



General Facilities Charges



June 8th 2023



GFC Review Committee

- **GFCs are charges that new development pays to connect to our Water and Wastewater Systems; promote “growth-pays-for-growth” policies**
- **GFCs implemented over 20 years ago in Spokane; hadn’t been updated**
- **This year, City Council approved an interim GFC through March 2024.**
 - » Full updated rates slated to begin after that.
 - » Completing additional outreach and education so people can provide feedback and propose changes
 - GFC Review Committee
 - Plan Commission
 - Other groups



GFC Recommendation

The GOAL:

- **A Citywide update to the GFCs** that represents current costs and anticipated projects over time and helps to keep monthly rates more affordable for everyone.
- Uses a **reasonable and rational approach** to assign costs.
- **Ties GFCs to an inflationary index** to avoid having the fees quickly get behind and avoid having to make such major changes in the future.
- **Supports certain types of development** with a dedicated funding source for GFCs.
- **Implements new costs over time** to allow our community time to adjust.
- Bases fees on meter sizes that **support City goals around water conservation.**



Discussion Items

- **Understanding the Calculation**

- Interest. Use of original project costs. Determining new capacity. 1" v.s. $\frac{3}{4}$ "

- **Water GFC – Two zones or one?**

- Can change to a single citywide water GFC rate.
- Also can explore refining boundaries of the proposed zones.

- **Growth v. Rates**

- GFCs pay for increased capacity.
- Monthly bills pay for operations plus capital projects to replace/maintain existing infrastructure.
- Can/should monthly bills cover a portion of growth needs?

- **Supporting certain development**

- What do we want to incentivize? In what way?



Discussion Items.. continued

- **Methodology**

- » Meter Capacity Equivalents v. Equivalent Residential Units.

- **Phase-in Approaches**

- » Take a fresh look at phase-in approaches

- **Growth Projections – SRTC model**

- » Can explore how growth expectations create need for investment.

- **Capital Planning – What's included?**

- » Review of Water System Plan projects & Wastewater (Comp Plan update) projects

Today's Discussion Items

On going Discussion Items



Agenda Items

- **GFC (Growth) v Rates**
- **Supporting Certain Development**
- **Phase-in Approach**
- **Growth Projections**



GFC's v Rates

- **Only growth related costs can be assessed to GFC**
- **Rates can contain both growth AND maintenance related costs**
- **Is there any input the committee would like to make on this topic?**
 - » I.e. if Interest is dropped from GFC's that cost would be placed on rates



Supporting Certain Development

- **Limitations on favoring certain types of development (we can't arbitrarily pick and choose projects to exempt)**
- **City focus has become finding funds to pay GFCs on behalf of desired projects**
- **Current code exempts affordable housing but directs staff to identify permanent funding sources to offset those exemptions**
- **Possible sources identified:**
 - » MFTE roll-off
 - » Utility tax



What To Support

- **Initial ideas:**

- » Affordable and workforce housing (continue the incentive in the current code)
- » Projects that provide living wage manufacturing and industrial jobs
- » Infill development (see next slide)

