



**City of Bellevue
2011-2012 Budget Process
CIP Panel Recommendations**

DATE: July 26, 2010

TO: Budget One Steering Team

FROM: **CIP Leadership Team Panel**
 Panel Members: Toni Cramer, Mike Eisner, Patrick Foran, Jan Hawn, Nora Johnson, Brad Miyake, Nav Ota, Goran Sparrman, Dan Stroh, Denny Vidmar
 Facilitator: Jason Bentosino

SUBJECT: **CIP LT Panel Ranking Summary**

1. Background/Overview

The CIP LT Panel is pleased to provide you our recommendations for the City’s 2011-17 General Capital Investment Program (CIP) Plan. We were charged with identifying the highest priority capital projects and programs that fit within the funding constraints determined by the financial forecast. We reviewed each department’s ongoing programs and discrete project proposals, prioritized them, and reduced costs where feasible to match the funding constraints. As a result, we identified 64 proposals totaling approximately \$350 million recommended for funding (see table below and Attachment A).

Project Type	Total	
	# of Projects	2011-2017 Amount (\$M)
Debt Service Projects	10	\$93.7
Ongoing Programs	18	103.8
Discrete Projects	36	152.5
Total	64	\$350.0

This was a very different CIP environment compared to typical past years. Recognizing the severe financial constraints faced by the City, departments prioritized internally to identify only the most critical and time-sensitive proposals to submit for funding consideration. This means that some projects in the existing, adopted CIP were not proposed for continued funding. A number of ongoing programs were significantly scaled back by the proposers. This Panel further reduced the scope and cost of some projects that we recommended for funding. Thus, we believe the \$31 million in unfunded projects remaining after all these reductions significantly under-states the magnitude of unmet capital needs for this seven-year CIP period. Attachment B further characterizes and lists these types of unmet needs, projects that would have been strongly competitive in a typical CIP budget environment.

The Panel’s approach addressed points of direction previously provided by the Council, by:

- Clarifying what projects and programs belong in the CIP vs. the Operating Budget. (See Attachment C, “Guidelines for Types of Expenditures to Include in CIP”.) As a result, several CIP proposals were considered ineligible for the CIP and shifted to the Operating Budget Results Teams. An example is



**City of Bellevue
2011-2012 Budget Process
CIP Panel Recommendations**

Transportation Demand Management, a \$145,000 program in the existing 2009-15 CIP wholly shifted per this recommendation to the Operating Budget.

- Developing a single capital budget recommendation that blends the base CIP with the Mobility & Infrastructure Initiative (M&II). A separate White Paper, Attachment D, explores the status of the M&II, including current projections on revenues and expenditures, the projects included in this Panel's CIP recommendations, and implications thereof.

The Panel's work also grappled with a number of unique policy issues, including budgeting for projects made possible through the 2008 Parks and Natural Areas Levy (Attachment E), the future of the Neighborhood Enhancement Program in the context of the City's wider neighborhood strategy (Attachment F), and the potential commitment of CIP resources to East Link light rail.

We also explored how the CIP has addressed funding for the ongoing maintenance needs of capital projects, the "M&O transfer issue." We understand this is an item of significant Council interest. While the current revenue assumption assumes the status quo, the Panel has prepared a separate White Paper (Attachment G) that identifies several alternative ways to address the M&O issue.

2. Proposal Prioritization Rationale

The Panel developed a list of criteria to determine the relative priority of proposals; these fall into the following major categories (see Attachment H).

- Effectiveness at achieving City Mission/Community Outcomes
- Mandates
- Financial Factors
- Timing/Urgency
- Scaling

a. Higher Priority Proposals

The projects that typically received the highest rankings were associated with:

- Maintaining current infrastructure (e.g., renovation programs and technology updates),
- Preparing for future development consistent with major land use plans (e.g., Bel-Red, Pedestrian Corridor), and
- Leveraging funds from the state/federal government, grants, and community fundraising partnerships.

b. Lower Priority Proposals

The Panel only ranked those projects the departments considered to be the highest priorities. However, as noted above, a longer list of unmet needs is included in a White Paper attached to this memo, reflecting the extent of projects that would have been submitted for consideration under more favorable financial conditions.

c. Approach for addressing issues near the funding line

As the Panel worked through the list and approached the funding line, we balanced the package by reducing the scope of projects to enable some projects to be partially funded. This allowed for at least some progress

City of Bellevue
2011-2012 Budget Process
CIP Panel Recommendations

to be made on these projects, as well as maintaining their competitiveness for additional city or outside funds that may become available in the future.

3. Recommended approach to changes to allocations

a. If the CIP had a *larger allocation* of general revenue:

The Panel would consider funding some or all of the 10 unfunded projects that were rated High, or adding funds to projects that were scaled back or phased (e.g., West Lake Sammamish Parkway or neighborhood sidewalks).

b. If the CIP had a *smaller allocation* of general revenue:

While we recognized that this was a possibility, we decided to reconsider our funding recommendation at a later date if available funds decreased. This was partially due to the complexity of the CIP funding structure.

4. Key Issues

- The Panel merged the Mobility & Infrastructure Initiative (M&II) with the Base CIP. As a result, the recommendation includes the use of approximately \$12 million of general taxes to fund the M&II projects included in the recommendation. As noted above, a separate White Paper addresses the status of the M&II, including implications of this Panel's funding recommendations.
- The various restricted funding sources (e.g., Parks levy, Real Estate Excise Tax and grants) appeared to be a limitation at first. However, the final package was reached by using the restricted funds first and maintaining maximum flexibility for use of unrestricted funds.
- For a number of projects, only a first phase was funded (e.g., 60% design for a roadway project). This strategy provided funding for more projects, and allowed more to advance to a point of being competitive for grants and other funding. However, somewhat fewer projects will actually be built during the seven-year CIP period. This strategy also displaced projects that could proceed to construction in 2011 when the bid climate is expected to remain quite favorable. The City's responsibilities associated with Sound Transit's East Link project will not be determined for some time.
- The Panel recommends extending the current East Link CIP project for an additional two years totaling approximately \$6.2 million.
- The Panel examined the proposal for re-designing the Neighborhood Enhancement Program and the Neighborhood Investment Strategy program in the context of the City's broader neighborhood strategy. The Panel understood that both of these programs have been cornerstones of the City's neighborhood investment approach for some years. We took a close look at the rationale behind staff's proposed changes, and the before and after comparisons of the programs, as addressed in a separate White Paper.
- Several other key issues were extensively discussed by this Panel and were already noted above: identifying the magnitude of needs that could not be addressed within the available seven-year CIP revenues; clarification on proposals eligible for the CIP vs. the Operating Budget, the M&O transfer



City of Bellevue 2011-2012 Budget Process CIP Panel Recommendations

issue, and the recommended approach to this CIP's progress on the Parks levy. Again, all of these are as subjects of separate White Papers.

In conclusion, the CIP LT Panel looks forward to the Budget One Steering Team's review of our initial recommendations and to any initial feedback from the City Council. Like other aspects of Budget One, we understand that this is still very much a work in progress, and is likely to continue to evolve as the City Manager prepares a draft budget proposal for the Council's consideration.

ATTACHMENTS

- A. CIP LT Panel Ranking Results—Ongoing Programs and Discrete Projects
- B. Unmet Capital Needs
- C. Guidelines for Types of Expenditures to Include in CIP (what belongs in CIP vs. Operating Budget)
- D. White Paper: *Status of Mobility and Infrastructure Initiative*
- E. White Paper: *Proposed 2011-17 CIP Approach to Implementing the 2008 Parks and Natural Areas Levy*
- F. White Paper: *Bellevue's Neighborhood Strategy as it relates to "New NEP" and Neighborhood Partnerships*
- G. White Paper: *Options to address the CIP Maintenance and Operations (M&O) Transfer Issue*
- H. CIP Team Ranking Criteria
- I. Debt Policy Q&A (April 26, 2010 and June 14, 2010)

					
ATTACHMENT A					
2011-2012 Budget Development					
CAPITAL IMPROVEMENT PROGRAM					
CIP LT Panel Recommendations (Funded & Unfunded)					
by Outcome and Type of Project (\$000s)					
Funded CIP					
Healthy & Sustainable Environment					
Ongoing Programs					
100.78NA	Parks	P-R-11	Forest, Greenways, Trails & Nature Space Improvement Program	HSE	\$3,850
Total Ongoing Programs					\$3,850
Discrete Projects					
100.61NN	Parks	Levy	Nature Trail Expansion - Levy	HSE	\$2,000
100.70NN	Parks	P-AD-79	Open Space Acquisition & Trail Development - KC Levy Project	HSE	936
Total Discrete Projects					\$2,936
Total Healthy & Sustainable Environment					\$6,786
Improved Mobility					
Ongoing Programs					
130.78NA	Transportation	PW-R-46	Major Safety Improvements	IM	\$700
130.82NA	Transportation	PW-R-156	ITS Master Plan Implementation	IM	2,450
130.84NA	Transportation	PW-W/B-56	Pedestrian Access Improvements	IM	3,255
130.85PA	Transportation	PW-M-1	Overlay Program	IM	37,028
130.86NA	Transportation	PW-M-20	Minor Capital - Traffic Operations	IM	1,400
130.90NA	Transportation	PW-M-2	Minor Capital - Signals & Lighting	IM	1,100
Total Ongoing Programs					\$45,933
Discrete Projects					
115.06NN	PCD	CD-19	Advance the Vision for the Pedestrian Corridor	IM	\$150
130.50NN	Transportation	PW-R-160	NE 4th Street Extension - 116th to 120th Avenues NE	IM	35,918
130.51NN	Transportation	PW-R-161	120th Avenue NE Improvements (Segment 1) - NE 4th to NE 8th St	IM	6,080
130.52NN	Transportation	PW-R-163	NE 15th Street Multi-Modal Corridor (Segment I)/116th Avenue at NE 12th Street to 124th Avenue NE	IM	32,350
130.53NN	Transportation	PW-R-164	120th Avenue NE (Segment 2 and 3)/NE 8th Street to Northup Way	IM	2,530
130.54NN	Transportation	New	124th Avenue NE/Proposed NE 15th/16th Street Extension to Northup Way	IM	1,800
130.55NN	Transportation	PW-R-155	Traffic Computer System Upgrade	IM	889
130.56NN	Transportation	PW-R-159	East Link Analysis and Development	IM	6,218
130.58NN	Transportation	PW-R-141	West Lake Sammamish - SE 34th Street to I-90, First Phase	IM	4,743
130.61NN	Transportation	PW-R-162	NE 6th Street Extension	IM	580
130.64NN	Transportation	New	148th Avenue NE Master Plan (Phase 1) - Bel-Red Road to SR-520	IM	250
130.65NN	Transportation	PW-R-153	Early Implementation of the Bel-Red Subarea Plan	IM	750
130.70NN	Transportation	PW-I-83	Redmond BROTS Projects	IM	500
130.76NN	Transportation	PW-R-146	Northup Way/Bellevue Way to NE 24th Street	IM	8,000
130.92NN	Transportation	PW-R-149	NE 10th Street Extension	IM	450
130.05A2	Transportation	New	Downtown Transportation Plan Update	IM	350
Total Discrete Projects					\$101,558
Total Improved Mobility					\$147,491
Innovative, Vibrant and Caring Community					
Ongoing Programs					
100.76NA	Parks	P-R-02	Enterprise Facility Improvements	IVCC	\$2,612
100.77NA	Parks	P-R-11	Renov & Refurb of Park Facilities	IVCC	24,670
115.07NN	PCD	New	Enhanced Right-of-Way and Urban Boulevards	IVCC	4,368
115.09DN	PCD	CD-11	Public Art Program	IVCC	2,450
130.83NA	Transportation	PW-W/B-49	Pedestrian Facilities Compliance Program.	IVCC	700
Total Ongoing Programs					\$34,800
Discrete Projects					
100.60NN	Parks	Levy	Park and Open Space Acquisition - Levy	IVCC	\$7,000
100.62NN	Parks	Levy	Bellevue Airfield Park Development - Levy	IVCC	1,500

	ATTACHMENT A					
	2011-2012 Budget Development					
	CAPITAL IMPROVEMENT PROGRAM					
	CIP LT Panel Recommendations (Funded & Unfunded)					
by Outcome and Type of Project (\$000s)						
100.63NN	Parks	Levy	Surrey Downs Park Development - Levy	IVCC	7,000	
100.64NN	Parks	Levy	Lewis Creek Park Picnic Area Development - Levy	IVCC	2,000	
100.65NN	Parks	Levy	Downtown Park Development - Levy	IVCC	5,000	
100.68NN	Parks	Levy	Bellevue Botanical Garden Development - Levy	IVCC	5,500	
100.69NN	Parks	Levy	New Youth Theatre in Crossroads Park - Levy	IVCC	5,500	
100.72NN	Parks	P-AD-27	Park Planning & Design	IVCC	600	
115.03DN	Parks	CD-21	Eastgate/I-90 Land Use & Transportation Plan	IVCC	175	
			Total Discrete Projects		\$34,275	
			Total Innovative, Vibrant and Caring Community		\$69,075	
Quality Neighborhoods						
Ongoing Programs						
115.08D3	PCD	NEP-1	Existing NEP Project Funding	QN	\$3,098	
115.08D1	PCD	NEP-1	New Neighborhood Enhancement Program	QN	6,000	
115.08D2	PCD	NIS-2	Neighborhood Partnerships	QN	700	
			Total Ongoing Programs		\$9,798	
Discrete Projects						
100.67NN	Parks	Levy	Neighborhood Park Development-Bridle Trails and Lake Sammamish - Levy	QN	\$5,000	
			Total Discrete Projects		\$5,000	
			Total Quality Neighborhoods		\$14,798	
Responsive Government						
Ongoing Programs						
130.88NN	Transportation	PW-M-18	Wetland Monitoring	RG	\$90	
			Total Ongoing Programs		\$90	
Discrete Projects						
020.08DN	Clerk	G-57	Enterprise Content Management Capital Projects	RG	\$450	
040.10PA	CMO	New	Relocation of Courts from Surrey Downs to Alternate Site	RG	4,455	
045.12NN	Facilities	New	Facility Emergency Generator Power Switch Gear Replacement	RG	750	
060.04NN	Finance	New	JDE System Upgrade	RG	100	
060.15DN	Finance	New	Business Tax and License System (BTLS) Replacement Project	RG	163	
060.19DN	Finance	New	Budget System Upgrade	RG	120	
			Total Discrete Projects		\$6,038	
			Total Responsive Government		\$6,128	

					
ATTACHMENT A					
2011-2012 Budget Development					
CAPITAL IMPROVEMENT PROGRAM					
CIP LT Panel Recommendations (Funded & Unfunded)					
by Outcome and Type of Project (\$000s)					
Safe Community					
Ongoing Programs					
070.12PA	Fire	PS-16	Renovation of Public Safety Facilities	SC	\$5,126
130.89NA	Transportation	PW-M-19	Major Maintenance Program	SC	4,200
Total Ongoing Programs					\$9,326
Discrete Projects					
070.15NN	Fire	PS-16A	Renovation of Fire Station 5	SC	\$1,000
070.14NN	Fire	PS-61	Downtown Fire Station	SC	1,700
Total Discrete Projects					\$2,700
Total Safe Community					\$12,026
Funded Debt Service and Contingency Projects					
130.79PN	Transportation	PW-R-82	Public Works Trust Fund Loan - Principal	Reserves	\$280
130.79DN	Transportation	PW-R-83	Public Works Trust Fund Loan - Interest	Reserves	21
100.79NN	Parks	P-AD-49	LID Assessments - Parks Properties	Reserves	130
060.01NN	Finance	G-69	Supplemental CIP Debt Service	Reserves	7,546
060.02NN	Finance	CD-5	Metro Site Acquisition 1993 Debt Service	Reserves	2,022
060.05NN	Finance	G-53	CIP Cash Flow Debt Service	Reserves	5,246
060.03NN	Finance	New	City Hall Debt Service	Reserves	48,593
060.22NN	Transportation	New	M&I Public Works Trust Fund Loan Debt Service	Reserves	1,300
060.23NN	Finance	New	M&I LTGO Bond Debt Service	Reserves	6,300
060.24NN	Finance	New	Council Contingency	Reserves	22,278
Total Funded Debt Service and Contingency Projects					\$93,716
FUNDING SUMMARY					
Total Funded Ongoing Programs					\$103,797
Total Funded Discrete Projects					152,507
Total Funded Debt Service and Contingency Projects					93,716
Total Funded CIP					\$350,020
Unfunded "High" - All Discrete Projects					
Improved Mobility					
130.57NN	Transportation	PW-W/B-76	Neighborhood Sidewalks	IM	\$6,000
130.59NN	Transportation	PW-R-151	145th PI SE/SE 16th St to SE 24th St and SE 22nd St/145th	IM	5,280
130.60NN	Transportation	New	124th Avenue NE at SR-520	IM	250
130.66NN	Transportation	PW-WB-71	108th Avenue SE/Bellevue Way to I-90	IM	4,466
130.67NN	Transportation	PW-R-150	NE 2nd Street/Bellevue Way to 112th Avenue NE	IM	2,000
130.68NN	Transportation	New	108th/112th Avenue NE - south of SR 520 to NE 12th Street	IM	200
130.69NN	Transportation	PW-WB-75	SE 34th Street/162nd PI SE to West Lake Sammamish Pkwy	IM	3,936
130.74NN	Transportation	PW-R-157	Transit Now/Downtown Circulator	IM	2,924
130.75NN	Transportation	New	SE 16th Street/148th Avenue SE to 156th Avenue SE	IM	4,549
Total Improved Mobility					\$29,605
Responsive Government					
060.21D1	Finance	New	Performance Management System	RG	\$108
Total Responsive Government					\$108
Total Unfunded "High"					\$29,713
Unfunded "Medium" - All Discrete Projects					
Improved Mobility					
130.62NN	Transportation	PW-W/B-77	Downtown Mid-Block Crossings	IM	\$500

	ATTACHMENT A				
	2011-2012 Budget Development				
	CAPITAL IMPROVEMENT PROGRAM				
	CIP LT Panel Recommendations (Funded & Unfunded)				
by Outcome and Type of Project (\$000s)					
130.71NN	Transportation	New	Lakemont Blvd (Phase 1)/Cougar Mountain Way to Lewis Creek Park and 164th Ave SE to 171st Ave SE	IM	650
130.72NN	Transportation	New	Bel-Red Rd & NE 20th PI Signal and Road Extension	IM	200
130.73NN	Transportation	New	108th Avenue NE - NE 12th Street to Main Street	IM	200
			Total Improved Mobility		\$1,550
			Total Unfunded "Medium"		\$1,550
			Total Unfunded Discrete Projects		\$31,263

	ATTACHMENT A			
	2011-2012 Budget Development			
	CAPITAL IMPROVEMENT PROGRAM			
	CIP LT Panel Recommendations (Funded & Unfunded)			
Projects from 2009-2015 CIP - Consolidated, Not Funded or Moved to Operating Budget				
Projects Consolidated				
Consolidated into new Enhanced Right-of-Way and Urban Boulevards project				
	PCD	CD-22	Urban Boulevards/Great Streets	
	Parks	G-77	Right of Way Planting and Restoration Program (ESI)	
	Parks	P-AD-78	Citywide Streetscape Enhancement Program	
Consolidated into PW-M-20, Minor Capital - Signals & Lighting				
	Transportation	PW-I-84	Signal Warrant/Safety Program	
Consolidated into PW-M-1, Street Overlays				
	Transportation	PW-M-3	Curb, Gutter and Sidewalk Rehabilitation	
Consolidated into PW-M-19, Major Maintenance Program				
	Transportation	PW-M-8	Minor Capital Programs - Streets	
	Transportation	PW-M-12	Citywide Rockeries Reconstruction	
	Transportation	PW-W/B-53	Trail Maintenance Program	
Consolidated into PW-R-156, ITS Master Plan Implementation				
	Transportation	PW-R-136	Traffic Safety Technologies	
Projects Not Funded				
Ongoing Programs				2009-2015 Average Annual Allocation (\$000s)
	Fire	PS-19	Public Safety Facility Studies	\$15
	Parks	P-AD-15	Property Acquisition	1,441
	Parks	P-AD-27	Planning/Design for Existing/Future Parks	245
	Parks	P-AD-34	Trail Development	203
	Parks	P-AD-52	Mini Park Opportunities	660
	Transportation	PW-M-7	Neighborhood Traffic Calming Program	969
			Total Ongoing Programs	\$3,533
Discrete Projects Not Proposed by Department				2009-2015 Remaining Budget (\$000s)
	Parks	P-AD-80	Green Infrastructure Master Plan	\$150
	PCD	CD-24	Metro Site Purchase Option	500
	PCD	ED-2	Downtown Parking Initiative	350
	PCD	G-61	Electronic Plan Submittal	55
	Transportation	PW-I-76	148th Avenue NE/Bel-Red Road	6,977
	Transportation	PW-I-78	148th Avenue NE/NE 20th Street	3,778
			Total Discrete Projects Not Proposed by Department	\$11,810
Discrete Projects Proposed by Department but Not Funded				Unfunded Proposal
	Transportation	PW-R-150	NE 2nd Street/Bellevue Way to 112th Avenue NE	\$2,000
	Transportation	PW-R-151	145th PI SE/SE 16th St to SE 24th St and SE 22nd St/145th	5,280
	Transportation	PW-R-157	Transit Now/Downtown Circulator	2,924
	Transportation	PW-W/B-71	108th Avenue SE/Bellevue Way to I-90	4,466
	Transportation	PW-W/B-75	SE 34th Street/162nd PI SE to West Lake Sammamish Pkwy	3,936
	Transportation	PW-W/B-76	Neighborhood Sidewalks	6,000
	Transportation	PW-W/B-77	Downtown Mid-Block Crossings	500
			Total Discrete Projects Proposed by Department but Not Funded	\$25,106

	ATTACHMENT A				
	2011-2012 Budget Development				
	CAPITAL IMPROVEMENT PROGRAM				
	CIP LT Panel Recommendations (Funded & Unfunded)				
Projects from 2009-2015 CIP - Consolidated, Not Funded or Moved to Operating Budget					
Moved to Operating Budget					
Ongoing Programs				2011	2012
				(\$000s)	(\$000s)
Finance	G-5	CIP Financial Management and Tracking		\$275	\$275
PCD	CD-2	Community Development Planning		100	100
PCD	NIS-3	Neighborhood Community Building		25	25
Transportation	PW-R-44	Transportation Planning Studies		110	110
Transportation	PW-R-87	Transportation Demand Management		145	145
Total Ongoing Programs				\$655	\$655
Discrete Projects				2011	2012
				(\$000s)	(\$000s)
ITD	G-72	Security - PCI Mandated Requirements (\$20k annual ongoing)		\$41	\$20
ITD	G-74	DAS: City Hall Radio & Cell Coverage (Plan to implement in 2013)		-	-
ITD	G-75	Network Resiliency		51	44
Total Discrete Projects				\$92	\$64



ATTACHMENT B
2011-2012 Budget Development
CAPITAL IMPROVEMENT PROGRAM
Unmet Capital Needs (\$000s)

Description	Outcome Area	Partially Funded	Total Funding Recommended (includes pre-2011 costs)	Unfunded	External Funding	Source Plan	Notes
Projects with Partial Funding in 2011-2017 Panel Recommendation (Non-M&I)							
West Lake Sammamish/North City Limit to I-90	IM	Y	6,190	7,890	-	TFP	Partial funding for final design and construction of 1st phase of project, I-90 to SE 34th St. Full funding for Phase 2 of project, SE 34th to Weowna Park is unfunded.
Northup Way/Bellevue Way to NE 24th Street	IM	Y	8,470	1,000	WSDOT	TFP	Partnership with WSDOT
Pedestrian Corridor Improvements	IM	Y	150	3,000	-	Downtown Subarea Plan	Additional pedestrian corridor improvements including land acquisition, lighting, and ADA improvements
Downtown Fire Station	SC	Y	1,700	6,500	-	DIP	Partial funding represents annual contributions to allow construction at a future date. Unfunded is the estimated remaining amount to construct the facility (total \$8M)
Fire Station 5	SC	Y	1,000	4,500	-	-	Partial funding for necessary repairs and improvements. Unfunded is major renovation of the facility (total \$5.5M)

Projects Funded in 2009-2015 CIP Plan Proposed by Department but Not Recommended by Panel

NE 2nd Street/Bellevue Way to 112th Avenue NE	IM	Y	447	41,500	-	TFP	Funded pre-design in 2009-2010. Unfunded provides design, ROW and construction for both the roadway and Parks parcels along NE 2nd.
145th PI SE/SE 16th St to SE 24th St and SE 22nd St/145th	IM	Y	1,520	5,280	-	TFP	Design and ROW phases completed in 2010.
108th Avenue SE/Bellevue Way to I-90	IM	Y	594	4,466	-	TFP	Funded design in 2009-2010
SE 34th Street/162nd PI SE to West Lake Sammamish	IM	N	-	3,936	-	TFP	2009-2015 CIP planned start 2010
Neighborhood Sidewalks	IM	Y	2,500	21,000	-	TFP	Supplemental CIP funded 3 sidewalk projects. Unfunded implements approx. three sidewalk segments a year @ \$1M each over the life of the 7 year CIP.
Downtown Mid-Block Crossings	IM	Y	1,000	500	-	DIP	Supplemental CIP funded 4 mid-block crossings. Unfunded represents the design and construction of approx. 3 additional crossings

*Dollar amounts are order of magnitude approximations

		ATTACHMENT B 2011-2012 Budget Development CAPITAL IMPROVEMENT PROGRAM Unmet Capital Needs (\$000s)										
Description	Outcome Area	Partially Funded	Total Funding Recommended (includes pre-2011 costs)	Unfunded	External Funding	Source Plan	Notes					
Other Capital Needs by Major Program Area (MPA) - Continued												
Downtown Wayfinding Kiosks	IVCC	N	-	170	-	Downtown Subarea Plan (Wayfinding Manual)	Complete the art component of five wayfinding kiosks that were installed in 2010 and continue additional wayfinding and branding of Downtown.					
Downtown Art Walk	IVCC	N	-	300	-	Urban Design Element (Great Streets)	Design and install the first leg of the Art Walk along the Ped Corridor, including special paving, public art and lighting.					
City Gateways	IVCC	N	-	600	-	Urban Design Element	Entry signs at nine key entry points to Bellevue. Prototype gateway installed at an intersection along border with Medina.					
Neighborhood Identity Treatments	QN	N	-	450	-	Urban Design Element	Design and install neighborhood identity signs and gateways. Newport Hills/Lake Heights identity project funded and completed.					
Total			\$87,301	\$387,830	\$12,000							

*Dollar amounts are order of magnitude approximations



ATTACHMENT C

Guidelines for Types of Expenditures to Include in CIP

July 2010

I. Recommended Guidelines for types of expenditures appropriate for the General CIP Plan

The CIP Plan will display, to the maximum extent possible, all major capital projects in which the City is involved. While the following criteria may be used as a general guide to distinguish which projects should be included or excluded from the CIP Plan, there are always exceptions which require management's judgment.

