

# City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

## Section 1: Proposal Descriptors

<p><b>Proposal Title:</b> G-69 Supplemental CIP Debt Funding</p> <p><b>Outcome:</b> Debt Service</p> <p><b>Primary Department:</b> Finance</p> <p><b>List Parent/Dependent Proposals:</b> None</p> <p><b>Previous Proposal Number(s):</b> 060.01NN</p>	<p><b>Proposal Number:</b> 060.01NA</p> <p><b>Proposal Type:</b> Existing Service</p> <p><b>Proposal Status:</b> Funded</p> <p><b>Attachments:</b> Yes</p> <p><b>Primary Staff Contact:</b> Zemed Yitref, x6101</p> <p><b>Version Tracking:</b> N/A</p>
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## Section 2: Executive Summary

This proposal provides annual debt service funding for the 2008 Limited Tax General Obligation (LTGO) Bonds issued for \$14.3 million for the purpose of financing City Council adopted Supplemental CIP projects. The bond proceeds will finance the initial phase of the Supplemental CIP which includes six high-priority capital projects.

## Section 3: Requested Resources

**Capital Improvement Project Plan**  
**Fund:** 03681 Supplemental CIP

CIP Plan Number: G-69 - Supplemental CIP Debt Funding								
Expenditure								
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019
<b>Costs</b>	\$5,870,820	\$1,036,274	\$1,033,124	\$1,034,524	\$1,035,324	\$1,034,534	\$1,037,434	\$1,033,464
<b>2013-2019 Total</b>	\$7,244,678							
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supporting Revenue								
		2013	2014	2015	2016	2017	2018	2019
		\$1,036,274	\$1,033,124	\$1,034,524	\$1,035,324	\$1,034,534	\$1,037,434	\$1,033,464

## Section 4: Budget Proposal Description

This proposal provides funding for the City Council adopted Supplemental CIP projects (a group of six high-priority capital projects).

The City Council authorized the issuance of the 2008 Supplemental CIP LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Scalability Options - Consequence of funding at a lower level:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

## Section 5: Responsiveness to Request for Results

**A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

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Purchasing Strategies for Debt Service/Responsive Government:

\*Stewards of the Public Trust\*: 1) manage public funds in a responsible manner, and 2) manage risk, minimize liability, and provide for accountability.

The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).

\*Strategic leadership\*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

- Ensure sound management of resources: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA/Aaa bond ratings.

**C. Partnerships and Collaboration proposed:**

- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer’s Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

Consequence of not funding the proposal at all:

1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

**Proposal Title:** CD-5 Metro Site Acquisition 2003 Refunding – Debt Service  
**Proposal Number:** 060.02NA  
**Proposal Type:** Existing Service  
**Outcome:** Debt Service  
**Proposal Status:** Funded  
**Attachments:** Yes  
**Primary Department:** Finance  
**Primary Staff Contact:** Zemed Yitref, x6101  
**List Parent/Dependent Proposals:** None  
**Previous Proposal Number(s):** 060.01NN  
**Version Tracking:** N/A

### Section 2: Executive Summary

This proposal provides annual debt service funding for the 1994 Limited Tax General Obligation (LTGO) Bonds issued for \$6.5 million for the purpose of financing the acquisition of certain real property located in the Downtown area called the “Metro site”. These bonds were refinanced in 2003 by the issuance of the Series 2003B LTGO refunding bonds and will retire on 7/1/2014.

### Section 3: Requested Resources

**Capital Improvement Project Plan**  
**Fund:** 03680 General CIP Fund

CIP Plan Number: CD-5 - Metro Site Acquisition 1993 - Debt Service									
Expenditure									
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019	
<b>Costs</b>	\$9,616,000	\$505,000	\$506,000	\$0	\$0	\$0	\$0	\$0	
<b>2013-2019 Total</b>	\$1,011,000								
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Supporting Revenue									
		2013	2014	2015	2016	2017	2018	2019	
		\$505,000	\$506,000	\$0	\$0	\$0	\$0	\$0	

### Section 4: Budget Proposal Description

This proposal provides funding for the purchase of the undeveloped parcel “Metro site” for future municipal purposes, including a performance arts facility, and/or other uses supportive of the Meydenbauer Center. Project funding will pay debt service costs for the west half of the site.

