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***Since September 27, Council has reviewed and discussed budget proposals for the City's 2011-2012 Preliminary Budget and 2011-2017 Preliminary CIP Plan. This document provides responses to questions that were not answered during those discussions.***



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**2011-2017 Preliminary CIP Plan**

1. Council asked if there are other funded projects for which restricted revenues could be used, thereby freeing up unrestricted revenue? **3**
2. Council asked how does Enhanced ROW & Urban Boulevards relate to levels of parks maintenance? **5**
3. Council asked for a discussion of the planned revenues and expenditures in the Mobility & Infrastructure Initiative (M&I). **7**
4. Council asked for information regarding City capital projects that provide synergy with Light Rail. **19**





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- 1. Council asked if there are other funded projects for which restricted revenues could be used, thereby freeing up unrestricted revenue.**



The proposed Preliminary CIP is a balanced Plan that allocates all restricted and unrestricted revenues for the seven-year plan period. Some projects are funded through a combination of restricted and unrestricted revenues, while others are funded solely by one or the other.

The current Council “Discussion List” includes four projects that Council members have identified as potential deletions/reductions in funding. These projects and their current funding source are included in the table below.

<b>Project</b>	<b>Amount (\$)</b>	<b>Funding Source</b>
New Neighborhood Enhancement Program (115.08D1)	\$6,000,000	Unrestricted taxes (sales, b&o)
M-1 Overlay Program (130.85PA)	\$36,977,000	Transportation Restricted taxes (REET, MVFT)
R-159 East Link Analysis and Development (130.56NN) Legal Costs	\$250,000	Unrestricted taxes (sales, b&o)
NE 15 <sup>th</sup> Street Multi-Modal Corridor (130.52NN) ROW Costs	\$27,200,000	Restricted impact fees (transportation capacity projects)

Balancing the CIP and identifying the different “colors of money” is likened to putting a puzzle together and trying to make the best use of the pieces available recognizing the various legal and financial constraints associated with each.

Final balancing will ultimately depend on not only the specific projects that are deleted/reduced but also the specific projects that would be added in their place. It is at this point that final determination can be made on whether moving funding sources to different projects can be accomplished or whether constraints prevent it from occurring.





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**2. Council asked how does Enhanced Right-of-Way & Urban Boulevards  
relate to levels of parks maintenance?**



The City's Street Tree and Arterial Landscape Program currently provides ongoing maintenance for 184 acres of landscaping and 9,000 trees planted as part of Transportation CIP projects. The Budget One proposed reduction (operating proposal 100.39A1) for this program is 22% which will impact 39 streetscape sites and 60 traffic calming sites totaling 40 acres of landscape beds and associated hard surfaces will have reduced or no maintenance. The remaining 144 acres of streetscape area will be maintained at current service levels.

Sites to retain existing maintenance levels were chosen using 4 primary criteria:

- major arterial or roadway
- relatively large capital investment
- relatively new installation that requires plant establishment
- the City has made specific commitments for the maintenance

Using these criteria, approximately 78% of the streetscape area will not degrade and will not require future restoration. If maintenance levels were reduced across all sites, the entire 184 acres would gradually degrade and require significant future capital expenditure to restore to current standards.

**Enhanced Right-of-Way and Urban Boulevards** (CIP proposal 115.07NN)

Sustainability and maintenance efficiencies are a primary component in the planning and implementation of the Enhanced Right-of-Way and Urban Boulevards capital program. Four primary boulevards and greenways have significant and immediate opportunities for planning and implementation and meet the above criteria, including Bellevue Way – SR 520 to NE 8<sup>th</sup>; Main Street/NE 1<sup>st</sup> Wilburton Connections; Bel-Red Road; and Lake Hills Connector.

Many of the areas identified for Urban Boulevard capital improvements have legacy landscapes and aging infrastructure that are more costly to maintain than newer landscapes where maintenance costs and sustainability were primary design factors. One example would be changing high maintenance turf areas into attractive, water-efficient shrub and ground cover plantings. Cost saving found with these more efficient landscapes will be used to partially or fully offset newly enhanced Rights-of-Way maintenance (typically 14 cents per square foot annually) or be applied to improve the maintenance of existing streetscapes that fell below the criteria previously described.





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**3. Council asked for a discussion of the planned revenues and expenditures in the Mobility & Infrastructure Initiative (M&I).**



The following information was provided in the Council's October 25 Study Session packet (pages 3-67 through 3-78).

**Council Discussion Item**

**Outcome Area:** Improved Mobility

**Topic:** Mobility & Infrastructure Initiative

The proposed M&I projects included in the Preliminary CIP for 2011-2017 include the following projects, totaling \$89.6 million.