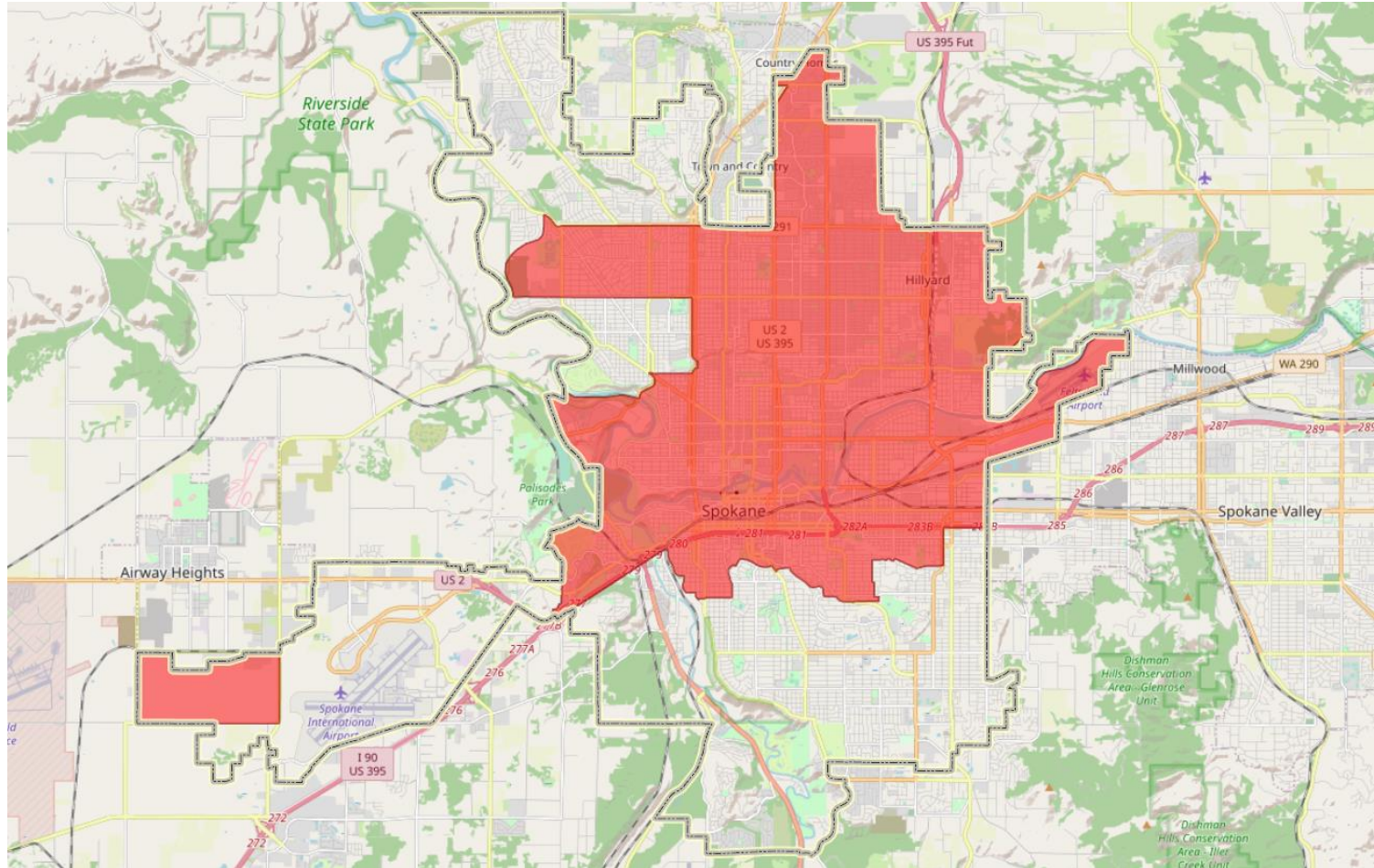


Supporting Infill Development

- **The low and high zone rate structure may be a natural incentive for infill by charging lower fees in central locations with established systems**
- **“Infill” means different things to different people—is it a specific area?**
- **Should Downtown be treated differently from other areas for incentives?**