For purposes of the CIP Plan, a CIP project is generally defined to be any project that possesses all of the following characteristics:

1. Exceeds a cost of \$100,000;
2. Involves totally new physical construction, reconstruction designed to gradually and systematically replace an existing system on a piecemeal basis, replacement of a major component of an existing facility or computer system, or acquisition of land or structures; and
3. Involves City funding in whole or in part, or involves no City funds but is the City's responsibility for implementing, such as a 100% grant-funded project or 100% Local Improvement District funded project.

Specific types of expenditures include the following:

1. Expenditures that extend/enhance an asset's useful life as opposed to repair/maintenance expenditures intended to make an asset realize its useful life (incorporates ongoing programs):
 - a. Major renovation/refurbishment programs
 - i. Replacing the Roof (extending the useful life) vs Roof Repair (to realize its original useful life)
 - b. Major maintenance programs
 - i. Street Overlay (extending the useful life) vs Pothole Patching (to realize its original useful life)
 2. Expenditures on new physical construction projects: Expensive, long-lived assets
 - a. Exceeds cost of \$100,000
 - b. Useful life of more than one year – e.g. buildings/facilities
 - c. Infrastructure projects (e.g., roads, parks, sidewalks, technology) and Facility Asset Replacement
 3. Land Acquisition expenditures
 4. Expenditures for pre-design, design, row, and/or construction
 5. Personnel/Staff Costs to deliver a capital project
 - a. Represents the full cost to implement the project. Examples: Project Managers, Real Property staff, Design Staff, Inspection staff
- Debt Financing Costs
- b. Include a CIP project for debt service payment. Represents funding debt using CIP revenues (CIP reflects a transfer out (expense) to the debt service fund and actual payment is always expensed in the Debt Service Fund).



ATTACHMENT C

Guidelines for Types of Expenditures to Include in CIP

July 2010

6. Studies/Plans

- a. Three models and treatment of costs are illustrated in the table below.

Model	Examples	Operating or CIP
Planning →pre-design →design→construction	120 th Ave NE, NE 15 th Street	CIP
Planning →(<i>time lapse</i>)→pre-design →design→construction	Subarea plans (e.g., Bel-Red, Eastgate); EastLink (may be combination of work that leads to capital improvements, land use and other); >\$100K and non-routine; 148 th Ave NE Master Plan	CIP
Core Planning Program	Routine Comp Plan Amendments (CPAs), TFP, Concurrency updates; Parks Planning & Design	Operating

II. Recommended Guidelines for Operating Budget Expenditures

1. Expenditures that ensures that the asset is functional/useful for its planned useful life
2. Expenditures on feasibility studies for a citywide strategy (e.g., regional jail)
3. System-wide “routine” planning (e.g., TFP EIS, Concurrency update)
4. Short-term small studies (e.g., Trans mode share study, Parks planning & design, Comm Dev planning, public safety facilities studies) - - - prof svcs contracts
5. Minor or routine maintenance programs:
 - a. Pothole patching (to realize its original useful life) vs Street Overlay (extending the useful life)
 - b. Roof repair (to realize its original useful life) vs Replacing the Roof (extending the useful life)
6. Maintenance and Operating (M&O) Costs
 - a. Includes ongoing costs realized as a result of the completion of a capital project. Examples include: electricity/utilities, landscape maintenance, staffing, etc.
7. Personnel/Staff Costs to operate and maintain a new asset
 - a. Examples include: Signal Maintenance Technicians, Network Administrators, Community Center staff, Maintenance Workers, etc.



ATTACHMENT D

Council Budget Workshop
August 4, 2010

Mobility & Infrastructure Initiative (M&I)

Background: In January 2009, the Council endorsed the Mobility & Infrastructure Initiative Plan (M&I). 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 10 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.

2011-2017 CIP Plan Recommendation: 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 recommendation includes the use of approximately \$12 million of general taxes to fund the recommended M&I projects. The tables below summarize the recommendation.

	Base CIP (\$M)	M&I (\$M)	Total (\$M)
Resources	\$272.7	\$77.3	\$350.0
Expenditures	<u>260.7</u>	<u>89.3</u>	<u>350.0</u>
Surplus(Deficit)	\$12.0	(\$12.0)	\$0



ATTACHMENT D

Council Budget Workshop
August 4, 2010

Mobility & Infrastructure Initiative (M&I)

The following charts show the CIP LT Panel recommendation for funding for Mobility & Infrastructure Initiative projects, as well as funding sources.

M&I Projects in 2011-2017 CIP Plan	(\$ in thousands)				Funding Scope
	Pre-2011	2011-2012	Total 2011-2017	Total Funding thru 2017	
NE 4th Street Extension 116th to 120th Avenues NE	\$2,482	\$30,918	\$35,918	\$38,400	Funds full cost @ 30% design
120th Avenue NE Improvements (Segment 1) - NE 4th to NE 8th Street	3,020	6,080	6,080	9,100	Funds full cost @ 60% design
120th Avenue NE Improvements (Segments 2 & 3) - NE 8th to Northup Way	690	2,530	2,530	3,220	Funds 100% design only
NE 6th Street Extension	420	580	580	1,000	Funds pre-design only
NE 15th Street Multi-Modal Corridor (Segment 1)/116th Avenue at NE 12th Street to 124th Avenue NE	760	6,050	32,350	33,110	Funds final design and ROW
124th Avenue NE - Proposed NE 15th/16th Street Extension to Northup Way	-	1,000	1,800	1,800	Funds 60% design
Traffic Computer System Upgrade	-	450	2,450	2,450	Phased implementation
Safeway/Mid-Mountain Acquisition	4,600	-	-	4,600	Non-Utility portion
Total	\$11,972	\$47,608	\$81,708	\$93,680	
LTGO Debt Service	-	1,800	6,300	6,300	\$900K/yr beginning in 2011
Public Works Trust Fund Loan Debt Service	-	-	1,300	1,300	\$260K/yr beginning in 2013
Total	\$11,972	\$49,408	\$89,308	\$101,280	

M&I Resources in 2011-2017 CIP Plan	(\$ in thousands)			
	Pre-2011	2011-2012	Total 2011-2017	Total Funding thru 2017
Grants	\$0	\$5,700	\$8,200	\$8,200
Incentive Zoning	800	-	-	800
LID Funding	-	6,000	6,000	6,000
Impact Fees	-	2,500	29,800	29,800
LTGO Bonds (2009 3% property tax levy)	2,000	10,000	10,000	12,000
Supplemental CIP	7,400	-	-	7,400
Sales Tax B4 LTGO Debt Issued	1,700	-	-	1,700
Sales Tax for LTGO Debt Service	-	1,800	6,300	6,300
PWTF Loan	-	6,500	10,000	10,000
Local Revitalization Funding	-	7,000	7,000	7,000
Total	\$11,900	\$39,500	\$77,300	\$89,200

Note: The recommended resources include LID funding which still needs to be approved by Council. If the LID is not implemented, then the project list will need to be reduced by \$6 million.



ATTACHMENT D

Council Budget Workshop
August 4, 2010

Mobility & Infrastructure Initiative (M&I)**Policy Issues and Financial Impacts**

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. The revenues were updated to reflect these changes.

The following table illustrates the impact of the reduction in revenue estimates from the original endorsed plan of \$299 million to an estimated amount of \$251 million, assuming Council increases the property tax by 3% annual over the next 8 years. If no future property taxes are levied (all other things being equal), the impact is a reduction in overall resources of approximately an additional \$80 million. In these scenarios, there is clearly a significant gap between resources and expenditures that were originally contemplated as part of the Mobility & Infrastructure Initiative.

Resources (\$M)	Endorsed Plan (Jan 2009)	Council Retreat (Jan 2010)	Council Workshop (Apr 2010)	Scenario:	Scenario:
				8 Addtl' Property Tax Increases	No Addtl' Property Tax Increases
Baseline Revenues:					
New Bel-Red Taxes	\$10	\$10	\$10	\$10	\$10
ROW Dedication	19	-	-	-	-
Storm Drainage Fees	10	10	10	-	-
Incentive Zoning	22	8	8	8	8
Grants	12	33	33	33	33
Impact Fees	65	40	40	30	30
Local Improvement District	56	56	56	56	56
Property Tax supported bonds	105	95	95	95	12
Supplemental CIP	-	-	7	7	7
Public Works Trust Fund Loan	-	-	-	5	5
Local Revitalization Funding	-	-	7	7	7
Total Resources	\$299	\$252	\$266	\$251	\$168

Note: Storm drainage fees were transferred to the Utilities Fund.

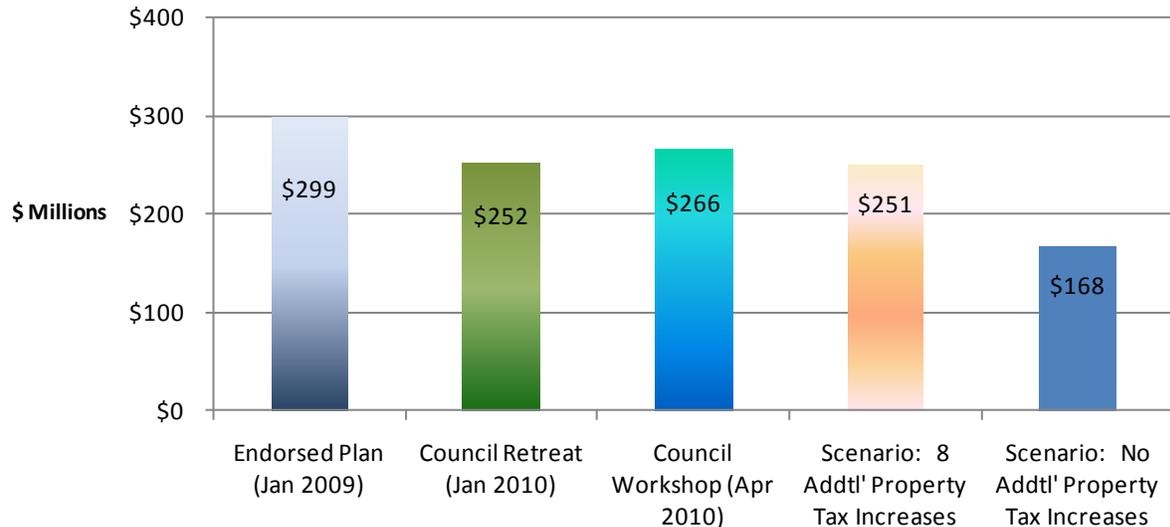


ATTACHMENT D

Council Budget Workshop
August 4, 2010

Mobility & Infrastructure Initiative (M&I)

The following displays the same information graphically.

2011-2017 CIP Plan Budget Assumptions

Not knowing the Council's conclusions about future annual property tax increases that was originally anticipated in the Finance Plan, staff has not shown any additional property tax revenues in the 2011-2017 CIP revenue projection, other than the 2009 increase which supports \$12 million in LTGO Bonds.

If Council chooses to make these annual 3% property tax increases over the next seven years (2011 through 2017), an additional \$70 million in LTGO Bonds could be included in the 2011-2017 CIP.



ATTACHMENT E

Council Budget Workshop
August 4, 2010
Parks Levy

Background: In November 2008, voters approved a property tax levy to enhance and maintain Bellevue's Parks and Open Space System. The capital portion of the levy provides \$40.5M over a twenty year period to fund capital improvements included in the election ordinance. Development projects approved by the levy are only feasible with additional capital funding, including City CIP matching funds (\$28.5M), external leveraging (\$14M), and previously approved Parks CIP projects such as the Bellevue Challenge Grant (P-AD-69). The maintenance portion of the levy provides \$660,000 in ongoing funding and does not have a time limitation. The package of investments focus on the following:

- Protect water quality in Bellevue's lakes and streams and preserve natural areas throughout the city;
- Enhance existing parks such as Bellevue Downtown Park, Surrey Downs, Crossroads Community Parks and Bellevue Botanical Garden;
- Invest in sportsfields, trails, community parks, and neighborhood parks; and
- Maintain improvements consistent with Bellevue Parks' standards.

2011-2017 CIP Plan Recommendation: Recognizing the financial constraints in the CIP, staff will continue to focus on park development projects that can be completed within available levy proceeds and limiting the use of City matching funds. For example, while the full \$28.5M CIP match was appropriated in the 2009-2015 budget, synthetic sportfield improvements at Wilburton and Newport Hills are levy funded projects that do not require a City match.

The following table summarizes the recommended \$40.5M Parks Levy program for the 2011-2017 CIP, of which \$26.5M is funded by Park Levy proceeds. The City's CIP match is focused primarily on Parks and Open Space Acquisition and the two Challenge Grant projects (Youth Theater and Botanical Garden.)

	(\$ in thousands)				Funding Scope
	Total	Total	Funding Sources		
	2011-2012	2011-2017	Levy	City \$	
Parks and Open Space Acquisition	\$4,000	\$7,000	\$0	\$7,000	Acquisitions
Bellevue Airfield Park Development	700	1,500	1,500		Planning/Design Only
Surrey Downs Park Development	1,000	7,000	7,000		Completes levy commitment
Lewis Creek Park Picnic Area Development	2,000	2,000	2,000		Phased development
Downtown Park Development	-	5,000	5,000		Phased development
Bellevue Botanical Garden Development	4,500	5,500	2,000	3,500	Phased development
New Youth Theater in Cross Roads Park	-	5,500	2,000	3,500	Completes levy commitment
Neighborhood Park Development - Bridle Trails and Lake Sammamish	500	5,000	5,000		Completes levy commitment
Nature Trail Expansion	2,000	2,000	2,000		Completes levy commitment
	\$14,700	\$40,500	\$26,500	\$14,000	



ATTACHMENT E

Council Budget Workshop
August 4, 2010
Parks Levy

Parks Levy Development By Time Period:

- 2011-2012: Parks and Open Space Acquisitions, Lewis Creek Picnic Area, Bellevue Botanical Garden, Trail Development
- 2013-2017: Neighborhood Park Development, New Bellevue Youth Theatre, Surrey Downs Park, Downtown Park (Complete the Circle), Parks and Open Space Acquisitions
- Beyond 2017: Bellevue Airfield Park, Downtown Park, Bellevue Botanical Garden Visitor Center, Parks and Open Space Acquisitions

ATTACHMENT F
Bellevue's Neighborhood Strategy
as it relates to the proposed New Neighborhood Enhancement
and Neighborhood Partnerships Programs

The central idea of Bellevue's neighborhood strategy is to address *both* the daily, routine needs of neighborhoods *and* the long-range goals of the City to maintain quality neighborhoods and involved citizens. As implemented by Neighborhood Outreach, this strategy focuses on:

- (1) **providing a consistent, ongoing level of service** (neighborhood organizing, problem solving, regular communication through e-newsletters, e-alerts and websites, educational programs and materials, special events, liaison work, etc.);
- (2) **coordinating public outreach for department and citywide initiatives** (recent examples include Neighborhood Character code changes to address redevelopment concerns, and the tree preservation overlay proposed by Enatai neighbors);
- (3) **managing neighborhood-focused programs and projects** that address specific community needs and priorities. (NEP, NIS, Mini City Hall, Neighborhood Match, etc.);
- (4) **developing partnerships and projects** that enhance neighborhood health and vitality, maintain high standards for neighborhood appearance, and encourage reinvestment.

The ultimate outcome of this strategy is a safe, attractive and livable community with informed and involved residents who have strong connections to one another and to the city, and who actively contribute to the quality of their neighborhoods.

Recent assessment of programs

Modification and updating of Neighborhood Outreach programs was discussed prior to Budget One, as a result of two extensive evaluations. In summer of 2009, the Outreach staff completed an internal evaluation of programs – including an analysis of strengths and weaknesses – and proposed some changes, including a major reconstruction of NEP. In fall of 2009, Outreach coordinated a second evaluation process to gain an interdepartmental perspective on the effectiveness of citywide neighborhood programs. Meeting several times, staff from Parks, Transportation, Police, Fire, Utilities, PCD and Finance came up with their own assessment of neighborhood programs. The group concluded that coordination between departments is effective and ongoing and there would be no benefit in consolidation of the separate and distinct functions of various work groups that deal with neighborhood issues. The group was strongly supportive of interdepartmental efforts conducted through such programs as NEP.

Major changes for NEP

The Neighborhood Enhancement Program (NEP) was developed in the 1980s, at a time when the new, growing Downtown was receiving a great deal of City attention and neighborhoods began seeking acknowledgement of their voice, their needs, and their aspirations. The City responded with NEP – a tool not only for sharing the City's resources among neighborhoods, but also for engaging neighborhoods in identifying and prioritizing local improvements.

A significant revision of NEP is being proposed for 2011-12. Although the program retains the NEP name, it actually embraces aspects of the Neighborhood Character and Neighborhood

Investment Strategy work, requiring less city resource, but focusing that resource strategically on neighborhood areas of greatest need. (Recent criticism of the old NEP program has centered on the lack of justification for building small “enhancements” in this era of fiscal constraint. The New NEP, though far less dependent on the CIP, actually increases the resource available for neighborhoods that truly need it. Neighborhoods will have the opportunity not just for building social capacity, but also for building a much higher-impact capital project, no longer encumbered by a \$150k project limit. The new NEP makes possible a much more substantial project, up to \$500k or \$1M – depending on which proposal is accepted.)

PCD’s new NEP combines the best aspects of two nationally recognized Outreach programs – the existing NEP and the Neighborhood Investment Strategy of the early 2000s. Like NIS-1, the emphasis is on providing neighborhoods with a powerful opportunity for citizen involvement, community-building and self-determination. In its ability to field, analyze and address citizen concerns, the new NEP also operates as:

- A source of information about emerging issues and needs;
- A way to infuse citizen ideas, skills, talents and energies into community solutions;
- An opportunity for focused, interdepartmental collaboration to resolve specific problems;
- A way to address some of the “neighborhood character” issues raised by many neighborhoods today.

Types of projects that could emerge from the New NEP are as varied as the neighborhoods themselves.

- For one neighborhood, a declining retail area would be the clear priority; projects could include a visioning process for the area, a market study, a charrette to develop creative approaches to retail space, or a revision of zoning to accommodate desired neighborhood services.
- For some older neighborhoods, rehabilitation of deteriorating infrastructure would be a high priority concern. A project could inventory and prioritize needed repairs, investigate various funding options, and either implement or plan ahead for improvements using NEP, Match funding, and other sources, including community fund-raising.
- For a neighborhood like Lake Hills in 2003, the theme for improvements could be the desire to establish a visible identity. Projects could include identity treatments or the upgrade of a signature street – as in Lake Hills.
- Projects could include non-physical improvements, such as the research and outreach project that led to Neighborhood Character code amendments addressing West and Northwest Bellevue concerns about redevelopment and infill.

The key to the value of New NEP is in recognizing that all neighborhoods are different. They have different needs, strengths and priorities. And some need more attention than others to address their needs and develop their strengths.

Benefits of this approach

The new NEP would focus on one neighborhood area at a time, reaping – like NIS-1 in the early 2000s – the significant and enduring benefits of engaging with neighborhoods on an intimate, grassroots level. Staff would work with groups and individuals to explore the strengths and potentials of the neighborhood, to identify and encourage community leadership, to propose catalyzing city investments, and to set in motion *community-based* efforts to build neighborhood relationships and maintain livability. This focus on targeted neighborhood needs would mean that

this program's benefits would no longer be distributed equally across neighborhoods. Carefully selected, meaningful investments would replace minor projects thinly distributed.

Outcomes of this change to a new approach would include:

- Major and visible impacts on the selected neighborhoods – those that clearly need City attention and investment in order to maintain their quality and livability;
- Consolidation and streamlining of programs and activities currently managed by Neighborhood Outreach, resulting in more efficient use of staff and budget resources;
- More focus on people, less on projects – working with citizens to build grassroots capacity for effective action;
- Less impact on the CIP and smarter use of capital funding – investing in fewer, more substantive projects that make a significant difference in neighborhood safety and livability.