<b>Expenditures (\$M)</b>	<b>Original M&amp;I Plan</b>	<b>Proposed CIP 2011- 2017</b>	<b>Total Project Funding</b>
NE 4th Street Extension 116th to 120th Avenues	\$50.0 <sup>(1)</sup>	\$36.7	\$38.4
120th Ave NE Improvements (Stage 1) - NE 4th to NE 8th St	\$0.0	\$7.2	\$9.1
120th Ave NE Improvements (Stage 2 & 3) - NE 8th to Northup	\$13.0 <sup>(2)</sup>	\$2.5	\$3.2
NE 6th Street Extension	\$6.0	\$0.6	\$1.0
NE 15th Street Multi-Modal Corridor (Stage 1)	\$83.0	\$32.4	\$33.1
124th Ave NE - NE 15th/16th Extension to Northup Way	\$3.0	\$1.8	\$1.8
ITS Master Plan Implementation Program	\$2.0	\$2.4	\$2.4
LTGO Debt Service	\$0.0	\$6.1	\$6.1
Other Downtown Projects	\$16.0	\$0.0	\$0.0
Downtown Circulator	\$3.0	\$0.0	\$0.0
Ped/Bike/Neighborhood Sidewalks	\$15.0	\$0.0	\$0.0
Metro Site	\$18.0	\$0.0	\$0.0
Bel-Red Land Acquisition	\$32.0	\$0.0	\$4.6
Public Safety Project	\$3.0	\$0.0	\$0.0
Finance Costs	\$55.0	\$0.0	\$0.0
<b>Total Expenditures</b>	<b>\$299.0</b>	<b>\$89.6</b>	<b>\$99.7</b>

<sup>(1)</sup> Original cost estimate included 120th Avenue Stages 1 & 2

<sup>(2)</sup> Original cost estimate included only 120th Avenue Stage 3

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The following tables provide further project by project breakdown of cost by phase and funding source for each of the M&I projects included in the Preliminary CIP Plan.

<b>NE 4th Street Extension - 116th to 120th Avenues</b>										
<b>\$ in millions</b>	<b>Thru 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017</b>	<b>Total Project Funded</b>
<b>Expenditures</b>										
Design	\$1.5	\$1.9	\$0.2	-	-	-	-	-	\$2.1	\$3.6
Right-of-Way Acquisition	0.2	20.0	4.0	-	-	-	-	-	\$24.0	\$24.2
Construction	-	2.0	5.0	3.6	-	-	-	-	\$10.6	\$10.6
<b>Total Expenditures</b>	<b>\$1.7</b>	<b>\$23.9</b>	<b>\$9.2</b>	<b>\$3.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$36.7</b>	<b>\$38.4</b>
<b>Revenues</b>										
LTGO Bonds	\$1.7	\$4.6	-	-	-	-	-	-	\$4.6	\$6.3
Local Improvement District (LID)	-	9.7	-	-	-	-	-	-	\$9.7	\$9.7
Local Revitalization Funding (LRF)	-	-	7.0	-	-	-	-	-	\$7.0	\$7.0
Grants	-	1.1	2.2	2.4	-	-	-	-	\$5.6	\$5.6
General Taxes	-	8.6	-	1.2	-	-	-	-	\$9.8	\$9.8
<b>Total Revenues</b>	<b>\$1.7</b>	<b>\$23.9</b>	<b>\$9.2</b>	<b>\$3.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$36.7</b>	<b>\$38.4</b>

Note: Dollars may not foot due to rounding

<b>120th Ave NE Improvements (Stage 1) - NE 4th to NE 8th Street</b>										
<b>Preliminary Budget</b>										
<b>\$ in millions</b>	<b>Thru 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017</b>	<b>Total Project Funded</b>
<b>Expenditures</b>										
Design	\$0.9	\$0.1	-	-	-	-	-	-	\$0.1	\$1.0
Right-of-Way Acquisition	1.0	2.2	1.1	-	-	-	-	-	3.3	4.4
Construction	-	2.6	1.1	-	-	-	-	-	3.7	3.7
<b>Total Expenditures</b>	<b>\$1.9</b>	<b>\$5.0</b>	<b>\$2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7.2</b>	<b>\$9.1</b>
<b>Revenues</b>										
LTGO Bonds	\$1.9	\$3.0	\$1.1	-	-	-	-	-	\$4.1	\$6.0
Local Improvement District (LID)	-	0.3	0.2	-	-	-	-	-	0.5	0.5
Grants	-	1.7	0.9	-	-	-	-	-	2.6	2.6
<b>Total Revenues</b>	<b>\$1.9</b>	<b>\$5.0</b>	<b>\$2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7.2</b>	<b>\$9.1</b>

Note: Dollars may not foot due to rounding

<b>120th Ave NE Improvements (Stage 2 &amp; 3) - NE 8th Street to Northup Way</b>											
<b>\$ in millions</b>	<b>Thru 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017</b>	<b>Total Project Funded</b>	<b>Unfunded Costs</b>
<b>Expenditures</b>											
Design	\$0.7	\$1.7	\$0.8	-	-	-	-	-	\$2.5	\$3.2	-
Right-of-Way Acquisition	-	-	-	-	-	-	-	-	\$0.0	\$0.0	TBD
Construction	-	-	-	-	-	-	-	-	\$0.0	\$0.0	TBD
<b>Total Expenditures</b>	<b>\$0.7</b>	<b>\$1.7</b>	<b>\$0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2.5</b>	<b>\$3.2</b>	<b>TBD</b>
<b>Revenues</b>											
LTGO Bonds	\$0.7	\$1.7	\$0.8	-	-	-	-	-	\$2.5	\$3.2	
<b>Total Revenues</b>	<b>\$0.7</b>	<b>\$1.7</b>	<b>\$0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2.5</b>	<b>\$3.2</b>	