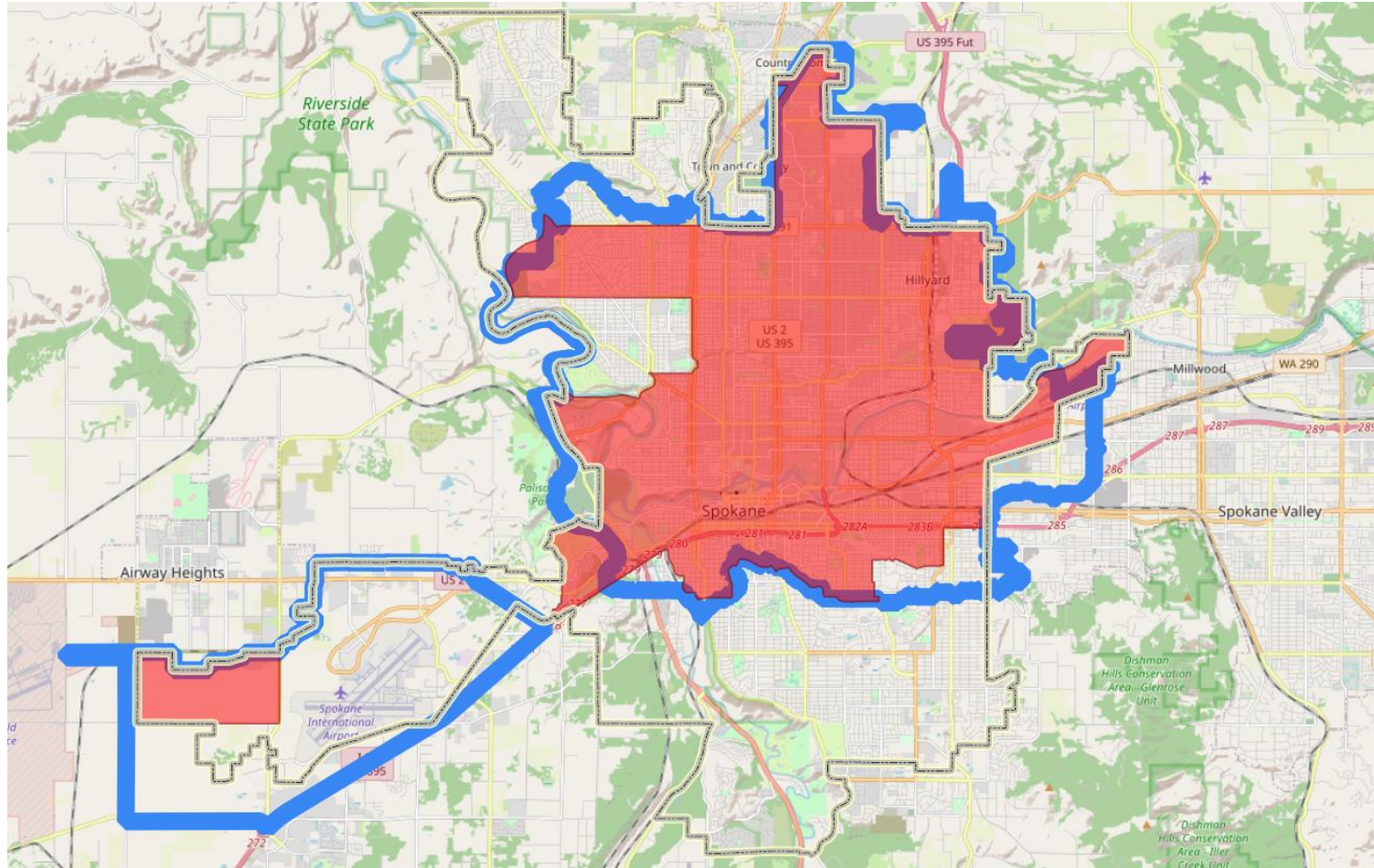


Spokane Target Investment Area





Target Investment Area and GFC Low Zone





Phased in Approach

- **Recommendations?**
 - » 2, 3, 5 year phase in?