Comparative program aspects: Old NEP ~ New NEP

<i>Program characteristics</i>	<i>Old NEP</i>	<i>New NEP</i>
Public engagement	Public engagement: initial mailing, project workshop, ballot	Significant grassroots engagement – SWOT, visioning, community building, focus groups, neighborhood meetings
Emphasis	Building small capital projects	Building neighborhood capacity; maintaining character, livability
Equity	A major tenet: all neighborhoods treated equally	Emphasis on targeted areas; neighborhoods get the attention they need
Timeline	Public engagement 2 months; implementation 2 yrs.	Public engagement 5-7 mo.; majority of implementation 6-18 mo.
Neighborhood processes	Per year – 4-5	Per year – 1
Project selection	By vote	By consensus
Range of capital projects	Any projects on public property that individuals identify and select by ballot	Projects that the public supports AND that meet verifiable neighborhood infrastructure needs
Funding	\$1.5 million CIP/year plus \$35k in Outreach operating budget	\$1 million (alternatively \$500k) CIP/ year; 1.0 fte in operating budget
Staffing	.8 PCD	1.0 PCD
Dept. collaboration	Moderate for public engagement; significant for project implementation (est. 1.0)	Moderate for public engagement; moderate to significant for project implementation (est. 0.3)
Benefits of both programs	<ul style="list-style-type: none"> • Residents are empowered as decision-makers • Residents focus on best interests of the community • A wealth of ideas is generated • Residents learn about city services and programs • Residents and staff work in partnership • Positive spirit of cooperation, goodwill toward city extend beyond the end of the project • Volunteering is encouraged and leadership emerges • Neighborhood relationships are developed • City mines “intelligence” about current and emerging issues and trends • Departments share information of general value, collaborate to address community issues • Controversy is minimized and positive consensus is achieved • Investments are focused on improvements that people value 	

Neighborhood Partnerships

Through Neighborhood Partnerships, PCD proposes to streamline and consolidate two current Outreach projects which are designed to engage neighborhoods in maintaining quality appearance, property values, and investment appeal.

- **Neighborhood Match** – enables neighborhoods to select, plan and build their own small improvements with City guidance and matching funds up to \$2500.
- **Neighborhood Fitness** – encompasses the range of activities and techniques Outreach uses to help neighborhoods address concerns about property maintenance and overall community appearance.

Neighborhood Match is an NEP spin-off, originally designed to address two specific needs:

(1) It provides smaller neighborhoods – who were seriously disadvantaged by the old NEP voting system – a chance to implement their ideas for beautification and other improvements; and (2) It provides neighborhoods with an annual opportunity to complete a neighborhood improvement. In addition to helping beautify neighborhoods (replacing dilapidated mailbox stands, improving entry signs, landscaping neighborhood rights of way, etc.), the Match Program brings people together in an activity that strengthens sense of community and builds shared responsibility for maintaining neighborhoods.

Neighborhood Fitness has had various incarnations – starting out as a pilot project, and reborn as an element of the two-year Neighborhood Livability Action Agenda, focusing on the upgrade of six target areas with a preponderance of property maintenance issues. Since completion of the Action Agenda, Fitness has functioned at a reduced level of activity, focusing on maintaining previous gains and responding to neighborhood requests for new clean-up, spruce-up projects.

Benefits of consolidation

The Neighborhood Partnerships proposal would consolidate Match and Fitness (NIS-2) functions into a streamlined, less costly, package that still allows the city to work in partnership with neighborhood and community groups on small local improvements. The proposal expands the mission of the Neighborhood Match Program, providing greater focus on projects that contribute to neighborhood maintenance (the central objective of the old NIS-2).

The benefits of Neighborhood Partnerships include the following:

- **Attractive, well maintained neighborhoods** – Maintaining the health and vitality of neighborhoods is a key component of Bellevue’s neighborhood strategy. To maintain neighborhood value and appeal, and to continue inspiring a high level of reinvestment, the City continues to encourage small enhancement projects and to extend a variety of “Fitness” services, including:
 - Neighborhood clean-up efforts, including community garage sales, charity pick-ups, old appliance collections and junk collections;
 - Coordinated right-of-way clean-ups and enhancements of neighborhood medians and landscape strips;
 - Volunteer mobilization to aid residents who cannot maintain their properties; and
 - Active collaboration with such community improvement efforts as those sponsored by Jubilee and Rebuilding Together.

- **Equity in the City’s overall neighborhood strategy** – With the refocusing of NEP on individual neighborhoods most in need of City interventions, it is essential to provide some balance and equity in Bellevue’s neighborhood outreach. Neighborhood Partnerships provides engagement opportunities that are available to all neighborhoods.
- **Neighborhood solidarity and security** – By working together on substantive projects, neighbors build relationships that create stronger, more cohesive communities.
- **Ongoing interest in maintenance** – Though considerable progress has been made in recent years, property maintenance and neighborhood appearance continue to be a strong concern of Bellevue residents, according to call records. Neighborhood vigilance and cooperation is essential to sustaining gains in standards for property maintenance.
- **Sense of responsibility** – Match projects require neighborhood initiative, hands-on participation, and ongoing responsibility for project maintenance. This notion of neighborhood responsibility needs to be infused into Fitness efforts, which too often have been abandoned to staff. By bringing Fitness projects under the Match umbrella, neighborhoods will have to assume at least 50 percent responsibility for clean-up projects.
- **Cost savings** – The efficiencies of consolidation will save the City \$164k/year (\$100k instead of the current annual CIP allocation of \$264k.)

**Comparative program aspects:
Old Match & Fitness (NIS-2) vs. Neighborhood Partnerships**

<i>Program characteristics</i>	<i>Match & Fitness</i>	<i>Neighborhood Partnerships</i>
Public involvement	Match: Equal City/neighborhood partnerships Fitness: Involvement varies; neighborhood match not required	Neighborhood role equal to at least 50% of project effort – for all projects
Emphasis	Match: Small capital projects Fitness: Property maintenance	Neighborhood initiative and responsibility; cohesive communities
Equity	Equally available to all neighborhoods, with preference given to older neighborhoods	Equally available to all neighborhoods
Timeline	Projects funded, completed in same year	Projects funded, completed in same year
Neighborhood processes	16-20 per year	20-24/year
Project selection	Application process	Application process
Range of eligible projects	Physical improvements on public property, approved by all adjacent neighbors	Fitness (maintenance/community-building projects) and physical projects on public property, approved by all adjacent neighbors
Project funding available	City matching grants up to \$2500 maximum (average grant is less than \$1000)	Matching grants up to \$2500
Program funding	\$264k/year for Fitness (NIS-2) plus \$50k for Match (NEP-1)	\$100k/year
Staffing	1.0 PCD	1.0 PCD
Dept. collaboration	Significant commitment from Parks (Match project management) Collaborators: Code Compliance, Utilities Peripherally involved: Police, Transp.	Significant commitment from Parks (Match project management) Collaborators: Code Compliance, Utilities Peripherally involved: Police, Transp.

Benefits of both programs	<ul style="list-style-type: none">• Bolsters citizen initiative and responsibility• Neighborhoods empowered to pursue their own ideas for community improvement• Strengthens neighborhood relationships, sense of community• Helps maintain quality neighborhood appearance• Residents and staff work in partnership• Positive spirit of cooperation, goodwill toward city extend beyond the end of the project• Volunteering is encouraged and leadership emerges• Departments collaborate to address community needs and concerns• Projects are based on community consensus and cooperation
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ATTACHMENT G

Council Budget Workshop August 4, 2010 **CIP M&O**

Introduction:

As part of the ongoing policy discussions which began in January 2010, staff has provided information regarding the CIP and CIP M&O and responded to various Council questions regarding:

- The split of sales tax revenues between the operating and capital budgets;
- The types of expenditures charged to the CIP;
- Funding for M&O costs related to CIP projects;
- Potential transitioning of M&O costs to operating revenues; and
- The breakdown of M&O for the 2009-2015 CIP by department and major program area.

In addition, staff provided a complete listing of M&O expenses by project and year from 1994 through 2010. Copies of the April and June materials are included as Attachment G-1 and G-2 to this document.

As part of our ongoing analysis, staff looked at possible transitioning of M&O expenses from CIP revenue to operating revenue which adhere to the policy of maintaining what we build before making new investments and which do not impose an additional burden on the City's General Fund which currently has a \$20 million gap for the biennium. Both proposals analyzed in this document would essentially "grandfather in" existing M&O to ensure that the current investments are maintained given the current policy.



ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

Current Policy:

- *Preserve existing capital infrastructure before building new facilities.*

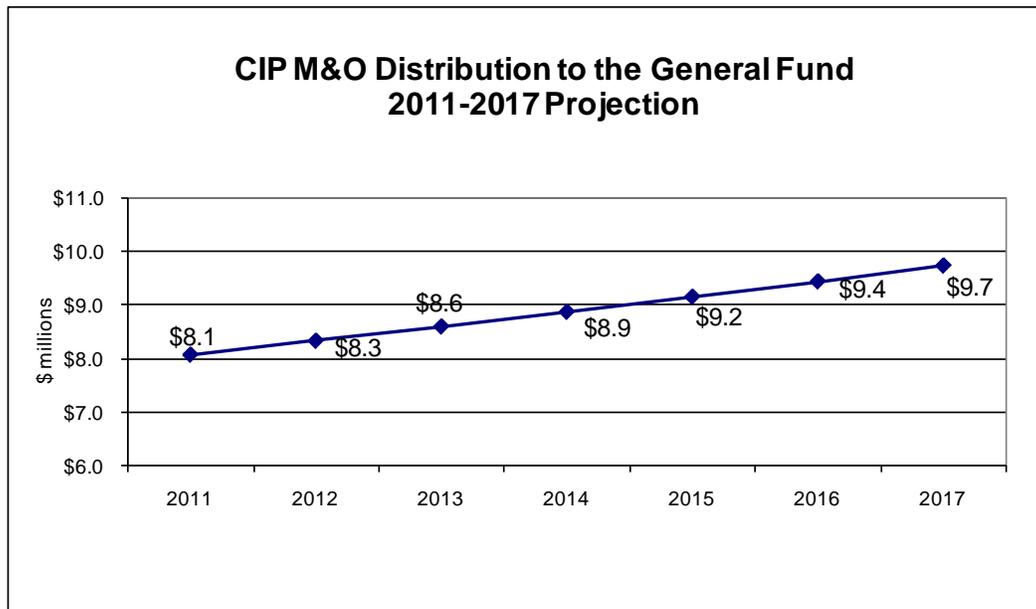
Guiding Principles:

1. Preserve existing capital infrastructure before building new facilities.
2. Priority to new facilities with minimal ongoing maintenance costs.
3. M&O expenditures should compete with other operating expenditures.
4. Clearly define what is capital and what is operating.

Background:

The City's current policy is intended to ensure that the City can operate and maintain what it builds in order to preserve its infrastructure. Using Budget One, all M&O costs (which are included in the operating budget) have been carefully evaluated and ranked, regardless of the funding source.

The CIP M&O distribution for 2010 totals \$7.8 million and, under the current practice, grows over time, as illustrated below. However, as a percentage of the total General CIP, the M&O remains at a fairly constant percentage, as shown in later charts below.



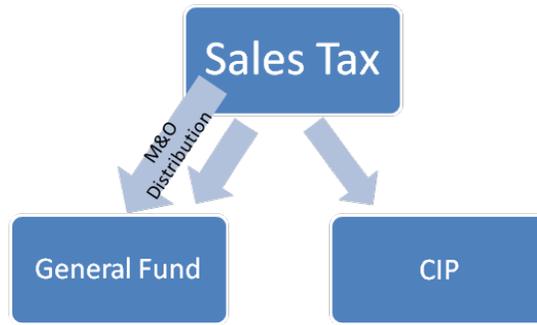
Funding for M&O expenses has been supported by CIP sales tax since the early 1980s. Over the years, M&O costs have grown as new projects have been added and inflation adjustments have been made for previously completed projects, using dollars that would have otherwise been available for capital investments.



ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

Sales tax that supports M&O expenses is distributed to the General Fund where the expenditures reside. The sales tax is distributed as shown in the following graphic.



Options:

Staff outlined some of the options for funding the CIP M&O at the April 26 Council Workshop, as shown below.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Current Practice</u>	\$7.5	\$7.8	\$8.1	\$8.3	\$8.6	\$8.9	\$9.2	\$9.4	\$9.7	\$10.0	\$10.4	\$10.7
<i>This table illustrates the impact on the operating budget of shifting the M&O costs to the General Fund.</i>												
<u>Option 1: Grandfathering</u>			-\$0.3	-\$0.5	-\$0.8	-\$1.1	-\$1.3	-\$1.6	-\$1.9	-\$2.2	-\$2.5	-\$2.9
No further funding of M&O by CIP, future M&O costs compete with other operating expenditures.												
<u>Option 2: Transition over time</u>												
A.) Immediate transition			-\$8.1	-\$8.3	-\$8.6	-\$8.9	-\$9.2	-\$9.4	-\$9.7	-\$10.0	-\$10.4	-\$10.7
B.) 5-year transition			-\$1.8	-\$3.7	-\$5.5	-\$7.3	-\$9.2	-\$9.4	-\$9.7	-\$10.0	-\$10.4	-\$10.7
C.) 7-year transition			-\$1.4	-\$2.8	-\$4.2	-\$5.6	-\$7.0	-\$8.3	-\$9.7	-\$10.0	-\$10.4	-\$10.7
D.) 10-year transition			-\$1.1	-\$2.1	-\$3.2	-\$4.3	-\$5.3	-\$6.4	-\$7.5	-\$8.5	-\$9.6	-\$10.7

Given the current financial constraint on the General Fund and the importance of maintaining what we build, staff looked at the current practice, as well as two models for “freezing” M&O at its current level (by percentage split and dollar value) and forcing future M&O to compete with other operating expenditures for operating revenues. All three scenarios are illustrated below.

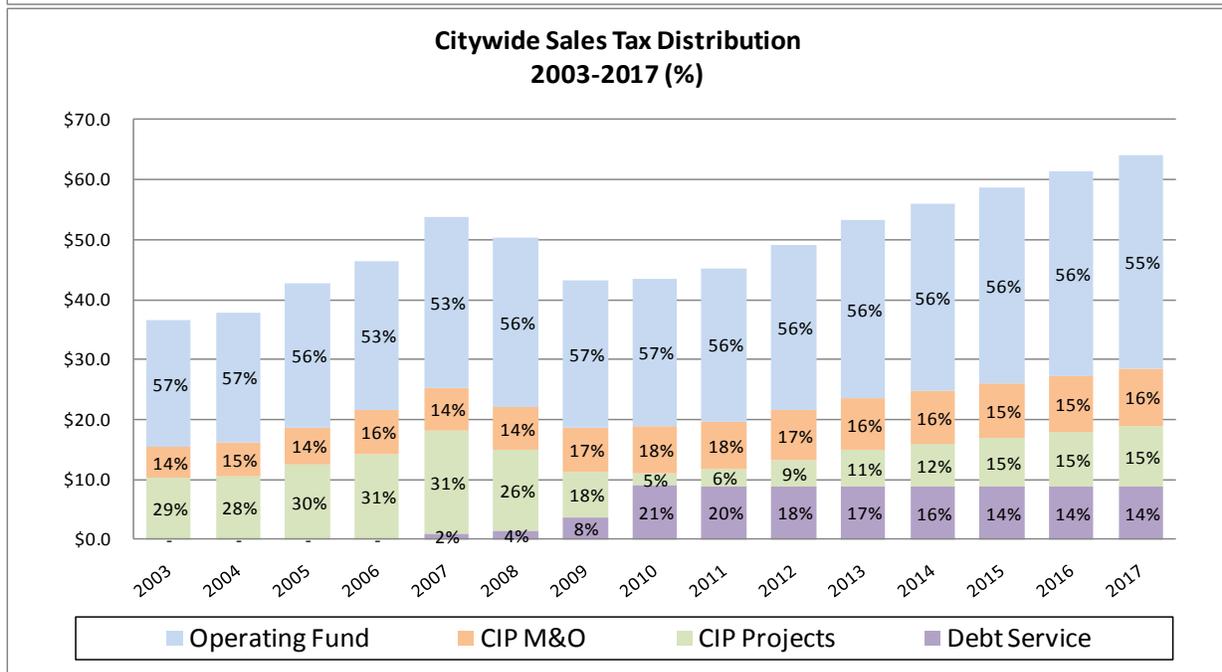
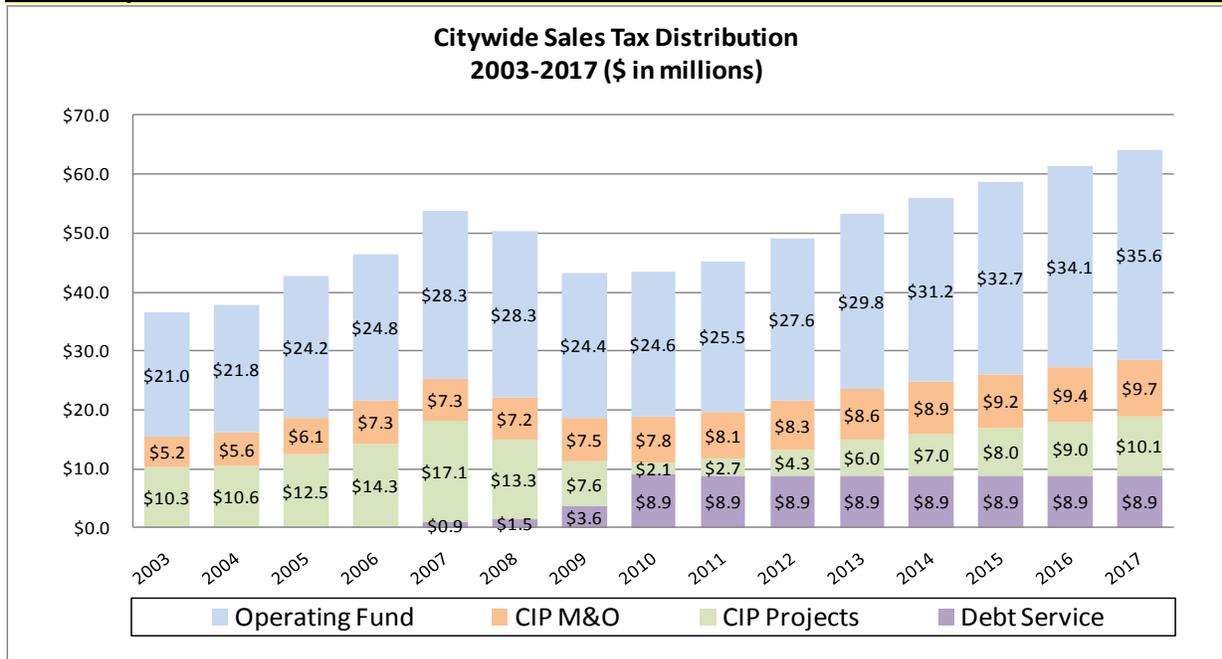


ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

The following illustrations show the impact of the **current practice** in both dollars and percentages.

	2010	2011	2012	2013	2014	2015	2016	2017
Operating	75%	74%	73%	72%	72%	71%	71%	71%
CIP	25%	26%	27%	28%	28%	29%	29%	29%



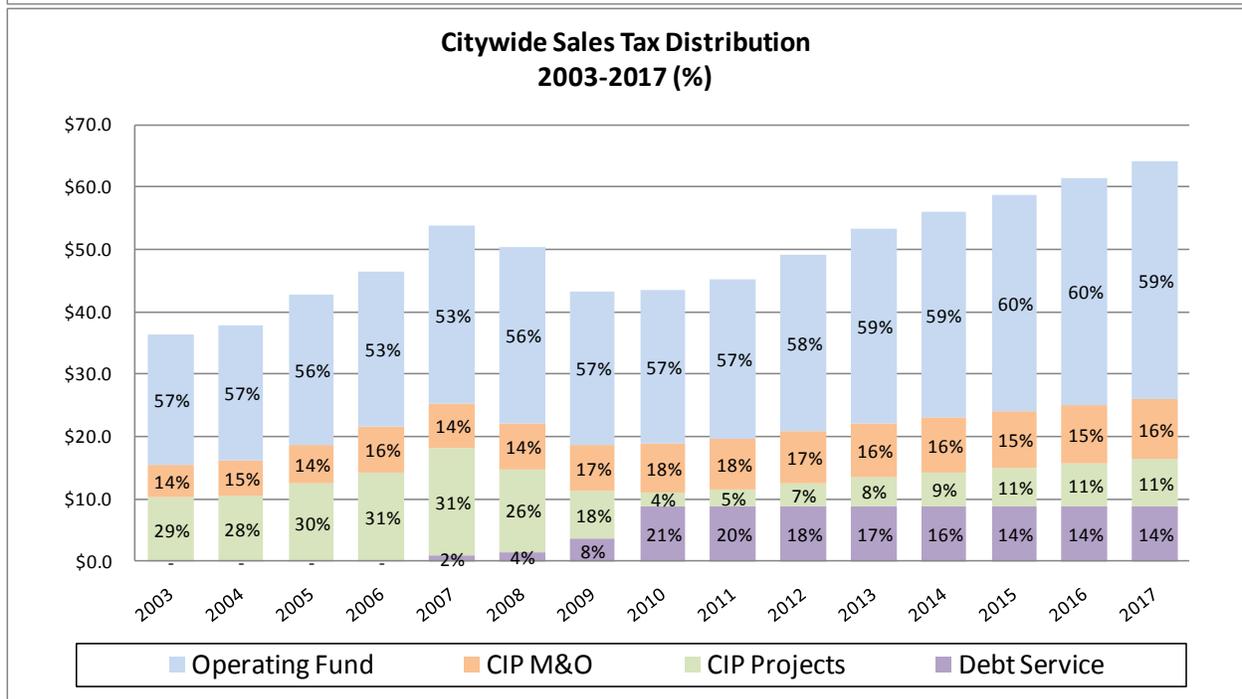
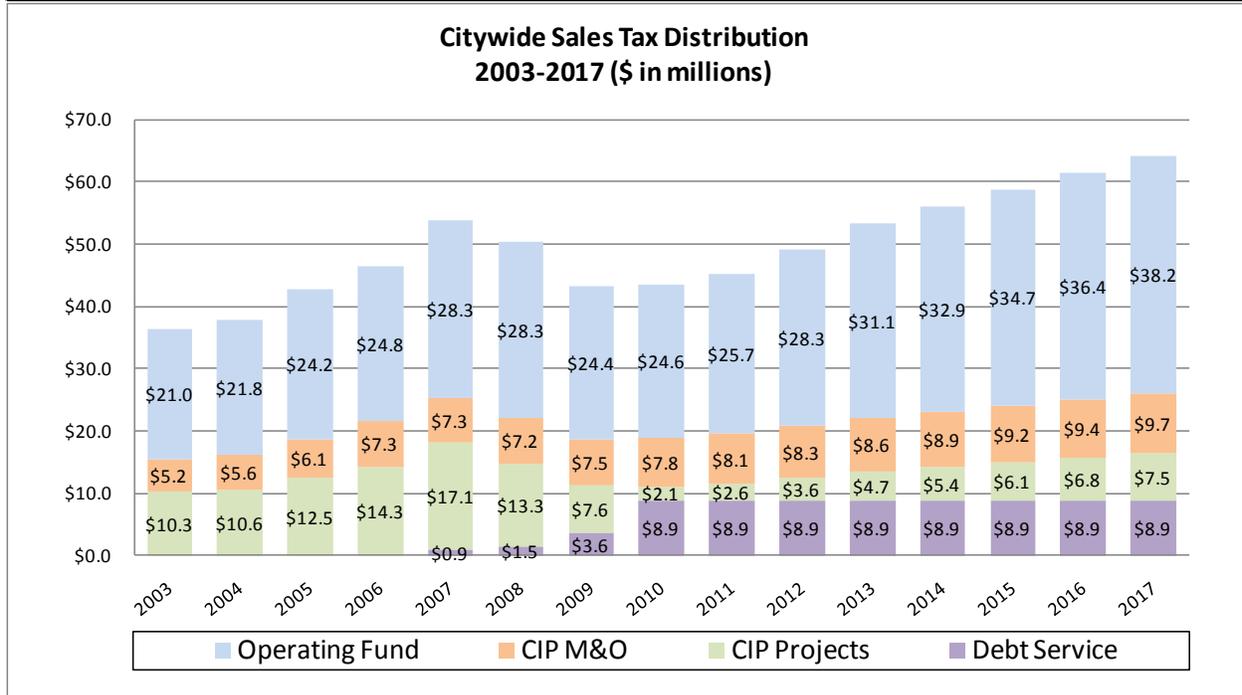


ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

The next illustrations show the impact of holding the **current split at 75%/25%** for operating and capital in both dollars and percentages.