The City Council authorized the issuance of the 1994 LTGO Bonds (Ord. 4659) and the refinancing of the bonds (Ord. 5474). The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Scalability Options - Consequence of funding at a lower level:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

### Section 5: Responsiveness to Request for Results

**A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

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The Metro site is one of the largest undeveloped parcels left in the Central Business District located in the “special opportunity area” where cultural, conference, civic, hotel, and governmental facilities, or compatible private development are appropriate. The site purchase provided land on which to locate high-priority cultural or municipal facilities.

Purchasing Strategies for Debt Service/Responsive Government:

\*Stewards of the Public Trust\*: 1) manage public funds in a responsible manner; and 2) manage risk, minimize liability, and provide for accountability.

The methods applied by the Debt Manager to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).
- Various U.S. Department of Treasury regulations for post debt issuance compliance related to monitoring all outstanding tax-exempt debt.

\*Strategic leadership\*: 1) Establish and help realize the Community Vision; and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden; and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

Ensure sound management of resources: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA/Aaa bond ratings.

**C. Partnerships and Collaboration proposed:**

Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer’s Office to contract for fiscal agent services. This partnership has achieved cost savings by entering a multi-year State contract with a fiscal agent.

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

N/A

Consequence of not funding the proposal at all:

1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

<p><b>Proposal Title:</b> G-82 City Hall Debt Service</p> <p><b>Outcome:</b> Debt Service</p> <p><b>Primary Department:</b> Finance</p> <p><b>List Parent/Dependent Proposals:</b> None</p> <p><b>Previous Proposal Number(s):</b> 060.03NN</p>	<p><b>Proposal Number:</b> 060.03NA</p> <p><b>Proposal Type:</b> Existing Service</p> <p><b>Proposal Status:</b> Funded</p> <p><b>Attachments:</b> Yes</p> <p><b>Primary Staff Contact:</b> Zemed Yitref, x6101</p> <p><b>Version Tracking:</b> N/A</p>
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### Section 2: Executive Summary

This proposal provides annual debt service funding for the initial 2004 and 2006 Limited Tax General Obligation (LTGO) Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for \$43.2 million (both issues refunding the 2004 New City Building Bonds) for the purpose of financing the acquisition and development of the current City Hall building located at 450 110th Avenue Northeast.

### Section 3: Requested Resources

**Capital Improvement Project Plan**  
**Fund:** 03680 General CIP Fund

<b>CIP Plan Number:</b> G-82 - City Hall Debt Service									
<b>Expenditure</b>									
	<b>Spending Thru 2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	
<b>Costs</b>	\$13,926,000	\$6,305,920	\$6,610,720	\$6,599,680	\$6,598,080	\$6,594,005	\$6,582,215	\$6,589,788	
<b>2013-2019 Total</b>	\$45,880,408								
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Supporting Revenue</b>									
		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	
		\$6,305,920	\$6,610,720	\$6,599,680	\$6,598,080	\$6,594,005	\$6,582,215	\$6,589,788	

### Section 4: Budget Proposal Description

This proposal provides annual debt service funding for the initial 2004 and 2006 LTGO Bonds issued for \$108.8 million, the 2012 LTGO Refunding Bonds issued for \$55.9 million, and the 2012B LTGO Refunding Bonds issued for 43.2 million (both issues refunding the 2004 New City Building Bonds) for the purpose of financing the acquisition and development of the current City Hall building located at 450 110th Avenue Northeast.

The City Council authorized the issuance of the 2004 and 2006 LTGO bonds, and the 2012 and 2012B Refunding bonds for the acquisition and development of the City Hall building. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Scalability Options - Consequence of funding at a lower level:

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Loss of tax-exempt status of City bonds.

- Litigation from bondholders for negligence on fiduciary obligations.

### **Section 5: Responsiveness to Request for Results**

#### **A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

Purchasing Strategies for Debt Service/Responsive Government:

**\*Stewards of the Public Trust\*:** 1) manage public funds in a responsible manner, and 2) manage risk, minimize liability, and provide for accountability.

The methods applied by the Debt Manager ("the Manager") to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and Capital Investment Program (CIP) projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).
- Various U.S. Department of Treasury regulations for post debt issuance compliance related to monitoring all outstanding tax-exempt debt.

