

**CITY COUNCIL STUDY SESSION ITEM**

**SUBJECT**

Affordability of the East Link MOU.

**STAFF CONTACT**

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*Planning and Community Development*  
Jan Hawn, Director, 452-6846, and Toni Rezab, 452-7863, Budget Manager  
*Finance Department*  
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*City Manager's Office*

**POLICY ISSUES**

This Study Session is intended to help advance the Council's discussion on the affordability of the East Link Memorandum of Understanding (MOU). Tonight's materials and discussion will also help the public understand the implications of an MOU investment, which will be helpful in providing Council feedback at the September 26 Public Hearing.

**DIRECTION NEEDED FROM COUNCIL**

<u>      </u>	Action
<u>  X  </u>	Discussion
<u>  X  </u>	Information

No action is requested tonight. Staff anticipates that this will be one in a series of Study Sessions needed to arrive at a decision on the East Link MOU in the coming weeks.

**BACKGROUND/ANALYSIS**

**Tunnel Funding Gap and the Genesis of the East Link Term Sheet**

Over the past several years, the City has worked to achieve a light rail alignment in Bellevue that delivers the benefits of high capacity transit while minimizing negative impacts to the City's neighborhoods and businesses. A key conclusion of the City's analysis is that a tunnel through Downtown Bellevue is needed to avoid unacceptable disruptions to the City's limited arterial system, and that the tunnel will also improve transit system efficiency and ridership. Sound Transit has concluded that a surface alignment through Downtown Bellevue is acceptable, and that if a tunnel is selected, then the City should help bear the added costs. The funding gap between the surface and tunnel profiles was originally estimated at \$320 million (2007\$).

In a previous term sheet authorized in 2010, the City and Sound Transit identified a framework for bridging this gap. Sound Transit would contribute \$75 million in costs savings and \$95 million in additional funding capacity, and the City would contribute up to \$150 million (all numbers in 2007\$).

The most recent (2010) Sound Transit cost estimates include a cost savings of roughly \$75 million, achieved through the "B2M" modified alignment in South Bellevue. Including the B2M cost savings, the cost difference between the at-grade and tunnel alignment funding gap in 2010 dollars is \$276 million. With the cost saving for the B segment already accounted for on Sound Transit's side of the ledger, Sound Transit's remaining share of the \$276 million would now amount to \$116 million. Bellevue's contribution remains the same (up to \$150 million in 2007\$, or roughly up to \$160 million inflated to 2010\$).

### **Financial Elements in Adopted Term Sheet**

The current East Link Term Sheet adopted by the Council on August 8 of this year sets forth certain actions for Sound Transit and the City to work together towards closing the funding gap for the Downtown Bellevue light rail alignment. It includes several elements of a City funding contribution to East Link. This is an abbreviated recap; the full Term Sheet is provided as Attachment A.

- The Term Sheet does not bind the parties to specific project funding actions but is a commitment to negotiate in good faith toward a future binding Memorandum of Understanding (MOU).
- As an up-front commitment, the City will take all or a portion of the following actions to reduce Sound Transit's costs by a minimum of \$100 million:
  - Providing permanent ROW easements
  - Providing temporary easements for construction staging
  - Contributing the depreciated value of City-owned utilities
  - Helping to direct conflicting private utilities to relocate
  - Contributing certain taxes received by the City as a result of the Project
  - Purchasing certain properties for the Project which may also serve other public purposes
  - Other actions that reduce Sound Transit's costs
- Dependent on the costs of the Project within Bellevue and other considerations, the City will provide cash or other contributions that bring the total cost reduction to Sound Transit up to \$160 million.

This synopsis focuses solely on the financial elements of the adopted Term Sheet. Another section of the Term Sheet addresses City-requested modifications to the alignment in South Bellevue. A key point in the Council Resolution accompanying the adopted Term Sheet is that "The City's willingness to become a financial partner in the Project is premised on an agreement as to a cooperative alignment throughout the City."

### **Updated Draft Principles**

Over the course of the East Link deliberations, the Council has developed several sets of principles to help guide your discussion. These have covered an array of topics, leading up to adoption of the August Term Sheet. Attachment B is an updated set of principles focused more narrowly on the East Link investment. These are based on the current Council direction and project developments to date. These are intended to help guide discussion of the MOU affordability in the coming weeks. Staff is requesting Council direction on any desired modifications to these draft principles and then for your approval.

### **Proposed list of City's East Link Contributions, with Timing**

The adopted August Term Sheet is predicated on the City reducing costs for the East Link Project by up to \$150 million (2007\$). A key principle is that the City's investment should meet the needed East Link credit at the lowest cost to the City, and include actions that meet other City goals beyond the Sound Transit investment. Staff has applied this principle to the Term Sheet's concept of an up-front amount and a contingent amount, yielding the following major categories and amounts of contributions that have been under discussion at a staff level with Sound Transit:

Category 1) No cost and low cost items totaling a Sound Transit credit value of approximately **\$40 million**.

Category 1 is extremely highly leveraged, costing the City only \$2.5 million in new expenditures from the General CIP. City costs also include an estimated \$7.6 million from Utility funds.

Category 2) City expenditures that provide collateral benefits beyond the East Link project, totaling a Sound Transit credit value of approximately **\$60 million**. Category 2 is comprised of property purchases, and carries a considerable up-front cost to the City of roughly \$58 million. These investments are also highly leveraged, providing very tangible ancillary financial benefits to the City in addition to the East Link credit. All the property purchases are needed for City parks or transportation ROW, which the City will retain after providing needed easements to Sound Transit.

Together, categories 1 and 2 above would fully fund the \$100 million up-front amount called for in the Term Sheet. Attachment C is the list of specific potential credit items that have been the focus of negotiations between City and Sound Transit staff. Tonight's Council discussion is intended to focus on this specific list of potential up-front contributions.

Category 3 is the Contingent contribution described in the Term Sheet, with a Sound Transit credit value of up to another **\$60 million**. This is not an up-front commitment but rather "depends upon the cost of the Project within Bellevue after consideration of the benefit and risk sharing allocations and Project cost reconciliation procedures." While still subject to discussions, at this point, staff's thinking is that Category 3 contributions, if needed, could be provided from a menu of options that save the Project time, money and risk. These may include credit for the HOV lane on Bellevue Way (assumed as a \$25 million City expenditure), code amendments that provide Sound Transit with greater certainty, permit processing that saves time and reduces the project schedule, clear expectations about construction mitigation, cost reductions as a result of value engineering and/or reductions in project scope, and grant funding or partnerships that provide additional funding for the Project. The approach to Category 3, "contingent" contributions is still under development, and currently there is no agreement at the Sound Transit staff level. The Category 3 contribution will be further detailed in future Council presentations.

### **City's Other Unmet Capital Needs**

The essence of the policy question before the Council is whether the City can afford the MOU investment in light of all the City's other unmet capital needs. Council workshops and retreats in prior years have explored the breadth of these capital needs and visions. They are identified through planning efforts like the Parks and Open Space System Plan, the Pedestrian and Bike System Plan, the Transportation Facility Plan, and Subarea Plans. Other capital needs and opportunities emerge over time, through Council and community initiatives like the City's earlier investment in the performing arts center. Collectively, the City's capital needs total well over a billion dollars.

In recent Council discussions a smaller sub-set of all potential needs has been used to capture the most tangible picture of priority needs. Attachments D1 and D2 provide a list of these tangible unmet capital needs, totaling \$480 million. Again, this is not a fully encompassing list of all potential needs but rather is consistent with recent Council discussions. Also shown for reference is the list of the discrete projects funded in the current adopted CIP (Attachment E).

### **Future CIP Revenues**

To understand the magnitude of an East Link investment and potential funding available to address this, staff presented several revenue scenarios at Council's September 12 meeting. These scenarios projected future CIP revenues out to 2030, under several different assumptions (See Attachment F). Recapping discussion from this earlier meeting:

- Package 1 shows basic out-year CIP resources for the period 2018-2030, i.e. beyond the current adopted 2011-17 CIP.
- Package 2 assumes, in addition to basic out-year CIP resources, roughly half of the Mobility and Infrastructure Initiative (M&I) revenues extended out through the period 2018-2030.
- Package 3 assumes basic out-year CIP resources plus all of the M&I revenues for the period 2018-30.

All three revenue packages include the \$25 million "Council contingency" in the existing CIP, as this is currently unallocated to specific projects and was earlier identified as a potential revenue source for the East Link contribution. To identify what share of this revenue could potentially be available for an East Link contribution, all three scenarios net out existing long-term debt obligations and ongoing programs (e.g. the street overlay program) restored to pre-2011 sustainable levels. This results in net revenue available for new discrete projects, which may include an East Link commitment.

### **Scenarios of Future CIP Revenues and Projects**

Given that the City has limited revenues to meet future needs, the City faces inevitable trade-offs in funding the MOU investment. Even without the MOU investment, the City will not be able to fund all worthy projects. In order to illustrate how far the revenues may go with an MOU investment, City staff created several scenarios that balance revenues and project expenditures. This was only an exercise, designed to illustrate some of the trade-offs the Council faces.

Attachment G provides these revenue-project scenarios, based on funding the up-front \$100 million in Sound Transit credit, plus the needed Bellevue Way HOV facility. The additional \$60 million "contingent" credit (Category 3 above) is not provided here and as noted above will be further detailed in future Council presentations.

- Under Revenue-Project Scenario 1, in addition to the Sound Transit credit, staff assigned very basic capital needs.
- Under Revenue-Project Scenario 2, in addition to the Sound Transit credit and basic needs, staff assigned "foundational" CIP projects; i.e., projects that help support other important community investments and outcomes.
- Under Revenue-Project Scenario 3, in addition to the above, staff began to assign projects that build toward the broader community vision.

The point of this exercise was simply to illustrate how far available revenues might go toward funding both the MOU and other City needs. It is certainly not a conclusion as to whether any given project should be in or out of future CIPs.

### **Timing of Expenditures and Use of Debt**

As shown in Attachment C, the timing of the East Link contributions is a critical issue. Most of the City investments in the up-front \$100 million categories are needed in 2014 or 2015. Property acquisitions and utility re-locates must be accomplished before the project can begin full construction.

The City's funding analysis relies on future CIP revenues, generated in the period 2018-30. To draw upon those future funds in 2014-15 would require the City to issue long-term debt (bonds); and incur finance charges over the life of those bonds. The precise finance charges depend on the amount of debt issued, interest rate, timing of the debt, etc., and would be worked out in consultation with the City's financial advisor. A finance cost component has been added to each of the revenue-project scenarios to account for these factors.

The City's indebtedness is limited by RCW and is further limited by the City Debt Policy. The limitations are applied to the City's assessed value to arrive at a dollar limit of indebtedness. The City's 2011 assessed value is \$32,078,743,330. Under City policy, which is more restrictive than state law, the City today has a remaining Councilmanic (non-voted) debt capacity, after accounting for all outstanding debt, of \$129 million. This number is projected to grow to \$165 million by 2014, the period when most of the MOU investments would be needed.

Attachment H tracks Councilmanic (non-voted) debt capacity from the present date through 2030. Over time, as Assessed Value changes and existing debt is retired, Councilmanic debt capacity will increase substantially<sup>1</sup>. The Attachment also shows the much higher projected statutory limits for Councilmanic debt capacity.

### **POLICY ISSUE**

The overall policy issue presented by tonight's discussion is whether the Sound Transit MOU is affordable, given:

- the amount of City investment needed
- the degree to which the City's East Link investment can be "leveraged" with other City benefits
- the trade-offs in funding the East Link investment in the upcoming years vs. the City's other unmet capital needs.

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<sup>1</sup> Based on existing debt only, assumes Assessed Value grows at 2% annually, and current debt is paid according to existing debt scheduled.

There are adequate resources available to fund the MOU under all of the scenarios presented tonight. However, each of the scenarios presents trade-offs in the total package of what can be funded and the revenue sources that enable this funding.

### **NEXT STEPS**

Tonight's Study Session is intended to begin the Council's discussion on the affordability of the East Link investment. These discussions will continue over the coming weeks along with consideration of the overall MOU. Tonight's materials will also help inform the public for the upcoming open house on September 20 and public hearing on September 26.

The one item requested for Council direction tonight is your refinement and approval of the draft Principles presented in Attachment B.

### **ATTACHMENTS**

- A. Existing City-Sound Transit Term Sheet, with accompanying City Council Resolution
- B. Draft Principles to Guide an East Link Investment
- C. Proposed List of East Link Contributions, with Timing
- D. City's Unmet Capital Needs—Citywide, Downtown, and Mobility and Infrastructure Initiative
- E. Discrete Projects Funded in the Current 2011-17 CIP
- F. Revenue Scenarios (from 9-12-11 Study Session)
- G. Revenue + Project Scenarios
- H. Councilmanic Debt Capacity 2011-2030
- I. Responses to Questions from Councilmember Wallace

CP# 47791 DATE 8-16-11 BY *Richard Lee*

**TERM SHEET  
BETWEEN THE CITY OF BELLEVUE AND SOUND TRANSIT  
IN ANTICIPATION OF AN AGREEMENT**

**1) Purpose**

Upon execution of this Term Sheet, the parties will immediately enter into good-faith negotiations to produce a binding umbrella memorandum of understanding (hereinafter "umbrella MOU"), as described below, on or before October 25, 2011, unless this date is extended by mutual agreement of the parties. It is anticipated that this binding umbrella MOU will address, at least, the following: C9T tunnel funding and project cost updating, cost reconciliation and risk and benefit sharing procedures, use of City right-of-way and associated terms and conditions, a description of the applicable City codes and regulations and potential regulatory changes, and design modifications to the project scope. These potential modifications to project scope address design modifications to the Project intended to meet the City's goals of mitigating traffic, noise, and visual impacts to the surrounding neighborhood and environment while ensuring that the Project continues to meet the objectives established by the Sound Transit Board.

This Term Sheet does not bind the parties to specific project funding actions, alignment decisions, or approvals, but rather is a commitment to negotiate in good faith future binding agreements consistent with these terms including the umbrella MOU. If the parties are not able to reach agreement on a subsequent agreement(s) consistent with this Term Sheet after negotiating in good faith, neither party shall be further bound by this Term Sheet.

**2) Project Scope Description**

As used herein, "Project" refers to the approximately six-mile alignment through Bellevue described in Exhibit A with certain City requested modifications to the Project alignment that will be a subject of the binding umbrella memorandum of understanding.

**3) City Funding Contributions and Commitments to Manage Project Cost**

The City and Sound Transit will commit to actions and activities as defined in this Term Sheet to work together towards closing the funding gap for the "C" segment, such actions and activities to be detailed in the binding umbrella MOU. The City will reduce by up to \$150 million (\$2007) Sound Transit's costs for the Project. The specific values associated with the City's funding commitments will be identified in the binding umbrella MOU. Credits to the City's funding commitments for the real property interests described herein will be based on Sound Transit estimates and as further described in the binding umbrella memorandum of understanding.

The binding umbrella MOU between the parties will include provisions and a process for quantifying and sharing Project cost benefits and risks, for baselining the Project cost estimate, for cost reconciliation, and other funding procedures.

**A. Up-Front City Commitments:**

The City will take all or a portion of the actions listed below and to be detailed in the binding umbrella MOU to reduce Sound Transit's costs by a minimum amount of \$100 million (\$2010):

- Provide permanent easements on certain City-owned property at no cost to Sound Transit.

- Provide temporary easements for construction staging on certain City-owned property at no cost to Sound Transit.
- Contribute the depreciated value of City-owned utilities relocated by the Project
- Cooperate with Sound Transit to direct conflicting private utilities to relocate when necessary at their expense, as provided by law.
- Contribute sales and B&O taxes received by the City as a result of the Project.
- Purchase certain properties needed for the East Link Project, which also could be used to serve other public purposes. The City would then provide permanent easements or other property interests.
- Other City actions that reduce Sound Transit's costs for the Project.

**B. Contingent Contributions**

Depending upon the cost of the Project within Bellevue after consideration of the benefit and risk sharing allocations and Project cost reconciliation procedures to be included in the binding umbrella memorandum of understanding, including providing appropriate credit for cost and risk reductions as a result of cooperative actions of the City, the City will take some or all of the following additional actions to reduce Sound Transit's costs by up to an additional amount to bring the total cost reduction to Sound Transit to up to \$160 million:

- Cash or other contributions. The City may provide cash, property or other contributions funded by the City, third parties or through grant funding to in whole or in part satisfy its commitment.