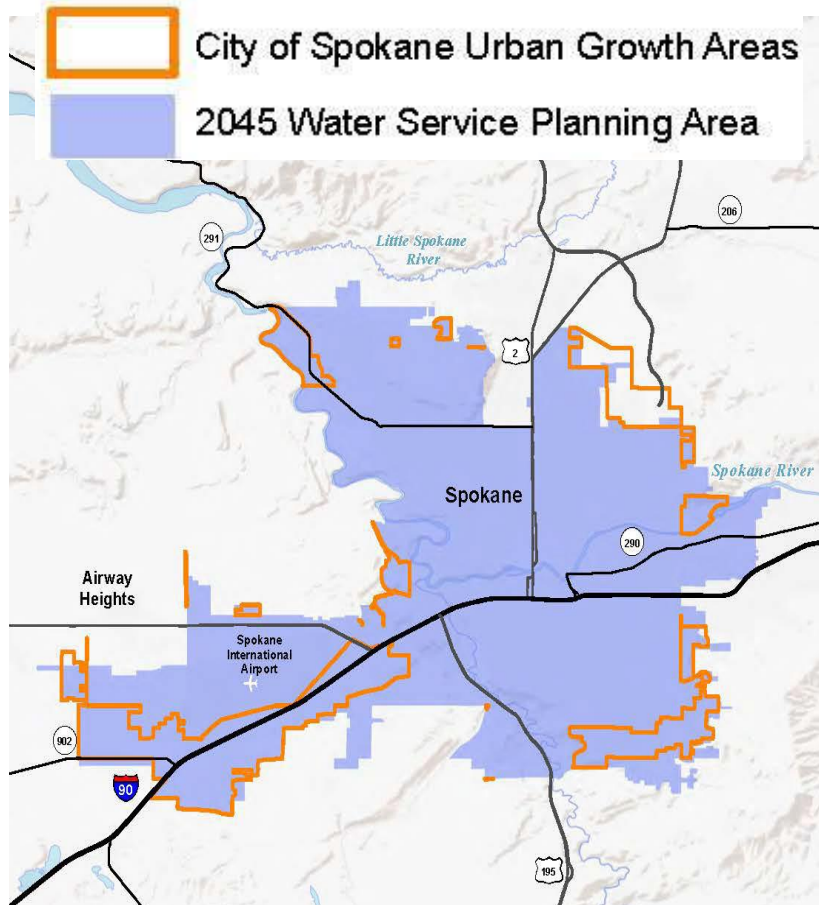
Example from the Lower Zone

Meter Size	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3	Year 4
3/4"	\$1,232	\$2,027	\$2,823		\$1,232	\$1,762	\$2,293	\$2,823
1"	\$1,800	\$3,536	\$4,705		\$1,800	\$2,958	\$4,115	\$4,705
1.5"	\$3,485	\$6,447	\$9,409		\$3,485	\$5,460	\$7,434	\$9,409
2"	\$4,000	\$9,785	\$15,055		\$4,000	\$7,857	\$11,713	\$15,055
3"	\$6,402	\$19,667	\$32,932		\$6,402	\$15,245	\$24,089	\$32,932
4"	\$9,857	\$33,156	\$56,455		\$9,857	\$25,390	\$40,923	\$56,455
6"	\$18,108	\$72,566	\$127,025		\$18,108	\$54,414	\$90,719	\$127,025

Meter Size	Year 1	Year 2	Year 3	Year 4	Year 5
3/4"	\$1,232	\$1,630	\$2,027	\$2,425	\$2,823
1"	\$1,232	\$2,100	\$2,968	\$3,836	\$4,705
1.5"	\$3,485	\$4,966	\$6,447	\$7,928	\$9,409
2"	\$3,485	\$6,377	\$9,270	\$12,162	\$15,055
3"	\$6,402	\$13,035	\$19,667	\$26,300	\$32,932
4"	\$9,857	\$21,507	\$33,156	\$44,806	\$56,455
6"	\$18,108	\$45,337	\$72,566	\$99,796	\$127,025