**\*Strategic leadership\*:** 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

#### **B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

- Ensure sound management of resources: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's AAA/Aaa bond ratings.

#### **C. Partnerships and Collaboration proposed:**

- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer's Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.

#### **D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

Consequence of not funding the proposal at all:

1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

2. Customer Impact:

- Potential loss of AAA/Aaa ratings – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

**Proposal Title:** G-53 CIP Cash Flow Debt Service      **Proposal Number:** 060.05NA  
**Proposal Type:** Existing Service  
**Outcome:** Debt Service      **Proposal Status:** Funded  
**Attachments:** Yes  
**Primary Department:** Finance      **Primary Staff Contact:** Jason Bentosino, x7105  
**List Parent/Dependent Proposals:** N/A  
**Previous Proposal Number(s):** 060.05NN      **Version Tracking:** N/A

### Section 2: Executive Summary

This proposal provides the funding for principal and interest costs due to short-term cash flow borrowing for the General Capital Investment Program (CIP) Fund. Issuing short-term debt allows the City to implement scheduled CIP projects sooner rather than later in the seven-year CIP period.

### Section 3: Requested Resources

#### Capital Improvement Project Plan

**Fund:** 03680 General CIP Fund

CIP Plan Number: G-53 - CIP Cash Flow Debt Service Funding								
Expenditure								
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019
<b>Costs</b>	\$44,673,000	\$15,300,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>2013-2019 Total</b>	\$15,300,000							
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supporting Revenue								
		2013	2014	2015	2016	2017	2018	2019
		\$15,300,000	\$0	\$0	\$0	\$0	\$0	\$0

### Section 4: Budget Proposal Description

This proposal provides the funding for principal and interest costs due to short-term cash flow borrowing for the General CIP Fund. Issuing short-term debt allows the City to implement scheduled CIP projects sooner rather than later in the seven-year period which enables the City to respond to the highest priority projects and to better meet community and stakeholder expectations. Issuing short-term debt may also be financially prudent when economic conditions are favorable (e.g., low cost of construction, low cost of borrowing, etc.). In any case, a repayment plan should be in place to ensure the short-term debt is retired in the appropriate timeframe. The short-term debt can be in the form of a Line of Credit (LOC) with a financial institution or may be through borrowing from other City funds.

This proposal represents meeting a contractual obligation to pay off the principal borrowed with interest, therefore no scalability options exist. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Consequences of funding at a lower level:

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

- Potentially less projects implemented earlier in the seven-year CIP period.
- o May not be able to meet community and stakeholder expectations
- May not be able to take advantage of favorable economic conditions (e.g., low cost of construction, low cost of borrowing, etc.)

The City currently has a line of credit (LOC) of \$30 million (2009 LOC in the table below) which was issued November 2009 and is scheduled for payoff in November 2013. Current amount drawn on the 2009 LOC is \$15 million, which includes an original draw of \$12 million from the 2008 LOC. This proposal will ultimately be updated with amounts for section 3 and to include language that captures the status and projection of cash flow needs as it develops through the CIP process.

### Section 5: Responsiveness to Request for Results

#### A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Purchasing Strategies for Debt Service/Responsive Government:

\*Stewards of the Public Trust\*: 1) manage public funds in a responsible manner; and 2) manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of Local Improvement District assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).

\*Strategic leadership\*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden; and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

#### B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

\*Ensure sound management of resources\*: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA bond rating.

#### C. Partnerships and Collaboration proposed:

The City’s AAA bond rating and established relationship with the banking industry provides cost savings in locking into favorable rates for short-term borrowing.