**C. City and Sound Transit Commitments to Cost Management**

The parties are committed to managing within the Project scope, schedule and budget as follows:

- The City will convey permanent property easements and permanent underground easements in City street rights of way to Sound Transit for as long as required solely for the Project and consistent with Federal Transit Administration continuing control requirements.
- The City will provide all third-party assistance necessary to maintain project schedule, including design reviews, construction inspections, police control, and tunnel rescue team.
- Sound Transit and the City will work together to value engineer the Project with the goal of reducing the Project costs.

**4) City Requested Modifications to the Project**

Sound Transit agrees to evaluate for potential inclusion in the Project's scope the following City requested modifications, and to conduct further engineering, environmental and other federal reviews, and outreach as appropriate:

- a) Grade-separate the alignment along 112<sup>th</sup> Avenue NE so as to eliminate traffic conflicts and to reduce noise from gated crossings and/or bells.
- b) Review further the optimal location to cross from the east to the west-side of 112<sup>th</sup>.
- c) Move the SE 8<sup>th</sup> Station to the East Main Street Design Option location described in the final EIS. Noise walls planned by Sound Transit in this area should be designed so as to mitigate noise from trains entering and exiting the station.
- d) Between Surrey Downs Park and Main Street provide additional landscaping between the light rail alignment and the sidewalk on 112<sup>th</sup>.

- e) Change access to enhance Surry Downs Park for neighborhood use.
- f) Improve traffic flow on Bellevue Way by adding an additional southbound lane on the City's Bellevue Way project between 112<sup>th</sup> and I-90. Sound Transit will fund the portion of the lane as described in the final EIS as mitigation for the expansion of the South Bellevue park-and-ride.
- g) Such other requests intended for the purposes of reducing costs.

**5) Subsequent Agreements**

The parties acknowledge that the binding umbrella memorandum of understanding will establish the scope and timelines for developing additional agreements on the following subjects:

- a) Project and program management ideas as described in the April 2010 term sheet between the parties.
- b) A process for cooperative identification of value engineering for the Project, including cooperative development of 60% design.
- c) Identification of opportunities to clarify the codes and regulations that apply to the Project, including negotiation of a development agreement pursuant to the provisions of the Growth Management Act addressing the following issues:
  - i. development standards and other provisions that govern and vest the development, permissibility of use, interim design for 16<sup>th</sup>/136<sup>th</sup> street, and mitigation of the Project,
  - ii. coordinated and efficient permit processing and timelines for permit decisions, and
  - iii. environmental compliance, the use of existing environmental documents and early identification of any additional environmental information required based on final design of the Project.

**6) City Regulatory Authority**

Nothing in this Term Sheet shall be deemed a waiver of the City's regulatory authority or a predetermination of the compliance of the Project with applicable codes and regulations.

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7) **Waiver of Litigation**

The parties agree that during the period of negotiating the binding umbrella memorandum of understanding referenced above through October 25, 2011, neither party will take or join any action in any judicial, administrative or legislative forum to challenge actions of the other with regard to SEPA and the Project alignment decision. Future commitments to avoid litigation will be included in the binding umbrella memorandum of understanding and subsequent agreements, and such provisions shall supersede this Section 7. If the parties fail to execute the binding umbrella memorandum of understanding when required by this Term Sheet, this Section 7 shall be of no further force or effect. Nothing in this Term Sheet is intended to limit or waive the City's full participation in the Section 106 and Section 4(f) processes, as provided for in the regulations. The parties waive no rights except as explicitly set forth herein, and failure to pursue judicial, administrative or legislative remedies during the effective period of this Section shall not be used against a party upon termination of this Section 7.

**SOUND TRANSIT**

  
Joan M. Earl  
Chief Executive Officer

August 10, 2011  
Date

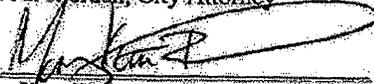
**CITY OF BELLEVUE**

  
Steven R. Sarkozy  
City Manager

August 9, 2011  
Date

Approved as to Form:

Lori M. Jordan, City Attorney

By:   
Mary Kate Berens  
Deputy City Attorney

Approved as to Form:

By:   
Stephen G. Sheehy  
Sound Transit Legal Counsel



## Exhibit "A" to August 2011 Term Sheet

**Segment B: South Bellevue****112th SE Modified Segment (B2M)**

*Segment B2M* (see Exhibit 2) is elevated in the I-90 center roadway, crosses over westbound I-90, and continues elevated on the east side of Bellevue Way SE to the South Bellevue Station, located at the current South Bellevue Park-and-Ride Lot; this alternative also maintains the westbound and eastbound I-90 HOV direct access ramps.

The South Bellevue Station includes a parking structure with approximately 1,400 stalls on up to five levels built on the site of the existing South Bellevue Park-and-Ride Lot. After leaving the station, the route transitions to a retained cut on the east side of Bellevue Way within Mercer Slough Nature Park to the intersection of Bellevue Way SE and 112th Avenue SE. In front of the Winters House the route is in a lidded retained cut approximately 170 feet long. From this point, *Segment B2M* would connect to the 110th NE Tunnel Alternative Segment (C9T). All traffic impacts on Bellevue Way will be mitigated by adding an HOV lane from the main entrance of the S. Bellevue park-and-ride to I-90 and installing a U-turn at the south entrance to the park-and-ride.

*B2M* transitions from retained cut to at-grade on the east side of 112th Avenue SE to the at-grade SE 8th Station north of SE 8th Street. From there, *B2M* remains at-grade until reaching Segment C at SE 6th Street (Exhibit 3). *Segment B2M* has a gated crossing at SE 15th Street and SE 8th Street.

A traction power substation is located on the east side of Bellevue Way at SE 30th Street, near the Sweylocken boat launch and a cross-over is located south of the South Bellevue Station. Other than embedded track at the SE 15th and SE 8th street crossings, all track within Segment B is direct fixation or ballasted.

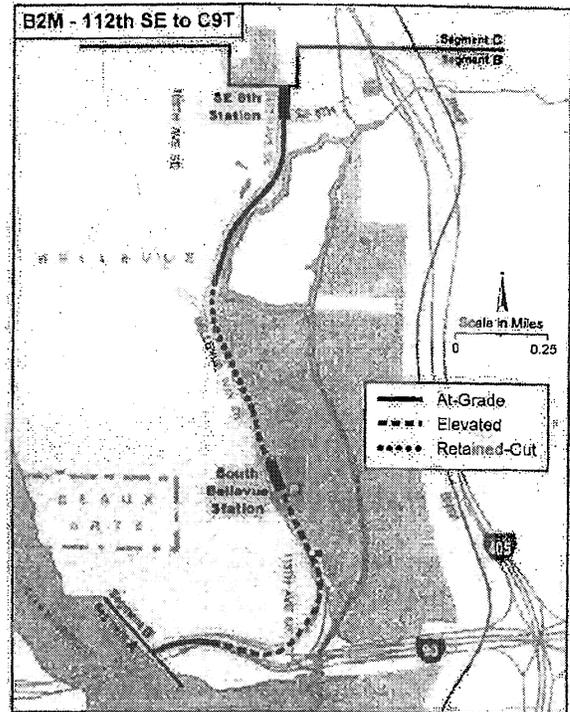


EXHIBIT 2  
Preferred Alternative B2M

## Exhibit "A" to August 2011 Term Sheet

## Segment C: Downtown Bellevue

## 110th NE Tunnel Alternative Segment (C9T)

The 110th NE Tunnel Alternative Segment (C9T) (see Exhibit 3) travels from Segment B in a tunnel north along 110th Avenue NE, turns east at NE 6th Street, and crosses over I-405 to connect with the Segment D alternatives.

From the 112th SE Modified Segment (B2M), Segment C9T begins on the east side of 112th Avenue SE at SE 6th Street and then transitions to the west side of 112th Avenue SE at SE 6th Street. Segment C9T then travels at-grade on the west side of 112th Avenue SE before turning west at Main Street to enter the tunnel portal on Main Street. The project includes realigning SE 4th Street through Surrey Downs Park to connect to 112th Avenue SE farther south, forming a four-way intersection at SE 6th Street and dead-ending SE 1st Place to the west of 112th Avenue SE.

From the tunnel portal on Main Street, Segment C9T continues on the south side of Main Street before turning north under 110th Avenue NE. Segment C9T includes the Bellevue Transit Center Station at NE 4th Street with two entrances. From this station, Segment C9T continues north to NE 6th Street, where it turns east and transitions to an elevated profile in the center of NE 6th Street, and then swings to the north side of NE 6th Street to cross 112th Avenue NE, I-405, and 116th Avenue NE. Preferred Alternative C9T then turns north along the former BNSF

Railway corridor to cross NE 8th Street and reach the elevated Hospital Station with entrances on the north side of NE 8th. Preferred Alternative C9T then connects with Segment D alternatives from the former BNSF Railway corridor.

There is a traction power substation for Segment C9T, located near the intersection of Main Street and 112th Avenue SE. Cross-overs are located between SE 4th and SE 1st Place and between I-405 and 116th Avenue NE. Other than embedded track at the SE 6th street crossing, all track within Segment C is direct fixation or ballasted.

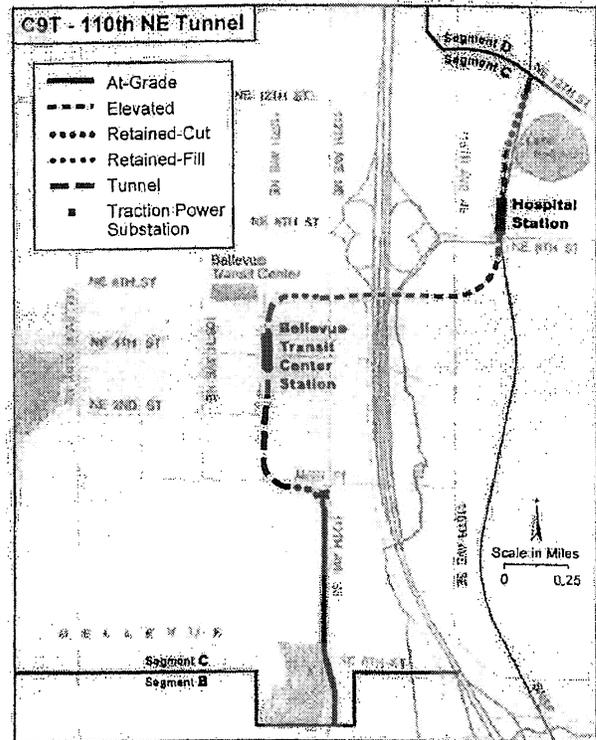


EXHIBIT 3  
Preferred Alternative C9T

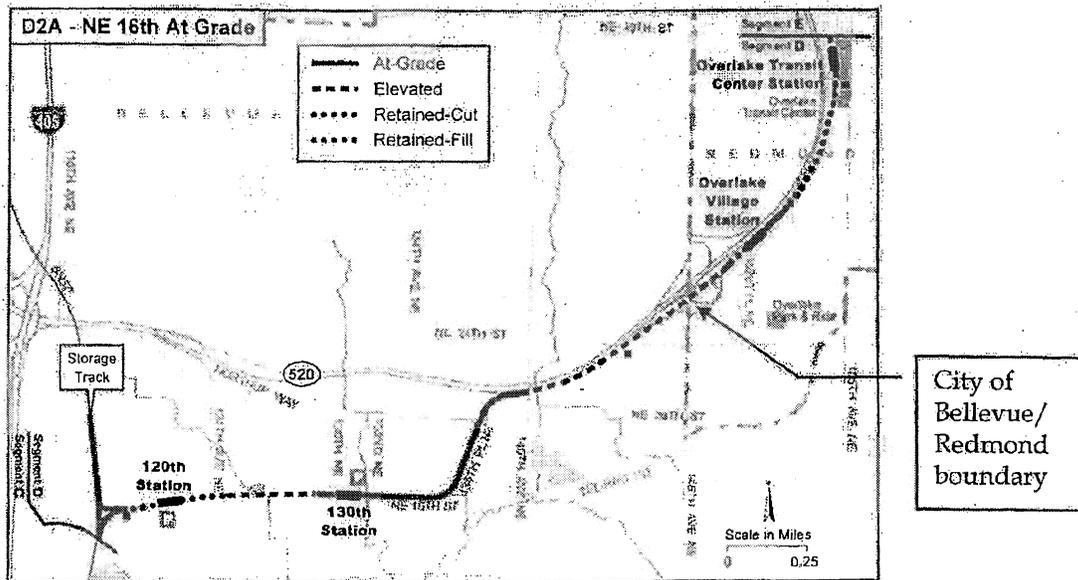
**Exhibit "A" to August 2011 Term Sheet**

**Segment D: Downtown Bellevue to Overlake Transit Center**

**NE 16th At-Grade Segment (D2A)**

Segment D2A (see Exhibit 4) travels parallel to and north of a new NE 15th Street corridor east from the former BNSF Railway corridor in a mixed at-grade, retained-cut, and elevated profile. Segment D2A leaves the former BNSF Railway corridor at-grade and then transitions to a retained cut under 120th Avenue NE to a retained-cut 120th Station subject to a funding agreement with the property owner. After leaving the 120th Station, the route continues in a retained cut under 124th Avenue NE before transitioning to an elevated profile over the West Tributary of Kelsey Creek and then returns to the at-grade 130th Station. The 130th Station would include a new 300 stall park-and-ride lot adjacent to and immediately north of the station. Segment D2A continues at-grade on NE 16th Street, turns at 136th Place NE, and crosses NE 20th Street at-grade. NE 16th and 136th will be widened with a partially tiered road design to create a median for light rail within the footprint described in the preliminary engineering plans. From NE 20th, the project transitions to an elevated structure along the south side of SR 520. The project then continues northeast across the Bellevue City Limits at 148th Ave NE and into the City of Redmond. Storage tracks would be in the former BNSF Railway corridor north of the Segment C/D break with lead tracks, operator report and light maintenance facilities adjacent to the corridor.

There are two traction power substations for Segment D2A in the City of Bellevue: one near the 120th Station and one located under the elevated guideway at NE 24th Street. A cross-over is located between 124th and 130th Avenues NE. Other than embedded track at street crossings, all track within Segment D is direct fixation or ballasted.



**EXHIBIT 4**  
Preferred Alternative D2A

# ORIGINAL

## CITY OF BELLEVUE, WASHINGTON

### RESOLUTION NO. 8276

A RESOLUTION authorizing the City Manager or his designee to execute an updated Term Sheet with Sound Transit, directing the City Manager to provide public outreach regarding the East Link Project, directing the City Manager to provide certain financial information, and establishing principles to guide further negotiations with Sound Transit.