Note: Dollars may not foot due to rounding



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<u>NE 6th Street Extension</u>											
\$ in millions	Thru 2010	2011	2012	2013	2014	2015	2016	2017	2011-2017	Total Project Funded	Unfunded Costs
<b>Expenditures</b>											
Design	\$0.4	\$0.5	\$0.1	-	-	-	-	-	\$0.6	\$1.0	TBD
Right-of-Way Acquisition	-	-	-	-	-	-	-	-	\$0.0	\$0.0	TBD
Construction	-	-	-	-	-	-	-	-	\$0.0	\$0.0	TBD
<b>Total Expenditures</b>	<b>\$0.4</b>	<b>\$0.5</b>	<b>\$0.1</b>	-	-	-	-	-	<b>\$0.6</b>	<b>\$1.0</b>	<b>TBD</b>
<b>Revenues</b>											
LTGO Bonds	\$0.4	\$0.5	\$0.1	-	-	-	-	-	\$0.6	\$1.0	
<b>Total Revenues</b>	<b>\$0.4</b>	<b>\$0.5</b>	<b>\$0.1</b>	-	-	-	-	-	<b>\$0.6</b>	<b>\$1.0</b>	

Note: Dollars may not foot due to rounding

<u>NE 15th Street Multi-Modal Corridor (Stage 1)</u>											
\$ in millions	Thru 2010	2011	2012	2013	2014	2015	2016	2017	2011-2017	Total Project Funded	Unfunded Costs
<b>Expenditures</b>											
Design	\$0.8	\$1.1	\$0.8	\$1.8	\$1.5	-	-	-	\$5.2	\$5.9	-
Right-of-Way Acquisition	-	-	3.2	1.7	2.4	4.5	7.5	7.9	\$27.2	\$27.2	\$20.9
Construction	-	-	-	-	-	-	-	-	-	-	30.0
<b>Total Expenditures</b>	<b>\$0.8</b>	<b>\$1.1</b>	<b>\$4.0</b>	<b>\$3.5</b>	<b>\$3.9</b>	<b>\$4.5</b>	<b>\$7.5</b>	<b>\$7.9</b>	<b>\$32.4</b>	<b>\$33.1</b>	<b>\$50.9</b>
<b>Revenues</b>											
LTGO Bonds	\$0.8	\$0.2	-	-	-	-	-	-	\$0.2	\$1.0	
Impact Fees	-	0.6	1.9	3.5	3.9	4.5	7.5	7.9	29.8	29.8	
General Taxes	-	0.2	2.1	-	-	-	-	-	2.3	2.3	
<b>Total Revenues</b>	<b>\$0.8</b>	<b>\$1.1</b>	<b>\$4.0</b>	<b>\$3.5</b>	<b>\$3.9</b>	<b>\$4.5</b>	<b>\$7.5</b>	<b>\$7.9</b>	<b>\$32.4</b>	<b>\$33.1</b>	

Note: Dollars may not foot due to rounding

<u>124th Avenue NE - NE 15th/16th Extension to Northup Way</u>											
\$ in millions	Thru 2010	2011	2012	2013	2014	2015	2016	2017	2011-2017	Total Project Funded	Unfunded Costs
<b>Expenditures</b>											
Design	-	\$0.2	\$0.8	\$0.8	-	-	-	-	\$1.8	\$1.8	TBD
Right-of-Way Acquisition	-	-	-	-	-	-	-	-	-	-	TBD
Construction	-	-	-	-	-	-	-	-	-	-	TBD
<b>Total Expenditures</b>	<b>-</b>	<b>\$0.2</b>	<b>\$0.8</b>	<b>\$0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1.8</b>	<b>\$1.8</b>	<b>TBD</b>
<b>Revenues</b>											
General Taxes	-	\$0.2	\$0.8	\$0.8	-	-	-	-	\$1.8	\$1.8	
<b>Total Revenues</b>	<b>-</b>	<b>\$0.2</b>	<b>\$0.8</b>	<b>\$0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1.8</b>	<b>\$1.8</b>	

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<b>ITS Master Plan Implementation Program</b>										
<b>\$ in millions</b>	<b>Thru 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017</b>	<b>Total Project Funded</b>
<b>Expenditures</b>										
Design	-	-	-	-	-	-	-	-	-	-
Right-of-Way Acquisition	-	-	-	-	-	-	-	-	-	-
Construction	-	\$0.04	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$2.4	\$2.4
<b>Total Expenditures</b>	-	<b>\$0.04</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$2.4</b>	<b>\$2.4</b>
<b>Revenues</b>										
General Taxes	-	\$0.04	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$2.4	\$2.4
<b>Total Revenues</b>	-	<b>\$0.04</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$2.4</b>	<b>\$2.4</b>