#### D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:

Consequence of not funding the proposal at all:

##### 1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

## **City of Bellevue - Budget One 2013-2019 CIP Plan Proposal**

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2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

# City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

## Section 1: Proposal Descriptors

<p><b>Proposal Title:</b> G-83 M&amp;I LTGO Bond Debt Service</p> <p><b>Outcome:</b> Debt Service</p> <p><b>Primary Department:</b> Finance</p> <p><b>List Parent/Dependent Proposals:</b> None</p> <p><b>Previous Proposal Number(s):</b> 060.23NN</p>	<p><b>Proposal Number:</b> 060.23NA</p> <p><b>Proposal Type:</b> Existing Service</p> <p><b>Proposal Status:</b> Funded</p> <p><b>Attachments:</b> Yes</p> <p><b>Primary Staff Contact:</b> Jason Bentosino, x7105</p> <p><b>Version Tracking:</b> N/A</p>
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## Section 2: Executive Summary

This proposal provides annual debt service funding for the 2010 Limited Tax General Obligation (LTGO) Bonds issued for \$12.5 million for the purpose of financing City Council adopted Mobility & Infrastructure Initiative (M&I) projects. The annual debt service payments are supported by general tax revenue as a result of a 3% property tax rate increase levied by the City Council.

## Section 3: Requested Resources

### Capital Improvement Project Plan

**Fund:** 03682 Mobility and Infrastructure Initiative

CIP Plan Number: G-83 - LTGO Debt Service - Mobility & Infrastructure Initiative								
Expenditure								
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019
<b>Costs</b>	\$1,735,000	\$862,550	\$863,450	\$864,150	\$864,650	\$864,950	\$865,150	\$864,550
<b>2013-2019 Total</b>	\$6,049,450							
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supporting Revenue								
		2013	2014	2015	2016	2017	2018	2019
		\$862,550	\$863,450	\$864,150	\$864,650	\$864,950	\$865,150	\$864,550

## Section 4: Budget Proposal Description

This proposal provides funding for the City Council adopted M&I, a group of high-priority capital projects to address growth and development in the Downtown, Bel-Red, and other areas of the City.

The City Council authorized the issuance of the 2010 M&I LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Consequence of funding at a lower level:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

## Section 5: Responsiveness to Request for Results

### A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

This proposal provides funding for the City Council adopted M&I projects.

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Purchasing Strategies for Debt Service/Responsive Government:

**\*Stewards of the Public Trust\*:** 1) manage public funds in a responsible manner, and 2) manage risk, minimize liability, and provide for accountability.

The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).

**\*Strategic leadership\*:** 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

- Ensure sound management of resources: The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA bond rating.

**C. Partnerships and Collaboration proposed:**

- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer’s Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

Consequence of not funding the proposal at all:

1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

<p><b>Proposal Title:</b> G-90 New Short Term Debt Service</p> <p><b>Outcome:</b> Debt Service</p> <p><b>Primary Department:</b> Finance</p> <p><b>List Parent/Dependent Proposals:</b> N/A</p> <p><b>Previous Proposal Number(s):</b> N/A</p>	<p><b>Proposal Number:</b> 060.97NA</p> <p><b>Proposal Type:</b> New Service</p> <p><b>Proposal Status:</b> Funded</p> <p><b>Attachments:</b> No</p> <p><b>Primary Staff Contact:</b> Nicholas Lee</p> <p><b>Version Tracking:</b> N/A</p>
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### Section 2: Executive Summary

This proposal provides the funding for principal and interest costs due to short-term cash flow borrowing for the 2013-2019 General Capital Investment Program (CIP) Fund. Issuing short-term debt allows the City to implement scheduled CIP projects sooner rather than later during the seven-year CIP period.

### Section 3: Requested Resources

**Capital Improvement Project Plan**  
**Fund:** 03680 General CIP Fund

CIP Plan Number: G-90 - New Short-term Debt Service									
Expenditure									
Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019		
<b>Costs</b>	\$0	\$2,100,000	\$0	\$796,000	\$15,669,000	\$19,075,000	\$15,807,000	\$0	
<b>2013-2019 Total</b>	\$53,447,000								
<b>CIP M&amp;O</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Supporting Revenue									
	2013	2014	2015	2016	2017	2018	2019		
	\$2,100,000	\$0	\$796,000	\$15,669,000	\$19,075,000	\$15,807,000	\$0		

### Section 4: Budget Proposal Description

This proposal provides the funding for principal and interest costs due to short-term cash flow borrowing for the General CIP Fund. Issuing short-term debt allows the City to implement scheduled CIP projects sooner rather than later in the seven-year period which enables the City to respond to the highest priority projects and to better meet community and stakeholder expectations. Issuing short-term debt may also be financially prudent when economic conditions are favorable (e.g., low cost of construction, low cost of borrowing, etc.). In any case, a repayment plan should be in place to ensure the short-term debt is retired in the appropriate timeframe. The short-term debt can be in the form of a Line of Credit (LOC) with a financial institution or may be through borrowing from other City funds.

