures to nearby residential communities and shopping centers
- Promote Carnation opportunities among eastside employees, using company intranets or networks of new residents and foreign nationals
- Work with local businesses and community groups to explore holding one major event per season, engaging a festival promoter to grow attendance and establishing clear lead and support roles for the City and other partners
    - Establish a spring event
    - Continue to hold the 4th of July
    - Establish a fall event such as a harvest festival
    - Continue to hold Christmas in Carnation
    - Support the Timber! Outdoor Music Festival

Policy ED1.3 Celebrate and promote Carnation's agricultural heritage

- Encourage local growers to identify Carnation as their location when at Seattle farmers markets
- Encourage linkages between the Farmer's Market and the local business community, such as the Tuesdays in Carnation events

GOAL ED-2 Establish Carnation as a regional recreation hub and the commercial center for the Snoqualmie Valley's agricultural production

Policy ED2.1 Enhance Carnation's active recreation offerings by supporting community groups pursuing the development of recreation opportunities

Policy ED2.2 Communicate Carnation's events and attractions to grow the City's capture of regional tourism

- Keep City information current; communicate special events
- Expand opportunities that bring people to Carnation by focusing on

activities that draw visitors

- Work with the WSDOT to create an attraction on the bridge over the Tolt River that draws people across the bridge and into town
- Enhance wayfinding signage on Tolt Avenue to ensure visitors can easily find parking and attractions
- Attract specific user groups by enhancing and promoting Carnation's appeal to their particular interests. Some examples include:
  - Draw bicyclists and runners to the area and into downtown
  - Encourage automobile and motorcycle enthusiasts to include Carnation as a stop in their circuit.
  - Support agritourism

Policy ED2.3 Encourage active recreation and walking by making Carnation pedestrian- and bicycle-friendly:

- Continue to implement the pedestrian and bike plan for the city found in the Parks and Recreation Element
- Create strong connections between downtown and Tolt MacDonald Park and the Snoqualmie Valley Trail
- Using art, hidden treasures, and interpretative signs, make exploring downtown and nearby sites playful and fun
- Encourage youth and adult sports leagues to schedule events in Carnation

Policy ED2.4 Support and expand Carnation's agritourism

- Help promote the market by including it in City marketing material
- Explore the possibility of weekend and year-round markets

Policy ED2.5 Support regional efforts to bring natural resource Education to Carnation and the Snoqualmie Valley

Policy ED2.6 Promote agricultural heritage in Carnation

GOAL ED-3 Make Downtown Carnation a great place for living and visiting

Policy ED3.1 Implement the Tolt Corridor Plan

- Give priority to the downtown core, followed by the southern Gateway
- , Pursue funding opportunities for design and construction

Policy ED3.2 Enhance the appeal of Downtown

- Enforce existing City codes related to property appearance and maintenance

- Encourage building and property owners to develop and maintain their properties beyond minimal code requirements and encourage building renovations that adhere to adopted design standards.
- Encourage businesses to utilize alley frontage and empty lots for outdoor dining or displays

Policy ED3.3 Assist the business community in their efforts to promote opportunities to eat, shop, and attend events in Downtown.

Policy ED3.4 Develop a short-and long-term parking strategy

- Manage existing parking to increase availability for customers
  - Encourage business owners and employees to park elsewhere, reserving spots along Tolt for shoppers and visitors
  - Enforce/Provide signage identifying existing two hour time limits on parking on Tolt Avenue.
- Develop a longer-term parking strategy
  - Determine a location for additional parking that is well-connected and easily walkable to downtown
  - Use plantings, trees, and other design factors to make the parking site as attractive as possible.
  - Develop this plan in concert with the pedestrian and bike plan

GOAL ED-4 Increase commercial vitality and employment options through business retention and attraction

Policy ED4.1 Support the business community and City/business organization partnerships

- Follow through on the city's responsibilities around implementation of these policies while supporting the business community in fulfilling their responsibilities
- Continue City involvement in ongoing business association meetings and create opportunities for input from the business community on City actions that effect the downtown

Policy ED4.2 Assist the business community and active business associations in supporting existing businesses.

- Assist the business community to "manage" the downtown business district for an attractive environment and high quality shopping experience
- Schedule annual events to hear from and address the concerns of local retail businesses

- Encourage and support expansion of the existing Tolt Town Center shopping center
- Assist the business community in efforts to encourage residents to shop and ship locally. Help distribute educational material on the benefits of shopping locally, and other promotional material.