Note: Dollars may not foot due to rounding

<b>LTGO Debt Service</b>										
<b>\$ in millions</b>	<b>Thru 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017</b>	<b>Total Project Funded</b>
<b>Expenditures</b>										
Debt Service	-	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$6.1	\$6.1
<b>Total Expenditures</b>	-	<b>\$0.9</b>	<b>\$6.1</b>	<b>\$6.1</b>						
<b>Revenues</b>										
Sales Tax earmarked for Debt	-	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$6.1	\$6.1
<b>Total Revenues</b>	-	<b>\$0.9</b>	<b>\$6.1</b>	<b>\$6.1</b>						

Note: Dollars may not foot due to rounding

**Updated Cost Projection for 120<sup>th</sup> Avenue NE Improvements (Stage 1)**

Staff would like to inform the Council of updated cost projection information now available for the 120<sup>th</sup> Avenue NE Improvements (Stage 1) – NE 4<sup>th</sup> to NE 8<sup>th</sup> Streets (CIP Plan No. PW-R-161). The table below provides the updated projects' cost projections, also by phase. The new cost estimates represent a reduction of approximately \$2.1 million. The new cost estimates are based on the project design at the 90% completion level. This advanced design information provides for more accurate construction cost estimates as the specifics of the methods and materials of the construction phase have been solidified. In addition, this more advanced design provides the information necessary to exactly identify the location, quantity and value of right-of-way needed to construct the project. This cost reduction may allow the reallocation of \$2.1 million in LTGO bond funding to another Mobility and Infrastructure Initiative project, thereby reducing the general tax funding supporting the M&I within the CIP Plan period.



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120th Ave NE Improvements (Stage 1) - NE 4th to NE 8th Street Updated Costs										
\$ in millions	Thru 2010	2011	2012	2013	2014	2015	2016	2017	2011- 2017	Total Project Funded
<b>Expenditures</b>										
Design	\$0.9	\$0.1	-	-	-	-	-	-	\$0.1	\$1.0
Right-of-Way Acquisition	1.0	1.1	-	-	-	-	-	-	1.1	2.1
Construction	-	3.0	0.9	-	-	-	-	-	3.9	3.9
<b>Total Expenditures</b>	<b>\$1.9</b>	<b>\$4.2</b>	<b>\$0.9</b>	-	-	-	-	-	<b>\$5.1</b>	<b>\$7.0</b>
<b>Change from Prelim Budget</b>	<b>\$0.0</b>	<b>\$0.8</b>	<b>\$1.3</b>	-	-	-	-	-	<b>\$2.1</b>	<b>\$2.1</b>

Note: Dollars may not foot due to rounding

### **LID and Impact Fee Assumptions**

In addition, Council asked the following questions related to the overall assumptions for Local Improvement District (LID) and Impact Fees.

- What is the impact if LID proceeds are budgeted at 50% special valuation versus the current assumption of 75%?
- What is the impact if Impact Fees were capped at the current rate of \$2,000 per trip?

These questions were addressed in the October 11 white paper, under the *Sensitivity Analysis* section. The white paper is attached below and provides the following information:

- Background Information
  - Endorsed Plan January 2009
  - Changes Since Original Plan Adoption
  - 2011-2017 CIP Plan Recommendations
- Sensitivity Analysis
  - No NE 4<sup>th</sup>/120<sup>th</sup> LID
  - NE 4<sup>th</sup>/120<sup>th</sup> LID at 50% rather than 75% special valuation
  - No change in impact fees from current rate

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**Information provided in the October 11 and October 25 Council Study Session packets**

***Policy Issue:***

What is the impact of the proposed 2011-2017 CIP on the entire M&I Plan? For sensitivity analysis, what are alternative funding scenarios for the 2011-2017 CIP, and their implications on the overall M&I Plan?

***Background:***

In January 2009, the Council endorsed the Mobility & Infrastructure Initiative Plan. This plan was the product of extensive Council discussions throughout the prior year centered on funding high priority transportation and other capital investments to mitigate growing congestion problems in the City.

The projects included in this plan were estimated to cost approximately \$299 million, and were expected to be constructed within the next seven years. The plan also outlined a strategy to generate funding to pay for these investments. The financial strategy was intended to generate the revenue necessary to pay for these improvements, and was based on the philosophy that those who benefit from the improvements should help pay for them. The funding plan used a balanced set of resources, including property tax, impact fees, local improvement districts, grants, incremental tax growth, and several other revenues.

In forming the funding recommendation for the 2011-2017 CIP, the CIP LT Panel focused on identifying the highest priority capital projects Citywide, merging projects from both the M&I and the base CIP. The end result is a phased approach to project implementation, with a mix of partial and full funding of seven M&I projects, primarily focused on arterial streets, over the next seven-year CIP period to match resources available. The tables below summarize the recommendation.

