



Preliminary Budget Spotlight on CIP Enhancement

Council has had a significant amount of discussion over the last year about the City's capital investment strategy, including the gap between the large list of unfunded capital projects and the existing CIP revenue stream. Part of this Preliminary Budget includes a proposal for meeting \$25 million in urgent neighborhood and city-wide capital needs through new revenues. With a proposed 5% increase in the City property tax, sales tax can be targeted to address these critical and time-sensitive needs.

The recommended \$25 million in new revenues can be bonded so it is available near the beginning of the 7-year CIP. As proposed, this funding will deliver on the following:

- **Newport Way Sidewalk (\$7M):** This project is an urgent priority for the Eastgate neighborhood. Newport Way, a high-volume arterial abutting community facilities like a branch library, school, park/community center, and church, was built years ago with no sidewalks, and this is rightly seen as a major safety issue by the neighborhood. Steep hillsides and stormwater issues make this an expensive gap to fill. This project will fully construct a sidewalk on one side of Newport Way, addressing this critical neighborhood safety issue.
- **West Lake Sammamish Parkway, Phase 2 Final Design (\$2M):** West Lake Sammamish Parkway is a key corridor for East Bellevue. As the Parkway runs roughly 5½ miles along the western shore of the Lake, it has tremendous impacts not only on motorized and non-motorized travel, but also on water quality and community character. With the successful conclusion of Phase 1 of this five-phased project, the time has come to advance the next phase, which will cover about one mile north from the termination of Phase 1 at SE 34th Street. Among other benefits, full design will make this project much more likely to receive partial grant funding.
- **Community Connectivity (\$2.5M):** This project will plan, engineer, and implement a major WiFi expansion, leveraging the City's own fiber network and covering roughly half of the City depending upon the technology and geographic areas selected. It will be targeted to serve specific areas with concentrations of low income families, providing broadband access for these under-served populations, in addition to general public access and City use for service delivery. This would likely be delivered in partnership with one or more private broadband providers, the Bellevue School District, potentially Bellevue College and potentially the regional Community Connectivity Consortium.
- **Downtown Transportation Plan/NE 6th Station Access (\$5M):** Downtown is by far the fastest growing neighborhood in the City, and now has about 10,500 residents. Many of the recommendations from the recent Downtown Transportation Plan update will enhance the walkability and livability of Downtown, and the area's rapid growth makes this an urgent need. Among the improvements to be funded will be enhanced pedestrian access to the major Downtown light rail station at NE 6th Street.
- **Opportunity Fund (\$8.5M):** About a third of the new revenues are proposed as an "Opportunity Fund," to be determined by Council. The number of potential candidates



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for this fund far exceed resources, and the short list for consideration might include the following: acquisition of portions of the Eastside Rail Corridor; partnership funding with KidsQwest, Boys and Girls Club, and/or Pacific Science Center, all of whom have requested financial participation from the City (and would of course have to demonstrate appropriate levels of public benefit); design/construction of all or part of a Bellevue Way HOV lane; and additional neighborhood sidewalk/traffic calming improvements.

The Council has a history of being very judicious and careful in its consideration of tax increases, and a great deal of thought has gone into this staff proposal for a modest increase. Bellevue receives only 11 cents of every property tax dollar collected on properties in the city (a share that has been declining in recent years). Thus a 5% increase in Bellevue's property tax is less than a 1% increase in a home's overall property tax, amounting to \$25 per year for a \$500,000 home. Given the magnitude of critical and time-sensitive needs and opportunities the City is facing, this is a reasonable and prudent proposal.

While this step will allow for progress on several important projects, the City will continue to face a large and daunting list of unfunded capital needs. At the October 6 Budget Workshop, the Council indicated an interest in a longer term community conversation on how best to meet these needs. This could include a future ballot measure or measures for voter consideration. Staff is prepared to help advance this discussion in the coming year.