WHEREAS, the Bellevue City Council has a long history of expressing support for regional transportation projects, including high-capacity transit; and

WHEREAS, in 2005, the Bellevue Council updated its Future High Capacity Transit Interest Statement, which articulated the City's principles for an efficient, effective and reliable transit system linking Seattle, Bellevue and Redmond, and

WHEREAS, voters approved ST2 providing funding for a regional high-capacity transit system for the Central Puget Sound region in 2008; and

WHEREAS, the East Link Project was included within ST2 and establishes a high-capacity transit connection between Seattle, Mercer Island, Bellevue and Redmond; and

WHEREAS, the City has invested significant time and resources to identify the potential benefits and impacts of a high-capacity transit system, which efforts have included formation of a Light Rail Best Practices committee and the significant planning efforts for the Bel-Red corridor to complement Sound Transit's role as the regional high-capacity transit provider and to inform all decision-makers with respect to an eastside transportation project; and

WHEREAS, in previous planning work and interest statements, the Bellevue City Council has consistently indicated the importance of serving Downtown Bellevue, the region's most dynamic economic engine, with high-capacity transit; and

WHEREAS, in previous planning work and interest statements, the Bellevue City Council has consistently indicated the importance of protecting our neighborhoods from the negative impacts of high-capacity transit; and

WHEREAS, in previous planning work and interest statements, including Transportation Element Policy TR-75.5, the Bellevue City Council has consistently indicated the importance of protecting our roadway network capacity from being reduced by the installation of high-capacity transit; and

WHEREAS, the Bellevue City Council has endorsed the C9T tunnel alignment as the appropriate profile through Downtown Bellevue, because of the consistency with the Comprehensive Plan, including Light Rail Best Practices, improved system ridership, better noise mitigation, increased safety, reduced visual impacts, and avoidance of congestion and road capacity impacts offered by such a profile; and

WHEREAS, in previous planning work and interest statements, including Transportation Element Policy TR-75.5, the Bellevue City Council has consistently indicated that any alignments that run at-grade in or through our Central Business District are unacceptable and inconsistent with the City's Comprehensive Plan, Land Use Code and Light Rail Best Practices; and

WHEREAS, Sound Transit identified a variety of alignments through Bellevue for the East Link Project in its Draft Environmental Impact Statement (DEIS), including several tunnel alignments with substantial cost implications when compared to surface alignment alternatives; and

WHEREAS, the City cooperated with Sound Transit to develop a shorter and more cost effective downtown tunnel alignment, now known as the 110<sup>th</sup> Avenue Northeast Tunnel Alternative (C9T); and

WHEREAS, based on Sound Transit's project cost estimates from 2007, a tunnel alignment through downtown Bellevue was estimated to cost approximately \$320 million more than an at-grade alignment; and

WHEREAS, in a previous term sheet authorized in 2010, the City and Sound Transit identified a framework for bridging the cost difference between a tunnel and at-grade alignment in downtown Bellevue, with Sound Transit contributing \$75 million (2007\$) in cost savings and \$95 million (2007\$) in additional financing capacity the City contributing up to \$150 million in 2007\$; and

WHEREAS, the City has consistently indicated concerns with impacts of the East Link Project on portions of the City outside of the downtown, particular with respect to impacts related to noise, transportation system impacts, visual impacts and impacts to neighborhood character; and

WHEREAS, by letter dated February 25, 2009 conveying comments on the DEIS, the City requested that Sound Transit explore alternatives to the DEIS alignments identified for the B-segment of East Link; and

WHEREAS, by letter dated March 9, 2010 following a joint workshop with the Sound Transit Board, the City identified its preliminary preferred B-segment alignment (B7); and

WHEREAS, the Supplemental Draft Environmental Impact Statement (SDEIS) published in November 2010 included additional alignments for the Project, including the B-Segment. Among these additional alignments is the alignment that Sound Transit has identified as its preferred alternative (B2M); and

WHEREAS, the City recognizes that Sound Transit continues to identify B2M as its preferred B-Segment alignment with publication of the Final Environmental Impact Statement (FEIS) on July 15, 2011, and

WHEREAS, the City recognizes that the Sound Transit Board has identified B2M as its preferred B-Segment alignment with the adoption of Resolution 2011-10 on July 28, 2011; and

WHEREAS, the Sound Transit Board adopted Resolution R2011-10 selecting the route, profiles, and station locations for the East Link Project; and

WHEREAS, the City and Sound Transit have both identified D2A as the preferred alignment in the D-Segment and the City supports cooperative efforts between Sound Transit and the property owners at the Spring District station to achieve a grade separated alignment between 120<sup>th</sup> and 124<sup>th</sup> Avenue NE; and

WHEREAS, Sound Transit will be required to obtain permits and approvals from the City, as a municipal government with jurisdiction over a portion of the East Link route, during the course of the Project; and

WHEREAS, the City has independent obligations, under applicable local and state law, to perform environmental and other reviews of the East Link Project portions which are within the city limits of Bellevue (hereinafter "Project"), which obligations are not waived or compromised in the Term Sheet; and

WHEREAS, to achieve a cooperative alignment, the City requires additional modifications to the B2M alignment designed to mitigate impacts that continue to be of concern to the City and its residents, including noise, transportation system, visual, neighborhood character and parks impacts; and

WHEREAS, continued negotiations between the City and Sound Transit represent an opportunity to determine whether a cost sharing approach for a City contribution to the C9T tunnel and a cooperative alignment throughout Bellevue can be identified and agreed to between the agencies; and

WHEREAS, a cooperative approach between the City and Sound Transit for the life of the East Link Project represents a significant opportunity to assist Sound Transit to ensure that the Project delivers the level of service expected by the region and City residents and businesses; and

WHEREAS, following execution of the updated Term Sheet, significant effort remains to establish the final terms of a binding umbrella memorandum of understanding; and

WHEREAS, as of the date of the updated Term Sheet and this Resolution, the following information is still to be determined: the estimated revenues allocated by Sound Transit to the Bellevue portion of the Project; the estimated costs of the Bellevue portion of the Project; the estimated revenues Sound Transit has allocated to Segment "C"; the estimated cost of C9T; the estimated funding gap that is the subject of the updated Term Sheet; the details of any Sound Transit proposed mitigation and the costs thereof; the defined project list to be completed by Bellevue as its contribution to reducing Sound Transit's gap for the C9T; and the financial implications and planning that will need to be undertaken by the City to cover its contributions to reducing the Sound Transit gap for the C9T; and

WHEREAS, the Bellevue City Council desires to establish broad negotiating principles as the agencies move to the next stage of discussions; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute the updated Non-Binding Term Sheet with Sound Transit, a copy of which updated Term Sheet is attached hereto as Exhibit "A" and has been given Clerk's Receiving No. 47791.

Section 2. The City Manager is directed to develop and implement a process for public engagement and outreach for consideration of alignment revisions, and to provide updates to Council regarding public feedback, such engagement and outreach to be completed at least four (4) weeks prior to execution of the Umbrella MOU.

Section 3. In addition to the principles established between the parties by the Non-Binding Term Sheet, the following principles should guide the City's further discussions with Sound Transit for the binding umbrella memorandum of understanding:

1. Mitigation for the impacts of the Project, including noise, transportation system impacts, visual impacts, impacts to neighborhood character and impacts on parks and the historic Winter's House, shall comply with the City's codes, the principles of the Light Rail Best Practices committee work, the Comprehensive Plan, and any other applicable laws;
2. The City's willingness to become a financial partner in the Project is premised on an agreement as to a cooperative alignment throughout the City;

3. City contributions to the Project should emphasize the opportunity to reduce Project costs at the lowest cost to the City, including consideration of actions that both meet other City goals and Project objectives and actions within the City's control to mitigate Project risk;
4. As a financial partner in the Project, the City must have appropriate levels of participation, commensurate with its contribution and the final level and structure of risk and benefit sharing, in project design, construction implementation, budget development and project cost oversight;
5. City participation in risk and benefit sharing must be structured with consideration of those areas of the Project within the City's control or influence, and after an appropriate definition of Project scope, identification of revenue sources, identification of how Project cost savings are applied, and procedures for confirming and reconciling Project expenditures;
6. The City and Sound Transit should work cooperatively to reduce the overall costs of the Project and to seek additional outside financial resources to reduce the City's and Sound Transit's costs;
7. Cooperation between the parties at all levels and during all phases of the Project has significant value and creates potential to realize Project cost savings; and
8. The binding umbrella memorandum of understanding must be consistent with the City's independent obligation to review and determine the appropriate actions on future permits or approvals for the Project, consistent with state and local laws and regulations.

Section 4. The City Manager is directed to address, in future discussions of progress on the binding umbrella memorandum of understanding, the financial implications for the City's investment based on the level and timing of resources anticipated to be contributed to the Project, including its impact on the City's budget and the implications for the City's tax policy, including property taxes and local improvement district taxes.

Section 5. After such time as the City Manager has provided the Council and the public with the information described in Section 4 above and the City Manager has completed the process described in Section 2 above, the City Council shall hold at least one public hearing to take citizen input on the terms of the Umbrella MOU.

Section 6. The City Manager is directed to work with Sound Transit to value engineer the Project and identify cost savings and the cooperative alignment.

Section 7. The City Manager is directed to create a Project Plan, Schedule and Budget for presentation to the Council on September 6, 2011. Such Plan, Schedule and Budget will generally indicate the steps for enabling the Council's consideration of a binding Umbrella MOU. Such Project Plan, Schedule and Budget will contain, among other things, the following elements:

1. The method for reaching a cooperative alignment, including any third-party consultants that needs to be retained to assist the City's efforts in this regard;
2. The method for identifying and negotiating the mitigation of impacts, including any third-party consultants that need to be retained to assist the City's efforts in this regard;
3. Identifying the process to finalize a project list for the contributions contemplated in the Term Sheet and the implications on the City's budget as identified in Section 4 above;
4. Identifying the process for quantifying the C Segment gap that the City and Sound Transit are working to close;
5. The plan for drafting the Umbrella MOU;
6. The usage and retaining of any outside third party assistance that will be necessary in developing information for use in drafting the MOU, auditing Sound Transit's budget, or other tasks necessary to reach an Umbrella MOU;
7. Such other items as the City Manager deems necessary or desirable to enable the Council to decide on the Umbrella MOU;
8. The estimated timelines for each of the above seven items; and
9. The estimated costs for each of the above seven items.

**ORIGINAL**

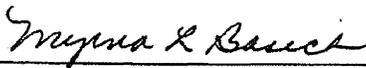
2521-RES  
8/9/2011

Passed by the City Council this 8<sup>th</sup> day of August, 2011,  
and signed in authentication of its passage this 8<sup>th</sup> day of August,  
2011.

(SEAL)

  
Don Davidson, DDS  
Mayor

Attest:

  
Myrna L. Basich, City Clerk

## Draft Principles for City Contribution to the East Link Project Tunnel Alignment

- 1) **The City and Sound Transit should work cooperatively to reduce the overall costs** of the Project and to seek additional outside financial resources to reduce the City's and Sound Transit's costs.
- 2) **The City's contribution should be proportionately reduced** if the tunnel funding gap is reduced or closes, and/or if additional East Link costs savings are realized beyond what is anticipated in the MOU.
- 3) **City contributions to the Project are contingent on Sound Transit selecting a cooperative East Link alignment as the final Project alignment.** This includes additional modifications to the B2M alignment designed to mitigate impacts of concern to the City and its residents, as called for in the updated term sheet between the City and Sound Transit.
- 4) **City participation in risk and benefit sharing up to the contribution cap must be structured with consideration of those areas of the Project within the City's control or influence,** and after appropriate definition of Project scope, identification of revenue sources, identification of how project costs savings are applied, and procedures for reconciling Project expenditures.
- 5) **As a financial partner in the East Link Project, the City must have appropriate levels of participation,** commensurate with its contribution and the final level and structure of risk and benefit sharing, in project final design, budget development, construction, and Project cost oversight.
- 6) **Determining the affordability** of the City's Project investment requires identification and analysis of the level and timing of resources anticipated to be contributed to the Project, the implications for the City's budget and tax policy, and the ability to meet other capital needs.
- 7) **The City contributions should emphasize the opportunity to reduce Project costs at the lowest cost to the City** and should:
  - a) First rely on elements that provide value to East Link without requiring new cash expenditures from the City;
  - b) Second, if requiring cash investment, provide collateral benefits—meeting other City needs while also contributing to the Project gap; and
  - c) Third, provide for a contingent contribution that values the potential project cost savings that can be achieved through cooperative actions under the City's control and additional outside resources.

**Attachment C  
Proposed List of East Link Contributions, with Timing**

Item	Value for East Link Contribution	City Cost—New General CIP	Project in Mobility & Infrastructure Initiative?	Additional City Benefits/Values	Timing	Notes
<p><b>Category 1: No Cost or Low Cost to the City</b></p> <ul style="list-style-type: none"> <li>• NE 2nd pocket parks easement</li> <li>• Bel-Red utilities property easement</li> <li>• Mercer Slough easement</li> <li>• Surrey Downs Park easement</li> <li>• City Hall easement</li> <li>• Public utilities relocation</li> <li>• Help with private utilities relocation</li> <li>• Sales tax credit</li> </ul>	\$40.4 million	\$2.5 million	No	No	2014	<p>Addl. costs to Utilities of \$7.6 million—not part of balancing General CIP</p> <p>Assumes “interim” approach to City Hall parking replacement</p>
<p><b>Category 2: Provide Corollary City Benefits</b></p> <ul style="list-style-type: none"> <li>• Metro site and other specific property acquisitions</li> </ul>	59.6 million	\$58 million	Metro site is included in M&I. Other properties may also be included in M&I.	City will accrue significant added benefits from the property acquisitions. All are needed for City ROW or park uses.	2014	<p>City cost reduced by selling excess NE 12th ROW</p> <p>City cost may also be reduced if less than full parcels are permanently needed.</p>

Item	Value for East Link Contribution	City Cost—New General CIP	Project in Mobility & Infrastructure?	Additional City Benefits/Values	Timing	Notes
<p><b>Category 3: Contingent Contribution</b>  <u>Currently under discussion with Sound Transit staff; no agreement at this time</u>  Menu of items; e.g.:</p> <ul style="list-style-type: none"> <li>• HOV lane on Bellevue Way</li> <li>• Code amendments that provide Sound Transit with greater certainty</li> <li>• Permit processing that saves time and reduces the project schedule</li> <li>• Construction mitigation</li> <li>• Cost reductions as a result of value engineering and/or reductions in project scope</li> <li>• Grant funding or partnerships that provide additional funding for the Project</li> </ul>	<p>Up to \$60 million  Final number depends upon the cost of the Project within Bellevue, benefit and risk sharing allocations and Project cost reconciliation.</p>	<p>\$25 million for HOV lane  Other costs TBD</p>	<p>No</p>	<p>City gains long-term benefit of south-bound HOV lane on Bellevue Way</p>	<p>HOV lane design 2012; construction 2013-14  Other credits accrue over time</p>	

ATTACHMENT D1

**General Capital Improvement Program (CIP)  
Unmet Capital Needs (\$000s)**

*Unfunded amounts are order of magnitude approximations  
This is not a fully encompassing list of all potential needs but rather is consistent with recent Council discussions.*

Description	Outcome Area	Pre-2010 Funding Adopted	2011-2017 Funding Adopted	Total Funding Adopted (includes pre-2011 costs)	Unfunded	Source Plan	Notes
<b><u>Mobility &amp; Infrastructure Initiative (M&amp;I) Projects</u></b>							
120th Avenue NE Stage 3	IM	690	20,794	21,484	20,736	M&I/TFP	Adopted funding to complete design of Stage 2 & 3 and implementation of Stage 2. Stage 3 construction unfunded.
NE 15th Street Multi-Modal Corridor	IM	760	4,606	5,366	92,844	M&I/TFP	Adopted funding for pre-design and environmental analysis for the entire segment and 60% design of Zone 2. Also includes funding for acquisition of Children's parcel. Remaining project is unfunded.
124th Avenue NE/Proposed NE 15th/16th Street Extension to Northup Way	IM	-	1,800	1,800	17,200	M&I/TFP	Adopted funding 60% design
Bel-Red Land Acquisitions	IM/IVCC/HSE	4,600	-	4,600	27,000	M&I	Safeway/Mid-Mountain parcel purchased in 2009. \$4.6M represents non-utility portion of acquisition.
Other Downtown Projects (M&I)	IM	-	-	-	16,000	M&I	Council did not allocate to specific projects.
Metro Site Purchase		-	-	-	16,200	M&I	Strategic acquisition. Funding for purchase option payments was included in 2009-2015 CIP
<b><u>Parks Levy Projects</u></b>							
Parks Levy 2008 Match Commitment - Remaining after current CIP					17,500		
<b><u>Projects with Partial Funding in 2011-2017 Panel Recommendation (Non-M&amp;I)</u></b>							
West Lake Sammamish/North City Limit to I-90	IM	1,447	6,843	8,290	23,700	TFP	Partial funding for final design of the entire corridor and construction of 1st segment of project, I-90 to SE 34th St. Full funding for Phase 2 of project, SE 34th to Weowna Park is unfunded @ \$5.7M and to complete the entire corridor an additional \$18.0M.
Northup Way/Bellevue Way to NE 24th Street	IM	470	8,000	8,470	1,000	TFP	Partnership with WSDOT

**General Capital Improvement Program (CIP)  
Unmet Capital Needs (\$000s)**

*Unfunded amounts are order of magnitude approximations*

*This is not a fully encompassing list of all potential needs but rather is consistent with recent Council discussions.*

Description	Outcome Area	Pre-2010 Funding Adopted	2011-2017 Funding Adopted	Total Funding Adopted (includes pre-2011 costs)	Unfunded	Source Plan	Notes
<b>Projects with Partial Funding in 2011-2017 Panel Recommendation (Non-M&amp;I)</b>							
Downtown Fire Station	SC	-	1,700	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	-	1,000	1,000	4,500		Partial funding for necessary repairs and improvements. Unfunded is major renovation of the facility
<b>Projects Funded in 2009-2015 CIP Plan Proposed by Department but Not Recommended by Panel</b>							
SE 34th Street/162nd Pl SE to West Lake Sammamish Neighborhood Sidewalks	IM	2,500	-	2,500	3,936	TFP	2009-2015 CIP planned start 2010
	IM	-	-	-	20,000	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.
<b>Other Capital Needs by Major Program Area (MPA)</b>							
<b>Transportation</b>							
124th Avenue NE at SR-520	IM	-	-	-	250	TFP	Conceptual design and environmental approvals
108th/112th Avenue NE - south of SR 520 to NE 12th	IM	-	-	-	3,800	TFP	Priority N-S Corridor
SE 16th Street/148th Avenue SE to 156th Avenue SE	IM	-	-	-	4,549	TFP	Install bike lanes, curb, gutter and sidewalk improvements. Priority E-W corridor
Lakemont Blvd (Phase 1)/Cougar Mountain Way to Lewis Creek Park and 164th Ave SE to 171st Ave SE	IM	-	-	-	3,000	TFP	Install signal, turn lanes, sidewalks and bike lanes
Bel-Red Road/NE 20th Place	IM	-	-	-	2,000	TFP	Install signal, eastbound left turn pocket and ped crossing.
<b>Parks</b>							
Bel-Red Park Acquisition/Development	IVCC	-	-	-	20,000	Parks Plan	Acquisitions identified in Bel-Red Subarea Plan
Chism/Clyde Park Restoration/Redevelopment	IVCC	-	-	-	5,000	Parks Plan	Waterfront renovation and redevelopment