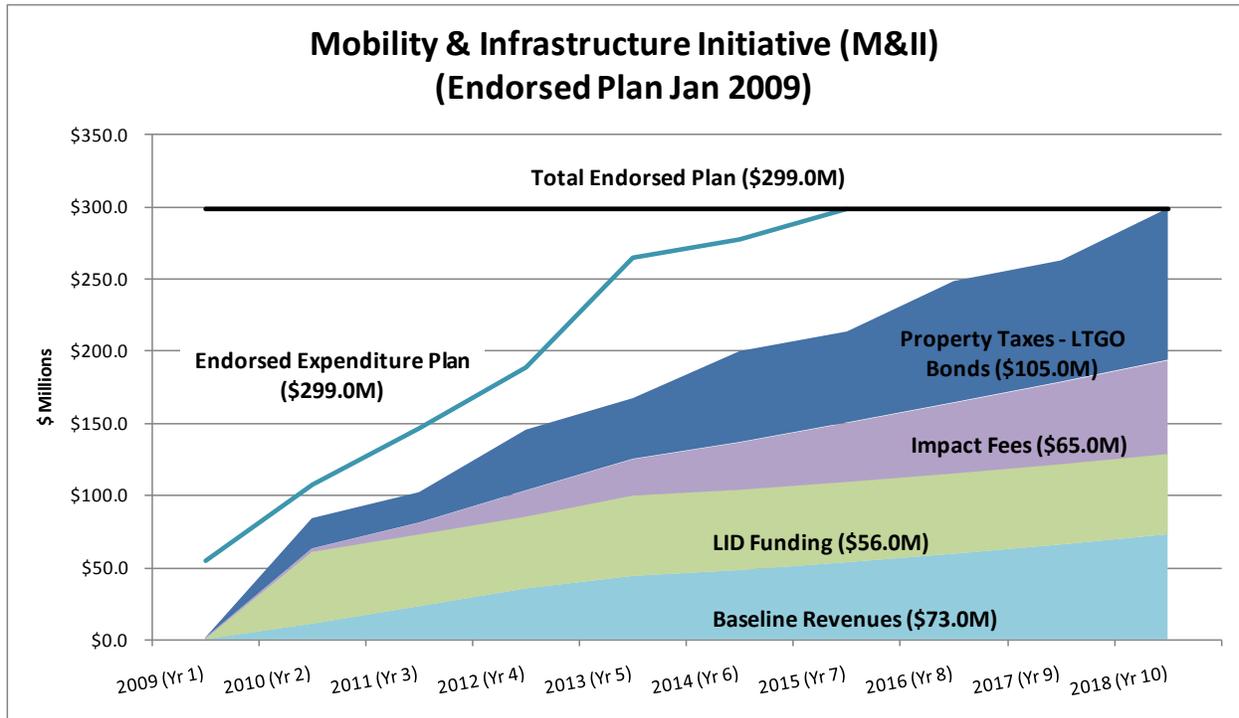
	<b>Base CIP (\$M)</b>	<b>M&amp;I (\$M)</b>	<b>Total (\$M)</b>
Resources	\$280.0	\$73.3	\$353.3
Expenditures	<u>263.7</u>	<u>89.6</u>	<u>353.3</u>
Surplus(Deficit)	\$16.3	(\$16.3)	\$0

Because there was insufficient M&I revenue to pay for all of the original projects and all of the proposed projects included for the 2011-2017 CIP, general taxes are supporting the M&I during this CIP period by \$16.3 million.

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**The Entire Mobility and Infrastructure Plan**

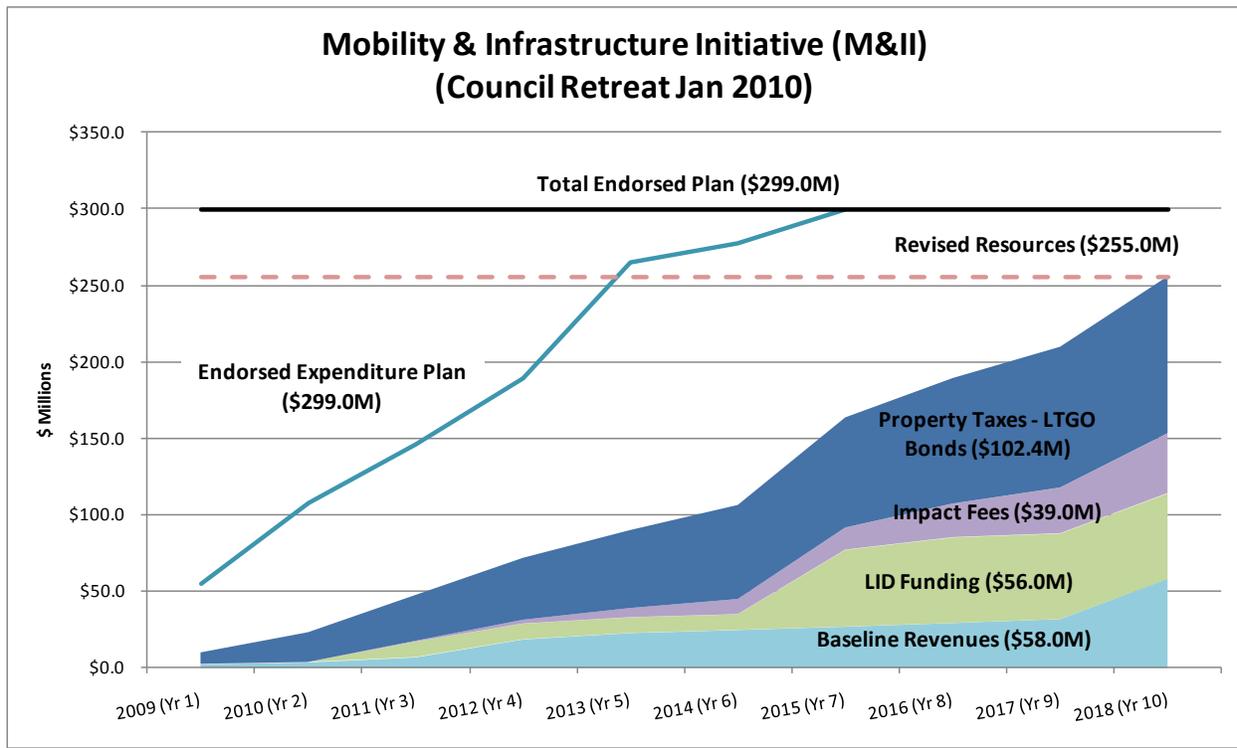
As illustrated below, the original Council-endorsed M&I Plan contemplated \$299 million in revenues over ten years, completing \$299 million in projects during the first seven years.