	2010	2011	2012	2013	2014	2015	2016	2017
Operating	75%	75%	75%	75%	75%	75%	75%	75%
CIP	25%	25%	25%	25%	25%	25%	25%	25%



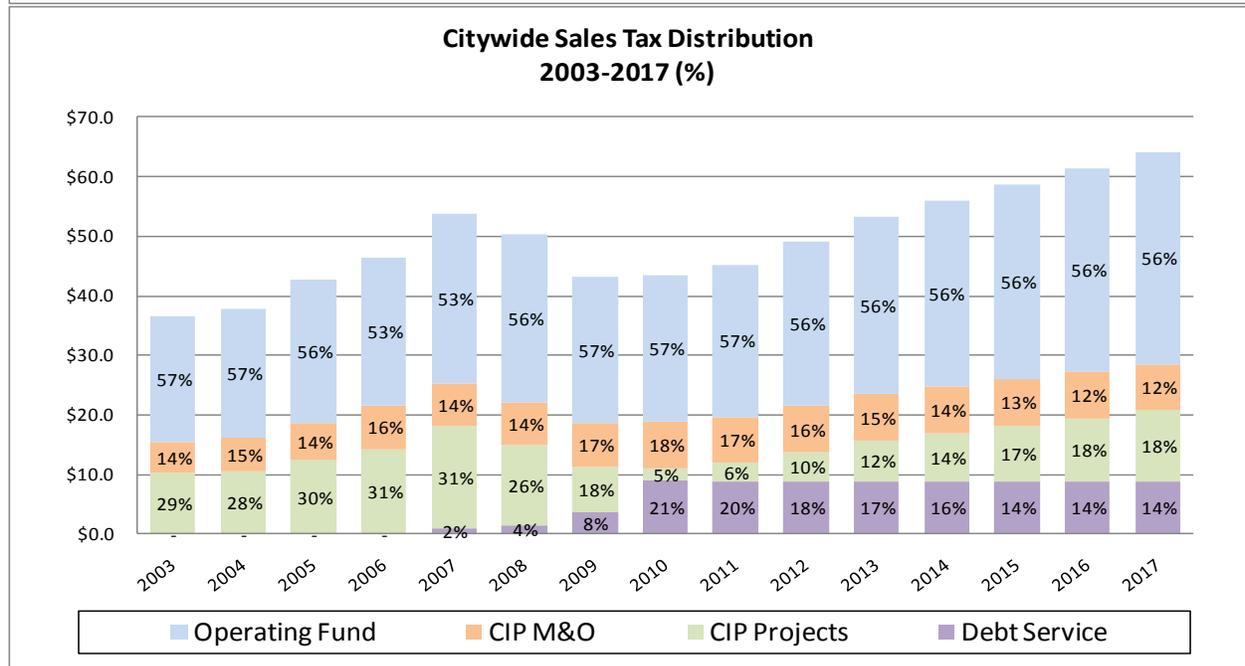
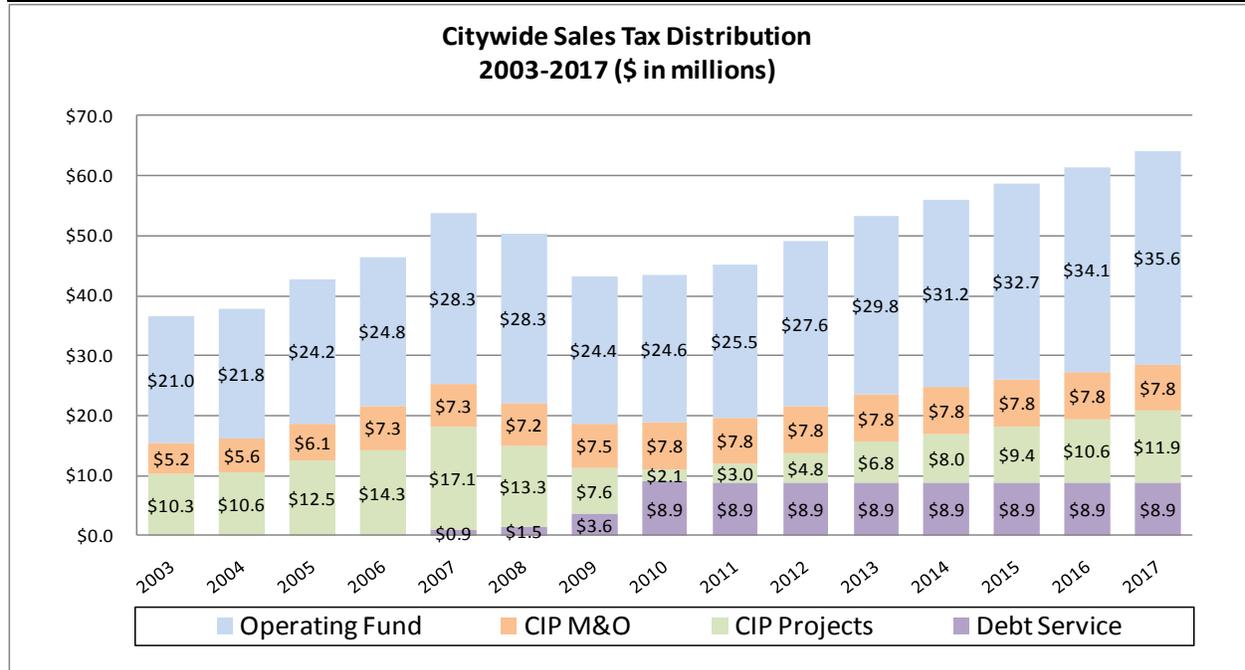


ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

The next illustrations show the impact of holding the **current dollar value of \$7.8 million** per year constant over time for M&O for operating in both dollars and percentages.

	2010	2011	2012	2013	2014	2015	2016	2017
Operating	75%	74%	72%	71%	70%	69%	68%	68%
CIP	25%	26%	28%	29%	30%	31%	32%	32%





ATTACHMENT G

Council Budget Workshop
August 4, 2010
CIP M&O

The following table identifies some of the pros and cons of each of these approaches.

Approach	Pros	Cons
Current practice	<ul style="list-style-type: none"> • Ensures funding source for maintaining what we build per the policy • Percentage and dollars of sales tax available to fund capital projects increases over time • M&O competes with other operational expenditures 	<ul style="list-style-type: none"> • Limits CIP revenue available for capital investments
Freeze current percentage split	<ul style="list-style-type: none"> • M&O competes with other operational expenditures 	<ul style="list-style-type: none"> • Provides fewer dollars for capital investments than current practice • May encourage future M&O not to be funded
Freeze current \$7.8 million per year	<ul style="list-style-type: none"> • M&O competes with other operational expenditures • Provides more dollars for capital than current practice 	<ul style="list-style-type: none"> • May encourage future M&O not to be funded • Forces General Fund to make other cuts to accommodate M&O expenses for future capital investments and inflationary adjustments

In summary, there are pros and cons associated with each of these alternatives. A recommendation will be brought forward with the Preliminary Budget.



ATTACHMENT G-1

Council Budget Workshop
April 26, 2010
CIP**Policy Issues:**

1. What is the optimal split of tax revenues between the operating and capital budgets?
2. What are appropriate types of expenditures to be charged to the CIP?
3. Should ongoing maintenance costs related to capital projects continue to be funded from a portion of the sales tax dedicated to the CIP or should it come from another source?

Current Policy:

- *With few minor exceptions, CIP projects are based upon formal long-range plans adopted by the Council to ensure alignment with Council's direction.*
- *CIP projects should reflect all costs that can be clearly shown to be necessary and applicable to complete the project*
- *Preserve existing capital infrastructure before building new facilities.*

Existing Guiding Principles:

1. Maintain what we build and buy.
2. Public investments should be made strategically in order to leverage them for the greatest public good.
3. Public investments should seek a balance, over time, between maintaining our existing infrastructure and meeting the demands of growth and development.



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Policy Issue #1

What is the optimal split of tax revenues between the operating and capital budgets?

Background:

Balancing the combination of spending across operating and capital budgets allows the City to better deliver the Outcomes that the Community wants.

Capital budgets allow the City to acquire, build and replace assets that will benefit the City and support services and programs over a long period of time. Operating budgets provide services and deliver current programs. The appropriate split between operating and capital is different for each City and is influenced by its goals, revenue mix, and general financial condition.

Source	Percent to Operating	Percent to Capital
Sales Tax	74%	26%
B&O Tax	74%	26%
Real Estate Excise Tax	0%	100%
Property Tax	91%	9%
Utility Tax	100%	0%

Having funding available from these tax sources has allowed the City to make significant capital investments over the years.

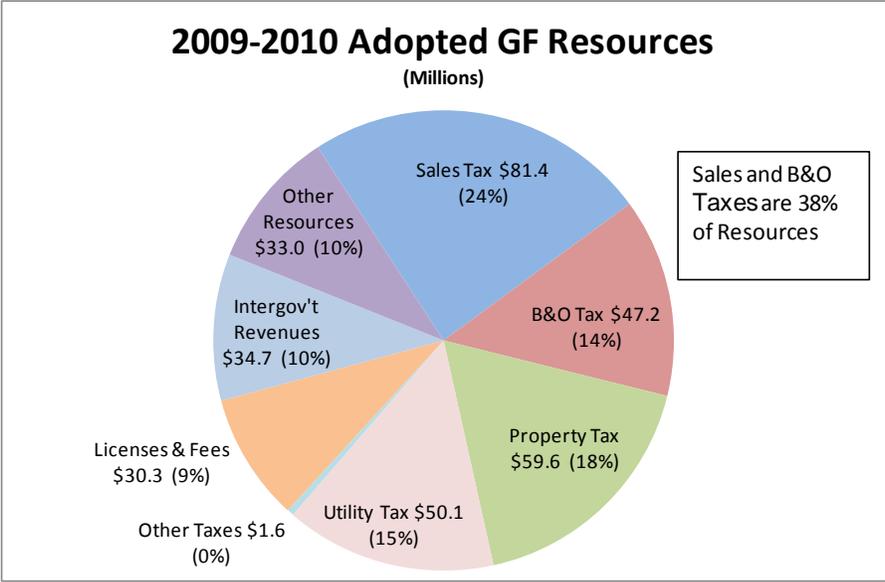
The following table and charts show the current split of revenues between the City's Operating and CIP Budgets. Information on how other cities fund their capital budgets is provided later in the section.



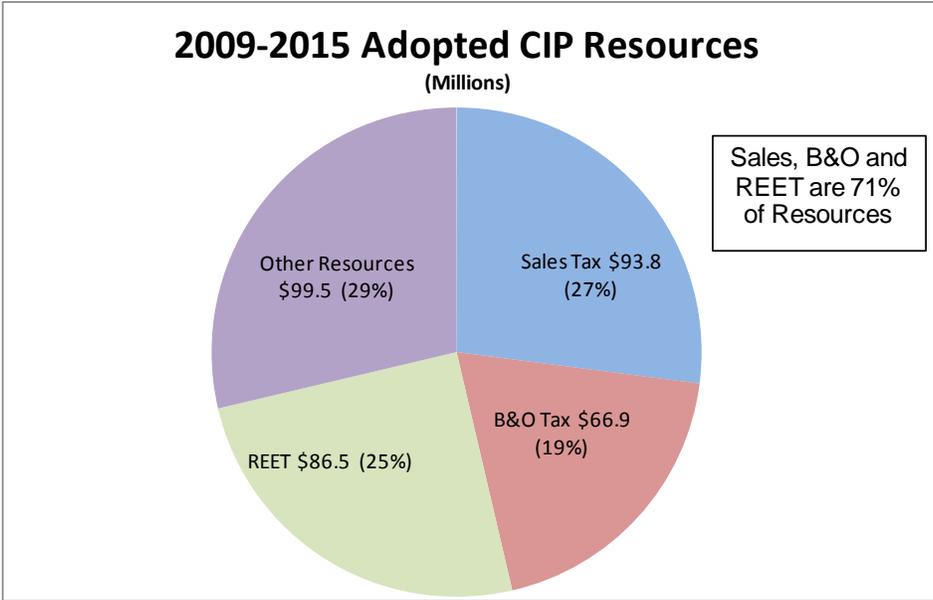
ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

The following chart illustrates the funding sources for the City's General Fund (GF).



The current policy split of revenue has served Bellevue well, as is evidenced by fewer operating impacts than have been experienced by other local jurisdictions during this recession, and the City's ability to make significant strategic investments in capital projects during times of economic growth. The following chart shows resources currently allocated to the CIP.





ATTACHMENT G-1

Council Budget Workshop
April 26, 2010
CIP

The next table and chart, repeated from the revenue section, illustrate that the majority of CIP funding is currently economically sensitive and benefits from the use of “one-time” funding. When combined with a “pay-as-you-go” policy for funding capital investments, this naturally constrains CIP investments during times of economic downturn. For the General CIP, one-time funding is increased during economic booms, creating additional capacity for capital investments with long-term benefits. Because the City’s General Fund is partially supported by property tax (18%), greater predictability and stability are provided to the operating budget (programs and services) during times of economic downturn.

General CIP – Sources of Revenue

Source	Percent of Total Revenue	Stable or Economically Sensitive
Sales Tax	27%	Economically sensitive
B&O Tax	19%	Economically sensitive
Real Estate Excise Tax	25%	Economically sensitive
Grants & other	29%	Stable, when available, but uncertain in initial planning stages for projects

There is no set formula or “Best Practice” for determining how a City should allocate revenue between operating and capital needs. Following is information on how other local cities fund their capital budgets, as well as their treatment of studies and M&O in relation to their capital budget.

Capital Funding – Comparison to Other Cities

CITY:	Bellevue	Sammamish	Kirkland	Redmond	Renton
Labor and Personnel Costs	Yes	No	Yes	Yes	Yes
Major Funding Sources	Sales tax, b&o tax, REET, impact fees, gas tax, grants, Intergovernmental, transfer from other funds	Grants, REET, impact fees, intergovernmental, transfers from other funds	Sales tax, REET, impact fees, gas tax, intergovernmental, transfers from other funds	Business tax, REET, impact fees, gas tax, grants, intergovernmental, transfer from other funds	Business license fees, REET, impact mitigation fees, gas tax, grants, intergovernmental, transfers from other funds
Planning Projects in CIP	Yes	No	No	Yes, very limited	Yes
Ongoing M&O supported by CIP	Yes	No	No	No	Not Available



ATTACHMENT G-1

Council Budget Workshop
April 26, 2010
CIP

Bellevue's current approach has been sound and has served us well. In these challenging times, it is appropriate to consider adjustments to our current approach while being cautious and thoughtful in implementing those adjustments. The Budget One process will provide Council with an opportunity to carefully evaluate the impacts of adjusting the split between operating and capital budgets in the context of all proposals for funding. In July, Council will be able to clearly see those operating and capital projects that will or will not get funded using the "normal" allocation method, and can evaluate the benefit of funding capital investments against operating proposals in order to best achieve the City's priorities.

Options:

The City can either continue the historic allocation method or change the allocation.

Recommendation:

Maintain current practice until early review of total operating and capital budget proposals by Council is completed.



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Policy Issue #2

What are the appropriate types of expenditures to be charged to the CIP?

Background:

The CIP Plan generally includes all major capital projects. CIP projects should reflect all costs that can be clearly shown to be necessary and applicable to the project being built or program being conducted. These costs generally include costs for all phases of a project (i.e., design, right-of-way, and construction). They include City staff charges for time spent actually working on those projects: for example, project management, design, review, inspection, survey, and real property services. Planning studies represent another type of cost that have sometimes been included in the CIP Plan. Two areas for which Council has indicated an interest in considering policy changes include:

- the use of CIP funding sources to support ongoing M&O associated with CIP projects, and
- the funding of planning studies that may result in future CIP projects that construct infrastructure and/or facilities.

The funding of ongoing M&O is discussed in Policy Issue #3. We will focus this discussion on the use of the CIP to fund planning studies.

The 2009-2015 General CIP includes approximately \$5 million in funding for planning studies. Planning studies often determine the feasibility of future CIP projects and/or support the preliminary design of future CIP projects. Because of that connection to the construction phase, these studies were funded through the CIP. The CIP includes one-time discrete planning projects and ongoing planning projects.

Council asked us to identify studies charged to the CIP.





ATTACHMENT G-1
 Council Budget Workshop
 April 26, 2010
CIP

The following table provides a list of planning study projects included in the 2009-2015 General CIP Plan.

Studies Charged to the CIP

CIP Plan No:	Project Name	2009-2015 Amount (\$ thousands)
<u>Discrete Projects</u>		
PW-R-130	High Capacity Transit Study	\$143
PW-R-149	Eastlink Analysis and Development	1,070
P-AD-27	Planning/Design for Existing/Future Parks (Meydenbauer Bay Park Master Plan)	1,000
P-AD-80	Green Infrastructure Master Plan	150
G-76	Electric Service Reliability Study	350
CD-21	Eastgate Subarea Plan	285
	Subtotal Discrete Projects	<u>\$2,998</u>
<u>Ongoing Programs</u>		
PW-R-44	Transportation Planning Studies	\$728
P-AD-27	Planning/Design for Existing/Future Parks	718
PS-19	Public Safety Facility Studies	104
CD-2	Community Development Planning	900
	Subtotal Ongoing Programs	<u>\$2,450</u>
	Total	<u>\$5,448</u>

Options:

Council can maintain the current practice of funding studies in the CIP, choose to exclude all planning studies, or choose a hybrid approach based on particular principles or criteria.

Recommendation:

Maintain current practice until early review of total operating and capital budget proposals by Council is completed.



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

CIP Policy Issue # 3

Should ongoing maintenance costs related to capital projects continue to be funded from a portion of the sales tax dedicated to the CIP or should it come from another source?

Background:

The City's current policy is intended to ensure that the City can operate and maintain what it builds in order to preserve its infrastructure. One change, or enhancement, under Budget One is that all M&O costs will be carefully evaluated and ranked, regardless of their funding source.

Ongoing M&O costs related to capital projects are budgeted in the General Fund and are funded with a portion of sales tax revenue originally earmarked for the CIP. This funding is referred to as "CIP M&O sales tax distribution".

The CIP M&O distribution for 2010 totals \$7.8 million. This amount is approximately \$2.0 million less than in previous years because of the offset of property tax resulting from the two 2% and one 3% property tax increases approved by Council for the Supplemental CIP and Mobility & Infrastructure Initiative. This offset occurred because of the statutory limitations prohibiting the use of banked capacity for capital projects.

Council asked us to provide more detail regarding costs that comprise M&O.



The following table includes the 2010 M&O amounts by department.

Department	2010 Amount (\$ millions)	% of Total
Parks	\$6.1	63%
Transportation	1.6	16%
Police and Fire	1.0	10%
ITD	0.7	7%
Facilities	0.4	4%
Total CIP M&O	\$9.8	100%
Reduction to Distribution - Supplemental CIP	(1.1)	
Reduction to Distribution - Mobility Initiative	(0.9)	
Total CIP M&O Distribution	\$7.8	



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Council asked us how many fewer projects were being funded over time as a result of funding CIP M&O.



The allocation of CIP revenue directly impacts the number of projects that can be funded by the CIP. The number of projects that could be funded depends on the size of the project. Project costs generally range from \$100,000 to \$10 million.

The following provides some rules of thumb for what could be bought with \$1-2 million:

For \$1 million, the City could:

- design and construct approximately 0.4 miles (2,000 lineal feet) of sidewalk - - - \$500 per lineal foot; or
- overlay about 7 lane miles of roadway - - - \$130,000 per lane mile

For \$2 million, the City could:

- design and develop a neighborhood park; or
- replace an existing turf field with synthetic sportsfield surfacing at one ballpark (really \$1-2M depending on field configuration, lighting needs, and other site specific elements)

The following table illustrates the primary drivers for M&O costs and examples for each department.

Council asked us to provide more information regarding the M&O components by department and the drivers.





ATTACHMENT G-1

Council Budget Workshop
April 26, 2010
CIP

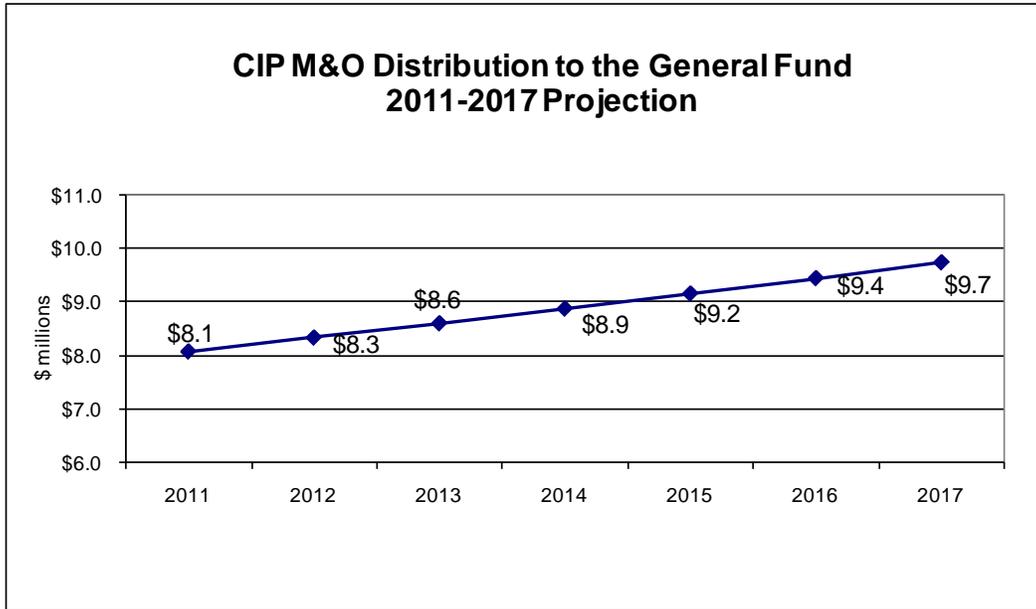
Primary Drivers and Examples of M&O by Department

Department	Primary Drivers	Examples
Parks	<ul style="list-style-type: none"> • Development of several significant community parks over the past several years • Landscape improvements and smaller capital projects 	<u>South Bellevue Community Center</u> <ul style="list-style-type: none"> • Building maintenance and site amenities <u>Mercer Slough Environmental Education Center</u> <ul style="list-style-type: none"> • Building maintenance, site amenities, and the cost of the program staff (1 FTE) <u>Sportsfield improvements at several Bellevue School District sites</u> <ul style="list-style-type: none"> • Maintenance of fields which generates ongoing program revenue
Transportation	<ul style="list-style-type: none"> • Addition of new travel lanes, sidewalks and bike lanes, and new and/or upgraded signals and street lighting • Landscaping and irrigation systems 	<ul style="list-style-type: none"> • Incremental costs, including additional electricity costs, irrigation system costs, and cost of water
Police & Fire	<ul style="list-style-type: none"> • Technology investments in MDC/AVL and CAD 	<ul style="list-style-type: none"> • Costs for the Mobile Data Computers/ Automated Vehicle Locations System (MDC/AVL) and the Computer Aided Dispatch System (CAD) fund hardware/software maintenance, connection fees, wireless access fees, and replacement
ITD	<ul style="list-style-type: none"> • Investment in the Finance and Human Resources System 	<ul style="list-style-type: none"> • Costs include software/hardware maintenance and replacement and staffing (4 FTEs) to maintain the system
Facilities	<ul style="list-style-type: none"> • New City Hall additional M&O, as directed by the Finance Plan 	<ul style="list-style-type: none"> • Normal maintenance and operations costs for operating the building (including utilities, custodial, security, and preventive maintenance) • Contribution to fund major maintenance replacement (including major components such as roofs, heating and ventilation equipment, elevators, generators)



ATTACHMENT G-1
Council Budget Workshop
April 26, 2010
CIP

Under current policy, the M&O distribution is projected to increase to approximately \$10 million by the end of the upcoming CIP period (2011-2017), as illustrated in the following graph. As you will see on the following page, their relative percentage of overall CIP costs is actually reduced over the forecast period.