Policy ED4.3 Assist the business community to conduct targeted business attraction

Policy ED4.4 Assist the business community in their efforts to retain existing businesses

- Conduct annual outreach to understand and address business concerns
- Support the expansion of existing businesses

Policy ED4.5 Support the development of "Flex-Tech" spaces appropriate for office, light industrial, and some retail uses

- Consider "flex-tech" development on the City-owned lot near the wastewater treatment plant
- Attract small-scale support industries for Snoqualmie Valley agricultural producers, including livestock and agricultural supply stores, canners and processors, producers of bottles, boxes, and other packaging, and specialty construction firms

GOAL ED-5 Enhance the quality of life for existing residents and encourage residential development

Policy ED5.1 Encourage residential development and redevelopment

- Increase the residential population within walking distance of downtown by providing zoning and infrastructure for high density residential development
- Encourage residential infill development
- Encourage innovative housing products such as cottages or townhomes. Cultivate relationships with developers who focus on these products to establish proof-of-concept, showing there is a market for this type of development in Carnation
- Adequate housing for seniors and low- and moderate-income households is important to the city's economic health. Encourage King County Housing Authority and other non-profit organizations that promote affordable housing to build in Carnation

Policy ED5.2 Use local real estate expertise on Carnation's housing market in the decision-making on zoning and infrastructure

- Conduct outreach to employees of local businesses who currently commute to see what types of housing they are interested in
- Continue to talk with residential developers about the range of housing options appropriate for Carnation

Policy ED5.3 Streamline permit processes and reduce costs for housing development, without compromising levels of service for infrastructure.

GOAL ED-6 Ensure that the City's development regulations and permit processes encourage new development that reflects the city's goals and policies

Policy ED6.1 Encourage future development and redevelopment that supports Carnation's vision for the future.

- As part of the City's annual Comprehensive Plan amendment process, evaluate the City's design standards, design guidelines, and related policies and regulations, ensuring they reflect the community's desires for development and redevelopment
- Continue to enforce the City's design standards and codes related to the appearance and repair of existing buildings, especially in the downtown
- Clearly communicate expectations of developers
    - Consider adding a page to the City's website describing the community's desires for future development and redevelopment, also highlighting that City staff will work collaboratively with developers to ensure successful projects that are in line with community desires
- Concentrate development in and near downtown, encouraging density in residential and commercial development in this concentrated area
- Evaluate potential incentives to encourage green development and sustainable design
- Continue to evaluate capital planning to maximize efficiency, thereby keeping impact fees and general facilities charges as reasonable as possible.

Policy ED6.2 Provide high quality development services and information

- Evaluate City regulations and codes for clarity and ease of use, streamline processes where possible

- Provide excellent customer service to the development community
- Support development by continuing to provide information on the City's website and free pre-application consultations

Policy ED6.3 Establish an outreach strategy creating stronger connections with the development community

- Create materials to promote a multi-faceted view of the city to developers. Use these materials to promote Carnation's new development capacity with an operational public sewer system
- Identify and cultivate relationships with developers capable and interested in development that is in line with the community's Vision
- Help developers and business owners understand the Carnation market and find appropriate sites for expansion of new businesses or new development
- Hold a developers forum to highlight particular opportunities, receive feedback from development professionals, deepen relationships, and build interest in working in Carnation

Policy ED6.4 Evaluate land use policies and zoning relative to projected market demand and city vision, adjust as needed during annual amendments to the Comprehensive Plan

- Maintain flexibility for commercial and residential uses within the Mixed Use Zone and encourage residential uses in the Central Business District in conjunction with retail use
- Evaluate the long term conversion of Light Industrial/Manufacturing uses along SR 203 to retail uses to take advantage of the proximity to the city's south-end retail node, street frontage, and pass-through traffic
- Take a flexible approach to industrial zoning to accommodate the type of niche light industrial or manufacturing users Carnation is likely to attract
- Evaluate the City's Table of Permissible Uses from an economic development perspective and consider amendments when appropriate

Policy ED6.5 Communicate the importance of economic development to Carnation

- Consider creating a page on the City's website that is devoted to economic development, describing implementation of the Strategic Action Plan adopted in 2007 and the City's flexible and assistive approach to working with the development community. Use this page to post promotional materials and updates.