**Changes Since Original Plan Adoption**

Subsequent to the Council’s 2009 endorsement of the M&I Plan, several changes took place that affected projected revenues, particularly reductions in revenues projected from impact fees, incentive zoning, and ROW dedications. The following chart shows the latest projection for the Plan as a whole.

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**2011-2017 CIP**

As noted above, the original M&I Plan covers a 10-year period, with projects being constructed in the first 7 years and supported by revenues generated over 10 years. With the Plan starting in 2009, the 2011-2017 CIP covers years 3-9 of this original 10-year period. The CIP revenue forecast was conservative, only including funding from actions the Council has in progress, as opposed to the full set of actions included in the M&I Plan, including:

- NE 4<sup>th</sup>/120<sup>th</sup> LID at 75% special valuation;
- One already-taken (year 2009) 3% property tax increase bonded via 20-year LTGO bonds;
- Transportation impact fee transitioning from \$2,000 to \$5,000 per earlier Council direction;
- \$7.4 million from the Supplemental CIP LTGOs; and
- Known grants.

In particular, it includes the single 3% property tax increase the City already took in 2009. Since the M&I contemplated additional 3% increases each year, not including this added property tax revenue alone amounted to over \$70 million less available revenue for the 7-year CIP.

As noted above, even to meet the scaled-back M&I expenditures proposed for this CIP, the M&I revenues assumption still left a \$16.3 million shortfall that needed to be filled with General CIP tax revenues. The following charts shows a breakdown of the assumed resources to fund the M&I during the 2011-2017 CIP Plan. As shown below, these revenues are only 25% of the original plan endorsed by Council.



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Resources (\$M)	Original M&I Plan	Proposed CIP 2011- 2017	Total Funding
Baseline Revenues:			
New Bel-Red Taxes	\$10.0	\$0.0	\$0.0
ROW Dedication	\$19.0	\$0.0	\$0.0
Storm Drainage Fees	\$10.0	\$0.0	\$0.0
Incentive Zoning	\$22.0	\$0.0	\$0.8
Sales tax earmarked for debt service	\$0.0	\$6.1	\$6.1
Sales tax before debt service	\$0.0	\$0.0	\$1.7
Grants	\$12.0	\$8.2	\$8.2
Local Revitalization Funding	\$0.0	\$7.0	\$7.0
Impact Fees	\$65.0	\$29.8	\$29.8
Local Improvement Districts	\$56.0	\$10.2	\$10.2
LTGO Bonds (20-year debt, including Supplemental CIP)	\$105.0	\$12.0	\$19.4
<b>Total M&amp;I Resources</b>	<b>\$299.0</b>	<b>\$73.3</b>	<b>\$83.2</b>

Total M&I Resources	\$299.0	\$73.3	\$83.2
Total M&I Expenditures	\$299.0	\$89.6	\$99.7
Projected Funding Gap Met by General CIP Taxes	\$0.0	(\$16.3)	(\$16.5)

The proposed Mobility & Infrastructure Initiative projects included in the Proposed CIP for 2011-2017 include the following projects, totaling \$89.6 million.