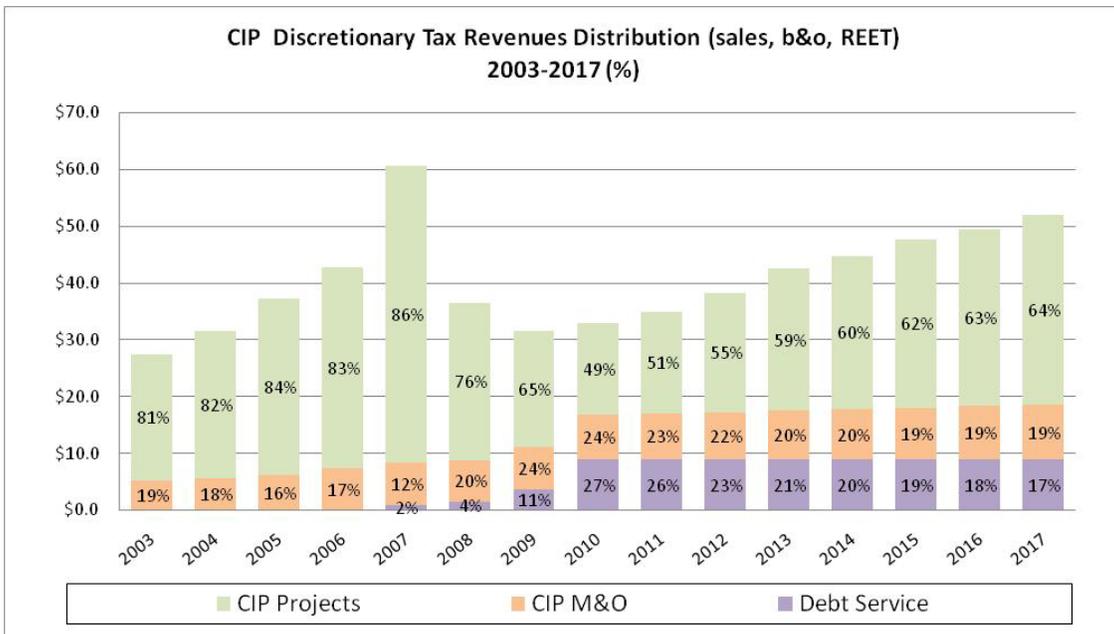
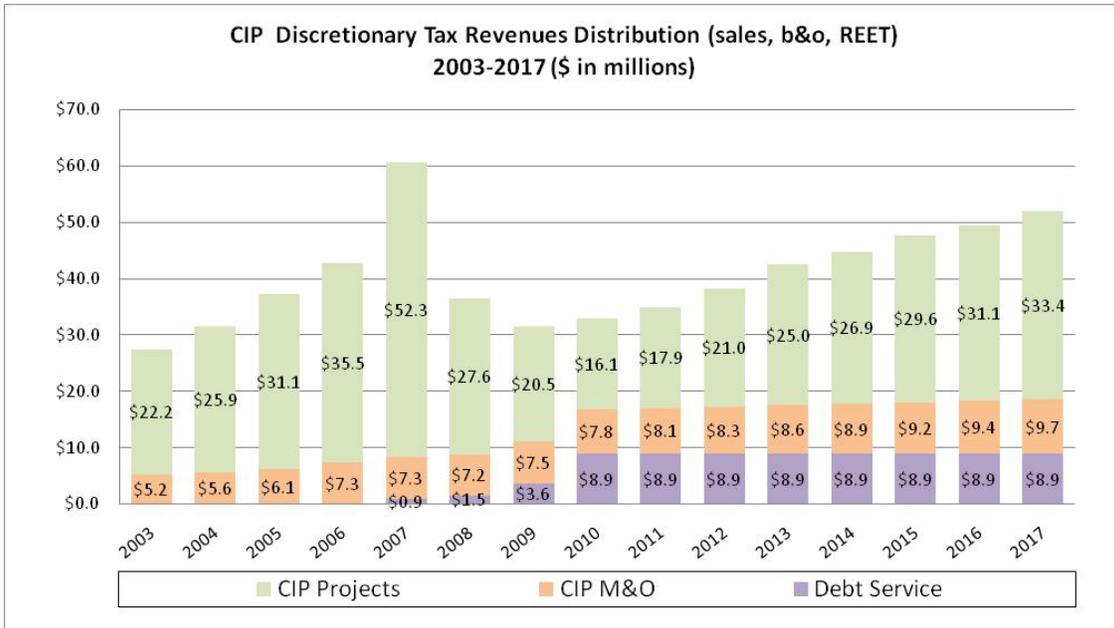




ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

The following two graphs illustrate the impact of both CIP M&O and debt service for City Hall on the discretionary tax revenues available for CIP (first in \$, then %). When the original Finance Plan was developed for the new City Hall in 2002, Council chose to hold the then-current CIP (2003-2009) “harmless” and used reserves to pay annual debt payments through 2009. As such, debt service consumes a larger share of the CIP beginning in 2010.





ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

The following table illustrates the options for funding CIP M&O.

Council asked us to provide options to address the M&O component funded with sales tax that otherwise would have been available for capital, such as a five-year transition plan.



Options for Funding CIP M&O

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Current Practice</u>	\$7.5	\$7.8	\$8.1	\$8.3	\$8.6	\$8.9	\$9.2	\$9.4	\$9.7	\$10.0	\$10.4	\$10.7

This table illustrates the impact on the operating budget of shifting the M&O costs to the General Fund.

Option 1: Grandfathering | -\$0.3 -\$0.5 -\$0.8 -\$1.1 -\$1.3 -\$1.6 -\$1.9 -\$2.2 -\$2.5 -\$2.9
 No further funding of M&O by CIP, future M&O costs compete with other operating expenditures.

Option 2: Transition over time

A.) Immediate transition	-\$8.1	-\$8.3	-\$8.6	-\$8.9	-\$9.2	-\$9.4	-\$9.7	-\$10.0	-\$10.4	-\$10.7
B.) 5-year transition	-\$1.8	-\$3.7	-\$5.5	-\$7.3	-\$9.2	-\$9.4	-\$9.7	-\$10.0	-\$10.4	-\$10.7
C.) 7-year transition	-\$1.4	-\$2.8	-\$4.2	-\$5.6	-\$7.0	-\$8.3	-\$9.7	-\$10.0	-\$10.4	-\$10.7
D.) 10-year transition	-\$1.1	-\$2.1	-\$3.2	-\$4.3	-\$5.3	-\$6.4	-\$7.5	-\$8.5	-\$9.6	-\$10.7

Note: The amounts shown with an “-” are in addition to the current gap in the General Fund operating budget.

Options:
 Council can choose to maintain current practice, grandfather funding for CIP M&O at the current level, or transition funding for CIP M&O to operating over time.

Recommendation:
 Maintain current practice until early review of total operating and capital budget proposals by Council is completed.



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Other Major Initiatives

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 10 years:

Mobility & Infrastructure Projects	Project Cost Estimates
NE 4 th	\$51M
NE 6th ext	6M
120 th	14M
NE 15th	84M
124 th	3M
Other Downtown projects	16M
ITS capital improvements	2M
Downtown Circulator	3M
Ped/Bike/Neighborhood sidewalks	15M
Metro Site	18M
Bel-Red Land Acquisition	32M
Finance Costs	55M
Total	\$299M

The plan 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 including the following.



ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Revenue Sources	10-Year Revenue Estimate
Baseline Revenues:	
• New Bel-Red Taxes (incremental growth)	\$10M
• ROW Dedication	19M
• Storm Drainage Fees	10M
• Incentive zoning	22M
• Grants	12M
Impact Fees	65M
LID Funding	56M
Property Tax (ten 3% property tax increases)	105M
Total Revenue	\$299M

The plan contemplated 10 consecutive property tax increases of 3% each to support the initiative. However, due to the economic downturn, Council decided to forego the 2010 property tax increase. Additionally, Council ultimately decided on lower impact fees phased in over a longer period of time. The revenues were updated to reflect these changes. The impact of the reduction in revenue estimates (bonds supported by the property tax), as well as other updates to the revenues made over the ensuing year, are shown in the following chart.

Council asked what the resource comparison for CIP and Mobility look like without property tax revenues.





ATTACHMENT G-1

Council Budget Workshop
 April 26, 2010
CIP

Resources (\$M)	Endorsed Plan (Jan 2009)	Council Retreat (Jan 2010)	Changes since Jan 2010	No Addtl' Property Tax Scenario
Baseline Revenues:				
New Bel-Red Taxes	\$10	\$10	\$10	\$10
ROW Dedication	19	-	-	-
Storm Drainage Fees	10	10	10	10
Incentive Zoning	22	8	8	8
Grants	12	33	33	33
Impact Fees	65	40	40	40
Local Improvement District	56	56	56	56
Property Tax supported bonds	105	95	95	10
Supplemental CIP	-	-	7	7
Local Revitalization Funding	-	-	7	7
Total Resources	\$299	\$252	\$266	\$181

If no future property taxes were levied (all other things being equal), the impact to the revenues funding the plan is illustrated below.





ATTACHMENT G-2

Council Budget Workshop
June 14, 2010
CIP

During the April 26 Council Workshop on Financial Policy Issues, Council asked the following questions related to the CIP Policy that required further research and analysis by staff.

Council asked:

1. *What would the split of tax revenues look like if an immediate transition was made to fund M&O in the operating budget?*
2. *What is the breakdown for M&O for the 2009-2015 CIP?*



This document provides the answers to those questions in the following pages along with supporting information presented by the major policy issue discussed.



ATTACHMENT G-2

Council Budget Workshop
June 14, 2010
CIP

Policy Issue #1

What is the optimal split of tax revenues between the operating and capital budgets?

Background:

Balancing the combination of spending across operating and capital budgets allows the City to better deliver the Outcomes that the Community wants. Operating budgets provide services and deliver current programs. Capital budgets allow the City to acquire, build, and replace assets that will benefit the City and support services and programs over a long period of time. The appropriate split between operating and capital budgets is different for each city, and is influenced by its goals, revenue mix, and general financial condition.

The City has an established practice (going back at least two and a half decades) of funding maintenance and operations for CIP projects, using CIP funding streams distributed to the General Fund. This has somewhat blurred the lines between operating and capital funding. Council has indicated a desire to move away from the current CIP M&O funding policy to a more transparent and simple approach.

1. Council asked what the split of tax revenues would look like if an immediate transition was made to fund M&O in the operating budget.



The charts below shows the split of sales tax revenues under the current scenario, and the split of sales tax revenues if the sales tax split was adjusted and approximately \$8 million/year of CIP M&O was funded with existing operating budget resources.

Current Scenario:	Percent to Operating	Percent to Capital
Sales Tax	\$32.3M (74%)	\$11.1 M (26%)

New Scenario:	Percent to Operating	Percent to Capital
Sales Tax	\$24M.3 (56%)	\$19.1M (44%)

It should be noted, however, that any M&O costs funded out of the General Fund without supporting revenue would be an addition to the current funding gap in the General Fund operating budget.



ATTACHMENT G-2

Council Budget Workshop
June 14, 2010
CIP

CIP Policy Issue #3

Should ongoing maintenance costs related to capital projects continue to be funded from a portion of the sales tax dedicated to the CIP, or should it come from another source?

Background:

The City’s current policy is intended to ensure that the City can operate and maintain what it builds in order to preserve its infrastructure. One change, or enhancement, under Budget One, is that all M&O costs will be carefully evaluated and ranked, regardless of the current or historical funding source.

Ongoing M&O costs related to capital projects are budgeted in the General Fund and are funded with a portion of sales tax revenue originally earmarked for the CIP. This funding is referred to as “CIP M&O sales tax distribution”.

The following chart includes a breakdown of CIP M&O by Department (before the reduction for sales tax payments for the Supplemental CIP and Mobility & Infrastructure Initiative bonds).

2. Council asked for a breakdown of M&O for the 2009-2015 CIP?



The following chart shows the breakdown of M&O costs included in the 2009-2015 CIP by department, as requested by Council.

2009 - 2015 M&O By Department
(\$ in Millions)

Department	Total 2009	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Total 2015
Parks	\$5.9	\$6.1	6.2	6.4	6.6	6.7	6.9
Transportation	1.5	1.6	1.7	1.7	1.8	1.8	1.9
Police & Fire	1.0	1.0	1.0	1.1	1.1	1.1	1.2
ITD	0.6	0.7	0.7	0.7	0.7	0.7	0.7
Facilities	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total CIP M&O by Department	\$9.4	\$9.8	\$10.0	\$10.3	\$10.6	\$10.7	\$11.1



ATTACHMENT G-2

Council Budget Workshop
June 14, 2010
CIP

The next chart provides a breakdown of CIP M&O by Major Program Area, which is consistent with how CIP projects are actually represented in the adopted budget.

2009 - 2015 M&O By Major Program Area
(\$ in Millions)

Major Program Area	Total 2009	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Total 2015
General Government	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1	\$1.2
Parks	5.0	5.1	5.2	5.3	5.4	5.5	5.6
Transportation	2.0	2.2	2.3	2.4	2.4	2.5	2.5
Public Safety	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Community Development	0.0	0.0	0.0	0.0	0.0	0.1	0.1
NEP	0.3	0.4	0.4	0.4	0.4	0.4	0.4
NIS	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total CIP M&O by MPA	\$9.4	\$9.8	\$10.0	\$10.3	\$10.6	\$10.7	\$11.1

Council has expressed interest in knowing more about the types of things that are paid for with CIP M&O. The maintenance and operations costs associated with each capital investment are included in the budget. These costs might be as basic as the cost of toilet paper for a new bathroom or light bulbs for a new street light. The intent is to ensure that we have adequate funding to operate and maintain what we build, consistent with the City's policies.

The table on the following page provides more specific examples of the types of costs paid for with CIP M&O for Parks and Transportation.



ATTACHMENT G-2

Council Budget Workshop
June 14, 2010
CIP

Primary Drivers and Examples of M&O for Parks and Transportation

Department	Primary Drivers	Examples
Parks	<ul style="list-style-type: none"> • Development of several significant community parks over the past several years • Landscape improvements and smaller capital projects 	<ul style="list-style-type: none"> • Arterial Landscaping on Transportation Projects <ul style="list-style-type: none"> ○ Mowing ○ Pruning ○ Edging ○ Weeding ○ Garbage Collection ○ Litter Control ○ Leaf Removal ○ Winterizing Sprinklers ○ Water/Drainage Fees • Maintenance of sportsfields which generates ongoing program revenue • Building maintenance, site amenities, and cost of one program staff at Mercer Slough • Building maintenance and site amenities at South Bellevue Community Center
Transportation	<ul style="list-style-type: none"> • Addition of new travel lanes, sidewalks and bike lanes, and new and/or upgraded signals and street lighting • Landscaping and irrigation systems 	<ul style="list-style-type: none"> • Street lights • Signals • Traffic Cameras • Radar Signs • Service Cabinets • Flashing Cross Walks • Overhead Illuminated Ped Sign • Audible Ped System • Variable Speed Limit Signs

Because of the interest in these costs, staff performed additional research to identify the historical costs by year back to inception in 1983 which have contributed to M&O to get us to the levels we are at now. Attachment A is a list of the historical CIP M&O costs by Major Program Area (1994 to present) identified and requested for CIP projects.



ATTACHMENT G-2

Council Budget Workshop

June 14, 2010

CIP

It should be noted that one very important change that occurs in the Budget One process is that all M&O will be scrutinized during the budget process to ensure that the appropriate level of service is being proposed regardless of its funding source. Additionally, CIP projects will continue to be analyzed to ensure that adequate funding will be available to support them in the future. When projects are recommended for funding, the expectation would be that M&O funding would also be included in budget deliberations as well. The approach could be improved by the elimination of future CIP M&O distribution and by requiring M&O expenses to compete in the operating budget.

Attachment A

CIP M&O History 1993-2010

Project	Description	Year Project Completed	Year Project Completed																
			2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Roadways																			
PW-R-2	156th Ave NE/NE8th St to NE 24th St	1983	9,480	9,249	9,014	8,786	8,530	8,338	8,338	8,338	8,143	7,936	7,735	7,539	7,348	7,162	6,980	6,804	6,631
PW-R-4	NE 24th St/Bel-Red Rd to 156th NE	1985	3,792	3,699	3,606	3,514	3,412	3,335	3,335	3,335	3,257	3,175	3,094	3,016	2,939	2,865	2,792	2,721	2,652
PW-R-5	SE 8th St/112th Ave SE to 118th Ave SE	1983	5,688	5,549	5,409	5,271	5,118	5,003	5,003	5,003	4,886	4,762	4,641	4,524	4,409	4,297	4,188	4,082	3,979
PW-R-6	NE 12th St/102nd Ave NE to 104th Ave NE	1984	3,696	3,606	3,514	3,425	3,326	3,251	3,251	3,251	3,175	3,094	3,016	2,939	2,865	2,792	2,721	2,652	2,585
PW-R-7	Northup/130th NE to 140th NE	1984	5,544	5,409	5,271	5,138	4,988	4,876	4,876	4,876	4,762	4,641	4,524	4,409	4,297	4,188	4,082	3,979	3,878
PW-R-8	Northup/140th NE to 148th NE	1985	5,403	5,271	5,138	5,008	4,862	4,753	4,753	4,753	4,641	4,524	4,409	4,297	4,188	4,082	3,979	3,878	3,780
PW-R-9	Northup/124th to 130th Ave NE	1989	13,003	12,686	12,364	12,051	11,700	11,437	11,437	11,437	11,169	10,886	10,610	10,341	10,079	9,824	9,575	9,332	9,096
PW-R-12	NE 4th St/100th NE to 112th NE	1989	63,367	61,821	60,254	58,727	57,017	55,735	55,735	55,735	54,429	53,049	51,705	50,395	49,118	47,873	46,660	45,478	44,325
PW-R-13	140th NE/NE 24th St to Bel-Red Rd	1989	25,347	24,728	24,102	23,491	22,807	22,294	22,294	22,294	21,771	21,220	20,682	20,158	19,647	19,149	18,664	18,191	17,730
PW-R-14	Northup/Bel-Red Rd to 156th Ave NE	1986	37,056	36,153	35,236	34,344	33,343	32,594	32,594	32,594	31,830	31,023	30,237	29,471	28,724	27,996	27,287	26,595	25,921
PW-R-15	116th Ave NE/NE 8th St to NE 12th St	1988	31,603	30,832	30,051	29,289	28,436	27,797	27,797	27,797	27,145	26,457	25,787	25,133	24,496	23,876	23,271	22,681	22,106
PW-R-17	Northup/116th Ave NE to Northup Ave NE	1989	15,049	14,682	14,310	13,947	13,541	13,237	13,237	13,237	12,926	12,599	12,279	11,968	11,665	11,369	11,081	10,800	10,527
PW-R-18	Main St/Bellevue Wy to 110th Ave NE	1987	9,264	9,038	8,809	8,586	8,336	8,148	8,148	8,148	7,957	7,756	7,559	7,368	7,181	6,999	6,822	6,649	6,480
PW-R-20	NE 8th St/124th NE to 140th NE	1992	92,337	90,085	87,802	85,577	83,085	81,217	81,217	81,217	79,313	111,416	189,490	184,688	180,008	175,446	171,000	162,000	154,000
PW-R-21	108th NE/Northup NE to BN Railroad	1989	19,068	18,603	18,131	17,672	17,157	16,771	16,771	16,771	16,378	15,963	15,559	15,164	14,780	14,406	14,041	13,685	13,338
PW-R-23	NE 8th St/121st NE to 123rd NE	1986	8,555	8,346	8,135	7,929	7,698	7,525	7,525	7,525	7,348	7,162	6,980	6,804	6,631	6,463	6,299	6,140	5,984
PW-R-28	SE 35st/Eastgate Wy to 162nd PI SE	1987	3,088	3,013	2,936	2,862	2,779	2,716	2,716	2,716	2,652	2,585	2,520	2,456	2,394	2,333	2,274	2,216	2,160
PW-R-29	Richards/Lk Hills Connector to SE 26th	1992	44,003	42,929	41,842	40,781	39,593	38,703	38,703	38,703	37,796	36,838	35,905	34,995	34,108	33,244	32,401	31,580	30,780
PW-R-30	Richards/SE 26th to SE 32nd St	1992	20,535	20,034	19,526	19,031	18,477	18,062	18,062	18,062	17,638	17,191	16,756	16,331	15,917	15,514	15,121	14,737	14,364
PW-R-31	NE 8th St/NE 1st St to NE 10th St	1990	49,661	48,450	47,222	46,026	44,685	43,680	43,680	43,680	42,657	41,576	40,522	39,495	38,494	37,519	36,568	35,642	34,738
PW-R-32	Coak Creek/Newport Rrd to SE 63rd St	1993	4,289	4,184	4,078	3,975	3,859	3,772	3,772	3,772	3,684	3,590	3,499	3,411	3,324	3,240	3,158	3,078	3,000
PW-R-33	NE 8th St/140th NE to 156th NE	1990	95,729	93,394	91,028	88,721	86,137	84,200	84,200	84,200	82,227	80,143	78,112	76,133	74,203	72,323	70,490	68,704	66,963
PW-R-34	Sommerset Median Safety	1985	5,266	5,138	5,008	4,881	4,739	4,632	4,632	4,632	4,524	4,409	4,297	4,188	4,082	3,979	3,878	3,780	3,684
PW-R-36	NE 1st/2nd Streets Widening	1983	9,506	9,274	9,039	8,810	8,554	8,361	8,361	8,361	8,165	7,959	7,757	7,560	7,369	7,182	7,000	0	0
PW-R-42	ME 33rd Pl/Northup Wy to 32nd St	1986	6,176	6,025	5,873	5,724	5,557	5,432	5,432	5,432	5,305	5,171	5,039	4,912	4,787	4,666	4,548	4,433	4,320
PW-R-43	NE 10th St/Bellevue Way to 112th SE	1991	59,754	58,297	56,819	55,380	53,767	52,558	52,558	52,558	51,326	50,025	48,758	47,522	46,318	45,144	44,000	42,000	40,000
PW-R-45	NE 16th St/136th PI NE to NE 20th St	1989	21,068	20,555	20,034	19,526	18,957	18,531	18,531	18,531	18,097	17,638	17,191	16,756	16,331	15,917	15,514	15,121	14,737
PW-R-46	Major Safety Improvements	Ongoing	10,085	9,839	9,699	9,699	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-47	148th NE/Bell-Red Rd to NE 24th St	1991	37,622	36,705	35,775	34,868	33,852	33,091	33,091	33,091	32,316	31,497	30,699	29,921	29,162	28,423	27,703	27,001	26,317
PW-R-50	110th Ave NE/NE 8th St to NE 12 St	1991	17,601	17,172	16,737	16,312	15,837	15,481	15,481	15,481	15,118	14,735	14,362	13,998	13,643	13,298	12,961	12,632	12,312
PW-R-53	Somerset Connection	1988	1,584	1,546	1,506	1,468	1,425	1,393	1,393	1,393	1,361	1,326	1,293	1,260	1,228	1,197	1,166	1,137	1,108
PW-R-54	118th Ave SE/I-90 to South City Limits	1991	7,524	7,341	7,155	6,974	6,770	6,618	6,618	6,618	6,463	6,299	6,140	5,984	5,832	5,685	5,541	5,400	5,263
PW-R-56	Forest Drive Extension	1989	12,039	11,745	11,448	11,158	10,833	10,589	10,589	10,589	10,341	10,079	9,824	9,575	9,332	9,096	8,865	8,640	8,421
PW-R-57	Lakemont Blvd	2006	19,296	18,826	18,348	17,884	17,418	16,953	16,953	16,953	16,530	16,107	15,684	15,261	14,838	14,415	13,992	13,569	13,146
PW-R-58	NE 6th St Extension	1992	7,334	7,155	6,974	6,797	6,599	6,451	6,451	6,451	6,299	6,140	5,984	5,832	5,685	5,541	5,400	5,263	5,130
PW-R-60	NE 29th Connection	2006	33,353	32,540	31,715	30,912	21,330	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-61	NE 2nd St Extension	1992	5,867	5,724	5,579	5,437	5,279	5,160	5,160	5,160	5,039	4,912	4,787	4,666	4,548	4,433	4,320	4,211	4,104
PW-R-65	NE 24th St/156th NE to 164th NE	1992	5,867	5,724	5,579	5,437	5,279	5,160	5,160	5,160	5,039	4,912	4,787	4,666	4,548	4,433	4,320	4,211	4,104
PW-R-66	NE 8th St/156th Ave NE	1991	7,524	7,341	7,155	6,974	6,770	6,618	6,618	6,618	6,463	6,299	6,140	5,984	5,832	5,685	5,541	5,400	5,263
PW-R-74	139th Ave SE	1995	21,178	20,662	20,138	19,628	19,056	18,628	18,628	18,628	18,191	17,730	17,281	16,843	16,416	16,000	0	0	0
PW-R-75	148th Ave NE Reconstruction	1993	12,866	12,552	12,234	11,924	11,577	11,317	11,317	11,317	11,052	10,771	10,498	10,232	9,973	9,720	9,474	9,234	9,000
PW-R-79	Richards Road/SE 26th	2002	11,875	11,585	11,292	11,006	10,685	10,445	10,445	10,445	10,200	9,234	9,000	8,000	0	0	0	0	0
PW-R-95	Coal Creek Pkwy Improvements	2001	4,191	4,089	3,985	3,884	3,771	3,686	3,686	3,686	3,600	0	0	0	0	0	0	0	0
PW-R-96	Richards Rd/128th Ave SE	1999	20,834	20,326	19,811	19,309	18,746	18,325	18,325	18,325	17,895	17,442	17,000	5,263	5,130	5,000	0	0	0
PW-R-102	Kamber Road Improvements	2005	8,224	8,024	7,820	7,622	7,400	3,566	3,566	3,566	0	0	0	0	0	0	0	0	0
PW-R-103	140th Ave Corridor Improvements	2003	42,524	41,487	40,436	39,411	38,263	37,403	37,403	37,403	0	0	0	0	0	0	0	0	0
PW-R-105	150th Ave SE/Newport Wy to SE 36th St	2008	7,668	7,481	7,292	7,107	6,900	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-106	119th Ave SE Safety Improvements	1999	2,451	2,391	2,331	2,272	2,205	2,156	2,156	2,156	2,105	2,052	2,000	2,000	0	0	0	0	0
PW-R-107	156th Ave NE/NE 8th St	2003	10,541	10,284	10,024	9,770	9,485	9,485	0	0	0	0	0	0	0	0	0	0	0
PW-R-108	Newport Way/129th Ave SE	2001	4,540	4,430	4,317	4,208	4,085	3,994	3,994	3,994	3,900	3,800	0	0	0	0	0	0	0
PW-R-111	156th Ave SE Lighting	1998	2,515	2,453	2,391	2,331	2,263	2,212	2,212	2,212	2,160	2,105	2,052	2,000	0	0	0	0	0
PW-R-115	Cougar Mtn Corridor Improvements	2006	26,735	26,083	25,422	24,778	24												