**General Capital Improvement Program (CIP)  
Unmet Capital Needs (\$000s)**

*Unfunded amounts are order of magnitude approximations  
This is not a fully encompassing list of all potential needs but rather is consistent with recent Council discussions.*

Description	Outcome Area	Pre-2010 Funding Adopted	2011-2017 Funding Adopted	Total Funding Adopted (includes pre-2011 costs)	Unfunded	Source Plan	Notes
<b>Other Capital Needs by Major Program Area (MPA) - Continued</b>							
<b>Other MPA</b>							
Backup Cooling for Main Equipment Center (MEC-01) in City Hall	RG	-	-	-	125		MEC-01 houses the computer systems, phone, voice mail, email, server systems and portions of 911
Business Intelligence/Performance Management System	RG	-	-	-	500		Organization-wide management system that centralizes the collection, storage and reporting of data on performance results for the management of City programs.
City Gateways	IVCC	-	-	-	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	-	-	-	450	Urban Design Element	Design and install neighborhood identity signs and gateways. Newport Hills/Lake Heights identity project funded and completed.
<b>Total</b>		<b>\$10,467</b>	<b>\$44,743</b>	<b>\$55,210</b>	<b>\$307,390</b>		

**General Capital Improvement Program (CIP)**  
**Other Unmet Capital Needs for Downtown**  
**(\$000s)**

*Amounts are order of magnitude approximations*

Project	Unfunded Amnt	Notes
NE 2nd Street Widening from Bellevue Way to 112th	\$20,800	Pre-design funded in 2009-2010. Right-of-way estimated at \$14.7m and design & construction at \$6.1m.
108th Avenue NE from Main Street to NE 12th	\$6,500	Great Streets implementation.
Mid-Block Crossings	\$4,000	Assumes 15 additional crossings; \$250K each for 10 of them, and \$300K each where right-of-way is likely needed.
Intersection Improvements	\$7,500	At 5 locations downtown.
Reconstruct sections of 103rd, 105th, and 107th to meet city design standards sidewalks, lane width, etc.	TBD	
Left turn restrictions	\$250	Implemented as needed.
Pedestrian Corridor Improvements	\$3,000	NE 6th Street improvements including land acquisition, lighting and ADA upgrades; \$150K in current CIP for design work.
Downtown Circulator	\$5,000	Partnership with Metro for initial implementation.
Short-term parking facility or facilities, strategically located	TBD	Some investigation of this done by the city; no follow up.
Parking Guidance System	\$2,000	City project has not been scoped in detail. Some privately-owned garages have been implemented (Bellevue Square, Lincoln Square).
Sidewalk and other pedestrian improvements	\$5,000	Those which are not assumed to be part of private redevelopment or other city projects.
Downtown Bicycle Facility Improvements	TBD	Identified in Downtown Subarea Plan and Ped/Bike Plan; some portions to be covered in other projects such as 108th Avenue.
Downtown Wayfinding System	\$500	Full development of a downtown wayfinding system.
Art Walk Implementation	TBD	From Meydenbauer Bay to City Hall (along Pedestrian corridor for significant portion).
Downtown Community Center	\$15,000	Community Center to serve the cultural and social interests of growing and diverse population.
Ashwood Park Development	\$10,000	Master Plan to be revisited; placeholder of \$10m for improvements. Could also include Community Center component above.
Northwest Village Neighborhood Park	\$10,000	Land, master planning and construction of neighborhood park in northwest corner of downtown; location to be determined.
NE 2nd Street Park row, north of NE 2nd, between 108th & 111th	\$20,700	Acquisition from 108th to 111th estimated at \$13.0m. Design and construction placeholder of \$7.7m for neighborhood park and parkway features..
Linear green buffer on the south side of Main Street between 112th SE and 110th SE	\$7,000	Land acquisition and improvement.
Meydenbauer Bay Park & Connection	\$30,601	Develop graceful connection between Meydenbauer Bay and Downtown. Estimate from adopted Master Plan.
Bellevue Way High Occupancy Vehicle (HOV) lane, 112th "Y" to I-90 ramps (this project being studied but not currently in adopted plans)	\$25,000	Depending on East Link alignment portion may be built by Sound Transit.
	<b>\$172,851</b>	<b>TOTAL "UNMET NEED"</b>

**Notes:**

Unallocated placeholder of \$16m included in Mobility and Infrastructure Initiative (M&I) for Downtown Projects.

This list does not include Downtown Fire Station.

**ATTACHMENT E**  
**2011-2017 General CIP Plan**  
**\$000s**

<b>Safe Community</b>												
<b>Proposal #</b>	<b>Project #</b>	<b>Proposal Title</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017 Total</b>		
070.12PA	PS-16	Renovation of Public Safety Facilities	\$750	\$660	\$686	\$713	\$742	\$772	\$803	\$6,126		
070.89NA	PW-M-19	Major Maintenance Program	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$4,200		
070.15NN	PS-16A	Renovation of Fire Station 5	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1,000		
070.14NN	PS-61	Downtown Fire Station	\$1,100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,700		
<b>Safe Community Total</b>			<b>\$2,950</b>	<b>\$1,860</b>	<b>\$1,386</b>	<b>\$1,413</b>	<b>\$1,442</b>	<b>\$1,472</b>	<b>\$1,503</b>	<b>\$12,026</b>		
<b>Improved Mobility</b>												
<b>Proposal #</b>	<b>Project #</b>	<b>Proposal Title</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017 Total</b>		
130.78NA	PW-R-46	Major Safety Improvements - Accident Reduction Program	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700		
130.84NA	PW-W/B-56	Pedestrian Access Improvements	\$855	\$400	\$400	\$400	\$400	\$400	\$400	\$3,255		
130.85PA	PW-M-1	Overlay Program	\$4,646	\$4,841	\$5,089	\$5,280	\$5,491	\$5,711	\$5,939	\$36,977		
130.86NA	PW-M-20	Minor Capital - Signals & Lighting	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$1,400		
130.90NA	PW-M-2	Minor Capital - Traffic Operations	\$200	\$150	\$150	\$150	\$150	\$150	\$150	\$1,100		
115.06NN	CD-19	Advance the Vision for the Pedestrian Corridor	\$0	\$150	\$0	\$0	\$0	\$0	\$0	\$150		
130.55NN	PW-R-155	Traffic Computer System Upgrade	\$435	\$454	\$0	\$0	\$0	\$0	\$0	\$889		
130.56NN	PW-R-159	East Link Analysis and Development	\$2,863	\$3,355	\$0	\$0	\$0	\$0	\$0	\$6,218		
130.58NN	PW-R-141	West Lake Sammamish - SE 34th Street to I-90, First Phase	\$573	\$1,060	\$3,550	\$1,660	\$0	\$0	\$0	\$6,843		
130.64NN	PW-R-167	148th Avenue NE Master Plan (Phase 1) - Bel Red Road to SR-520	\$0	\$0	\$250	\$0	\$0	\$0	\$0	\$250		
130.65NN	PW-R-153	Early Implementation of the Bel-Red Subarea Plan	\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$750		
130.70NN	PW-I-83	Redmond BROTS Projects	\$60	\$220	\$220	\$220	\$0	\$0	\$0	\$500		
130.76NN	PW-R-146	Northup Way/Bellevue Way to NE 24th Street	\$500	\$4,500	\$3,000	\$0	\$0	\$0	\$0	\$8,000		
130.92NN	PW-R-149	NE 10th Street Extension	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$450		
130.05A2	PW-R-165	Downtown Transportation Plan Update	\$175	\$175	\$0	\$0	\$0	\$0	\$0	\$350		
130.57NN	PW-W/B-76	Neighborhood Sidewalks	\$0	\$103	\$450	\$500	\$500	\$0	\$0	\$1,553		
	PW-M-7	Neighborhood Traffic Calming Program	\$100	\$350	\$350	\$350	\$350	\$0	\$0	\$1,500		
130.59NN	PW-R-151	145th Place SE/SE 16th to SE 24th St and SE 22nd St/145th Place to 156th Place	\$4,030	\$1,250	\$0	\$0	\$0	\$0	\$0	\$5,280		
	PW-W/B-71	108th Avenue SE - Bellevue Way to I-90	\$1,947	\$500	\$0	\$0	\$0	\$0	\$0	\$2,447		
<b>Improved Mobility - M&amp;I Projects</b>												
130.82NA	PW-R-156	ITS Master Plan Implementation Program	\$38	\$388	\$400	\$400	\$400	\$400	\$400	\$2,425		
130.50NN	PW-R-160	NE 4th Street Extension - 116th to 120th Avenues NE	\$23,900	\$9,158	\$3,600	\$0	\$0	\$0	\$0	\$36,658		
130.51NN	PW-R-161	120th Avenue NE Improvements (Stage 1) NE 4th to NE 8th St	\$4,180	\$900	\$0	\$0	\$0	\$0	\$0	\$5,080		
130.52NN	PW-R-163	NE 15th Street Multi-Modal Corridor (Stage 1)/116th Ave at NE 12th St to 124th Ave NE	\$536	\$4,070	\$0	\$0	\$0	\$0	\$0	\$4,606		
130.53NN	PW-R-164	120th Avenue NE (Stages 2 & 3) - NE 8th to Northup Way	\$1,700	\$12,954	\$6,140	\$0	\$0	\$0	\$0	\$20,794		
130.54NN	PW-R-166	124th Avenue NE/Proposed NE 15th/16th Street Extension to Northup Way	\$200	\$800	\$800	\$0	\$0	\$0	\$0	\$1,800		
130.61NN	PW-R-162	NE 6th Street Extension	\$500	\$80	\$0	\$0	\$0	\$0	\$0	\$580		
<b>Improved Mobility Total</b>			<b>\$48,938</b>	<b>\$45,938</b>	<b>\$24,679</b>	<b>\$9,260</b>	<b>\$7,591</b>	<b>\$6,961</b>	<b>\$7,189</b>	<b>\$150,555</b>		

**ATTACHMENT E**  
**2011-2017 General CIP Plan**  
**\$000s**

<b>Healthy &amp; Sustainable Environment</b>											
<b>Proposal #</b>	<b>Project #</b>	<b>Proposal Title</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017 Total</b>	
100.78NA	P-R-11	Forest, Greenways, Trails & Nature Space Improvement Program	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$3,850
100.61NN	P-AD-89	Nature Trail Expansion - 2008 Parks Levy Project	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
100.70NN	P-AD-79	Open Space Acquisition & Trail Development - KC Levy Project	\$312	\$312	\$312	\$0	\$0	\$0	\$0	\$0	\$936
<b>Healthy &amp; Sustainable Environment Total</b>			<b>\$1,862</b>	<b>\$1,862</b>	<b>\$862</b>	<b>\$550</b>	<b>\$550</b>	<b>\$550</b>	<b>\$550</b>	<b>\$550</b>	<b>\$6,786</b>

<b>Innovative, Vibrant &amp; Caring Community</b>											
<b>Proposal #</b>	<b>Project #</b>	<b>Proposal Title</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017 Total</b>	
100.76NA	P-R-2	Enterprise Facility Improvements	\$331	\$344	\$358	\$372	\$387	\$402	\$418	\$418	\$2,612
100.77NA	P-R-11	Parks Renovation and Refurbishment Plan	\$3,000	\$3,120	\$3,320	\$3,490	\$3,690	\$3,910	\$4,140	\$4,140	\$24,670
115.07NN	CD-22	Enhanced Right-of-Way and Urban Boulevards	\$762	\$574	\$587	\$600	\$615	\$615	\$615	\$615	\$4,368
115.09DN	CD-11	Public Art Program	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$2,450
130.83NA	PW-W/B-49	Pedestrian Facilities Compliance Program	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700
100.60NN	P-AD-82	Park and Open Space Acquisition - 2008 Parks Levy Project	\$2,000	\$2,000	\$2,000	\$1,000	\$0	\$0	\$0	\$0	\$7,000
100.62NN	P-AD-83	Bellevue Airfield Park Development - 2008 Parks Levy Project	\$200	\$500	\$800	\$0	\$0	\$0	\$0	\$0	\$1,500
100.63NN	P-AD-86	Surrey Downs Park Development - 2008 Parks Levy Project	\$200	\$800	\$0	\$3,000	\$3,000	\$0	\$0	\$0	\$7,000
100.64NN	P-AD-91	Lewis Creek Park Picnic Area Development - 2008 Parks Levy Project	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
100.65NN	P-AD-87	Downtown Park Development - 2008 Parks Levy Project	\$0	\$0	\$100	\$500	\$4,400	\$0	\$0	\$0	\$5,000
100.68NN	P-AD-85	Bellevue Botanical Garden Development - 2008 Parks Levy Project	\$2,500	\$2,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$5,500
100.69NN	P-AD-90	New Youth Theatre - 2008 Parks Levy Project	\$0	\$0	\$4,000	\$1,500	\$0	\$0	\$0	\$0	\$5,500
100.72NN	P-AD-27	Park Planning & Design	\$300	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$600
115.03DN	CD-21	Eastgate/I-90 Land Use & Transportation Plan	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
<b>Innovative, Vibrant &amp; Caring Community Total</b>			<b>\$11,918</b>	<b>\$10,088</b>	<b>\$12,615</b>	<b>\$10,912</b>	<b>\$12,542</b>	<b>\$5,377</b>	<b>\$5,623</b>	<b>\$69,075</b>	

<b>Quality Neighborhoods</b>											
<b>Proposal #</b>	<b>Project #</b>	<b>Proposal Title</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2011-2017 Total</b>	
115.08D3	NEP-1	Existing NEP Project Funding	\$1,549	\$1,549	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$9,098
115.08D1	NEP-2	Targeted Neighborhood Investment Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
115.08D2	NIS-2	Neighborhood Partnerships	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700
100.67NN	P-AD-88	Neighborhood Park Development - 2008 Parks Levy Project	\$100	\$400	\$1,300	\$1,500	\$1,500	\$200	\$0	\$0	\$5,000
<b>Quality Neighborhood Total</b>			<b>\$1,749</b>	<b>\$2,049</b>	<b>\$1,400</b>	<b>\$3,100</b>	<b>\$3,100</b>	<b>\$1,800</b>	<b>\$1,600</b>	<b>\$14,798</b>	

**ATTACHMENT E**  
**2011-2017 General CIP Plan**  
**\$000s**

<b>Economic Growth &amp; Competitiveness</b>										
Proposal #	Project #	Proposal Title	2011	2012	2013	2014	2015	2016	2017	2011-2017 Total
055.05NN	G-76	Electrical Reliability Study (ERS)	\$250	\$80	\$0	\$0	\$0	\$0	\$0	\$330
<b>Economic Growth &amp; Competitiveness Total</b>			<b>\$250</b>	<b>\$80</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$330</b>