Growth Projections: Growth Service Area

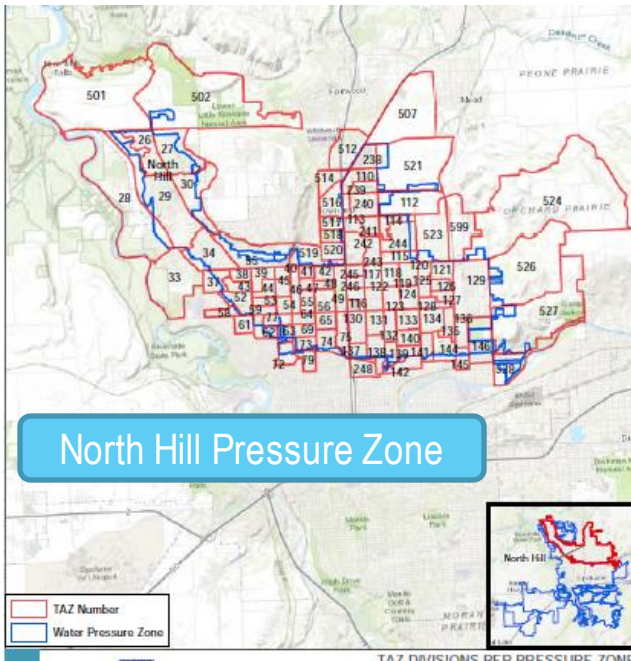


Analysis by the City's consultant HDR

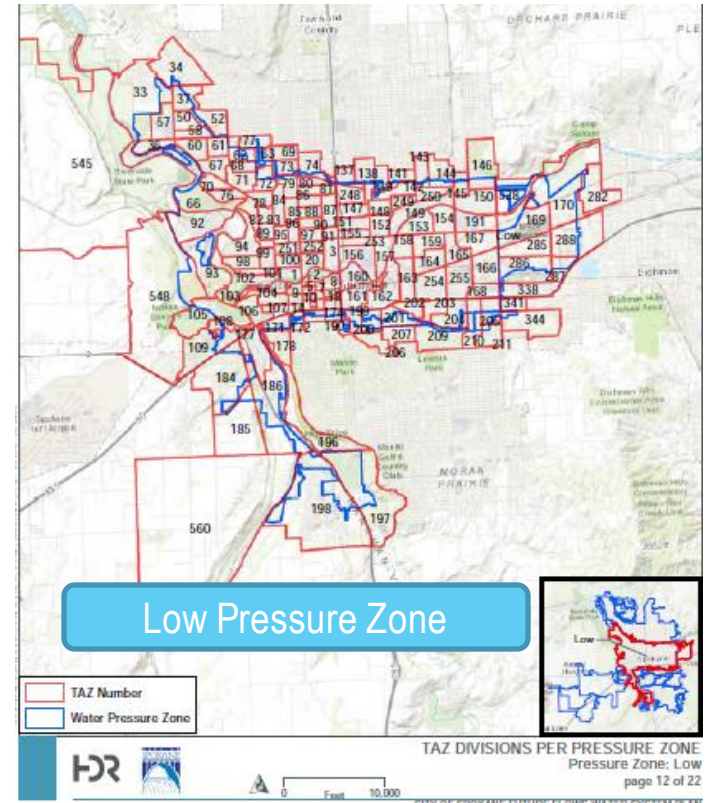
The future service area includes UGA within the City's long range service area of Spokane County Coordinated Water System Plan (CWSP).

Growth Projections

Samples of
TAZ &
Pressure Zone



North Hill Pressure Zone



Low Pressure Zone

TAZ data were used to develop the baseline growth forecasts.

The water demand forecast was developed at the pressure zone and TAZ scale using the SRTC TAZ and allocating to pressure zones.

- provides the most granular growth data
- other sources of information were used to corroborate the TAZ-based results.



ERU Analysis by Pressure Zone

Pressure Zone	Total ERU (Count)	ERU _{ADD} (gpd/unit)	ERU _{MDD} (gpd/unit)	ERU _{Winter} (gpd/unit)
Hatch Road	198	951	4,460	161
Southview	44	657	3,001	166
Woodridge	68	733	2,895	135
Glennaire	530	571	2,709	139
Shawnee	166	603	2,277	148
Eagle Ridge	462	501	2,157	132
Indian Hills	56	524	2,150	147
Five Mile	2,101	594	2,138	141
Woodland Heights	325	463	1,976	124
Kempe	913	529	1,970	123
Midbank	585	514	1,911	128
Cedar Hills	227	443	1,906	116
Highland	929	442	1,883	126
Eagle Ridge 2	940	455	1,821	120
Northwest Terrace	1,497	487	1,739	120
Top	12,992	509	1,718	127
SIA	5,871	419	1,661	132
West Plains	4,832	415	1,547	130
High	10,167	368	1,203	130
North Hill	41,635	347	1,032	120
Intermediate	9,830	303	838	107
Low	56,156	303	734	106