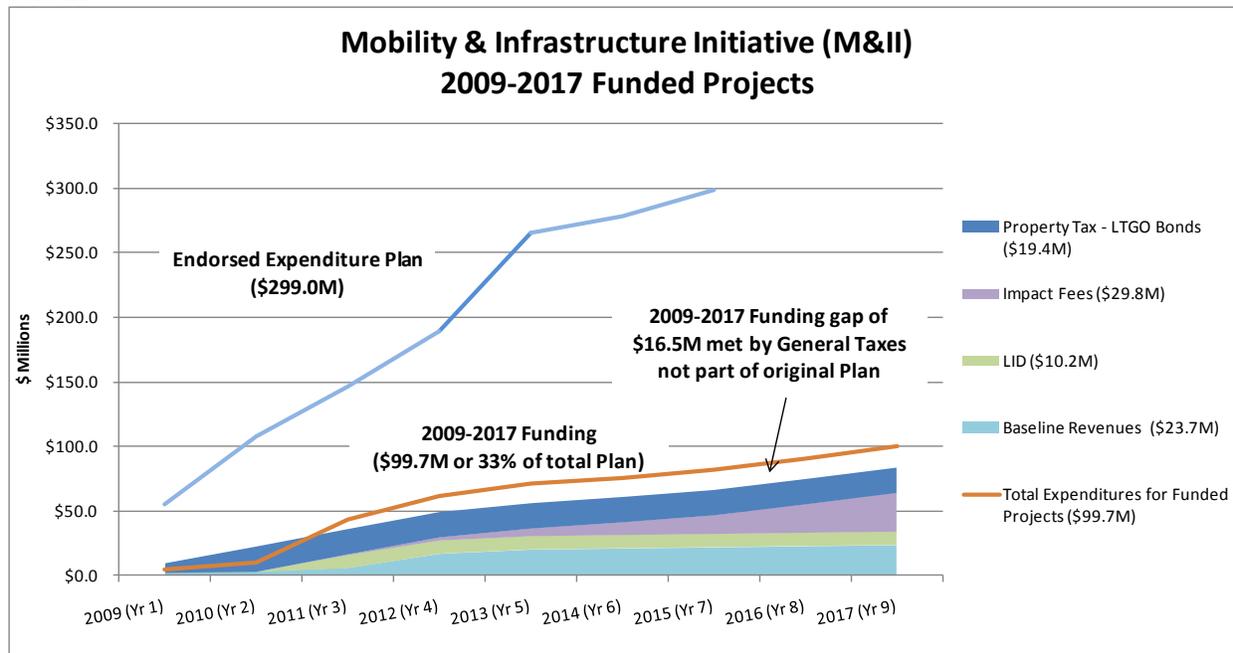
Expenditures (\$M)	Original M&I Plan	Proposed CIP 2011- 2017	Total Project Funding
NE 4th Street Extension 116th to 120th Avenues	\$50.0 <sup>(1)</sup>	\$36.7	\$38.4
120th Ave NE Improvements (Stage 1) - NE 4th to NE 8th St	\$0.0	\$7.2	\$9.1
120th Ave NE Improvements (Stage 2 & 3) - NE 8th to Northup	\$13.0 <sup>(2)</sup>	\$2.5	\$3.2
NE 6th Street Extension	\$6.0	\$0.6	\$1.0
NE 15th Street Multi-Modal Corridor (Stage 1)	\$83.0	\$32.4	\$33.1
124th Ave NE - NE 15th/16th Extension to Northup Way	\$3.0	\$1.8	\$1.8
ITS Master Plan Implementation Program	\$2.0	\$2.4	\$2.4
LTGO Debt Service	\$0.0	\$6.1	\$6.1
Other Downtown Projects	\$16.0	\$0.0	\$0.0
Downtown Circulator	\$3.0	\$0.0	\$0.0
Ped/Bike/Neighborhood Sidewalks	\$15.0	\$0.0	\$0.0
Metro Site	\$18.0	\$0.0	\$0.0
Bel-Red Land Acquisition	\$32.0	\$0.0	\$4.6
Public Safety Project	\$3.0	\$0.0	\$0.0
Finance Costs	\$55.0	\$0.0	\$0.0
<b>Total Expenditures</b>	<b>\$299.0</b>	<b>\$89.6</b>	<b>\$99.7</b>

<sup>(1)</sup> Original cost estimate included 120th Avenue Stages 1 & 2

<sup>(2)</sup> Original cost estimate included only 120th Avenue Stage 3

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It should also be noted that this CIP will run through the ninth year of the M&I Plan while only accomplishing 30% the proposed project list originally endorsed by Council for the M&I Plan. Over \$200 million in projects remain unfunded. Funding sources are insufficient to meet the 70% balance of the M&I projects without the full set of revenue enhancements originally endorsed by Council or significantly scaling back of the M&I projects. The impact of the assumed CIP revenues and expenditures vs. the original M&I expenditure line is illustrated below.



**Outstanding Questions/Issues:**

The M&I Finance Plan contemplated ten consecutive property tax increases of 3% each to support the Initiative (2009 through 2018). However, due to the economic downturn, Council decided to forego the 2010 property tax increase. Additionally, Council decided on phasing increases to the impact fee rate over a period of time and reduced incentive zoning fees for catalyst projects. These developments have placed additional pressure on delivering the full set of M&I projects.

For the new 2011-2017 CIP, staff used conservative revenue assumptions, and in particular did not rely on the additional property tax increases for the seven years of the CIP. This resulted in 1) a heavily constrained set of M&I projects recommended for funding in this CIP, which places us far off the progress mark contemplated by the M&I Plan; and (2) the need to use \$16.3 million in General CIP revenue to help fund the M&I.