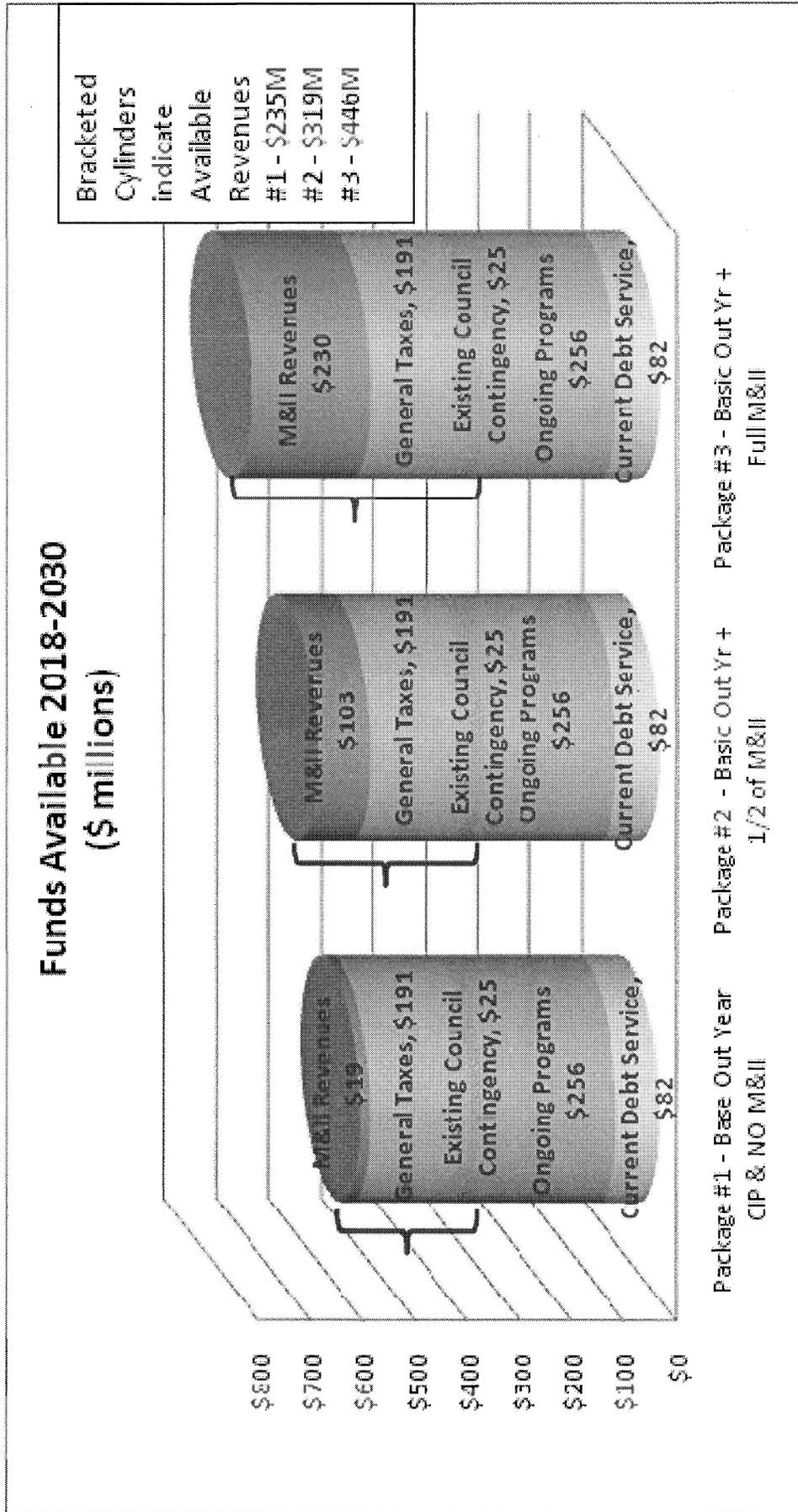
<b>Responsive Government</b>										
Proposal #	Project #	Proposal Title	2011	2012	2013	2014	2015	2016	2017	2011-2017 Total
130.88NN	PW-M-15	Wetland Monitoring	\$18	\$18	\$18	\$18	\$18	\$0	\$0	\$90
020.08DN	G-57	Enterprise Content Management (ECM) System Implementation	\$125	\$50	\$75	\$200	\$0	\$0	\$0	\$450
040.10PA	G-84	Relocation of Courts from Surrey Downs to Alternative Site	\$1,310	\$3,070	\$75	\$0	\$0	\$0	\$0	\$4,455
045.12NN	G-85	Facility Emergency Generator Power Switch Gear Replacement	\$375	\$375	\$0	\$0	\$0	\$0	\$0	\$750
060.04NN	G-59	JDE System Upgrade	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$100
060.15DN	G-59	Business Tax and License System (BTLS) Replacement Project	\$106	\$57	\$0	\$0	\$0	\$0	\$0	\$163
060.19DN	G-59	Budget System Replacement	\$120	\$0	\$0	\$0	\$0	\$0	\$0	\$120
<b>Responsive Government Total</b>			<b>\$2,054</b>	<b>\$3,570</b>	<b>\$168</b>	<b>\$318</b>	<b>\$18</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,128</b>

<b>Contingency</b>										
Proposal #	Project #	Proposal Title	2011	2012	2013	2014	2015	2016	2017	2011-2017 Total
130.88NN	G-86	Council Contingency	\$3,570	\$3,570	\$3,570	\$3,570	\$3,570	\$3,570	\$3,580	\$25,000
<b>Contingency Total</b>			<b>\$3,570</b>	<b>\$3,570</b>	<b>\$3,570</b>	<b>\$3,570</b>	<b>\$3,570</b>	<b>\$3,570</b>	<b>\$3,580</b>	<b>\$25,000</b>

<b>Debt Service</b>										
Proposal #	Project #	Proposal Title	2011	2012	2013	2014	2015	2016	2017	2011-2017 Total
130.79PN	PW-R-82	Public Works Trust Fund Loan - Principal	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$280
130.79DN	PW-R-83	Public Works Trust Fund Loan - Interest	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$21
100.79NN	P-AD-49	LID Assessments Parks Properties	\$35	\$33	\$32	\$30	\$0	\$0	\$0	\$130
060.01NN	G-69	Supplemental CIP Debt Funding	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$7,546
060.02NN	CD-5	Metro Site Acquisition 2003 Refunding - Debt	\$506	\$503	\$507	\$506	\$0	\$0	\$0	\$2,022
060.05NN	G-53	CIP Cash Flow Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
060.03NN	G-82	City Hall Debt Service	\$6,970	\$6,956	\$6,954	\$6,939	\$6,930	\$6,923	\$6,921	\$48,593
060.23NN	G-83	M&I LTGO Bond Debt Service	\$867	\$867	\$867	\$867	\$867	\$867	\$867	\$6,071
060.05NN	G-53	CIP Cash Flow Interest	\$300	\$1,000	\$1,300	\$1,500	\$1,500	\$1,100	\$699	\$7,399
<b>Debt Service Total</b>			<b>\$9,799</b>	<b>\$10,480</b>	<b>\$10,781</b>	<b>\$10,963</b>	<b>\$10,418</b>	<b>\$10,011</b>	<b>\$9,608</b>	<b>\$72,062</b>

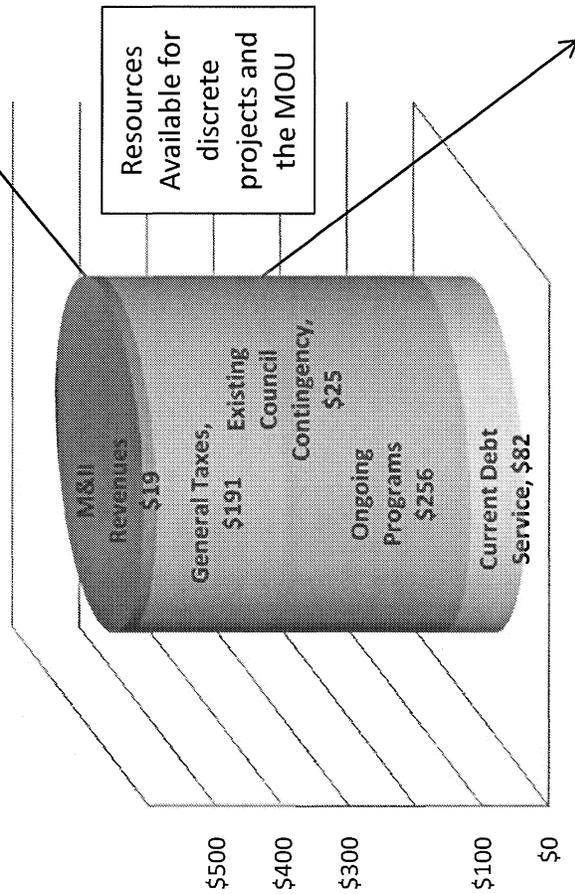
<b>TOTAL EXPENDITURES</b>									<b>\$83,090</b>	<b>\$79,497</b>	<b>\$55,461</b>	<b>\$40,086</b>	<b>\$39,231</b>	<b>\$29,741</b>	<b>\$29,653</b>	<b>\$356,760</b>
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# Future CIP Revenue Scenarios



**REVENUE AND PROJECT SCENARIOS  
FOR ILLUSTRATIVE PURPOSES ONLY**

**Package #1 - Basic Out Year CIP & NO M&II  
(\$ in millions)**



Package #1 - Basic Out Year CIP & NO M&II

Package 1 assumes basic out-year CIP resources for the period 2018-2030, i.e. beyond the current adopted 2011-2017 CIP.

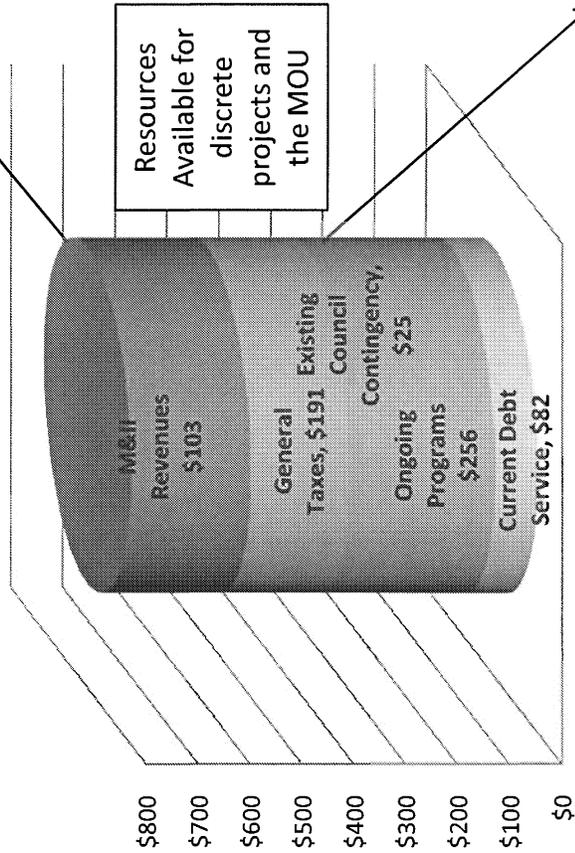
*These scenarios are intended as an exercise to illustrate how far revenues may go towards funding the MOU investment and other city needs. These are not meant to represent conclusions as to whether any particular project should be in or out of future CIPs, nor have these scenarios been endorsed by the City Council.*

**Potential Project Expenditures**

General Taxes	M&II Revenues
2008 Parks Levy Match Commitment (\$17.5M)	120 <sup>th</sup> Avenue Stage 3 (\$19.0M)
W Lk Samm- complete Phase 2 to Weowna Park (\$5.7M)	
Backup Cooling System in City Hall (\$0.1M)	
Left Turn Restrictions Downtown (\$0.3M)	
Northup Way /Bellevue Way to NE 24 <sup>th</sup> St (\$1.0M)	
Intersection Improv Downtown (\$7.5M)	
Chism/Clyde Park Restoration/Redevelopment (\$5.0M)	
Sidewalk and Other Ped Improv Dntwn (\$5.0M)	
Neighborhood Sidewalks (\$20M)	
NE 2 <sup>nd</sup> St Park Row, north of 2 <sup>nd</sup> 108 <sup>th</sup> -111 <sup>th</sup> (\$14.0M)	
Downtown Fire Station (\$6.5M)	
124 <sup>th</sup> Ave NE at SR-520 (\$0.3M)	
Category 1 MOU: No Cost to Low Cost (\$2.5M)	
Category 2 MOU: Property Acquisitions - (\$58M)	
Category 3MOU: Bellevue Way HOV (\$25M)	
Finance Cost Placeholder (\$48M)	Finance Cost Placeholder (minimal)

**REVENUE AND PROJECT SCENARIOS  
FOR ILLUSTRATIVE PURPOSES ONLY**

**Package #2 - Basic Out Year CIP & 1/2 M&I  
(\$ in millions)**



Package #2 - Basic Out Yr + 1/2 of M&I

Package 2 assumes, in addition to basic out-year CIP resources, roughly half of the Mobility & Infrastructure Initiative (M&I) revenues extended out through the period 2018-2030.

*These scenarios are intended as an exercise to illustrate how far revenues may go towards funding the MOU investment and other city needs. These are not meant to represent conclusions as to whether any particular project should be in or out of future CIPs, nor have these scenarios been endorsed by the City Council.*

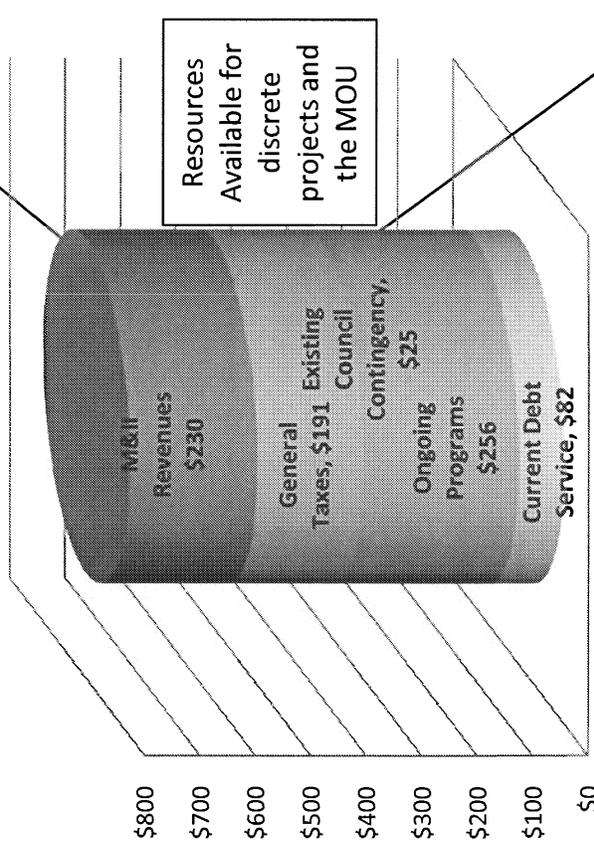
**Potential Project Expenditures**

General Taxes	M&I Revenues
2008 Parks Levy Match Commitment (\$17.5M)	120 <sup>th</sup> Avenue Stage 3 (\$20.7M)
W Lk Samm- complete Phase 2 to Weowna Park (\$5.7M)	NE 15 <sup>th</sup> St -Segment 1 (\$75.3M) • partial Category 2 MOU Property Acquisition
Backup Cooling System in City Hall (\$0.1M)	
Left Turn Restrictions Downtown (\$0.3M)	
Northup Way /Bellevue Way to NE 24 <sup>th</sup> St (\$1.0M)	
Intersection Improv Downtown (\$7.5M)	
Chism/Clyde Park Restoration/Redevelopment (\$5.0M)	
Sidewalk and Other Ped Improv Dntwn (\$5.0M)	
Neighborhood Sidewalks (\$20.0M)	
NE 2 <sup>nd</sup> St Park Row, north of 2 <sup>nd</sup> 108 <sup>th</sup> -111 <sup>th</sup> (\$20.7M)	
Downtown Fire Station (\$6.5M)	
124 <sup>th</sup> Ave NE at SR-520 (\$0.3M)	
Mid-Block Crossings (\$4.0M)	
Bel-Red Park Acquisition/Development (\$20.0M)	
Category 1 MOU: No Cost to Low Cost (\$2.5M)	
Category 2 MOU: Property Acquisitions (balance)	
Category 3MOU : Bellevue Way HOV (\$25.0M)	
Finance Cost Placeholder (\$30M)	Finance Cost Placeholder (\$7M)

**REVENUE AND PROJECT SCENARIOS  
FOR ILLUSTRATIVE PURPOSES ONLY**

**Package #3 - Basic Out Year CIP & Full  
M&I**

(\$ in millions)



Package #3 - Basic Out Yr + Full M&I

Package 3 assumes basic out-year CIP resources plus all of the M&I revenues for the period 2018-2030.