Typical space utilization per employee by job type

- Industrial 1.00
- Office 2.86
- Retail 1.67
- Medical 4.00
- FIRES a 5.56
- Hotel 0.4
- Other 1.67

Code	Type	Unit of Measure	Description
LU1	Population	Housing units	Single-family, duplex, triplex, manufactured or mobile home
LU2	Population	Housing units	Four or more residential units on a single parcel
LU3	Other	Rooms/campsites	Hotel, motel, or campsite
LU4	Employment	Employees	Agriculture, forestry, mining, industrial, manufacturing, wholesale
LU5	Employment	Employees	Retail trade (non-CBD)
LU6	Employment	Employees	Services and offices
LU7	Employment	Employees	Finance, insurance and real estate services (FIRES)
LU8	Employment	Employees	Medical
LU9	Employment	Employees	Retail trade (CBD)
LU10	Other	Students	College and university commuter students
LU11	Employment	Employees	Education employees (K-12)
LU12	Employment	Employees	Education employees (college and university)

Notes:

a. Finance, Information, and Real Estate Services



Demographics by pressure zone for 2019 (base year) and 2045 (final forecast year)

Pressure Zone	LU1: Single Family Households		LU2: Multifamily Households		LU3: Hotel and Motel Rooms/ Campsites		LU4: Ag./Forestry/ Mining/ Industry/ Manufacture		LU5: Retail Trade (non-CBD)		LU6: Services and Offices		LU7: FIRES		LU8: Medical		LU9: Retail Trade (CBD)		LU10: College and Commuter Students		LU11: Education (K-12)		LU12: Education (College and University)	
	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045	2019	2045
Cedar Hills	172	397	0	0	0	0	0	0	25	31	5	5	1	2	0	2	0	0	0	0	0	12	0	0
Eagle Ridge	954	1,304	0	0	0	0	0	0	49	59	20	20	6	7	0	2	0	0	0	0	0	18	0	0
Eagle Ridge 2	516	978	0	0	0	0	0	0	76	89	14	15	3	5	0	3	0	0	0	0	0	24	0	0
Five Mile	2,686	3,541	0	36	0	0	126	126	181	227	104	149	12	18	4	47	0	0	8	8	126	146	0	0
Glennaire	446	453	7	8	0	0	8	8	6	6	64	66	0	0	2	3	0	0	0	0	0	3	0	0
Hatch Road	75	101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High	7,294	7,796	1,218	1,333	0	0	233	234	1,226	1,286	403	492	126	161	294	860	0	0	9	12	444	669	10	13
Highland	429	730	325	1,196	261	375	21	28	88	140	41	63	41	41	1	1	0	0	0	0	15	15	0	0
Indian Hills	44	47	0	0	0	0	3	3	2	8	2	10	0	1	0	12	0	0	0	0	1	1	0	0
Intermediate	3,713	3,982	2,583	2,812	251	439	189	190	650	752	1,205	1,318	130	141	10,204	12,775	0	0	1	1	280	368	6	8
Kempe	773	993	27	27	0	0	44	44	38	52	31	36	7	7	3	4	0	0	0	0	48	90	0	0
Low	19,935	21,766	12,406	15,300	3,926	4,385	17,390	18,344	12,268	13,233	20,298	23,435	6,209	6,368	6,863	11,223	7,648	7,718	19,607	24,149	1,950	2,660	4,298	5,653
Midbank	338	338	60	60	0	0	21	21	154	178	106	128	8	10	5	13	0	0	0	0	47	47	0	0
North Hill	28,918	31,374	8,708	9,768	523	667	6,645	6,857	13,276	14,541	3,960	6,487	1,702	2,534	5,526	8,179	0	0	385	517	2,044	2,543	21	30
Northwest Terrace	1,188	1,716	0	385	0	0	9	9	19	19	43	142	26	26	98	98	0	0	0	0	0	0	0	0
Shawnee	60	77	0	0	0	0	5	5	0	8	1	12	0	2	0	17	0	0	0	0	0	0	0	0
SIA	1,602	2,420	1,212	3,052	782	1,062	2,975	7,903	3,734	6,079	2,225	3,285	256	358	27	685	0	0	335	434	168	216	0	0
Southview	67	67	0	0	0	0	0	0	1	1	13	13	0	0	0	0	0	0	0	0	0	0	0	0
Top	8,316	9,190	4,046	4,906	0	0	500	506	2,272	3,462	665	892	211	246	951	1,776	0	0	22	28	492	646	0	1
West Plains	2,882	4,113	499	822	92	133	1,770	3,488	882	2,116	4,700	4,739	29	29	88	88	0	0	227	227	185	187	7	7
Woodland Heights	92	95	61	87	114	150	10	12	33	73	15	22	13	13	0	14	0	0	0	0	0	0	0	0
Woodridge	98	105	0	0	0	0	16	16	3	4	4	4	1	1	0	0	0	0	0	0	0	9	0	0