Attachment A

Project	Description	Year Project Completed	Year																
			2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
PW-R-132	NE 20th St/140th Ave NE	2004	6,356	6,201	6,044	5,891	5,719	5,719	0	0	0	0	0	0	0	0	0	0	0
PW-R-133	Northup Rdway Improvements	2011	38,116	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-136	Traffic Safety Technologies	Ongoing	6,584	6,422	3,862	3,764	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-139	110th Ave NE/NE 4th St	2010	1,314	1,282	1,249	1,217	1,182	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-142	Bellevue Trans Center Expansion	2002	4,570	4,459	4,346	4,236	4,112	4,020	4,020	4,020	0	0	0	0	0	0	0	0	0
PW-R-149	NE 10th St Extension	2009	3,587	3,500	3,411	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-149	NE 10th St Extension	2009	55,518	23,367	17,902	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-152	NE 8th St/106th-108th Ave NE	2010	4,299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-R-155	Traffic Computer System	2011	30,103	29,369	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Roadway			1,217,534	1,115,661	1,048,871	993,392	928,730	862,378	826,815	816,384	741,175	747,123	824,509	768,197	737,034	718,356	679,685	650,086	628,782

Walkways/Bikeways

PW-W/B-1	Bel Way SE/Main St to SE 8th St	1988	10,808	10,545	10,277	10,017	9,725	9,506	9,506	9,506	9,284	9,048	8,819	8,596	8,378	8,165	7,959	7,757	7,560
PW-W/B-4	Bel Wy SE/SE 8th to 112th Ave SE	1988	63,305	61,761	60,196	58,670	56,961	55,681	55,681	55,681	54,376	52,998	51,655	50,346	49,070	47,826	46,614	45,433	44,282
PW-W/B-10	Bellevue Wy NE/NE 12th St to 520	1985	3,602	3,514	3,425	3,338	3,241	3,168	3,168	3,168	3,094	3,016	2,939	2,865	2,792	2,721	2,652	2,585	2,520
PW-W/B-13	NE 24th St/98th Ave NE to Bel Wy NE	1985	3,511	3,425	3,338	3,254	3,159	3,088	3,088	3,088	3,016	2,939	2,865	2,792	2,721	2,652	2,585	2,520	2,456
PW-W/B-15	Phantom Lake Walkway	1988	14,628	14,271	13,910	13,557	13,162	12,866	12,866	12,866	12,565	12,246	11,936	11,634	11,339	11,052	10,771	10,498	10,232
PW-W/B-16	164th Ave NE/NE 8th St to Northup	1989	10,534	10,277	10,017	9,763	9,479	9,266	9,266	9,266	9,048	8,819	8,596	8,378	8,165	7,959	7,757	7,560	7,369
PW-W/B-17	100th Ave NE/NE 8th St to NE 13th St	1987	3,335	3,254	3,171	3,091	3,001	2,934	2,934	2,934	2,865	2,792	2,721	2,652	2,585	2,520	2,456	2,394	2,333
PW-W/B-18	118th Ave SE Bike Lanes	1991	1,505	1,468	1,431	1,395	1,354	1,324	1,324	1,324	1,293	1,260	1,228	1,197	1,166	1,137	1,108	1,080	1,053
PW-W/B-20	134th Ave NE/NE 24th St to NE 40th St	1988	8,127	7,929	7,728	7,532	7,312	7,148	7,148	7,148	6,980	6,804	6,631	6,463	6,299	6,140	5,984	5,832	5,685
PW-W/B-21	Woodridge Walkway	1991	1,467	1,431	1,395	1,359	1,320	1,290	1,290	1,290	1,260	1,228	1,197	1,166	1,137	1,108	1,080	1,053	1,026
PW-W/B-25	Lk Hills Blvd/145th Pl SE to 143rd SE	1988	11,377	11,100	10,819	10,545	10,237	10,007	10,007	10,007	9,773	9,525	9,284	9,048	8,819	8,596	8,378	8,165	7,959
PW-W/B-26	Lake Hills Blvd Ped/Bike Network	1993	2,859	2,789	2,719	2,650	2,573	2,515	2,515	2,515	2,456	2,394	2,333	2,274	2,216	2,160	2,105	2,052	2,000
PW-W/B-27	108th Ave SE/Main St to Bellevue Wy	1991	9,029	8,809	8,586	8,368	8,125	7,942	7,942	7,942	7,756	7,559	7,368	7,181	6,999	6,822	6,649	6,480	6,316
PW-W/B-28	Northup Way/170th Ave NE	1996	1,257	1,227	1,196	1,165	1,131	1,106	1,106	1,106	1,080	1,053	1,026	1,000	0	0	0	0	0
PW-W/B-29	NE 8th St Sidewalks	1995	7,148	6,974	6,797	6,625	6,432	6,287	6,287	6,287	6,140	5,984	5,832	5,685	5,541	5,400	5,263	5,130	5,000
PW-W/B-37	NE 30th St/Bel-Red Road	1999	11,030	10,761	10,488	10,222	9,925	9,701	9,701	9,701	9,474	9,234	9,000	0	0	0	0	0	0
PW-W/B-40	164th Ave SE/Lake Hills Blvd	1999	4,902	4,783	4,661	4,543	4,411	4,312	4,312	4,312	4,211	4,104	4,000	0	0	0	0	0	0
PW-W/B-42	118th Ave SE Ped/Bike Facility	2002	6,985	6,815	6,642	6,474	6,285	6,144	6,144	6,144	6,000	6,000	8,000	5,263	5,130	5,000	4,211	4,104	4,000
PW-W/B-44	I-90 Ped/Bike Path	1995	3,971	3,874	3,776	3,680	3,573	3,493	3,493	3,493	3,411	3,324	3,240	3,158	3,078	3,000	3,000	3,000	0
PW-W/B-46	Enatai to Mercer Slough Trail	1998	1,257	1,227	1,196	1,165	1,131	1,106	1,106	1,106	1,080	1,053	1,026	1,000	0	0	0	0	0
PW-W/B-47	124th Ave NE/NE 5th St	1999	3,677	3,587	3,496	3,407	3,308	3,234	3,234	3,234	3,158	3,078	3,000	0	0	0	0	0	0
PW-W/B-52	NE 24th St/131st Ave NE	2001	9,804	9,565	9,323	9,087	8,822	8,624	8,624	8,624	8,421	8,208	8,000	7,000	0	0	0	0	0
PW-W/B-56	Pedestrian Access Improvements	Ongoing	4,393	4,286	3,287	3,203	3,110	1,110	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-60	116th Ave NE-Northup Way	2002	25,736	25,109	24,472	23,852	23,157	22,637	22,637	22,637	22,106	21,546	21,000	20,000	0	0	0	0	0
PW-W/B-61	118th Ave SE/I-90	1999	1,226	1,196	1,165	1,136	1,103	1,078	1,078	1,078	1,053	1,026	1,000	0	0	0	0	0	0
PW-W/B-63	148th Ave SE/SE 28th St	1999	8,579	8,370	8,157	7,951	7,719	7,546	7,546	7,546	7,369	7,182	7,000	0	0	0	0	0	0
PW-W/B-64	119th Ave SE/SE 60th St	2008	10,691	10,430	10,166	2,060	2,000	0	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-65	Lk WA Blvd Improvements	2002	3,535	3,448	3,361	3,276	3,181	3,109	3,109	3,109	500	0	0	0	0	0	0	0	0
PW-W/B-66	164th Ave NE Sidewalk	2006	981	957	933	909	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-69	NE 24th St/Northup Way	2008	21,136	20,621	20,098	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-70	140th Ave NE Pathway Improvements	2007	9,669	9,433	9,194	8,961	8,700	0	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-73	NE 8th St/Lk Wa Blvd to 96th Ave NE	2010	12,072	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-W/B-76	Neighborhood Sidewalks Program	2009	40,462	14,703	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Walkway/Bikeway			332,599	287,937	265,420	231,256	223,638	206,220	205,110	205,110	197,767	192,420	189,696	157,698	125,437	122,258	118,573	112,645	109,790

Maintenance/Minor Capital

Unidentified			189,283	187,157	175,176	173,211	168,407	167,328	166,528	161,128	0	0	0	0	0	0	0	0	0
PW-M-2	Minor Capital-Traffic Operations	Ongoing	42,804	38,703	11,757	11,459	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-M-7	Neighborhood Traffic Calming	Ongoing	37,343	35,632	33,929	32,269	30,530	29,043	28,243	27,443	26,000	25,000	0	0	0	0	0	0	0
PW-M-10	SE 8th St Reconstruction	2003	19,306	16,968	14,672	12,435	10,215	8,114	8,114	6,200	0	0	0	0	0	0	0	0	0
PW-M-11	Meydenbauer Bridge Replacement	2003	2,223	2,169	2,114	2,060	2,000	2,000	0	0	0	0	0	0	0	0	0	0	0
PW-M-14	NE 10th/176th/NE 13th/Northup	2008	5,343	5,213	5,081	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-M-19	Major Maintenance Program	Ongoing	6,383	6,383	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Major Maintenance			302,685	292,224	242,729	231,435	211,151	206,485	202,885	194,771	26,000	25,000	0						

Attachment A

Project	Description	Year Project Completed	Year																
			2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Intersections																			
PW-I-11	Kamber Rd/Richards Rd	1986	17,575	17,147	12,364	12,051	11,700	11,437	11,437	11,437	11,169	10,886	10,610	10,341	10,079	9,824	9,575	9,332	9,096
PW-I-14	Bellevue Way SE/SE 30th St	1988	11,377	11,100	10,819	10,545	10,237	10,007	10,007	10,007	9,773	9,525	9,284	9,048	8,819	8,596	8,378	8,165	7,959
PW-I-16	SE 1st St/116th Ave SE	1986	11,673	11,389	11,100	10,819	10,504	10,267	10,267	10,267	10,027	9,773	9,525	9,284	9,048	8,819	8,596	8,378	8,165
PW-I-18	SE Newport Say & Sommerset Blvd	1987	15,440	15,064	14,682	14,310	13,893	13,581	13,581	13,581	13,262	12,926	12,599	12,279	11,968	11,665	11,369	11,081	10,800
PW-I-21	130th Ave NE/NE 24th St	1988	0	0	0	0	0	0	0	0	2,792	2,721	2,652	2,585	2,520	2,456	2,394	2,333	2,274
PW-I-25	SE 8th St/121st AveSE	1988	7,921	7,728	7,532	7,341	7,127	6,967	6,967	6,967	6,804	6,631	6,463	6,299	6,140	5,984	5,832	5,685	5,541
PW-I-26	NE 6th St/112th Ave NE	1985	11,977	11,685	11,389	11,100	10,777	10,534	10,534	10,534	10,287	10,027	9,773	9,525	9,284	9,048	8,819	8,596	8,378
PW-I-28	Main St/100th Ave NE	1988	9,505	9,273	9,038	8,809	8,553	8,360	8,360	8,360	8,164	7,957	7,756	7,559	7,368	7,181	6,999	6,822	6,649
PW-I-30	NE 6th St/110th Ave NE	1991	9,029	8,809	8,586	8,368	8,125	7,942	7,942	7,942	7,756	7,559	7,368	7,181	6,999	6,822	6,649	6,480	6,316
PW-I-33	NE 4th St/116th Ave NE	1988	25,583	24,959	24,327	23,710	23,020	22,502	22,502	22,502	21,975	21,418	20,875	20,346	19,830	19,328	18,838	18,361	17,895
PW-I-37	NE 2nd St/112th Ave NE	1990	7,720	7,532	7,341	7,155	6,947	6,790	6,790	6,790	6,631	6,463	6,299	6,140	5,984	5,832	5,685	5,541	5,400
PW-I-38	Main St/1105h Ave NE	1989	7,921	7,728	7,532	7,341	7,127	6,967	6,967	6,967	6,804	6,631	6,463	6,299	6,140	5,984	5,832	5,685	5,541
PW-I-40	Lake Hills Connector/Richards Rd	1989	12,039	11,745	11,448	11,158	10,833	10,589	10,589	10,589	10,341	10,079	9,824	9,575	9,332	9,096	8,865	8,640	8,421
PW-I-42	140th Ave NE/NE 40th St	1992	7,334	7,155	6,974	6,797	6,599	6,451	6,451	6,451	6,299	6,140	5,984	5,832	5,685	5,541	5,400	5,263	5,130
PW-I-43	148th Ave NE/NE 22nd	1991	7,334	7,155	6,974	6,797	6,599	6,451	6,451	6,451	6,299	6,140	5,984	5,832	5,685	5,541	5,400	5,263	5,130
PW-I-46	I-405/Bel Downtown Access Project	2006	15,773	15,388	12,376	12,063	11,711	1,800	0	0	0	0	0	0	0	0	0	0	0
PW-I-70	Bel-Red Rd/NE 30th St	2006	4,550	4,439	4,327	4,217	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-I-74	Bellevue Way SE/SE 30th St	1988	14,628	14,271	13,910	13,557	13,162	12,866	12,866	12,866	12,565	12,246	11,936	11,634	11,339	11,052	10,771	10,498	10,232
PW-I-84	Signal Warrant/Safety Prog.	Ongoing	14,535	14,181	2,916	2,843	2,306	2,306	0	0	0	0	0	0	0	0	0	0	0
PW-I-87	112th Ave NE Improvements	2001	6,985	6,815	6,642	6,474	6,285	6,144	6,144	6,144	6,000	6,000	0	0	0	0	0	0	0
PW-I-88	112th Ave SE/SE 6th St	2007	5,036	4,914	4,789	4,668	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-I-89	Lakemont Blvd/Village Pk Dr	2008	4,922	4,802	4,466	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PW-I-90	148th Ave SE/Lake Hills Blvd	2007	16,570	16,167	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Intersections			245,428	239,444	199,529	190,122	175,503	161,962	157,856	157,856	156,948	153,123	143,395	139,761	136,219	132,767	129,403	126,123	122,927
Total Transportation			2,098,246	1,935,266	1,756,549	1,646,205	1,539,023	1,437,045	1,392,666	1,374,121	1,121,890	1,117,666	1,157,600	1,065,655	998,690	973,382	927,661	888,854	861,499
Parks Acquisition																			
P-4	Bellevue Jr High/Admin Site	1984	87,259	85,131	82,974	80,871	78,516	76,750	76,750	76,750	74,952	73,052	71,201	69,397	67,638	65,924	64,253	62,625	61,038
P-6	Goldsmith Acquisition	1987	5,688	5,549	5,409	5,271	5,118	5,003	5,003	5,003	4,886	4,762	4,641	4,524	4,409	4,297	4,188	4,082	3,979
P-AD-1	Waterfront Acquisition	1989	6,670	6,508	6,343	6,182	6,002	5,867	5,867	5,867	5,730	5,584	5,443	5,305	5,171	5,039	4,912	4,787	4,666
P-AD-2	Dev and Phys Disabled Center	1988	251,809	245,667	239,442	233,374	226,577	221,483	221,483	221,483	216,292	210,811	205,469	200,262	195,187	190,241	185,420	180,721	176,141
P-AD-3	Bannerewood Sports Park Addition	1987	36,436	35,547	34,646	33,768	32,785	32,048	32,048	32,048	31,297	30,503	29,730	28,977	28,243	27,527	26,829	26,150	25,487
P-AD-4	N Bellevue Neighborhood Park Acq	1986	8,777	8,563	8,346	8,135	7,898	7,720	7,720	7,720	7,539	7,348	7,162	6,980	6,804	6,631	6,463	6,299	6,140
P-AD-5	Downtown Park Development	1987	437,923	427,242	416,415	405,863	394,042	385,183	385,183	385,183	376,155	366,623	357,332	348,277	339,451	330,849	322,465	314,293	306,329
P-AD-6	Goldsmith Development	1986	109,307	106,641	103,939	101,305	98,354	96,143	96,143	96,143	93,890	91,510	89,191	86,931	84,728	82,581	80,488	78,449	76,461
P-AD-7	Newcastle Beach Park	1989	239,278	233,442	227,526	221,760	215,301	210,461	210,461	210,461	205,528	200,320	195,243	190,296	185,473	180,773	176,192	171,727	167,375
P-AD-8	Lake Hills, Larsen & Phantom Lake Parks	1987	334,086	325,937	317,678	309,627	300,609	293,851	293,851	293,851	286,963	279,691	272,604	265,696	258,963	252,400	246,004	239,770	233,694
P-AD-9	Sports Field Development	1991	271,610	264,985	258,270	251,725	244,394	238,899	238,899	238,899	233,300	227,388	221,625	216,009	210,535	205,200	200,000	190,000	180,000
P-AD-10	N Bellevue Neighborhood Park Dev	1989	63,367	61,821	60,254	58,727	57,017	55,735	55,735	55,735	54,429	53,049	51,705	50,395	49,118	47,873	46,660	45,478	44,325
P-AD-11	148th Ave NE/Bridle Trails Acq	1985	8,555	8,346	8,135	7,929	7,698	7,525	7,525	7,525	7,348	7,162	6,980	6,804	6,631	6,463	6,299	6,140	5,984
P-AD-13	Sammamish Pkwy Mini Park Dev	1985	25,665	25,039	24,404	23,786	23,093	22,574	22,574	22,574	22,045	21,486	20,941	20,411	19,894	19,389	18,898	18,419	17,952
P-AD-14	Keeney Park Development	1988	37,622	36,705	35,775	34,868	33,852	33,091	33,091	33,091	32,316	31,497	30,699	29,921	29,162	28,423	27,703	27,001	26,317
P-AD-15	Land Acquisition	Ongoing	152,686	148,961	145,187	131,507	108,827	106,380	26,641	26,641	19,786	19,143	0	0	0	0	0	0	0
P-AD-19	Senior Program & Community Ctr Dev	1987	334,086	325,937	317,678	309,627	300,609	293,851	293,851	293,851	286,963	279,691	272,604	265,696	258,963	252,400	246,004	239,770	233,694
P-AD-24	Ashwood School Property	1991	135,440	132,137	128,788	125,525	121,869	119,129	119,129	119,129	116,337	113,388	110,515	107,714	104,985	102,324	99,731	97,204	94,741
P-AD-25	Robinsglen/Heintze Pk Development	1990	16,134	15,741	15,342	14,953	14,518	14,191	14,191	14,191	13,859	13,507	13,165	12,831	12,506	12,189	11,881	11,579	11,286
P-AD-30	Open Space Acquisition	2009	50,012	48,792	47,556	46,350													
P-AD-31	Waterfront Acquisition	1989	7,921	7,728	7,532	7,341	7,127	6,967	6,967	6,967	6,804	6,631	6,463	6,299	6,140	5,984	5,832	5,685	5,541
P-AD-32	Community Park Acquisition	1989	13,003	12,686	12,364	12,051	11,700	11,437	11,437	11,437	11,169	10,886	10,610	10,341	10,079	9,824	9,575	9,332	9,096
P-AD-33	Enatai Beach Park Development	1998	76,051	74,196	72,316	70,483	68,430	66,892	66,892	66,892	65,324	63,669	62,055	60,483	58,950	57,456	56,000	53,000	50,000
P-AD-34	Trail Development	Ongoing	33,963	33,135	32,295	31,477	30,330	29,873	46,708	46,708	45,575	44,421	18,400	17,934	17,479	17,036	16,605	16,184	15,774
P-AD-35	Wilburton Hill Park Development	1993	21,444	20,921	20,391	19,874	19,295	18,861	18,861	18,861	18,419	17,952	17,497	17,054	16,622	16,201	15,790	15,390	15,000
P-AD-36	Sports Field Development	2008	147,603	144,003	140,354	136,699	102,066	99,771	99,771	99,771	171,600	145,597	104,000	83,000	161,000	0	0	0	0
P-AD-37	Warm Water Pool Development	1997	172,073	167,876	163,621	159													