*These scenarios are intended as an exercise to illustrate how far revenues may go towards funding the MOU investment and other city needs. These are not meant to represent conclusions as to whether any particular project should be in or out of future CIPs, nor have these scenarios been endorsed by the City Council.*

**Potential Project Expenditures**

General Taxes	M&I Revenues
2008 Parks Levy Match Commitment (\$17.5M)	120 <sup>th</sup> Avenue Stage 3 (\$20.7M)
W Lk Samm – complete Phase 2 to Weowna Park (\$5.7M)	NE 15 <sup>th</sup> St –Segment 1 (\$92.8M) •Partial Category 2 MOU Property Acquisitions
Backup Cooling System in City Hall (\$0.1M)	
Left Turn Restrictions Downtown (\$0.3M)	Other Category 2 MOU Property Acquisitions
Northrup Wy /Bellevue Wy to NE 24 <sup>th</sup> (\$1.0M)	
Intersection Improv Downtown (\$7.5M)	124 <sup>th</sup> Ave NE/NE 15 <sup>th</sup> /16 <sup>th</sup> St to Northrup (\$17.2M)
Chism/Clyde Park Restoration/Redevel (\$5.0M)	Neighborhood Sidewalks (\$20.0M)
Sidewalk and Other Ped Improv Dntwn (\$5.0M)	Bel-Red Land Acquisitions (\$27.0M)
NE 2 <sup>nd</sup> St Park Row, north of 2 <sup>nd</sup> 108 <sup>th</sup> -111 <sup>th</sup> (\$20.7M)	Downtown Fire Station (\$6.5M)
124 <sup>th</sup> Ave NE at SR-520 (\$0.3M)	Pedestrian Corridor Improvements (\$3.0M)
Mid-Block Crossings (\$4.0M)	
Meydenbauer Bay Park & Connection (\$30.6M)	
Bel-Red Park Acquisition/Development (\$20.0M)	
Northwest Village Neighborhood Park (\$10.0M)	
NE 2 <sup>nd</sup> St Widening from Bellevue Way to 112 <sup>th</sup> (\$20.8M)	
Ashwood Park Development (\$10.0M)	
Business Intelligence/Performance Management System (\$0.5M)	
108 <sup>th</sup> Ave NE from Main St to NE 12 <sup>th</sup> (\$6.5M)	
Category 1 MOU: No Cost to Low Cost (\$2.5M)	
Category 3 MOU: Bellevue Way HOV (\$32.0M)	
Finance Cost Placeholder (\$23M)	Finance Cost Placeholder (\$10M)

**CITY OF BELLEVUE**  
**MUNICIPAL DEBT LIMIT PROJECTION**  
 (Statutory and Council Policy)  
 Councilmanic (Non-Voted) Debt Only  
 From 2011 Through 2030  
 (\$ in thousands)

DESCRIPTION	2011	2012	2013	2014	2015	2016	2017
<u>Statutory Limit</u>							
Assessed Valuation (AV)	\$32,078,713	\$32,720,287	\$33,374,693	\$34,042,187	\$34,723,031	\$35,417,491	\$36,125,841
Statutory Debt Limit (Councilmanic 1.50%)	\$481,181	\$490,804	\$500,620	\$510,633	\$520,845	\$531,262	\$541,888
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$191,469	\$185,890	\$180,655	\$175,180	\$170,304	\$165,071	\$159,657
	\$289,712	\$304,914	\$319,965	\$335,453	\$350,541	\$366,191	\$382,231
<u>Policy Limit</u>							
Policy Limit (Councilmanic 1.00%)	\$320,787	\$327,203	\$333,747	\$340,422	\$347,230	\$354,175	\$361,258
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$191,469	\$185,890	\$180,655	\$175,180	\$170,304	\$165,071	\$159,657
	\$129,318	\$141,313	\$153,092	\$165,242	\$176,926	\$189,104	\$201,601

**CITY OF BELLEVUE**  
**MUNICIPAL DEBT LIMIT PROJECTION**  
 (Statutory and Council Policy)  
 Councilmanic (Non-Voted) Debt Only  
 From 2011 Through 2030  
 (\$ in thousands)

DESCRIPTION	2018	2019	2020	2021	2022	2023	2024
<u>Statutory Limit</u>							
Assessed Valuation (AV)	\$36,848,358	\$37,585,325	\$38,337,032	\$39,103,772	\$39,885,848	\$40,683,565	\$41,497,236
Statutory Debt Limit (Councilmanic 1.50%)	\$552,725	\$563,780	\$575,055	\$586,557	\$598,288	\$610,253	\$622,459
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$154,147	\$148,979	\$144,302	\$138,761	\$133,064	\$127,136	\$121,107
	\$398,578	\$414,801	\$430,753	\$447,796	\$465,224	\$483,117	\$501,352
<u>Policy Limit</u>							
Policy Limit (Councilmanic 1.00%)	\$368,484	\$375,853	\$383,370	\$391,038	\$398,858	\$406,836	\$414,972
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$154,147	\$148,979	\$144,302	\$138,761	\$133,064	\$127,136	\$121,107
	\$214,337	\$226,874	\$239,068	\$252,277	\$265,794	\$279,700	\$293,865

**CITY OF BELLEVUE  
MUNICIPAL DEBT LIMIT PROJECTION  
(Statutory and Council Policy)  
Councilmanic (Non-Voted) Debt Only  
From 2011 Through 2030  
(\$ in thousands)**

DESCRIPTION	2025	2026	2027	2028	2029	2030
<u>Statutory Limit</u>						
Assessed Valuation (AV)	\$42,327,181	\$43,173,724	\$44,037,199	\$44,917,943	\$45,816,301	\$46,732,627
Statutory Debt Limit (Councilmanic 1.50%)	\$634,908	\$647,606	\$660,558	\$673,769	\$687,245	\$700,989
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$114,950	\$109,795	\$104,840	\$100,680	\$96,315	\$91,740
Remaining Debt Capacity (Statutory Limit)	\$519,958	\$537,811	\$555,718	\$573,089	\$590,930	\$609,249
<u>Policy Limit</u>						
Policy Limit (Councilmanic 1.00%)	\$423,272	\$431,737	\$440,372	\$449,179	\$458,163	\$467,326
Less: Bonds and Other Debt Outstanding (Councilmanic Debt)	\$114,950	\$109,795	\$104,840	\$100,680	\$96,315	\$91,740
Remaining Debt Capacity (Policy Limit)	\$308,322	\$321,942	\$335,532	\$348,499	\$361,848	\$375,586



DATE: September 19, 2011

TO: Mayor Davidson and City Councilmembers

FROM: Dan Stroh, Department of Planning & Community Development, 452-5255  
Jan Hawn, Finance Department, 452-6846

SUBJECT: Responses to Questions from Council

Attached are questions submitted by Councilmember Wallace (September 10 email-Attachment I-1) and questions posed by Council at the September 12 Council meeting. Staff provided responses to the first five questions from Councilmember Wallace at the September 12 meeting.

1. *My understanding is that ST is planning to open EastLink in 2022, and commence construction in 2016. If so, we need to execute on the projects faster than 2018. How can we use only 2018-2030 projected revenues (Package #1) if we need \$XXmillion in 2016? I'd like to see a schedule from 2012 to 2030 that lists out the Projects we are discussing with ST (e.g., Bellevue Way expansion), identifies the years in which they will need to be performed and the resources that will be required to perform them.*

Response:

The precise MOU contributions under discussion with Sound Transit are still very much a work in progress. Ultimately, of course, the list of approved projects will be a Council decision. A staff proposal should be part of the agenda materials for the Council meeting next week (September 19). The items under development include some items at no cost to the City, like use of existing City properties. Other contributions would serve additional City purposes beyond the East Link credit, but require considerable capital outlays.

As noted in this question, the timing of these City expenditures is a critical issue. Sound Transit is currently scheduling East Link utility and site prep work to begin in 2014. City contributions of items like property acquisitions or utility relocates would be needed early in the process, around 2014-15, far in advance of the out-year CIP resources described in tonight's agenda memo. To tap these later-year revenue sources in the East Link timeframe, the Council would need to issue debt, which would be an important part of the Council's policy deliberations. Staff will ensure that the timing of project contributions and implications for the City's debt and finance costs are part of the materials forthcoming to Council.

2. *What is the current state of the impact fee collections, actual vs. budget? 2011 CIP says \$9,262,000 in impact fees will arrive. How much has actually arrived and what is the projection through year end? Please provide a list of the projects that have paid impact fees as well as the amount of impact fees they have paid.*

Response:

Attachment I-2 to this memo reflects transportation impact fees that were included in the 2011-2017 CIP compared to actual collections to date.

3. *Please confirm that the Council Contingency funds from 2011-2017 CIP should now be eliminated due to slower than anticipated revenue growth.*

Response:

The economic downturn has a projected impact on the 2011-2017 CIP of \$25 million. Whether or not Council Contingency is used to make the CIP whole, or projects are cut or deferred, is a policy decision that the Council will need to make as various trade-offs are considered.

4. *The table on page 3-21 says "Less Current Debt Service (\$82)". What line items of debt service make up \$82 million between 2018 and 2030? E.g., if City Hall loan is a component, please provide the annual debt service for each year 2018-2030.*

Response:

Attachment I-3 shows the debt service payments for existing debt from 2018-2030.

5. *The table says "Less Ongoing Programs (\$190)" and "Restoration of Ongoing Programs (\$66)". What are the specific projects and associated dollar amounts for each category?*

Response:

Attachment I-4 identifies a list of ongoing programs included in the 2011-2017 CIP, and the list of ongoing programs that have been proposed to be restored in order to adhere to the City's policy of maintaining what we build before making new investments.

Additional Questions from Councilmember Wallace (September 10 email)

The following are responses to the remaining questions from Councilmember Wallace's September 10 email.

6. *I question the viability of the LID for 15<sup>th</sup>. Before we count that as a line item on the revenue side I'd need to see more detail on the proposed special benefit area. Also, we can't do an LID for just the acquisition of the Teledesic building, which currently is the only project in the project list that is associated with 15<sup>th</sup>. Therefore please confirm that if the LID is counted as a revenue source for this discussion we would need to include Zone 1 of 15<sup>th</sup> as an ongoing program (i.e., it would reduce the project available revenue to allocate to projects).*

Response

The Mobility and Infrastructure Finance Plan included the formation of two LIDs. Based on preliminary analysis during the summer of 2008, it was estimated that private property benefitting from the NE 4<sup>th</sup>/120<sup>th</sup> Corridor (NE 4<sup>th</sup> to NE 12<sup>th</sup> Streets) could support a \$10 million LID. The 2008 analysis concluded that property in the Bel-Red area benefitting from the remainder of the 120<sup>th</sup> Corridor, the improvements to 124<sup>th</sup> Avenue NE, and the new NE 15/16<sup>th</sup> corridor (to 124<sup>th</sup> Avenue NE) could support a \$46 million LID.

Many factors influence the feasibility and the revenue generation potential of an LID including, but not limited to:

- Project scope and design elements (cross section, multi-modal components, aesthetics, etc.);
- Benefits of the new facilities (congestion relief, access, etc.);

- Timing of the construction in terms of planned development;
- Dynamics of the property market;
- Economic conditions including vacancy rates and demand studies.

An actual assessment of the boundary recommendation and private property share for a future LID cannot be determined without additional project design and real estate market analysis.

Without addressing any specific properties, it is true that if an LID is counted as a revenue source for an MOU contribution, the assumptions about project expenditures need to align with that decision.

7. *For the property tax increases, what interest rate and amortization period are you assuming for the bonds? Is interest included in the \$51M/\$101M estimate or in addition to? That is, would we be producing \$51M in revenue that could be applied to the \$160M obligation or would we need to first deduct the debt service before we got to the net amount that could be applied to the \$160M obligation.*

Response

The interest rate assumed for the bonds supported by property tax increases ranges from 4.5% to 6%. Each bond issuance is assumed to be 20 year debt with level annual debt service (principal payback increases and interest decreases each year). For modeling purposes, \$13.5 million (in real dollars) is assumed for each issuance.

The \$51M (Package #2) and \$101M (Package #3) represent the amount of bonds that could be supported by a 3% property tax, i.e., the property tax revenue generated is sufficient to cover annual principal and interest costs on the bonds. The estimated amounts \$51M/\$101M would be available to fund projects as identified by Council.

8. *Are any of the right of way dedications in Package #3 coming from projects like 4<sup>th</sup> that are budgeted to be completed in the current CIP? If so shouldn't those dedications be included in all packages? Are there any other right of way dedications that we can assume for years after 2015?*

Response

There are no secured or expected right of way dedications to projects that are funded in the current CIP, including the NE 4<sup>th</sup> Street Extension (CIP Plan No. PW-R-160) or 120<sup>th</sup> Avenue NE Improvements, Stages 1 & 2 (CIP Plan Nos. PW-R-161 & R-164). Currently, there are no specific right of way dedications identified beyond 2015; this remains a general category in the M&II Finance Plan.

9. *Please refresh my memory on the Bel-Red Taxes of \$10M and the incentive zoning revenues of \$13.2M. What is the basis for this revenue and why is it constrained to 2019-2030 and 2013-2017?*

Response

The Endorsed M&II Finance Plan assumes that new development in the Bel-Red area will generate net new general tax revenues (“incremental” revenues) to the City. The Plan dedicates 40% of these revenues from Bel-Red growth to pay for the capital investments needed to support Bel-Red development. The amount and timing of Bel-Red taxes assumed in Revenue Package #3 is simply a placeholder for the amount included in the endorsed Plan.

The Plan also includes a provision that links the density of private development to participation in the incentive zoning program, where additional density above a base level is allowable only if that development provides park land, stream corridor improvements, or affordable housing. The amount of incentive zoning assumed in Revenue Package #3 takes into account recent Council discussion and amendments to the incentive zoning program (i.e., catalyst project provision).

10. *If we borrowed \$101M in new to year bonds would we be pushing the limits of our AAA credit rating?*

Response

Credit ratings focus on an issuer’s ability and willingness to meet its financial obligations and the likelihood that it may default on an obligation. Therefore, issuing \$101M in long-term debt would not, in itself, negatively impact our AAA credit rating.

The City’s indebtedness is limited by RCW and is further limited by the Council Debt Policy. The limitations are applied to the City’s assessed value to arrive at a dollar value limit of indebtedness. The City’s 2011 assessed value is \$32,078,743,330. The following table provides a summary of the City’s indebtedness.

Type of Debt	RCW Statutory Limitations		Council Debt Policy Limitations		Estimated Usage as of 12/31/2011	
	% of AV	\$	% of AV	\$	% of AV	\$
General Obligation:	2.5%	\$801.97M	1.75%	\$561.37M	0.60%	\$191.47M
Non-Voted	1.5%	\$481.18M	1.0%	\$320.78M	0.60%	\$191.47M
Voted	1.0%	\$320.79M	0.75%	\$240.59M	0.00%	\$0

Over time, as Assessed Value changes and existing debt is paid off, debt capacity will increase substantially.

11. *Please prepare a list of unfunded projects that are not included in the “Ongoing Programs” lists - - e.g., Meydenbauer Park, Bel-Red Projects, Downtown Projects, Park Levy Projects. Include the current cost estimates.*

Response

Attachments D1 and D2 of tonight’s main Council agenda packet includes a smaller sub-set of all potential needs to capture the most tangible picture of priority needs. This is not a fully encompassing list of all potential needs but rather is consistent with recent Council discussions.

12. *Last year we adopted a Council policy that shifted revenue allocations more heavily to Operating than CIP and then said that future growth in revenues for the Operating Budget would be capped at inflation (or something like that) and the rest would go to CIP until we had restored the pre-2011 splits. Can you recall the exact policy we came up with? How does this policy impact our projected revenues through 2030? At what point will operating expenses outstrip the allocated operating revenues under this policy, such that the operating side of the budget would require us to raise taxes? (For example, if health care costs are increasing at 11%/year and op ex revenue increases are capped at inflation then ultimately health care costs will make it difficult to maintain the operating budget without raising taxes or making undesirable spending cuts).*

Response

The following is an excerpt from the City's Comprehensive Financial Management Policies (page 9-20 in the 2011-2012 Budget Document), updated to reflect the Council's latest policy direction.

Section XI.H Non-Utility CIP Maintenance and Operating (M&O) Costs

Proposals for CIP project funding shall include the estimated future M&O cost, to provide full cost disclosure. Such M&O costs anticipated to be incurred in the upcoming biennium should be included in operating budget proposals for funding consideration. As of 2011, funding for existing CIP M&O is provided by a distribution of the City's sales tax revenue, split between 75% General Fund and 25% CIP. The dollar amount for CIP M&O is adjusted upward each year by the anticipated Consumer Price Index for all Urban Consumers (CPI-U) after first making any necessary adjustments (e.g., partial vs. full-year costs) and eliminating any one-time items. The distribution amounts should be reviewed periodically by Council for reasonableness and potential adjustment.

As the City continues to make investments in new capital infrastructure, the CIP may well result in increasing M&O pressures on the operating budget. There are various ways to deal with these pressures, including revising maintenance and service levels, and increasing revenues/taxes. This will be a future Council policy decision.