### Section 5: Responsiveness to Request for Results

**A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**  
Purchasing Strategies for Debt Service/Responsive Government:

## **City of Bellevue - Budget One 2013-2019 CIP Plan Proposal**

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**\*Stewards of the Public Trust\*:** 1) manage public funds in a responsible manner; and 2) manage risk, minimize liability, and provide for accountability. The methods applied by the Debt Manager (“the Manager”) to accomplish this are mandated:

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of Local Improvement District assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).

**\*Strategic leadership\*:** 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City’s strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden; and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

**\*Ensure sound management of resources\*:** The City’s debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue’s community with the goal of maintaining the City’s AAA bond rating.

**C. Partnerships and Collaboration proposed:**

The City’s AAA bond rating and established relationship with the banking industry provides cost savings in locking into favorable rates for short-term borrowing.

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

Consequence of not funding the proposal at all:

1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

<b>Proposal Title:</b> G-89 New Long Term Debt Service <b>Outcome:</b> Debt Service  <b>Primary Department:</b> Finance <b>List Parent/Dependent Proposals:</b> N/A <b>Previous Proposal Number(s):</b> N/A	<b>Proposal Number:</b> 060.99NA <b>Proposal Type:</b> New Service <b>Proposal Status:</b> Funded <b>Attachments:</b> No <b>Primary Staff Contact:</b> Nicholas Lee  <b>Version Tracking:</b> N/A
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### Section 2: Executive Summary

This proposal provides annual debt service funding for the Limited Tax General Obligation (LTGO) Bonds issued for \$41.4 million for the purpose of financing City Council adopted CIP projects. The bond proceeds will finance high-priority capital projects being implemented in the 2013-2019 CIP.

### Section 3: Requested Resources

#### Capital Improvement Project Plan

**Fund:** 03680 General CIP Fund

CIP Plan Number: G-89 - New Long-term Debt Service									
Expenditure									
Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019		
<b>Costs</b>	\$0	\$0	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	
<b>2013-2019 Total</b>	\$18,564,000								
<b>CIP M&amp;O</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Supporting Revenue									
	2013	2014	2015	2016	2017	2018	2019		
	\$0	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	\$3,094,000	

### Section 4: Budget Proposal Description

This proposal provides funding for the City Council adopted CIP projects by authorizing the issuance of the 2013 LTGO bonds. The City has a contractual obligation to its bondholders for repayment of the principal borrowed with interest. The full faith and credit of the City is pledged for the levy of taxes and prompt payment of principal and interest.

Scalability Options - Consequence of funding at a lower level:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

Purchasing Strategies for Debt Service/Responsive Government:

\*Stewards of the Public Trust\*: 1) manage public funds in a responsible manner, and 2) manage risk, minimize liability, and provide for accountability.

The methods applied by the Debt Manager ("the Manager") to accomplish this are mandated:

## **City of Bellevue - Budget One 2013-2019 CIP Plan Proposal**

- Securities and Exchange Commission (SEC) Rule 15c2-12 requires ongoing financial disclosures for the City bonds. The City has an obligation to meet these continuing disclosure standards.
- State RCW 35.43 – 35.50, 35.54 requires proper administration of LID assessment revenue collections and penalty assessments.
- RCW 35.54 and Federal Tax Reform Act of 2006 requires annual monitoring of fund balances in Debt Service Funds and CIP projects to assure that the City does not earn investment interest on bond proceeds over and above the borrowing costs (arbitrage).

### **Section 5: Responsiveness to Request for Results**

#### **A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

\*Strategic leadership\*: 1) Establish and help realize the Community Vision, and 2) Use the Community Vision to advance community expectations (current and future) vision.

- The foundation of the City's strategic capital planning process is the Community Vision. In accordance with the Policy, we provide expertise in managing: 1) capital needs of the community while minimizing tax burden, and 2) short- and long-term financial strategy for funding a variety of capital projects while protecting future generations and maintaining future flexibility for Council.