Attachment A

Project	Description	Year Project Completed	Year																
			2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
P-AD-45	Cougar Mtn Community Park	1992	106,847	104,241	101,600	99,025	96,141	93,979	93,979	93,979	91,777	89,451	87,184	84,975	82,821	80,723	78,677	76,683	74,740
P-AD-46	East Summit Mini Park	1994	30,021	29,289	28,547	27,823	27,013	26,406	26,406	26,406	25,787	25,133	24,496	23,876	23,271	22,681	22,106	21,546	21,000
P-AD-47	Mercer Slough Nature Park	2006	50,168	48,945	47,704	46,495	45,141	44,126	44,126	44,126	43,092	42,000	0	0	0	0	0	0	0
P-AD-52	Mini Park Opportunities	Ongoing	71,470	69,727	67,960	66,238	64,308	62,863	35,397	35,397	34,567	8,350	0	37,000	15,000	10,000	0	0	0
P-AD-53	Bellevue Yacht Basin Acquisition	2002	76,838	74,964	73,064	71,213	69,138	67,584	67,584	67,584	66,000	64,000	62,000	60,000	0	0	0	0	0
P-AD-55	Middle School Dev Phase 1	1999	60,355	58,883	57,391	55,937	54,307	53,086	53,086	53,086	51,842	50,528	49,248	48,000	46,000	0	0	0	0
P-AD-57	Youth Link Priority Projects	2008	67,404	65,760	64,094	62,470	60,650	59,287	59,287	59,287	57,897	56,430	55,000	19,000	0	0	0	0	0
P-AD-58	Crossroads Park	2008	71,357	69,617	67,853	66,133	64,207	9,000	9,000	0	0	0	0	0	0	0	0	0	0
P-AD-59	Resource Mgmt Division Facility	2007	61,703	60,198	58,673	57,186	55,520	54,272	54,272	54,272	53,000	51,000	0	0	0	0	0	0	0
P-AD-60	Lewis Creek	2008	286,297	279,314	272,236	272,236	257,609	251,944	6,870	6,870	6,709	6,532	5,130	5,000	0	0	0	0	0
P-AD-61	SBCC	2008	502,336	490,084	477,665	477,665	452,000	0	0	0	0	0	0	0	0	0	0	0	0
P-AD-63	Latta Property Development	2001	6,985	6,815	6,642	6,474	6,285	6,144	6,144	6,144	6,000	24,624	24,000	0	0	0	0	0	0
P-AD-65	Kelsey Ck Pk Stream Restoration	2007	53,084	51,789	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
P-AD-66	Activity Registration System	2003	80,607	78,641	76,648	72,530	72,530	71,314	26,891	26,891	26,261	0	0	0	0	0	0	0	0
P-AD-67	Resource Mgmt IS	2006	34,108	33,276	32,433	31,611	30,690	30,000	23,552	23,552	23,000	0	0	0	0	0	0	0	0
P-AD-72	NGPA Management Program	2006	11,437	11,158	10,876	10,600	10,291	10,060	10,060	10,060	20,658	0	0	0	0	0	0	0	0
P-AD-75	Mercer Slough Env Ed Center	2008	327,619	345,721	162,204	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Parks Acquisition			5,109,086	5,010,567	4,658,361	4,388,947	4,150,045	3,561,905	3,175,590	3,166,590	3,171,106	2,993,247	2,735,538	2,626,425	2,536,255	2,265,609	2,071,022	2,002,281	1,944,699
Public Safety																			
PS-1	Relocate Fire Stn 3/Police Comm Ctr	1983	37,919	36,995	36,057	35,143	34,120	33,353	33,353	33,353	32,571	31,746	30,941	30,157	29,393	28,648	27,922	27,214	26,525
PS-3	Joint Use Fire/Police Training Facility	1983	47,399	46,243	45,071	43,929	42,650	41,691	41,691	41,691	40,714	39,682	38,676	37,696	36,741	35,810	34,902	34,018	33,156
PS-9	Fire Station Signal Controls	1987	6,176	6,025	5,873	5,724	5,557	5,432	5,432	5,432	5,305	5,171	5,039	4,912	4,787	4,666	4,548	4,433	4,320
PS-32	CAD/RMS	2001	308,973	301,437	293,798	286,353	278,013	271,762	271,762	271,762	197,337	158,425	34,000	10,000	0	0	0	0	0
PS-36	MDC/AVL	2008	487,708	475,812	463,755	452,003	438,837	428,971	260,711	51,377	18,198	0	0	0	0	0	0	0	0
PS-40	Crime Lab Improvements	1999	18,458	18,008	17,551	17,107	16,608	16,235	16,235	16,806	2,052	2,000	0	0	0	0	0	0	0
PS-41	Fire Station #2 Renovation	2002	4,548	4,437	4,324	4,215	4,092	4,000	4,000	4,000	2,000	0	0	0	0	0	0	0	0
PS-46	Doc Imaging & Electronic Storage	1999	30,638	29,891	29,134	28,395	27,568	26,949	26,949	26,949	26,317	25,650	25,000	0	0	0	0	0	0
PS-50	Sally Port/Suspect Holding Facility	2001	64,217	62,650	61,063	59,515	57,782	56,483	56,483	56,483	55,159	53,575	0	0	0	0	0	0	0
PS-51	Firearms Proficiency Range	1999	12,255	11,956	11,653	11,358	11,027	10,779	10,779	10,779	10,527	10,260	10,000	0	0	0	0	0	0
PS-53	Fire Sprinkler Retrofit	2008	3,334	3,253	3,170	3,090	3,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Public Safety			1,021,625	996,708	971,450	946,832	919,255	895,655	727,395	518,631	390,179	326,508	143,657	82,765	70,921	69,124	67,372	65,665	64,001
Community Development																			
CD-11	Public Art Program	Ongoing	9,609	9,375	9,137	8,906	8,647	8,452	8,452	8,452	8,254	8,045	7,841	0	0	0	0	0	0
CD-17	Gateway and Neighborhood Identity	2009	36,490	35,600	14,200	13,800	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Community Development			46,100	44,975	23,337	22,706	8,647	8,452	8,452	8,452	8,254	8,045	7,841	0	0	0	0	0	0
General Government																			
G-57	Records Mgmt System/ECM System	2007	44,000	43,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G-59	Finance and HR System Replacement	2012	610,785	595,888	580,787	566,069	549,582	146,219	146,219	103,000	0	0	0	0	0	0	0	0	0
NCH	NCH Incremental M&O Finance Plan	2026	366,738	357,102	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Government			1,021,523	995,990	580,787	566,069	549,582	146,219	146,219	103,000	0								
NEP																			
NEP	NEP Projects	Ongoing	378,786	369,547	268,427	259,381	147,362	120,136	68,936	68,936	41,458	40,407	0	0	0	0	0	0	0
Total NEP			378,786	369,547	268,427	259,381	147,362	120,136	68,936	68,936	41,458	40,407	0						
NIS																			
NIS	NIS Projects	2007	64,069	62,507	60,922	46,095	35,150	8,700	0	0	0	0	0	0	0	0	0	0	0
Total NIS			64,069	62,507	60,922	46,095	35,150	8,700	0										
Total			9,755,035	9,430,740	8,334,628	7,890,655	7,363,063	6,178,112	5,519,258	5,239,731	4,732,887	4,485,872	4,044,636	3,774,846	3,605,865	3,308,114	3,066,055	2,956,800	2,870,199



ATTACHMENT H CIP Prioritization Criteria 2011-2017 CIP Plan

The following includes the general criteria used by the CIP LT Panel to prioritize proposals for the 2011-2017 General CIP Plan.

Effectiveness at achieving City Mission/Community Outcomes

- Effectiveness/extent to which project achieves Outcome
- Tangibility/clarity of project results
- Multiple benefits

Mandates

- Legal
- Appropriate level of investment needed to meet mandate

Financial Factors

- Leveraging other funds—extent to which project funded by external sources
- Cost v. benefit--“bang for the buck”
- Sunk costs—extent to which project expenditures already incurred
- Avoided costs—extent to which project creates savings/decreases future costs/reduces risks
- Stewardship—extent to which project protects and leverages existing investments

Timing/Urgency

- Project readiness—extent to which project *can proceed* within CIP period
- *Need* to move forward during this 7yr CIP period
- Critical linkage to other high priority projects

Scaling

- LOS
- Right element of project at this time (e.g. full build, partial build, design only)

Notes

- Funds contractually committed and debt service both taken off the top
- How should priorities reflect the value of being able to seize opportunities, respond to changing circumstances, innovate?

Rejected Criteria

- Importance to program area (not key driver in Budget One context)
- “Policy mandates”
- Community support
- Geographic distribution
- Outcome/functional distribution



ATTACHMENT I-1

Council Budget Workshop
April 26, 2010
Debt

Policy Issues:

1. Does Council want to consider the use of long-term debt, or continue on a pay-as-you-go basis, or use a hybrid approach?
2. If so, what revenue will be used to support the debt (existing or new)?

Current Policy:

- *Limit debt to short-term obligations, primarily for cash flow purposes. Debt incurred will be paid back before the end of the current CIP (i.e., 7 years).*
- *Use of long-term debt is minimized.*
- *Exceptions for extraordinary circumstances.*

Existing Guiding Principles:

1. Maintain Aaa bond rating.
2. Long-term debt should generally be issued only for long-lived assets.
3. Financial management plan for repayment of debt is essential.
4. Review of debt and refinancing when conditions are favorable is essential to effective debt management and capital planning.



ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

Policy Issue #1

Does Council want to consider the use of long-term debt, continue on a pay-as-you-go basis, or use a hybrid approach? Available debt capacity for the Mobility & Infrastructure Initiative.

Background:

Historically, CIP projects have been funded on a “pay-as-you-go” basis. Use of long-term debt in the CIP has been minimized. Debt is limited primarily to short-term obligations, primarily for cash flow purposes. Debt incurred is typically paid back before the end of the current CIP (i.e., 7 years).



There are exceptions to this policy for extraordinary circumstances, where Councilmanic or voted long-term debt has been issued to achieve major City goals that otherwise could not have been achieved, or would have been delayed an unacceptable amount of time. Examples of these exceptions include the issuance of long-term debt to purchase and renovate City Hall, the issuance of the “Supplemental CIP” bonds to support major capital improvements, and, more recently, the 3% property tax increase for 2009 which will support additional bonds to fund capital improvements.

State statutes allow cities to issue general obligation debt that is backed by the full faith and credit of the City. However, the statutes limit this type of debt to 2.5% of the City’s assessed valuation for each of the following three purposes:

1. General Purposes – Debt issued in this category can be used for any purpose allowed by law. It can be either voted or non-voted (“Councilmanic”) debt.
2. Parks and Open Space – Debt issued in this category must be used for parks and open space and/or recreation facilities. All debt in this category must be approved by the voters.
3. Utilities – Debt issued in this category must be used for utility infrastructure. All debt in this category must be approved by the voters.

Based on statutory limit (RCW), the City’s current available debt capacity is \$2.4 billion. Of this amount, \$322 million is available for General Purpose Councilmanic debt. The table below provides a summary of the City’s current debt capacity by type.



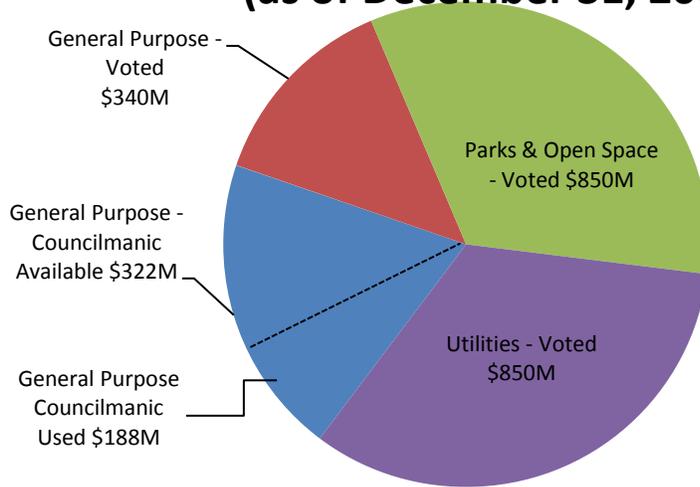
ATTACHMENT I-1

Council Budget Workshop
April 26, 2010
Debt

(\$ in millions)

Description	General Purposes			Parks and Open Space Voted	Utilities Voted	Total Capacity
	Non-Voted Councilmanic Debt	Voted	Total			
Statutory Limit	\$510	\$340	\$850	\$850	\$850	\$2,551
Total Debt Outstanding	\$188	\$0	\$188	\$0	\$0	\$188
Estimated Available Debt Capacity	\$322	\$340	\$662	\$850	\$850	\$2,363

93% Debt Capacity Available
Total Available \$2.4 Billion
(as of December 31, 2009)



In addition to the limitations required by the RCWs, Council decided to take a more conservative approach several years ago and imposed further policy limits on the City's use of debt to assure strong financial health. The table below illustrates the further restriction.

Type of Debt	Statutory Limitations	Policy Limitations
General Obligation:	2.5%	1.75%
Non-Voted	1.5%	1.00%



ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

Voted	1.0%	0.75%
Parks and Open Space	2.5%	1.75%
Utilities	2.5%	1.75%
Revenue	No Limit	No Limit
Local Improvement District	No Limit	No Limit

Based on these further restrictions, the City's current available debt capacity is \$1.6 billion. Of this amount, \$152 million is available for General Purpose Councilmanic debt. The table below provides a summary of the City's current debt capacity by type based on Council policy.

(\$ in millions)						
Description	General Purposes			Parks and Open Space Voted	Utilities Voted	Total Capacity
	Non-Voted Councilmanic Debt	Voted	Total			
Council Policy Limit	\$340	\$255	\$595	\$595	\$595	\$1,786
Total Debt Outstanding	\$188	\$0	\$188	\$0	\$0	\$188
Estimated Available Debt Capacity	\$152	\$255	\$407	\$595	\$595	\$1,598

Below is a table illustrating the \$188 million in outstanding debt.

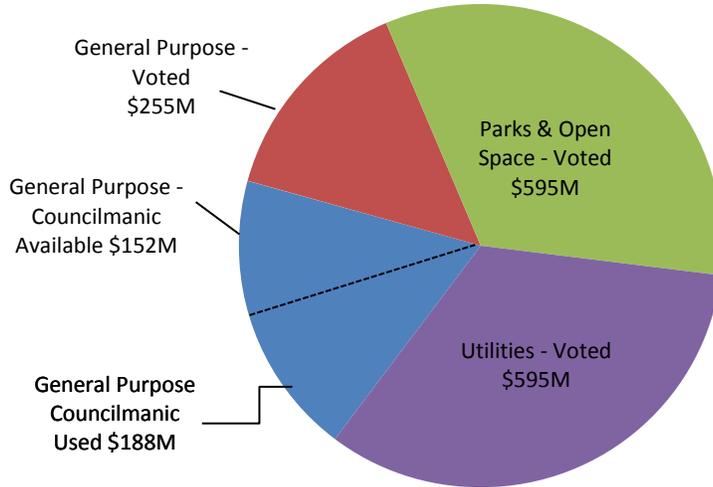
Debt Outstanding (as of 12/31/09)	Non-Voted Councilmanic Debt (\$ in millions)
1995 Convention Center	\$4
1998 Marina	3
2002 Convention Center-Improvement	10
2003 Metro Site	3
2004 City Hall	103
2006 City Hall II	5
2008 Supplemental CIP	13
2009 LOC	30
1991 & 1994 BCCA Lease/Purchase	18
Total Debt Outstanding	\$188



ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

89% Debt Capacity Available
Total Available \$1.6 Billion
(as of December 31, 2009)



The Mobility & Infrastructure Plan endorsed by Council in January 2009 outlines general policy guidance for a financial strategy to generate the funding to pay for the capital investments included in the Plan. This Plan contemplated the use of two types of long-term debt, General Purpose Councilmanic debt and Local Improvement District (LID) bonds, which are included in the table below.

Type of Debt	Funding Source	Will this impact City's Debt Capacity	Can this impact the City's Credit?
General Purpose Councilmanic debt	3% property tax increase	Yes	Yes
Local Improvement District (LID) bonds	LID special assessments	No	Yes



ATTACHMENT I-1

Council Budget Workshop
April 26, 2010
Debt

Local Improvement Districts

A Local Improvement District (LID) is a method of financing capital improvements constructed by the City that provides a special benefit to the properties within the boundary of the LID. The LID formation process leads to the sale of bonds and the retirement of those bonds via annual special assessments paid by the property owners within the district. State law (RCW 35.54.095) also requires that a "Guaranty Fund" be established through the special assessments with a balance of no less than 10% of the outstanding obligations guaranteed by this fund.

Generally speaking, bonds sold by the City for an LID are either LID bonds or General Councilmanic bonds. In the case of LID bonds, the City's debt capacity is not impacted; however, in either case, if the Guaranty Fund is depleted, the City will be required to replenish the Fund. There is a risk that the City's credit can be negatively affected if the debt payments are not fully funded.

Options:

The City can either continue on a pay-as-you-go basis or use additional long-term debt or a hybrid approach to address capital needs.

Recommendation:

Maintain current practice until the impacts on the budget are determined, but continue to explore the use of long-term debt as an option.



ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

Policy Issue #2

If Council decides to issue debt, what revenue will be used to support the debt (existing or new)?

Background:

The issuance of debt provides a financing mechanism, much like taking out a mortgage on a home. It does not provide an ongoing source of money to repay the “loan”. Annual debt payments associated with issuing long-term debt can be financed by existing and/or new revenues.

As stated earlier, the City’s current CIP is funded primarily on a pay-as-you-go basis. The revenues available in the General CIP include sales tax, B&O tax, grants, and real estate excise tax (REET). Grants are earmarked for certain projects. REET is much more economically sensitive and one-time in nature and not likely a good candidate to support ongoing debt payments. Whatever sales tax or B&O tax that is not programmed in the current CIP could be used to support debt issuance.

Because the property tax derived from the City’s banked capacity cannot be used to fund debt, the “Supplemental CIP” bonds were actually funded from sales tax. The two consecutive property tax increases (2% in 2007 and 2% in 2008) were offset by an equal reduction in the sales tax that is distributed to the City’s General Fund, thereby creating sales tax as a funding source for the debt in the General CIP.

Council has asked staff to provide more information regarding use of debt to finance additional capital projects, in particular to provide additional funding for Mobility & Infrastructure projects. New sources of revenue could be used to pay for debt, including voted property tax increases or LID special assessments. LIDs, for example, were contemplated as part of the funding sources for the Mobility & Infrastructure Initiative.

Current funding for the short-term Mobility & Infrastructure Initiative totals \$20.0 million. The short-term plan includes \$7.4 million of the remaining “Supplemental CIP” bonds, \$10 million in bonds supported by the 2009 3% property tax increase, and \$2.6 million in federal grants. Council has allocated a total of \$14.2 million to date in Mobility projects. The funding sources and projects are illustrated in the following chart.

Council asked us to provide a clear statement of the funding sources for the Mobility & Infrastructure Initiative short-term plan.





ATTACHMENT I-1

Council Budget Workshop
April 26, 2010
Debt

Category	Amount (\$ in 000s)
Funding	
Supplemental CIP Funding (two 2% levy increases)	\$14,000
Supplemental CIP Spending	(6,600)
Supplemental CIP Funding transferred to Mobility Initiative	\$7,400
Federal Grant (120th Avenue NE Improvements)	2,600
Long-term Debt (2009 3% Levy increase)	10,000
Total Funding	\$20,000
Project Costs	
Adopted by Council on February 1, 2010:	
NE 4th Street Extension (PW-R-160)	\$3,600
120th Ave NE Improvements (PW-R-161)	8,600
NE 6th Street Extension (PW-R-162)	1,000
Subtotal Projects Adopted on February 1, 2010	\$13,200
Adopted by Council on March 8, 2010	
NE 15th Street Multi-Modal Corridor (Segment 1)	1,000
Total Project Costs	\$14,200
Remaining Funding Available	\$5,800

The City's Aaa general obligation and Aa1 Councilmanic bond rating allows us to borrow at the lowest interest rates. Current market conditions for the municipal bond market are favorable. Liquidity in the market is good and demand has been gradually increasing lately.

One unknown at this time is the future of interest rates. As the economy recovers, interest rates are expected to rise. As a result, investors will start moving some of their money into stocks that will create some lessening demand in bonds leading to slightly higher interest rates.

The following table shows the estimated bond issue costs based on \$10, \$50, and \$100 million bond issues:

Council asked us to provide more information regarding the ability to borrow and the cost of borrowing.





ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

Type and Size of Bond	Bond Issue Costs					Total	% of Bond Size
	Underwriter (1)	Bond Counsel (2)	Financial Advisor	Bond Rating (3)	Other		
1. LID Bonds							
a. \$10 million	\$50	\$27	\$35	N/A	\$2	\$114	1.14%
b. \$50 million	\$250	\$60	\$35	N/A	\$3	\$348	0.70%
c. \$100 million	\$500	\$80	\$35	N/A	\$3	\$618	0.62%
2. GO Bonds							
a. \$10 million	\$50	\$20	\$30	\$21	\$2	\$123	1.23%
b. \$50 million	\$250	\$50	\$30	\$40	\$3	\$373	0.75%
c. \$100 million	\$500	\$70	\$30	\$64	\$3	\$667	0.67%
3. Revenue Bonds							
a. \$10 million	\$70	\$25	\$30	\$27	\$2	\$154	1.54%
b. \$50 million	\$350	\$65	\$30	\$48	\$3	\$496	0.99%
c. \$100 million	\$700	\$85	\$30	\$87	\$3	\$905	0.90%

⁽¹⁾ Underwriter fees as a percent of total size are estimated to be 0.5% for LID and GO Bonds, and 0.7% for Revenue Bonds.

⁽²⁾ Bond Counsel fees have a fixed and a variable component. For a \$10 million GO bond issue, the fee is calculated as follows: (\$11,390 + 0.165% of amount over \$5 million = \$19,640).

⁽³⁾ Bond rating fees do not apply for LID bonds which are considered "nonrated".

Actual bond issue costs that the City has paid in the last several years have ranged from \$21,000 (.07%) for the \$30.0 million 2009 LTGO BAN (Line of Credit) to \$1.1 million (1.0%) for the 2004 \$102.7 million LTGO bonds (new City Hall).

By locking long-term interest rates at a lower rate now, the City can finance a portion of the capital needs sooner rather than later. The City may face the risk of rising interest rates and construction inflation rates by delaying the financing of capital projects. The following table provides an example of the cost of delaying projects compared to the cost of long-term borrowing.

Council asked us to provide information regarding whether we should be issuing more long-term debt now while interest rates are low and are likely to increase over time.





ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

Financing Method	Inflation/Interest Costs	Difference	Breakeven (in years)
Cash - Delay project for 10 years	\$6.3 million		
20 yr Bonds @ 4.5%	\$5.5 million	\$800,000 Savings	8.91
20 yr Bonds @ 5.5%	\$6.9 million	\$600,000 Cost	10.63

Assumptions

- Project cost \$10 million
- Cash to fund project is not available for at least 10 years
- 20-year bond interest rates 4.5% and 5.5%
- Construction cost inflation 5% annually

This chart illustrates that the City would save approximately \$800,000 in future construction inflation costs for this hypothetical project by issuing 20 year bonds at 4.5%. Conversely, the cost of financing bonds at 5.5% will be higher by approximately \$600,000. Holding construction inflation factors constant at 5%, the breakeven points (that is, point at which borrowing costs are equal to inflation costs) are approximately 8.91 years and 10.63 years for 4.5% and 5.5% bonds respectively.