Questions raised at the September 12 Council meeting

13. *What is the discount rate used by Sound Transit?*

Response

Staff is working with Sound Transit on a response to this question, and will have this response for the September 19 Council meeting.

14. *Is it still realistic to increase the impact fee rate as adopted? Please provide comparison of impact fee rates to other jurisdictions.*

Response

The adopted impact fee rate is currently set at \$2,000 per PM Peak Hour trip generated by new development. Also as adopted, this fee rate increases to \$3,000/trip on January 1, 2013 and to \$5,000/trip on January 1, 2016.

Based on Council comments made at the time the current impact fee program was adopted (including the specified step increases), staff committed to return to Council with a review of the program prior to the next scheduled fee increase on January 1, 2013. An update of the current 2009-2020 TFP is included in the Transportation Department's 2011-2012 work plan (adopted per Budget One). Besides the specific impact fee projects listed within the TFP, the project cost estimates and capital revenue forecasts used in the TFP should be updated. The TFP's 12-year plan period must be adjusted and the City's land use growth forecasts within that timeframe should be reconfirmed.

An update of the impact fee comparison chart shown to Council in the past has been attached for your reference as Attachment I-5.

15. *Please provide a spreadsheet that includes the revenues year by year as assumed in the 2018-2030 funding available modeling.*

Response

Attachment I-6 includes the revenues by year for each of the three revenue packages presented to Council on September 12.

Staff will return on September 19 to follow up with additional detail to aid in Council decision making relative to the East link MOU.

Attachments:

- I-1 Council Member Wallace's Email
- I-2 Transportation Impact Fee Analysis
- I-3 Debt Payments Funded by CIP
- I-4 Ongoing Programs
- I-5 Impact Fee Comparison Chart
- I-6 Future CIP Revenues Out to 2030

**Hawn, Jan**

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**From:** Wallace, Kevin R  
**Sent:** Saturday, September 10, 2011 9:10 PM  
**To:** Stroh, Dan; Hawn, Jan  
**Cc:** Sarkozy, Steve  
**Subject:** Improcations of Existing CIP Revenue Shortfall on the East Link MOU

Thanks for the above-referenced memo. Please address the following questions. I'd like to have the answers to the first 5 for the meeting Monday night:

1. My understanding is that ST is planning to open EastLink in 2022, and commence construction in 2016. If so, we need to execute on the projects faster than 2018. How can we use only 2018-2030 projected revenues (Package #1) if we need \$XXmillion in 2016? I'd like to see a schedule from 2012 to 2030 that lists out the Projects we are discussing with ST (e.g., Bellevue Way expansion), identifies the years in which they will need to be performed and the resources that will be required to perform them.

2. What is the current state of the impact fee collections, actual vs. budget? 2011 CIP says \$9,262,000 in impact fees will arrive. How much has actually arrived and what is the projection through year end? Please provide a list of the projects that have paid impact fees as well as the amount of impact fees they have paid.

Note: Also, impact fees must be a proportionate share of capacity projects appearing in the 12 year TFP. We will need to evaluate the viability of performing the TFP projects within the next 12 years as we look at this project. Clearly a number of the projects that are currently in the TFP will not be performed in the next 12 years if we are refocusing our priorities to enable the tunnel funds. This calls into question the ability to just arbitrarily raise the impact fee to \$5,000. It may still be possible, especially if Bellevue Way is added, but we will need to make sure we still comply with state law when it comes to calculation of impact fees.

3. Please confirm that the Council Contingency funds from 2011-2017 CIP should now be eliminated due to slower than anticipated revenue growth.

4. The table on page 3-21 says "Less Current Debt Service (\$82)". What line items of debt service make up \$82million between 2018 and 2030? E.g., if City Hall loan is a component, please provide the annual debt service for each year 2018-2030.

5. The table says "Less Ongoing Programs (\$190)" and "Restoration of Ongoing Programs (\$66)". What are the specific projects and associated dollar amounts for each category?

6. I question the viability of the LID for 15th. Before we count that as a line item on the revenue side I'd need to see more detail on the proposed special benefit area. Also, we can't do an LID for just the acquisition of the Teledesic building, which currently is the only project in the project list that is associated with 15th. Therefore please confirm that if the LID is counted as a revenue source for this discussion we would need to include Zone 1 of 15th as an ongoing program (i.e., it would reduce the project available revenue to allocate to projects).

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8. Are any of the right of way dedications in Package #3 coming from projects like 4th that are budgeted to be completed in the current CIP? If so shouldn't those dedications be included in all packages? Are there any other right of way dedications that we can assume for years after 2015?

9. Please refresh my memory on the Bel-Red Taxes of \$10M and the incentive zoning revenues of \$13.2M. What is the basis for this revenue and why is it constrained to 2019-2030 and 2013-2017?

10. If we borrowed \$101M in new to year bonds would we be pushing the limits of our AAA credit rating?

11. Please prepare a list of unfunded projects that are not included in the "Ongoing Programs" lists -- e.g., Meydenbauer Park, Bel-Red Projects, Downtown Projects, Park Levy Projects. Include the current cost estimates.

13. Last year we adopted a Council policy that shifted revenue allocations more heavily to Operating than CIP and then said that future growth in revenues for the Operating Budget would be capped at inflation (or something like that) and the rest would go to CIP until we had restored the pre-2011 splits. Can you recall the exact policy we came up with? How does this policy impact our projected revenues through 2030? At what point will operating expenses outstrip the allocated operating revenues under this policy, such that the operating side of the budget would require us to raise taxes? (For example, if health care costs are increasing at 11%/year and op ex revenue increases are capped at inflation then ultimately health care costs will make it difficult to maintain the operating budget without raising taxes or making undesirable spending cuts).

**Transportation Impact Fees Analysis**

TRIPS	2011	2012	2013	2014	2015	2016	2017	Total 2011-2017
Adopted 2011-2017 CIP	300	949	1,150	1,298	1,500	1,500	1,600	8,297

RATE	2011	2012	2013	2014	2015	2016	2017	Total 2011-2017
Adopted 2011-2017 CIP: \$2,000 for 2 years, increase to \$3,000 for three years, increase to \$5,000 in 2016	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000	N/A
No rate increase: \$2,000 no increase	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	N/A

\$ in millions								
IMPACT FEE REVENUE	2011	2012	2013	2014	2015	2016	2017	Total 2011-2017
Adopted 2011-2017 CIP: \$2,000 for 2 years, increase to \$3,000 for three years, increase to \$5,000 in 2016	\$0.6	\$1.9	\$3.5	\$3.9	\$4.5	\$7.5	\$8.0	\$29.8
No rate increase: \$2,000 no increase	\$0.6	\$1.9	\$2.3	\$2.6	\$3.0	\$3.0	\$3.2	\$16.6
Variance if Impact Fee Rate remains @ \$2,000	\$0.0	\$0.0	(\$1.2)	(\$1.3)	(\$1.5)	(\$4.5)	(\$4.8)	(\$13.2)

	\$ in millions	
	2010	2011
Budget to Actual Performance	\$0.0	\$0.6
Adopted Budget	\$0.2	\$0.4
Actuals		
Year End Projection	\$0.2	\$0.6

**Councilmember Wallace's Question**

Councilmember Wallace's question references 2011 impact fee budget as \$9.3M. This amount is actually the amount of impact fee revenue that would be used to ultimately fund project costs budgeted for 2011. Impact fees totaling \$29.8M were projected to be collected through 2017 and cash flow borrowing would be required to make up for the frontloading of the project costs.

Transportation Impact Fees Paid - January 1, 2010 thru Sept 12, 2011

Date Pd	Permit #	Paid By	Development	Paid Amt
01/04/10	09 127014 BS	Camwest Development/Lance Wiley	Single Family Residence	1,768.00
01/15/10	09 118941 BS	Camwest Development	Single Family Residence	1,768.00
01/15/10	09 118943 BS	Camwest Development	Single Family Residence	1,768.00
01/21/10	09 130961 BS	Camwest Development Lance Wiley	Single Family Residence	1,768.00
01/26/10	09 130366 BS	Camwest Development Justin Osborne	Single Family Residence	1,768.00
02/01/10	09 130230 BS	Camwest Development Justin Osborne	Single Family Residence	1,768.00
02/10/10	09 132553 BS	Camwest Development Lance Wiley	Single Family Residence	1,768.00
03/01/10	10 102756 BS	Camwest Development/Justin Osborne	Single Family Residence	1,768.00
03/02/10	09 132817 BS	Camwest Development Lance Wiley	Single Family Residence	1,768.00
03/11/10	09 130645 BS	Ross Adams	Single Family Residence	1,768.00
03/19/10	09 122992 BS	Anderson Dev Misty Andersen	Single Family Residence	1,768.00
03/24/10	10 102965 BS	Camwest Lakemont Place LLC	Single Family Residence	1,768.00
04/01/10	10 103701 BS	Camwest Lance Wiley	Single Family Residence	1,768.00
04/01/10	10 103709 BS	Camwest Lance Wiley	Single Family Residence	1,768.00
04/02/10	09 124720 BS	Jakobsen Development Inc	Single Family Residence	1,768.00
04/02/10	10 103702 BS	Scott Esping/Camwest	Single Family Residence	1,768.00
04/22/10	10 103143 BS	Scott Esping Camwest Dev	Single Family Residence	1,768.00
04/26/10	10 106037 BS	Roger Hughes	Single Family Residence	1,296.69
04/27/10	09 129574 BS	Ben Leland Construction	Single Family Residence	1,768.00
04/27/10	10 103704 BS	Lance Wiley Camwest Development	Single Family Residence	1,768.00
05/03/10	10 103707 BS	Scott Esping Camwest Development Inc	Single Family Residence	1,768.00
05/05/10	10 106566 BS	Roger Hughes	Single Family Residence	1,768.00
05/05/10	10 105636 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
05/07/10	10 106379 BS	Camwest Development/Lance Wiley	Single Family Residence	1,768.00
05/14/10	10 106856 BS	Lance Wiley Camwest Development	Single Family Residence	1,768.00
05/24/10	07 117904 BM	Clean Energy	Natural Gas Fueling Station	2,435.66
05/25/10	09 133845 BS	Scott Esping/Camwest development Inc	Single Family Residence	1,768.00
05/28/10	10 103341 BS	Lance Wiley Camwest Dev	Single Family Residence	1,768.00
05/28/10	10 106377 BS	Camwest Development Inc/Scott Esping	Single Family Residence	320.50
06/11/10	10 109327 BS	Roger A Hughes	Single Family Residence	1,768.00
06/14/10	10 106340 BS	Roger Hughes	Single Family Residence	1,296.69
06/14/10	10 106859 BS	Camwest Spring Creek LLC	Single Family Residence	1,768.00
06/21/10	10 109413 BS	Scott Esping	Single Family Residence	1,768.00
06/22/10	09 121577 BB	DR Horton Seattle American Builder	Bella Vista Townhomes, Bldg. A	5,442.00
06/22/10	09 121580 BB	DR Horton Seattle American Builder	Bella Vista Townhomes, Bldg. B	7,256.00
07/02/10	10 109748 BS	Camwest Lakemont Place LLC	Single Family Residence	1,768.00
07/06/10	10 106457 BS	Camwest Development Lannce Wiley	Single Family Residence	1,768.00
07/13/10	10 112778 BS	Sal Cohen	Single Family Residence	1,768.00
07/21/10	10 109198 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109199 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109200 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109201 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109202 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109204 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109205 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109206 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109207 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109208 BM	DR Horton Seattle	Single Family Residence	1,768.00
07/21/10	10 109412 BS	Lance Wiley Camwest Dev	Single Family Residence	1,768.00
07/27/10	10 109752 BS	Camwest Development Inc/Scott Esping	Single Family Residence	1,768.00
07/27/10	10 109756 BS	Camwest Development Inc/Scott Esping	Single Family Residence	1,768.00
07/30/10	10 111631 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
08/23/10	09 129990 BB	Baker Main LLC	Baker Main Apartments (74 units)	40,027.24
09/02/10	10 110095 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
09/03/10	09 129476 BS	PMC General Contractors/Patrick A Jones	Single Family Residence	1,768.00
09/08/10	10 117136 BS	Glenn Montero	Single Family Residence	1,768.00
09/16/10	10 110103 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
09/27/10	10 110100 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
10/13/10	10 115163 BS	Camwest Development Scott Esping	Single Family Residence	1,768.00
11/03/10	10 116891 BM	Chaplin's Automotive Group	Building Addition	13,441.86
11/16/10	09 130715 BB	Unimark Construction Group LLC	Key Bank	34,991.92
11/23/10	10 121686 BS	Hui, William	Single Family Residence	1,768.00
12/06/10	10 120219 BS	Ms Clorinda Morelli Edson	Single Family Residence	1,768.00
		<b>Total 2010</b>		<b>201,980.56</b>

Transportation Impact Fees Paid - January 1, 2010 thru Sept 12, 2011

Date Pd	Permit #	Paid By	Development	Paid Amt
02/04/11	10 126099 BS	Terrene at Lakemont LLjC	Single Family Residence	1,768.00
03/02/11	10 125429 BS	Camwest Development Lance Wiley	Single Family Residence	1,768.00
03/10/11	10 125427 BS	Camwest Development/Lance Wiley	Single Family Residence	1,768.00
03/28/11	11 103284 BS	Troy Schmeil	Single Family Residence	1,768.00
03/28/11	11 103287 BS	Troy Schmeil	Single Family Residence	1,768.00
03/28/11	10 124868 BS	Wayne C Parker III	Single Family Residence	1,768.00
04/14/11	10 129179 BS	Camwest Development Inc/Joe Naeseth	Single Family Residence	1,768.00
04/29/11	11 103781 BS	Camwest Cole LLC	Single Family Residence	1,768.00
05/09/11	10 120615 BB	Essex Portfolio LP	Woodland Commons Apartments	29,931.00
05/09/11	10 120844 BB	Essex Portfolio LP	Woodland Commons Apartments	29,931.00
06/14/11	11 104497 BB	Kelsey Creek Center, LLC	Building A Remodel & Addition	171,741.06
06/24/11	11 110332 BS	Tricia L Matthews	Single Family Residence	1,768.00
06/29/11	09 118959 BB	Northwest Development Portfolio Northup	Wintz Co., Self Storage Facility	92,207.94
06/29/11	11 105491 BS	Scott Esping	Single Family Residence	1,768.00
06/29/11	11 111457 BS	Scott Esping	Single Family Residence	1,768.00
06/30/11	11 113785 BS	Terrene at Lakemone LLC	Single Family Residence	1,768.00
07/06/11	11 113465 BS	Scott Esping/Camwest	Single Family Residence	1,768.00
07/07/11	11 110937 BS	TD Home Partners LLC	Single Family Residence	1,768.00
07/07/11	11 110939 BS	TD Home Partners LLC	Single Family Residence	1,768.00
07/07/11	11 110942 BS	TD Home Partners LLC	Single Family Residence	1,768.00
07/07/11	11 104497 BB	Kelsey Creek Center LLC	Building A Fee Adjustment	1,000.00
07/07/11	11 110313 BB	Nat Franklin, Kelsey Creek Center	Building D, Retail Building Shell	6,856.84
07/12/11	11 105186 BS	Jagdeep Dhani	Single Family Residence	1,768.00
07/12/11	11 111455 BS	Camwest Development Inc/Scott W Esping	Single Family Residence	1,768.00
07/14/11	11 113638 BS	Camwest Development/Lance Wiley	Single Family Residence	1,768.00
07/14/11	11 111392 BS	Allenwood LLC	Single Family Residence	1,768.00
07/14/11	11 111394 BS	Allenwood LLC	Single Family Residence	1,768.00
07/20/11	11 103700 BS	Guo Wei	Single Family Residence	1,768.00
07/25/11	11 105490 BS	Camwest Development/Joe Naeseth	Single Family Residence	1,768.00
08/05/11	11 111462 BS	Camwest Development	Single Family Residence	1,768.00
08/16/11	11 114706 BS	Jeffrey Scherpelz	Single Family Residence	1,768.00
08/16/11	11 111452 BS	Camwest Development	Single Family Residence	1,768.00
08/18/11	11 110391 BB	All Saints Lutheran Church	Detached Hall & Classroom	4,219.74
08/18/11	11 114095 BS	Jay and Larissa Massena	Single Family Residence	1,768.00
08/25/11	11 115182 BS	Terrene at Lakemont LLC	Single Family Residence	1,768.00
08/25/11	11 119392 BS	Camwest Development Inc/Joe Naeseth	Single Family Residence	1,768.00
		<b>Total 2011</b>		<b>387,159.58</b>