Pressure Zone	LU1: Single Family Households		LU2: Multifamily Households		LU3: Hotel and Motel Rooms/ Campsites		LU4: Ag./Forestry/ Mining/ Industry/ Manufacture		LU5: Retail Trade (non-CBD)		LU6: Services and Offices		LU7: FIRES		LU8: Medical		LU9: Retail Trade (CBD)		LU10: College and Commuter Students		LU11: Education (K-12)		LU12: Education (College and University)	
Eagle Ridge	954	1,304	0	0	0	0	0	0	49	59	20	20	6	7	0	2	0	0	0	0	0	18	0	0
Low	19,935	21,766	12,406	15,300	3,926	4,385	17,390	18,344	12,268	13,233	20,298	23,435	6,209	6,368	6,863	11,223	7,648	7,718	19,607	24,149	1,950	2,660	4,298	5,653

Zone	Single Family		Multifamily		Commercial		Estimated Consumption	
	ADD	MDD	ADD	MDD	ADD	MDD	ADD	MDD
Eagle Ridge	0.18	0.75	-	-	0.08	0.36	0.02	0.02
Low	0.56	1.34	0.50	0.75	0.79	1.97	0.15	0.15



Estimated demand growth (in mgd) by pressure zone & customer category, 2019 (base year) – 2045 (final forecast year)