#### **B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

- Ensure sound management of resources: The City's debt program is administered in a prudent and cost-effective manner by limiting debt to short-term obligations and utilizing long-term debt on an exception basis. We provide low cost financing (e.g., line of credit) to fund CIP projects thereby benefiting Bellevue's community with the goal of maintaining the City's AAA/Aaa bond ratings.

#### **C. Partnerships and Collaboration proposed:**

- Leverage collaboration or partnerships with external organizations: The City partners with the State of Washington Treasurer's Office to contract for fiscal agent services which has achieved cost savings by entering a multi-year State contract with a fiscal agent.

#### **D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

Consequence of not funding the proposal at all:

##### 1. Legal:

If debt service payments are missed:

- Loss of tax-exempt status of City bonds.
- Litigation from bondholders for negligence on fiduciary obligations.

##### 2. Customer Impact:

- Potential loss of AAA rating – the City and stakeholders will suffer through higher financing costs.

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

**Proposal Title:** P-AD-49 LID Assessments: Park Properties  
**Proposal Number:** 100.79NA  
**Proposal Type:** Existing Service  
**Outcome:** Debt Service  
**Proposal Status:** Funded  
**Attachments:** No  
**Primary Department:** Parks & Community Services  
**Primary Staff Contact:** Sue Dietz  
**List Parent/Dependent Proposals:** None  
**Previous Proposal Number(s):** 100.79NN  
**Version Tracking:** N/A

### Section 2: Executive Summary

This proposal provides for future payments of Local Improvement District (LID) assessments against City-owned park properties. The assessment amounts that are anticipated to occur during the CIP plan timeframe are included in this proposal.

### Section 3: Requested Resources

#### Capital Improvement Project Plan

**Fund:** 03680 General CIP Fund

CIP Plan Number: P-AD-49 - LID Assessments for Park Properties								
Expenditure								
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019
<b>Costs</b>	\$1,565,000	\$32,000	\$30,000	\$0	\$0	\$0	\$0	\$0
<b>2013-2019 Total</b>	\$62,000							
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supporting Revenue								
		2013	2014	2015	2016	2017	2018	2019
		\$32,000	\$30,000	\$0	\$0	\$0	\$0	\$0

### Section 4: Budget Proposal Description

The City owns park property within the boundaries of several LIDs that were created to finance Transportation CIP projects. Currently, Parks' only LID commitment is #280, a 20-year contract that will be completed in 2014. This LID was created to help fund improvements to NE 10th between Bellevue Way and 112th Avenue NE. The City is responsible for payment of LID assessment billings at the time that construction of the related projects is completed. This CIP project was established to facilitate the LID payment and record-keeping process.

### Section 5: Responsiveness to Request for Results

#### A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:

Built Environment

The LID payments help to finance transportation improvements to accommodate growth.

#### B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):

Improved Mobility

## **City of Bellevue - Budget One 2013-2019 CIP Plan Proposal**

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The improvements to NE 10th that are partially funded by this LID help to improve traffic flow in and out of the downtown area.

**C. Partnerships and Collaboration proposed:**

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

# City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

## Section 1: Proposal Descriptors

<p><b>Proposal Title:</b> PW-R-82 Public Works Trust Fund Loan - Principal</p> <p><b>Outcome:</b> Debt Service</p> <p><b>Primary Department:</b> Transportation</p> <p><b>List Parent/Dependent Proposals:</b> None</p> <p><b>Previous Proposal Number(s):</b></p>	<p><b>Proposal Number:</b> 130.79PA</p> <p><b>Proposal Type:</b> Existing Service</p> <p><b>Proposal Status:</b> Funded</p> <p><b>Attachments:</b> No</p> <p><b>Primary Staff Contact:</b> Eric Miller</p> <p><b>Version Tracking:</b> N/A</p>
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## Section 2: Executive Summary

This proposal is for annual principal payments made by the City for any Public Works Trust Fund (PWTF) loans. The PWTF loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be available if General CIP Revenues were used. The proposed funding covers two separate loans (see further description in Section 4 of this proposal). This proposal is a companion to 130.80DA, which covers the annual interest payments for PWTF loans.

