

**CITY COUNCIL STUDY SESSION ITEM**

**SUBJECT**

Long Range Capital Finance Plan.

**STAFF CONTACT**

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**POLICY ISSUES**

Should the City amend its Capital Improvement Plan and adopt a financial strategy to fund new transportation and other capital investments? What projects should be included in this plan, and how should they be paid for?

**DIRECTION NEEDED FROM COUNCIL**

- Action
- Discussion
- Information

Staff seeks direction from the City Council on what projects and financial strategy Council wants to implement as part of the long range capital finance strategy.

**BACKGROUND/ANALYSIS**

On June 10, 2008, Council initiated work to identify transportation investments that would provide congestion relief for the growth in trips resulting from recent development in Downtown, and to provide new transportation capacity to accommodate planned growth in the Bel-Red area. In subsequent Council discussions, the project list has been refined to include other investments, and the broad outline of a financial strategy to pay for the improvements has been discussed.

Staff seeks Council direction on this plan. The attached project list ( Attachment 1) captures the most recent staff revisions to the project list, based on feedback from the City Council at your October 20, 2008 discussion. The project list needs to be confirmed or modified, so that a finance plan can be developed to pay for the improvements.

Financing options have been discussed by the City Council, and are summarized in Attachment 2. Staff needs direction from the Council on which revenues Council wants

included in the finance plan, so that the final details of the financial strategy can be developed.

### Questions raised by Councilmembers.

At your October 13 meeting, two questions were raised by Council members.

Councilmember Bonincontri asked for detailed financial information on the NE 15<sup>th</sup> Street project costs. This information is provided below:

- Project Description - a new 4 lane arterial street, between 116<sup>th</sup> Ave NE and 124<sup>th</sup> Ave NE
- Project cost:- \$93,900,000
- Design, engineering, environmental - \$6,000,000
- Right of Way acquisition - \$47,500,000. Construction - \$23,700,000
- Contingency - \$16.7m
- Cost estimates based on 2% engineering.

Councilmember Davidson asked for additional information on how the proposed transportation impact fee might apply to different development types throughout the City. Attachment 3 presents this information, based on a \$5,000/pm peak hour trip.

### Next steps

Staff will develop a final version of the long range capital investment plan based on the feedback from Council on the project list and revenue sources. Staff will seek Council action to approve the plan, which then can be implemented by future action of the Council. These actions may include the following:

- Action by the Council to raise property taxes and storm drainage fees as part of the action to adopt the budget on December 1, 2008
- Action in early 2009 to adopt the Bel-Red plan, zoning, and development regulations
- Action in early 2009 to adopt the Transportation Facility Plan and Impact fee ordinance
- Action in 2009 to form LIDs.

## **ALTERNATIVES**

Staff seeks direction on the project list (Attachment 1) and financing options (Attachment 2).

## **ATTACHMENTS**

1. Project list and costs
2. Revenue options
3. Transportation Impact Fee background information

### Long Range Capital Finance Plan

Projects	September 15, 2008 Estimate	Revised October 21, 2008	Notes
NE 4th	\$36M	\$57M	Project scope expanded to include NE 8 <sup>th</sup> /120 <sup>th</sup> intersection
Metro Site	\$18M	\$18M	
ITS capital improvements	\$2M	\$2M	
Downtown Circulator	\$2M	\$3M	
120th	\$41M	\$16M	Project scope reduced by excluding the NE 8 <sup>th</sup> /120 <sup>th</sup> intersection
NE 15th	\$103M	\$93M	Cost reduced \$10M, partial intersection imp. @ NE15th and 124 <sup>th</sup> .
124th	\$24M	\$3M	Construction deferred. Retain \$1M for design, \$2M for ROW acquisition
NE 6th ext	\$92M	\$8M	Construction deferred. Retain \$1M for design, \$7M for ROW
NE 2nd	\$17M	\$0M	ROW acquisition deferred
Ped/Bike/Neighborhood sidewalks	\$15M	\$10M	\$5M deferred
Bel-Red Land Acquisition	\$32M	\$32M	
Finance Costs	\$0M	\$30-50M	
<b>Total</b>	<b>\$382M</b>	<b>\$272-\$292M</b>	

### Unfunded Project List – 6/10/08

NEAR TERM		LONG TERM	
West Lake Sammamish	\$ 24M	Intersection Safety	\$ 5M
Jail	18M	Intersection Projects	16M
Eastlink Betterments	20M	Downtown tunnel	0-500M
BROTS III/Redmond	10M	Spring District LRT tunnel	60M
NE 6 <sup>th</sup> property acquisition	15M	Neighborhood protection	6M
IT investments	5M	BNSF commuter rail	10M
Advanced ROW acquisition (ST2)	???	Parks land acquisition (downtown)	26M
Court	???	Parks land acquisitions (Bel-Red)	41M

Revenue sources	September 15, 2008 estimate	October 21 , 2008 estimate	Notes
Baseline revenues			
• New Bel Red taxes	\$8M	\$8M	\$40M associated with const of NE 6 <sup>th</sup> deferred
• Grants	\$45M	\$5M	
• ROW dedication	\$13M	\$13M	
• Storm drainage funds	\$10M	\$10M	
• Incentive zoning	\$22M	\$22M	
LID funding	\$63M	\$56M	
Impact fees	\$57M	\$40M (@3500) or \$57M (@5000)	
Property Tax	None assumed	\$42M	Assumes 2% PT increase
Total revenue	\$218M	\$196M-\$213M	
Gap	(\$164M)	(\$76M-\$79M)	

# Impact Fees for Sample Developments Attachment 3

(Assumes Citywide Rate of \$5,000 per PM Peak Hour Trip)

	Downtown Bellevue	Bel-Red Corridor	Other Areas of the City
High-Rise Office (550K sq ft)	\$3,283,500	n/a	n/a
Mid-Rise Office (250K sq ft)	\$1,550,000	\$2,065,000	n/a
Low-Rise Office (75K sq ft)	n/a	\$861,000	\$861,000
Mixed-Use Building (25K sq ft retail, 200 housing units)	\$479,000	\$599,250	\$599,250
Small Shopping Center (75K sq ft)	n/a	\$582,000	\$582,000
Big Box Retail (100K sq ft)	n/a	n/a	\$1,187,000
High-Rise Residential (400 units)	\$703,000	n/a	n/a
Mid-Rise Residential (300 units)	\$527,250	\$707,625	n/a
Hotel (350 rooms)	\$874,650	\$910,000	\$910,000
Senior Housing (100 units)	\$38,500	\$38,500	\$38,500
Single Family Residence	n/a	n/a	\$4,419