Grand Total (1/1/2010 thru 9/12/2011)

589,140.14

**Debt Payments funded by CIP  
2018-2030  
\$ in millions**

<b>Debt Issue Summary</b>					
<b>Debt Issue</b>	<b>Year Debt Scheduled for Retirement</b>	<b>Initial Principal Amount Issued</b>	<b>Actual Principal Amount Outstanding @ 12/31/2010</b>	<b>Scheduled Principal Amount Outstanding @ 12/31/2017</b>	
2004 LTGO City Hall	2043	\$102.7	\$101.5	\$91.3	
2006 LTGO City Hall	2026	\$6.1	\$5.2	\$3.3	
2008 LTGO Supplemental CIP	2027	\$14.2	\$12.7	\$8.4	
2010 LTGO - M&I	2030	\$11.8	\$11.8	\$8.6	

<b>Scheduled Principal and Interest Payments (Debt Service)</b>						
<b>Year</b>	<b>2004 LTGO City Hall</b>	<b>2006 LTGO City Hall</b>	<b>2008 LTGO Supplemental CIP</b>	<b>2010 LTGO M&amp;I</b>	<b>Total in Real Dollars</b>	<b>Total in 2010\$</b>
2018	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$7.1
2019	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$7.0
2020	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.9
2021	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.8
2022	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.7
2023	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.6
2024	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.5
2025	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.4
2026	\$6.5	\$0.4	\$1.0	\$0.9	\$8.8	\$6.4
2027	\$6.5		\$1.0	\$0.9	\$8.4	\$6.0
2028	\$6.5			\$0.9	\$7.3	\$5.2
2029	\$6.5			\$0.9	\$7.3	\$5.1
2030	\$6.5			\$0.9	\$7.3	\$5.0
<b>Total 2018-2030</b>	<b>\$84.1</b>	<b>\$4.0</b>	<b>\$10.3</b>	<b>\$11.2</b>	<b>\$109.7</b>	<b>\$82.0</b>

**Ongoing Programs**  
**\$ in Millions**

<b>Current Ongoing Programs</b>		
<b>Modeling Approach - Takes the annual amount of \$14.6M and extends the funding for the 13 year period (2018-2030) resulting in a total of \$190M for current ongoing programs. The exact programs and amounts will be determined in future budget discussions.</b>		
<b>CIP Plan No.</b>	<b>CIP Program Description</b>	<b>Annual Amount 2010\$</b>
PW-R-46	Major Safety Improvements	\$0.1
PW-W/B-49	Wheelchair Ramps	\$0.1
PW-W/B-56	Pedestrian Access Improvements	\$0.4
PW-M-1	Street Overlays	\$5.3
PW-M-2	Minor Capital - Traffic Operations	\$0.2
PW-M-19	Major Maintenance Program	\$0.6
PW-M-20	Minor Capital - Streets & Lighting	\$0.2
P-R-02	Enterprise Facility Improvements	\$0.4
P-R-11	Renov & Refurb of Park Facilities	\$4.0
PS-16	Renovation of Public Safety Facilities	\$0.8
CD-11	Public Art Program	\$0.4
CD-22	Enhanced ROW and Urban Blvds	\$0.6
NEP-1	Neighborhood Enhancement Program	\$1.5
NIS-2	Neighborhood Partnerships	\$0.1
<b>Total Existing Ongoing Programs</b>		<b>\$14.6</b>

<b>Restoration of Ongoing Programs</b>		
<b>Modeling Approach - High level modeling that simply takes the net total average annual allocation difference of \$5.1 million and assumes 13 years (2018-2030) are restored which results in \$66M. It does not attach amounts to specific programs. The exact programs and amounts will be determined in future CIP budget discussions.</b>		
<b>CIP Plan No.</b>	<b>CIP Program Description</b>	<b>Average Annual Allocation Difference (2011- 2017 CIP compared to 2009- 2015 CIP)</b>
PW-R-44	Transportation Planning Studies	\$0.13
PW-R-46	Major Safety Improvements	\$0.02
PW-R-87	Transportation Demand Management	\$0.14
PW-R-136	Traffic Safety Technologies	\$0.08
PW-I-84	Signal Warrant/Safety Program	\$0.16
PW-W/B-49	Pedestrian Facilities Compliance Program.	(\$0.03)
PW-W/B-53	Trail Maintenance Program	\$0.10
PW-W/B-56	Pedestrian Access Improvements	\$0.08
PW-M-1	Street Overlays	\$1.05
PW-M-2	Minor Capital - Signals & Lighting	\$0.21
PW-M-3	Curb, Gutter, and Sidewalk Rehabilitation	\$0.36

PW-M-7	Neighborhood Traffic Calming Program	\$0.62
<b>Restoration of Ongoing Programs (continued)</b>		
PW-M-8	Minor Capital Programs - Streets	\$0.08
PW-M-12	Citywide Rockeries Reconstruction	\$0.23
PW-M-19	Major Maintenance Program	(\$0.14)
PW-M-20	Minor Capital - Traffic Operations	(\$0.20)
P-AD-15	Property Acquisition	\$1.44
P-AD-27	Planning/Design for Existing/Future Parks	\$0.25
P-AD-34	Trail Development	\$0.20
P-AD-52	Mini Park Opportunities	\$0.66
P-AD-78	Citywide Streetscapes Enhancement Program	\$0.32
G-77	Right of Way Planting and Restoration Program (ESI)	\$0.05
P-R-02	Enterprise Facility Improvements	(\$0.04)
P-R-11	Renov & Refurb of Park Facilities	(\$0.58)
PS-16	Renovation of Public Safety Facilities	(\$0.02)
PS-19	Public Safety Facility Studies	\$0.02
CD-2	Community Development Planning	\$0.13
CD-22	Enhanced Right-of-Way and Urban Boulevards	(\$0.62)
NEP-1	Neighborhood Enhancement Program	\$0.21
NIS-2	NIS Future Areas	\$0.26
NIS-2	Neighborhood Partnerships	(\$0.10)
NIS-3	Neighborhood Community Building	\$0.03
<b>Net Total Average Annual Variance</b>		<b>\$5.11</b>

Notes

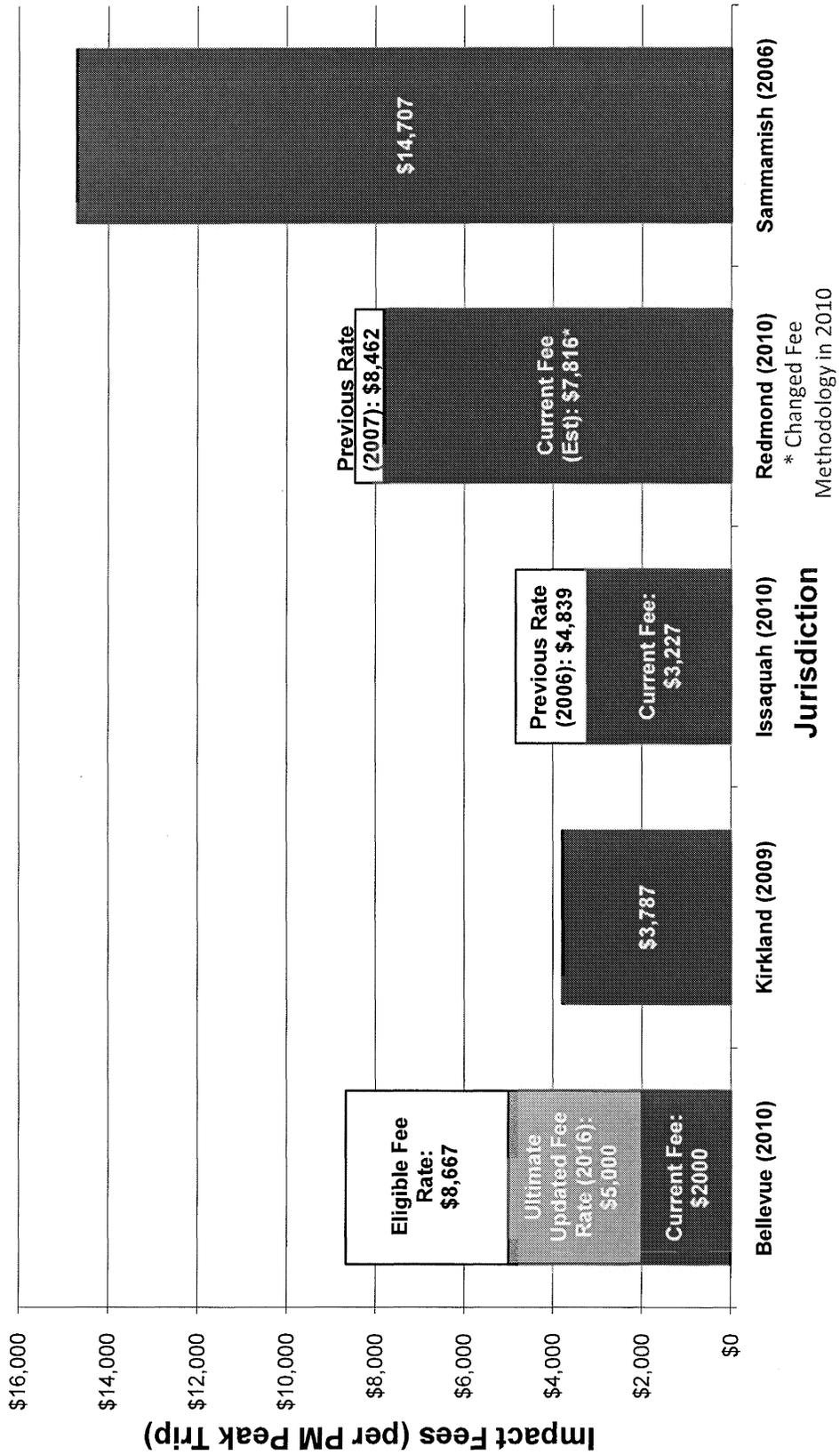
- The approach to modeling the "Restoration of Ongoing Programs" is very high level, simply taking the net total average annual allocation difference of \$5.1 million and assumes 13 years (2018-2030) are restored which results in \$66M. It does not attach amounts to specific programs. The programs and amounts will be determined in future CIP budget discussions.

- Staff understands that any restoration of "Planning Studies" would need to be aligned with Council policy direction on the split between the operating budget and the CIP.

- There are several programs with a negative amount, which indicates the program received a higher average annual allocation in the 2011-2017 and/or projects were consolidate. As noted above, the financial modeling simply takes the net total and is not project specific. The programs and amounts will be determined in future CIP budget discussions.

# Local Agency Impact Fee Comparison

## Cost per PM Peak Trip



**Future CIP Revenues out to 2030  
\$ in millions**

Purpose: To provide a financial framework to assist the City Council in their policy discussions regarding the affordability of the East Link MOU. This is a long-term forecast (prepared in early 2011) that is based on a limited set of factors, which result in high level estimates of potential revenues for the forecast period. The reliability and confidence level of a forecast that projects out greater than 24-36 months is very low and becomes increasingly lower as the time horizon is extended.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
<b>PACKAGE #1 - BASIC OUT-YEAR CIP RESOURCES</b>																					
Stated in YOE \$																					
Sales Tax (unrestricted)								19.8	20.7	22.2	23.8	25.6	27.4	29.2	31.2	33.2	35.3	37.5	39.8	37.5	332.8
B&O Tax (unrestricted)							7.5	7.8	8.1	8.4	8.7	9.1	9.5	9.8	10.2	10.6	11.1	11.5	11.8	11.7	124.0
B&O Tax (Transportation restricted)							2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.7	3.8	30.3
REET (Transportation restricted)							6.9	6.1	5.4	4.9	5.4	5.8	6.3	6.7	7.1	7.6	8.1	8.1	7.8	7.6	85.0
REET (Parks restricted)							6.9	6.1	5.4	4.9	5.4	5.8	6.3	6.7	7.1	7.6	8.1	8.1	7.8	7.6	85.0
Impact Fees (\$2,000 no planned increases)							2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	26.0
Package #1 - Total Basic Out-Year CIP Revenue (YOE \$)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$45.5	\$45.1	\$45.7	\$46.7	\$49.9	\$53.1	\$56.2	\$59.5	\$62.9	\$66.5	\$70.2	\$72.9	\$70.2	\$744.3
Package #1 - Total Basic Out-Year CIP Revenue (2010 \$)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$38.8	\$35.9	\$35.6	\$35.9	\$37.9	\$39.8	\$41.6	\$43.4	\$45.3	\$47.3	\$49.3	\$50.4	\$48.2	\$547.3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
<b>PACKAGE #2 - BASIC OUT-YEAR CIP PLUS ROUGHLY HALF OF THE MOBILITY &amp; INFRASTRUCTURE INITIATIVE (M&amp;I) REVENUES</b>																					
Package #1 - Total Basic Out-Year CIP Revenue (2010 \$)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$38.8	\$35.9	\$35.6	\$35.9	\$37.9	\$39.8	\$41.6	\$43.4	\$45.3	\$47.3	\$49.3	\$50.4	\$48.2	\$547.3
Add the following to Package #1:																					
Stated in YOE \$																					
Impact Fees - Incremental Rate Increase from \$2,000 to \$3,000 per trip - (YOE \$)								\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$13.0
LTGO Bonds supported by Property Tax Increase (Four @3% and One @1.5%) - YOE \$							\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$60.8
Subtotal Revenues stated in (YOE \$)	\$0.0	\$0.0	\$13.5	\$0.0	\$13.5	\$0.0	\$13.5	\$1.0	\$14.5	\$1.0	\$7.8	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$73.8
Subtotal Revenues stated in (2010 \$)	\$0.0	\$0.0	\$12.4	\$0.0	\$11.6	\$0.0	\$11.1	\$0.8	\$11.5	\$0.8	\$6.0	\$0.8	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$60.7
LID Revenue (2010 \$)							\$23.0														\$23.0
Package #2 - Total Basic Out-Year CIP Plus Roughly Half M&I (2010 \$)	\$0.0	\$0.0	\$12.4	\$0.0	\$11.6	\$0.0	\$11.1	\$60.6	\$47.4	\$36.4	\$41.9	\$38.6	\$40.5	\$42.3	\$44.1	\$46.0	\$48.0	\$50.0	\$51.1	\$48.8	\$631.0

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
<b>PACKAGE #3 - BASIC OUT-YEAR CIP PLUS ALL OF THE MOBILITY &amp; INFRASTRUCTURE INITIATIVE (M&amp;I) REVENUES</b>																					
Package #1 - Total Basic Out-Year CIP Revenue (2010 \$)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$38.8	\$35.9	\$35.6	\$35.9	\$37.9	\$39.8	\$41.6	\$43.4	\$45.3	\$47.3	\$49.3	\$50.4	\$48.2	\$547.3
Add the following to Package #1:																					
Stated in YOE \$																					
Impact Fees - Incremental Rate Increase from \$2,000 to \$5,000 per trip - (YOE \$)								\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$39.0
New Bel-Red taxes (YOE \$)								\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$10.0
ROW Dedication (YOE \$)								\$6.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$19.0
Incentive Zoning (YOE \$)								\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6	\$13.2
LTGO Bonds (Nine annual 3% property tax increases) (YOE\$)							\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$13.5	\$121.5
Subtotal Revenues stated in (YOE \$)	\$0.0	\$0.0	\$22.1	\$23.1	\$23.1	\$23.1	\$16.1	\$16.5	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$202.7
Subtotal Revenues stated in (2010 \$)	\$0.0	\$0.0	\$20.3	\$19.7	\$19.9	\$13.6	\$13.3	\$13.3	\$13.5	\$13.3	\$13.3	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$165.5
LID Revenue (2010\$)							\$46.0														\$46.0
Package #3 - Total Basic Out-Year CIP Plus All of M&I (2010 \$)	\$0.0	\$0.0	\$20.3	\$19.7	\$19.9	\$13.6	\$13.3	\$56.1	\$49.4	\$48.9	\$48.9	\$40.5	\$42.4	\$44.1	\$46.3	\$48.3	\$50.3	\$52.3	\$53.3	\$51.0	\$758.7

\*Discount Factor to Deflate YOE \$ to 2010 \$ 102.7% 106.2% 108.8% 112.4% 116.4% 118.9% 121.3% 123.7% 125.8% 128.2% 130.1% 131.9% 133.6% 135.3% 137.0% 138.8% 140.6% 142.3% 144.0% 145.8%

\*\*The discount factor above is based on the WSDOT Construction Cost Index (CCI) and Global Insights Price Deflator for State and Local Highway and Streets Forecast