## Section 3: Requested Resources

**Capital Improvement Project Plan**  
**Fund:** 03680 General CIP Fund

<b>CIP Plan Number:</b> PW-R-82 - Public Works Trust Fund Loan - Principal								
<b>Expenditure</b>								
	<b>Spending Thru 2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Costs</b>	\$1,192,000	\$40,000	\$223,000	\$225,000	\$226,000	\$228,000	\$229,000	\$230,000
<b>2013-2019 Total</b>	\$1,401,000							
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Supporting Revenue</b>								
		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
		\$40,000	\$223,000	\$225,000	\$226,000	\$228,000	\$229,000	\$230,000

## Section 4: Budget Proposal Description

This project is non-capital in nature. The costs represent the annual principal payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there are two active loans: 1) a \$750,000 loan received for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent; and 2) a \$2,900,000 loan received for the construction of PW-R-160 – NE 4th Street Extension – 116th to 120th Avenue NE, the loan repayment is 15 years, commencing in 2014, ending in 2028, and the interest rate is three quarters of one percent. (Interest payments are made through a separate CIP, PW-R-83).

## Section 5: Responsiveness to Request for Results

**A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

NA

**City of Bellevue - Budget One  
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**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

NA

**C. Partnerships and Collaboration proposed:**

NA

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

NA

## City of Bellevue - Budget One 2013-2019 CIP Plan Proposal

### Section 1: Proposal Descriptors

**Proposal Title:** PW-R-83 Public Works Trust  
Fund Loan - Interest

**Proposal Number** 130.80DA

**Proposal Type:** Existing Service

**Outcome:** Debt Service

**Proposal Status:** Funded

**Attachments:** No

**Primary Department:** Transportation

**Primary Staff Contact:** Eric Miller

**List Parent/Dependent Proposals:** None

**Previous Proposal Number(s):**

**Version Tracking:** N/A

### Section 2: Executive Summary

This proposal is for annual interest payments made by the City for any Public Works Trust Fund (PWTF) loans. The PWTF loan is a low-interest loan granted through the State of Washington Department of Community Development that allows high-priority projects to be completed earlier in the plan than would be available if General CIP Revenues were used. The proposed funding covers two separate loans (see further description in Section 4 of this proposal). This proposal is a companion to 130.79PA, which covers the annual principal payments for PWTF loans.

### Section 3: Requested Resources

**Capital Improvement Project Plan**

**Fund:** 03680 General CIP Fund

CIP Plan Number: PW-R-83 - Public Works Trust Fund Loan - Interest								
Expenditure								
	Spending Thru 2012	2013	2014	2015	2016	2017	2018	2019
<b>Costs</b>	\$104,000	\$3,000	\$25,000	\$22,000	\$21,000	\$20,000	\$18,000	\$17,000
<b>2013-2019 Total</b>		\$126,000						
<b>CIP M&amp;O</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supporting Revenue								
		2013	2014	2015	2016	2017	2018	2019
		\$0	\$25,000	\$0	\$0	\$0	\$0	\$0

### Section 4: Budget Proposal Description

This project is non-capital in nature. The costs represent the annual interest payments made by the City for any Public Works Trust Fund (PWTF) loans. Currently there are two active loans: 1) a \$750,000 loan received for the construction of PW-W/B-69 - NE 24th Street - Northup Way to 130th Avenue NE, the loan repayment is 20 years, ending in 2026, and the interest rate is one half of one percent; and 2) a \$2,900,000 loan received for the construction of PW-R-160 – NE 4th Street Extension – 116th to 120th Avenue NE, the loan repayment is 15 years, commencing in 2014, ending in 2028, and the interest rate is three quarters of one percent. (Principal payments are made through a separate CIP, PW-R-82).

### Section 5: Responsiveness to Request for Results

**A. Factors/Purchasing strategies addressed by this proposal - for the PRIMARY outcome:**

NA

**City of Bellevue - Budget One  
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**B. Citywide Purchasing Strategies and Factors/Purchasing strategies addressed by this proposal - for the OTHER outcome(s):**

NA

**C. Partnerships and Collaboration proposed:**

NA

**D. Activities in this proposal that support the work of other proposals, or save costs that would otherwise have to be expended:**

NA