Zone	Single Family		Multifamily		Commercial		Estimated Consumption		Authorized Non-Revenue		Distribution System Leakage		TOTAL	
	ADD	MDD	ADD	MDD	ADD	MDD	ADD	MDD	ADD	MDD	ADD	MDD	ADD	MDD
Cedar Hills	0.10	0.43	-	-	-	-	0.01	0.01	0.00	0.00	0.01	0.01	0.13	0.46
Eagle Ridge	0.18	0.75	-	-	0.08	0.36	0.02	0.02	0.01	0.01	0.04	0.04	0.32	1.18
Eagle Ridge 2	0.21	0.84	-	-	0.09	0.45	0.02	0.02	0.01	0.01	0.05	0.05	0.38	1.37
Five Mile	0.51	1.83	0.01	0.01	0.02	0.13	0.04	0.04	0.02	0.02	0.08	0.08	0.69	2.11
Glennaire	0.00	0.02	0.00	0.00	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.02
Hatch Road	0.02	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.12
High	0.18	0.60	0.02	0.03	0.05	0.15	0.02	0.02	0.01	0.01	0.04	0.04	0.33	0.85
Highland	0.13	0.57	0.15	0.23	0.02	0.05	0.02	0.02	0.01	0.01	0.05	0.05	0.38	0.92
Indian Hills	0.00	0.01	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Intermediate	0.08	0.23	0.04	0.06	0.44	0.89	0.05	0.05	0.02	0.02	0.08	0.08	0.71	1.33
Kempe	0.12	0.43	-	-	0.01	0.06	0.01	0.01	0.01	0.01	0.02	0.02	0.17	0.53
Low	0.56	1.34	0.50	0.75	0.79	1.97	0.15	0.15	0.08	0.08	0.28	0.28	2.35	4.57
Midbank	-	-	-	-	0.01	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.08
North Hill	0.85	2.53	0.18	0.27	0.49	1.32	0.12	0.12	0.07	0.07	0.23	0.23	1.94	4.54
Northwest Terrace	0.26	0.92	0.07	0.10	0.02	0.05	0.03	0.03	0.01	0.01	0.05	0.05	0.43	1.16
Shawnee	0.01	0.04	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.04
SIA	0.34	1.36	0.32	0.48	1.41	4.03	0.17	0.17	0.09	0.09	0.31	0.31	2.64	6.43
Southview	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Top	0.45	1.50	0.15	0.22	0.30	1.03	0.07	0.07	0.04	0.04	0.13	0.13	1.14	3.00
West Plains	0.51	1.90	0.06	0.08	0.51	1.72	0.09	0.09	0.05	0.05	0.16	0.16	1.38	4.01
Woodland Heights	0.00	0.01	0.00	0.01	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
Woodridge	0.01	0.02	0.00	0.00	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.02
TOTAL	4.52	15.45	1.49	2.24	4.24	12.29	0.83	0.83	0.44	0.44	1.54	1.54	13.06	32.79



Water demand forecast by pressure zone (in mgd)

Zone	Baseline Year (2019) ^a		Final Forecast Year (2045) ^c	
	ADD	MDD	ADD	MDD
Cedar Hills	0.12	0.33	0.25	0.78
Eagle Ridge	0.29	1.07	0.61	2.25
Eagle Ridge 2	0.53	1.83	0.91	3.20
Five Mile	1.55	4.30	2.23	6.42
Glennaire	0.38	1.05	0.38	1.07
Hatch Road	0.24	0.62	0.27	0.75
High	4.48	11.49	4.81	12.35
Highland	0.49	1.28	0.87	2.20
Indian Hills	0.04	0.13	0.04	0.13
Intermediate	3.38	6.88	4.09	8.21
Kempe	0.60	1.88	0.76	2.41
Low	18.22	37.05	20.57	41.63
Midbank	0.38	1.10	0.39	1.18
North Hill	17.45	40.81	19.39	45.36
Northwest Terrace	0.93	2.54	1.36	3.70
Shawnee	0.12	0.37	0.13	0.41
SIA	3.11	6.97	5.75	13.41
Southview	0.04	0.12	0.04	0.12
Top	7.66	18.76	8.81	21.76
West Plains	2.47	6.08	3.84	10.08
Woodland Heights	0.14	0.43	0.15	0.45
Woodridge	0.06	0.20	0.07	0.22
TOTAL	62.68	145.29	75.74	178.08



Water demand forecast by customer class (in mgd)

Customer Class	Baseline Year (2019)		Final Forecast Year (2045)	
	ADD	MDD	ADD	MDD
Single Family	25.32	77.66	29.84	93.11
Multifamily	7.25	10.92	8.74	13.16
Commercial/ Industrial	10.73	28.88	14.97	41.17
Government	2.27	5.54	2.27	5.54
Parks	1.74	4.24	1.74	4.24
Resale	1.86	4.54	1.86	4.54
Misc.	0.00	0.00	0.00	0.00
Estimated Consumption	3.98	3.98	4.81	4.81
Authorized Non-Revenue	2.13	2.13	2.57	2.57
DSL	7.39	7.39	8.93	8.93
TOTAL	62.68	145.29	75.74	178.08



Additional items

- **Making 5/8” meters available with Spokanescape requirements**
- **June 22nd 1:00-2:30 will be the in-depth calculations discussion with the “regular” meeting from 3:00-4:30**



Thank you