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### Sensitivity Analysis

As a “sensitivity analysis”, staff explored the impact on the proposed CIP of foregoing certain assumed revenues. What would be the impact of not forming the NE 4<sup>th</sup>/120<sup>th</sup> LID? What would be the impact of leaving impact fees at current rates rather than graduating them in future as planned?

As noted previously, future property tax increases are a critical part of the funding already needed to meet the 70% balance of M&I projects that are not included in this CIP. However, for illustrative purposes, if additional property tax increases were used to supplant the CIP revenues above, the adjustments (in very rough estimates) would need to be as shown below. These would be in addition to the 3% property tax increases already factored into the M&I Plan. As noted in the CIP project unfunded/unfunded list, there are significant unmet capital needs for which property tax increases might be appropriate.

Scenario	\$ Loss from CIP assumption	Potential Property tax “make-up”
No NE 4 <sup>th</sup> /120 <sup>th</sup> LID	(\$10.2 M)	One year 3% property tax increase, bonded via 20-year LTGO
NE 4 <sup>th</sup> /120 <sup>th</sup> LID <u>at 50%</u> rather than 75% special valuation	(\$3.4 M)	One year 1% property tax increase, bonded via 20-year LTGO
No change in impact fees from current rate ( <u>at \$2000</u> )	(\$13.3 M)	Two years 2% property tax increase, bonded via 20-year LTGO

During the initial planning work, staff identified several other potential sources of revenue (other than those shown above) which could assist in funding the projects, including:

- B&O tax increases (up to approximately \$10 million/year at maximum capacity. It should be noted that B&O tax is included in the “back up” finance plan for BCCA)
- Transportation Benefit District (approximately \$2 million/year from a City-initiated \$20 non-voted vehicle fee)
- Additional property tax increases (each 3% increase nets approximately \$10-12 million, depending on interest rates).

### Options:

Should Council desire to explore the revenue assumptions used for the M&I Plan, there are several choices:

1. Consider modifying revenue assumptions;
2. Leave revenue assumptions as is; and/or
3. Delete or defer projects.





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**4. Council asked for information regarding City capital projects that provide synergy with Light Rail.**



The following is information provided in the Council's October 25 Study Session packet (page 3-153).

**Council Discussion Item**

**Outcome Area:** Improved Mobility

**Topic:** Light rail synergy: Metro site/NE 2<sup>nd</sup>/park along 2<sup>nd</sup>/Main Street/mitigation requirements

The following provides information in response to Council's request for additional information regarding "Projects that get us ready for light rail".

*Metro site:* Sound Transit has identified this site for construction staging. Both the 110<sup>th</sup> Avenue Tunnel (C9T) and the 108<sup>th</sup> At-Grade (C11A) alternative would require permanent acquisition of a sliver on the north side of the site. This is because in either case light rail would be placed in the median of NE 6<sup>th</sup> Street as it transitions from either a portal (C9T) or at-grade (C11A) configuration at 110<sup>th</sup> Avenue NE to be elevated over 112<sup>th</sup> Avenue NE. The eastbound lanes of NE 6<sup>th</sup> Street would shift to the south into the City Hall and Metro site properties to enable the restoration of capacity.

*NE 2<sup>nd</sup> and Park along 2<sup>nd</sup>:* No NE 2<sup>nd</sup> Street alignments are currently under consideration by Sound Transit. At Council's direction, the City is beginning an evaluation of the B7-R alternative that would enter the C9T alignment on NE 2<sup>nd</sup> Street. The alignment would likely be placed on the north side of NE 2<sup>nd</sup> Street between 112<sup>th</sup> Avenue NE and 110<sup>th</sup> Avenue NE. If ultimately selected as the alignment to be built, there could be synergies between the City's plan to widen NE 2<sup>nd</sup> Street (Bellevue Way to 112<sup>th</sup> Avenue NE) and to construct a park along NE 2<sup>nd</sup> Street.

*Main Street:* Either the C9T or C11A alternative would require land acquisition on the south side of Main Street. Remnant land not used for LRT purposes could be used to construct the buffer green space called for in the Comprehensive Plan, similar to McCormick Park (along NE 12<sup>th</sup> Street between 106<sup>th</sup> Avenue NE and 112<sup>th</sup> Avenue NE). Similarly, the City recently considered revisions that would narrow Main Street between Bellevue Way and 112<sup>th</sup> Avenue that could be implemented at the same time as LRT construction. Another associated planned improvement is envisioned by the I-405 Master Plan. This plan calls for widening I-405 in downtown Bellevue, adding a ½ interchange at NE 2<sup>nd</sup> Street, and extending collector distributor lanes to south of Main Street. These improvements would require the replacement of the Main Street/I-405 overcrossing and vacation of 114<sup>th</sup> Avenue. Council's definition of B7-R calls for an at-grade LRT alignment under Main Street (adjacent to 114<sup>th</sup> Avenue). If B7-R is selected to be



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built there could be synergies between the replacement of the Main Street/I-405 overcrossing and LRT construction. Further discussion with WSDOT would be necessary to program the replacement of the Main Street/I-405 overcrossing, which is not currently funded.

Mitigation requirements: See #1. Mitigation requirements will be better defined through the East Link SDEIS and completion of 30% design.