There are a number of important economic factors that should be considered when determining what financing method to use. The following lists some of the factors to consider:

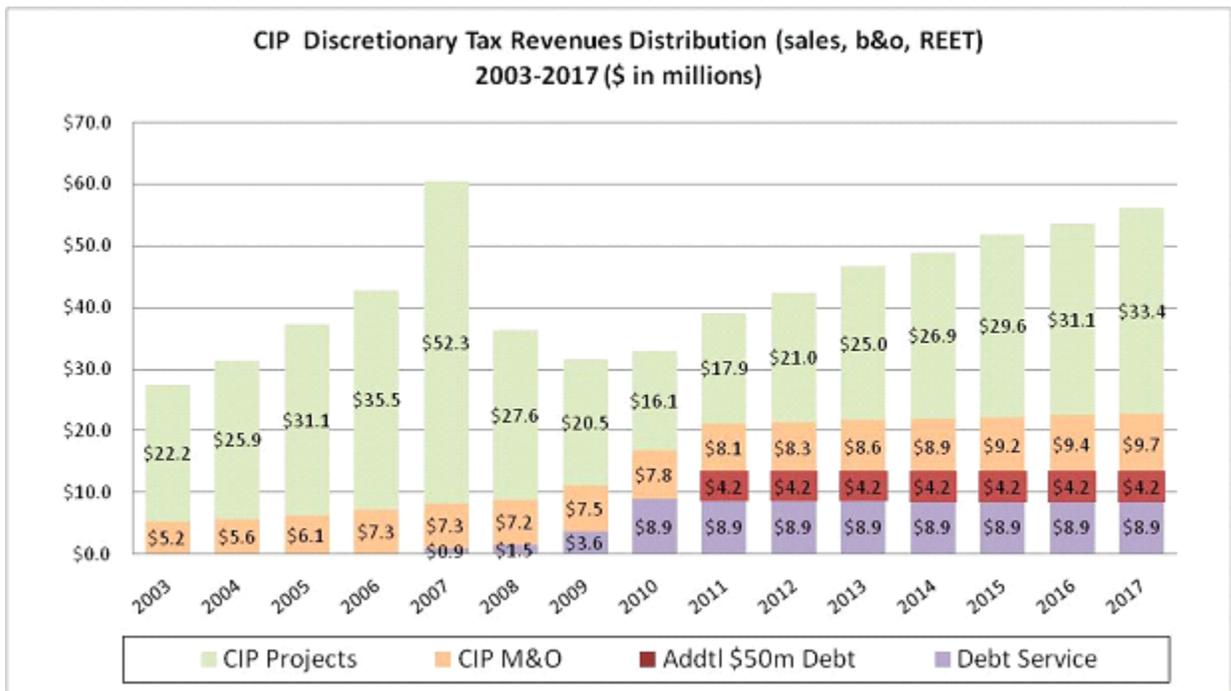
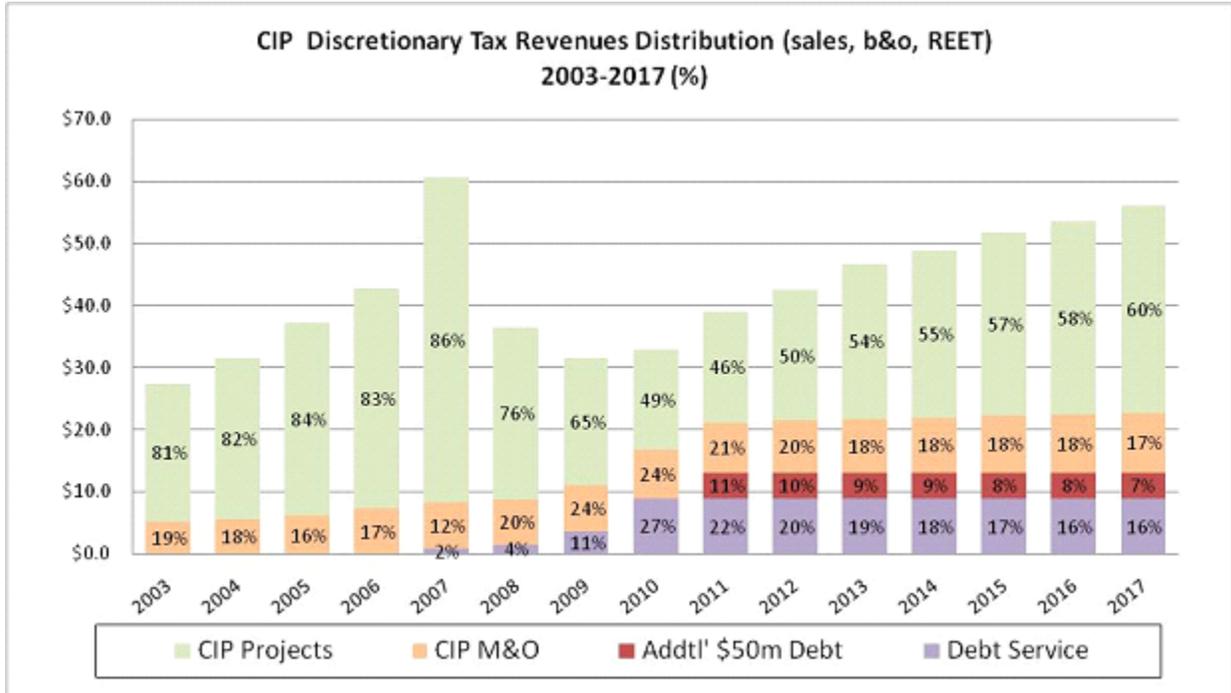
- Bid environment – The current bid environment is very favorable, with recent bids averaging 30% under engineer's estimate.
- Low borrowing rates – Current interest rates are low compared to the last several years.
- Uncertainty regarding future construction costs
- Uncertainty regarding future interest rates.



ATTACHMENT I-1

Council Budget Workshop
 April 26, 2010
Debt

The impact of additional debt issuance, without a new funding source is illustrated in the graphs below.



Options:



ATTACHMENT I-1

Council Budget Workshop

April 26, 2010

Debt

If the City chooses to issue additional long-term debt, it can be funded out of either the existing CIP or new revenue.

Recommendation:

Maintain the current pay-as-you go method until early review of the budget by Council, but continue to explore the use of the existing CIP versus new revenue.



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

During the May 10 Council discussion on Financial Policy Issues, Council asked the following questions related to the Debt Policy that required further research and analysis by staff.

Council asked:

1. *What was the size of the bond issue for the 4.1% average Municipal Market Data (MMD) quoted on May 10?*
2. *What was the average Municipal Market Data for Washington Aaa cities for the last year?*
3. *What types of projects are appropriate for using long-term debt?*
4. *What are the debt service schedules for BCCA debt?*
5. *How is each type of debt funded?*
6. *Is there an analysis of debt service payments as a % of revenues?*
7. *How does the City of Bellevue compare to Seattle's debt policy as a % of revenues?*
8. *Is the LID debt proposed for the Mobility & Infrastructure Initiative consistent with the current financial policies?*
9. *Is it realistic to fund Bel-Red and Wilburton with LIDs?*
10. *What is the economic benefit of construction projects, e.g. NE 4th?*
11. *Is there a scenario for using tax increment financing for Bel-Red?*



This document provides the answers to those questions in the following pages along with supporting information presented by the major policy issue discussed.



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt**Policy Issue #1**

Does Council want to consider the use of long-term debt, continue on a pay-as-you-go basis, or use a hybrid approach?

Background:

As noted at the April 26 and May 10 Council Study Sessions, CIP projects have been largely funded on a pay-as-you-go basis per Council policy. Use of long-term debt in the CIP has been minimized. There have been exceptions for extraordinary circumstances (City Hall debt, Supplemental CIP bonds, Mobility & Infrastructure).

At the January Council Retreat, Council asked for an analysis of interest costs versus the inflationary cost of construction in delaying projects. At the May 10 Council meeting, staff provided the following analysis comparing interest costs to construction inflation costs.

Financing Method	Inflation/Interest Costs	Difference	Breakeven (in years)
Cash - Delay project for 10 years	\$6.3 million		
20 yr Bonds @ 4.5%	\$5.5 million	\$800,000 Savings	8.91
20 yr Bonds @ 5.5%	\$6.9 million	\$600,000 Cost	10.63

Assumptions

- Project cost \$10 million
- Cash to fund project is not available for at least 10 years
- 20-year bond interest rates 4.5% and 5.5%
- Construction cost inflation 5% annually

In explaining the table to Council, to illustrate current interest rates and validate the likelihood of achieving the savings illustrated by the 20 year bond issue @ 4.5%, staff noted that the previous business day's average borrowing rate quoted by the City's financial advisor, Seattle Northwest Securities (SNWS), for LTGO debt was 4.1%, based on Thomson Municipal Market Data (MMD) service. The rate quoted by SNWS factored in the cost of issuance to provide the estimated "True Interest Cost" (TIC), derived from Thomson's national MMD scale (as of the close of day, Friday, May 7) and was not based on a specific bond issuance size.

1. What was the size of the bond issue for the 4.1% average Municipal Market Data (MMD) quoted on May 10?





ATTACHMENT I-2

Council Budget Workshop
June 14, 2010
Debt

According to SNWS, there is no accurate way to calculate an “average” rate for Washington Aaa cities for the prior year. All issues are unique in structure, size, etc. SNWS has, however, provided the following table which summarizes comparable LTGO bond issue rates for Washington Aaa cities for 2009 through current:

2. What is the average Municipal Market Data for Washington Aaa cities for the last year?



- 1) City of Bellevue – estimate derived by using Thompson MMD as of May 2010
- 2) City of Seattle – March 2009 and March 2010 bond issues
- 3) City of Mukilteo – September 2009 bond issue

Comparable Investor Yields				
Description	City of Bellevue Estimated Rate	City of Seattle Imp. & Ref. Bonds, 2009	City of Seattle Imp. & Ref. Bonds, 2010	City of Mukilteo, 2009
Type of Security	LTGO	LTGO	LTGO	LTGO
Pricing/MMD Date	5/12/2010	3/11/2009	3/12/2010	9/10/2009
Amount of Issue	N/A	\$99,860,000	\$135,395,000	\$12,585,000
Type of Sale	N/A	Competitive	Competitive	Negotiated Bank Qualified
Underlying Rating - Moody's/S&P/Fitch	Aa1/AAA	Aa1/AAA/AA+	Aa1/AAA/AA+	AAA
Bond Rates - Before Debt Issue Costs (1)	3.93%	4.61%	3.81%	3.83%

(1) The TIC that includes borrowing costs is not available for Seattle and Mukilteo bond issues.

According to SNWS, Bellevue usually gets the best rates in the market on the day of sale as a result of its top bond ratings.

During the May 10 discussion on the issuance of long-term debt, Council asked what type of projects are appropriate for using long-term debt.

3. What type of projects are appropriate for using long-term debt?



Long-term debt is generally thought to be appropriate for: (1) achieving



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

intergenerational equity where current and future users share the costs and benefits of constructing a facility; and (2) matching the cost of capital improvements to the benefiting users of the asset (e.g., Local Improvement Districts).

Long-term debt is also appropriate for capital projects with matching funds available and which will be lost if not funded timely. Certain urgent capital projects also warrant the use of councilmanic debt where the timing does not allow for the issuance of voted debt.



ATTACHMENT I-2

Council Budget Workshop
June 14, 2010
Debt

Policy Issue #2

If Council decides to issue debt, what revenue will be used to support the debt (existing or new)?

Background:

As noted on May 10, the issuance of debt provides a financing mechanism, much like taking out a mortgage on a home. It does not provide an ongoing source of money to repay the “loan”. Annual debt payments associated with issuing long-term debt can be financed by existing and/or new revenues.

As part of this discussion, Council asked about debt service schedules for the Bellevue Convention Center Authority (BCCA) debt.

4. Provide the debt service schedules for BCCA debt.



The following debt service schedules for BCCA debt are provided below:

- 1) Bellevue Convention Center Authority – Special Obligation Revenue Bonds
 - a. 1991 BCCA Series B Bonds
 - b. 1994 Refunding Bonds
- 2) Limited Tax General Obligation Bonds – Issued by the City for BCCA
 - a. 1995 LTGO – BCCA Improvements
 - b. 2002 LTGO – BCCA Land Acquisition
- 3) General Obligation and Revenue Bond Debt – Source of Funding
- 4) City of Bellevue Annual Debt Service payments Compared to Revenues/Debt per Capita



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

Bellevue Convention Center Authority - Special Obligation Revenue Bonds (\$ in 000)										
1991 BCCA Series B Bonds (5.90% - 7.20%)					1994 Refunding Bonds (6.25% - 7.50%)				Total	
Year	Principal	Interest	Debt		Principal	Interest	Debt		Total Debt Service	Total Debt O/S
			Service	O/S			Service	O/S		
Beg Bal 1/1/10				\$6,695				\$11,521		\$18,216
2010	\$683	\$1,962	\$2,645	6,012	\$472	\$898	\$1,370	11,049	\$4,015	17,061
2011	710	2,240	2,950	5,302	452	968	1,420	10,597	4,370	15,899
2012	735	2,540	3,275	4,568	421	1,009	1,430	10,176	4,705	14,744
2013	759	2,871	3,630	3,809	391	1,049	1,440	9,784	5,070	13,593
2014	753	3,157	3,910	3,056	444	1,326	1,770	9,341	5,680	12,396
2015	545	2,490	3,035	2,511	460	1,530	1,990	8,881	5,025	11,392
2016	579	2,881	3,460	1,932	667	2,473	3,140	8,214	6,600	10,145
2017	613	3,322	3,935	1,318	614	2,496	3,110	7,599	7,045	8,918
2018	647	3,808	4,455	671	558	2,512	3,070	7,042	7,525	7,713
2019	671	4,293	4,965	0	508	2,502	3,010	6,534	7,975	6,534
2020			0		539	2,901	3,440	5,995	3,440	5,995
2021			0		1,238	7,262	8,500	4,757	8,500	4,757
2022			0		1,224	7,826	9,050	3,533	9,050	3,533
2023			0		1,269	8,831	10,100	2,263	10,100	2,263
2024			0		1,179	8,921	10,100	1,084	10,100	1,084
2025			0		1,085	8,915	10,000	0	10,000	0



ATTACHMENT I-2
 Council Budget Workshop
 June 14, 2010
Debt

Limited Tax General Obligation Bonds - Issued by the City for BCCA (\$ in 000)										
1995 LTGO - BCCA Improvements (Rate 5.15% - 5.80%)					2002 LTGO - BCCA Land Acquisition (Rate 3.50% - 5.50%)				Total	
Year	Principal	Interest	Debt Service	Debt O/S	Principal	Interest	Debt Service	Debt O/S	Total Debt Service	Total Debt O/S
Beg Bal 1/1/10				\$3,546				\$9,600		\$13,146
2010	\$338	\$422	\$760	3,208	\$235	\$483	\$718	9,365	1,478	12,573
2011	318	442	760	2,890	245	474	719	9,120	1,479	12,010
2012	298	462	760	2,592	255	463	718	8,865	1,478	11,457
2013	280	480	760	2,312	265	452	717	8,600	1,477	10,912
2014	262	498	760	2,050	275	441	716	8,325	1,476	10,375
2015	246	514	760	1,804	290	429	719	8,035	1,479	9,839
2016	232	528	760	1,572	305	416	721	7,730	1,481	9,302
2017	217	543	760	1,355	320	402	722	7,410	1,482	8,765
2018	205	555	760	1,150	335	387	722	7,075	1,482	8,225
2019	193	567	760	957	355	371	726	6,720	1,486	7,677
2020	183	577	760	774	370	354	724	6,350	1,484	7,124
2021	173	587	760	601	390	336	726	5,960	1,486	6,561
2022	163	597	760	438	410	314	724	5,550	1,484	5,988
2023	154	606	760	284	435	292	727	5,115	1,487	5,398
2024	145	615	760	139	455	270	725	4,660	1,485	4,798
2025	139	623	761	0	480	247	727	4,180	1,487	4,180
2026					505	222	727	3,675	727	3,675
2027					535	196	731	3,140	731	3,140
2028					565	169	734	2,575	734	2,575
2029					595	138	733	1,980	733	1,980
2030					625	106	731	1,355	731	1,355
2031					660	73	733	695	733	695
2032					695	37	732	0	732	0



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

Council asked about funding sources for the various debt issues that the City of Bellevue has outstanding.

5. How is each type debt funded?



The table below shows the source of debt service funding for each of the City's bond issues. Since property tax derived from the City's banked capacity cannot be used to fund debt, the "Supplemental CIP" bonds are actually funded from sales tax revenues.

General Obligation and Revenue Bond Debt - Source of Funding (\$ in 000)					
	Original Amount Issued	Final Maturity Date	Interest Rate	Source of Debt Service Funding	2009 Debt Service Payments
Non-Voted General Obligation Bonds					
1995 LTGO - BCCA Improvement	\$5,140	2025	5.15% - 5.8%	Hotel/Motel Taxes	\$760
1998 LTGO - Meydenbauer Marina	4,310	2018	4.00% - 4.70%	Moorage Fees	411
2002 LTGO - BCCA Land Acquisition	10,450	2032	3.50% - 5.50%	Hotel/Motel Taxes	718
2003 LTGO - Metro Site Acquisition	4,635	2014	2.00% - 4.50%	General Taxes	515
2004 LTGO - (City Building I)	102,710	2043	5.00% - 5.50%	Sales Tax	5,307
2006 LTGO - (City Building II)	6,060	2026	3.80% - 4.25%	Sales Tax	449
2008 LTGO - (Supp. CIP)	14,230	2027	3.00% - 4.25%	Sales Tax	1,034
2008 Limited GO BAN (LOC) ⁽¹⁾	30,000	2013	Variable	General Taxes	93
2009 Limited GO BAN (LOC)	30,000	2013	Variable	General Taxes	31
Subtotal General Obligation Bonds					\$9,317
Revenue Bonds					
1991 BCCA Series B Bonds	13,749	2019	5.90% - 7.20%	Hotel/Motel Taxes	\$2,345
1994 BCCA Refunding Bonds	21,120	2025	6.25% - 7.50%	Hotel/Motel Taxes	1,020
Subtotal Revenue Bonds					\$3,365
Total General Obligation and Revenue Bonds					\$12,682

⁽¹⁾ These bonds were repaid in October, 2009 from the proceeds of the sale of the 2009 Limited GO BANs.



ATTACHMENT I-2

Council Budget Workshop
June 14, 2010
Debt

As part of the debt discussion, a question arose regarding debt service payments as a percentage of revenues. The following chart compares Bellevue’s outstanding debt payments to General Fund and tax revenues.

6. *Is there an analysis of debt service payments as a % of revenues?*



City of Bellevue Annual Debt Service payments Compared to Revenues/Debt per Capita (\$ in 000's)								
Year	Debt Service (P&I)	General Fund Tax Revenues	Debt Service as % of G/F Tax Revenues	Total General Fund Revenues	Debt Service as % of Total General Fund Revenues	Total City Tax Revenues	Debt Service as % of Total City Tax Revenues	Net O/S Debt Per Capita
2005	\$12,700	\$91,779	13.84%	\$121,376	10.46%	\$131,305	9.67%	\$1.58
2006	10,710	102,545	10.44%	132,648	8.07%	145,855	7.34%	1.55
2007	11,285	108,703	10.38%	145,495	7.76%	173,843	6.49%	1.33
2008	11,918	109,173	10.92%	146,305	8.15%	149,495	7.97%	1.44
2009	12,682	104,477	12.14%	151,560	8.37%	142,090	8.93%	1.55
Budget 2010	15,521	124,075	12.51%	161,802	9.59%	188,699	8.23%	1.50

Note: This table reflects all of the City’s long-term debt, but excludes the line of credit.

As shown in the chart above, the City’s debt service as a percent of City tax revenues has declined significantly from 9.67% in 2005 to 8.23% in 2010.

Also, as part of the debt discussion, Council asked about the City of Seattle’s debt policy. Seattle limits the “net debt service” paid from the General Fund, defined as the total annual debt service payments on limited tax general obligation (Councilmanic) debt minus any revenues generated by the debt-financed projects to make these payments, except in emergencies, to 9% of the total General Fund budget.

7. *How does the City of Bellevue compare to Seattle’s debt policy as a % of revenues?*





ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

The following table compares City of Bellevue to City of Seattle in terms of: 1) annual debt service as a percent of General Fund Budget, and 2) net outstanding general obligation (GO) debt per capita. The results are very similar, both in terms of percent of General Fund budget and debt per capita.

Bellevue vs. Seattle - Debt Comparison				
Year	Bellevue Annual Debt Service as a % of General Fund Budget	Seattle Annual Debt Service as a % of General Fund Budget	Bellevue Net Outstanding GO Debt Per Capita	Seattle Net Outstanding GO Debt Per Capita
2009	6.94%	7.00%	\$1,551	\$1,511

In reviewing the City's debt policy, Council asked about the policy on use of Local Improvement Districts (LIDs). The Comprehensive Financial Management Policy provides examples of when LIDs can be used to fund certain improvements. These examples are not finite, and do not limit either the City's or the public's ability to form LIDs. The City Council has expressly adopted the state statute by reference authorizing LIDs in Chapter 15.04 BCC, and has reserved the ability to form LIDs in every manner authorized by state law. In addition, last year Council endorsed the Mobility and Infrastructure Finance Plan which expressly recognized LIDs as a capital funding mechanism. The Finance Plan outlines general policy guidance for a financial strategy to generate the funding to pay for identified improvements. The Finance Plan was developed based on a set of principles including that the cost of public infrastructure should be shared based on the relative impacts and benefits of development. LIDs support this principle by recognizing that transportation improvements provide improved access to private property, thereby increasing the value of that property.

8. Is the LID debt proposed for the Mobility and Infrastructure Initiative consistent with the current financial policies?





ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

The Mobility and Infrastructure Finance Plan endorsed by the Council contemplates a variety of funding sources. The Council's conclusion was that an array of financial tools should be deployed to construct the basic infrastructure to support planned growth. LIDs are one source within a wider mix. The Plan assumed that other City revenues (property tax, impact fees) would augment revenue from LIDs. This strategy recognizes that the improvements being funded support adjacent property redevelopment and a larger City objective of enhancing mobility throughout the City, and that it is necessary to combine LID funding with other City revenue to pay for these projects.

9. *Is it realistic to fund Bel-Red and Wilburton with LIDs?*



Several points are worth special note regarding the feasibility of LIDs. First, an LID can be formed only if the special benefits to property owners are greater than the LID assessment. Second, LIDs cannot be formed over the objection of owners of property within the proposed LID subject to 60% or more of the total cost of the improvements.

As discussed with the Council on June 7, a special benefit study is underway to answer the question of the value of the Wilburton improvements to the adjacent property

10. *What is the economic benefit of construction projects, e.g., NE 4th?*



owners. Beyond the benefits to these adjacent properties, City traffic modeling shows that growth in Bel-Red and Wilburton requires the construction of NE 4th, 120th, NE 15th, and 124th Ave NE to meet the growth in traffic generated by new development in these areas. Delivering these basic infrastructure projects supports the highest and best

use of property contemplated by the new zoning put in place in Bel-Red and planned for Wilburton. For Bel-Red alone these arterial projects are key parts of the infrastructure needed to support the adopted Plan which projects an increase of 4.5 million square feet of commercial development and 5,000 housing units by the year 2030.

Tax increment financing is not permitted in the State of Washington. In a sense, the financing plan for Bel-Red incorporates one of the underpinnings of tax increment financing, in that it programs 40% of the new revenue to the CIP generated from new growth into Bel-Red to fund needed capital investment. This is an important component of the financing plan, but is not sufficient by itself to pay for the needed investments.



ATTACHMENT I-2

Council Budget Workshop

June 14, 2010

Debt

If the law were to be changed, the amount of revenue generated would depend on provisions of the law in terms of which types of revenues and what portion of various types of revenues would be subject to capture for funding projects. The actual amount of revenue would also vary depending on the specific project and boundaries of the district. Additional consultant study would likely be necessary in order to accurately evaluate the incremental dollars to be derived.

11. Is there a scenario for using tax increment financing for Bel-Red?

