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**TO:** Bellevue Transportation Commission

**FROM:** Ron Kessack, Assistant Transportation Director, 452-4631  
[rkessack@bellevuewa.gov](mailto:rkessack@bellevuewa.gov)

Jason Bentosino, Transportation Fiscal Manager, 452-4495  
[jbentosino@bellevuewa.gov](mailto:jbentosino@bellevuewa.gov)

Kevin McDonald, AICP, Senior Transportation Planner, 452-4558  
[kmcdonald@bellevuewa.gov](mailto:kmcdonald@bellevuewa.gov)

**SUBJECT:** 2015-2016 Budget: Base CIP Update and new Enhanced CIP

The Transportation Commission has expressed interest in participating in the 2015/2016 budget process, especially with respect to the Capital Investment Program (CIP). City Manager Brad Miyake submitted his recommended budget to the City Council at the October 27 Council meeting. Included in the recommended budget is a package of projects, in addition to the base CIP that would require new revenue. As proposed this would come through a 5% property tax increase. On November 13, 2014, the Commission will have an opportunity to discuss and develop a recommendation to Council on the City Manager's Preliminary CIP.

In your September 25 budget briefing, Eric Miller provided information on the projects recommended for funding by the staff leadership team (LT). Since that time the City Manager has made changes that are included in his Preliminary CIP recommendation. Included in his recommendation are a number of Improved Mobility projects that the Commission has supported through previous budget briefings, most recently on September 25. The changes are made possible due to three overarching changes:

- **Base CIP Reprogramming of Funds** – Overlay Program reduced modestly to fund unfunded portion of SCATS.
- **Base CIP New \$60 million non-voted long-term debt (supported by existing tax revenue)** – Makes available approximately \$36 million of funding in the later years of the CIP period.
- **Enhanced CIP New \$26 million non-voted long-term debt** – With a proposed 5% property tax increase, sales tax can be targeted to support repayment of this debt.

#### **Base CIP**

The SCATS (Intelligent Transportation Project) project has been funded with a modest, one year reduction in the Overlay program – made possible by the inclusion of new grant funds in the

program. The City Manager's recommendation also includes the issuance of \$60 million in non-voted long-term debt to be repaid over 20 years by the city's existing tax stream (i.e., No New Taxes). With the issuance of this debt, approximately \$36 million of funding was made available for allocation in the last 3 years of the CIP period. Four transportation projects were allocated this funding. Refer to the table at the end of this memo, for the list of transportation projects and their funding allocation.

## **Enhanced CIP**

Several projects on the City Manager's Enhanced CIP list are those the Transportation Commission has discussed and about which the Commission has received public input. Please refer to **Attachment 1** for the complete list and the City Manager's description of the proposed Enhanced CIP projects. Additional information is provided below, the source of which is the City Manager's executive summaries provided to Council.

### **1. Newport Way Sidewalk – Somerset Boulevard to 150<sup>th</sup> Avenue SE**

This proposal will provide funding to complete design and provides a placeholder for construction of pedestrian, bicycle and other roadway improvements to SE Newport Way between Somerset Boulevard and 150th Avenue SE. The design phase includes community engagement and coordination. This recently annexed area includes schools, parks, churches, a library and the South Bellevue Community Center each of which attract a high volume of pedestrians and cyclists. Currently, no pedestrian or bicycle facilities exist along much of this roadway segment forcing users to navigate narrow shoulders or to drive or be driven to destinations along the corridor. This project enjoys strong neighborhood support and is a high priority project identified in the City's Pedestrian and Bicycle Transportation Plan.

### **2. West Lake Sammamish Parkway, Phase 2 Final Design**

This proposal will provide funding to complete design and provides a placeholder for construction of the second phase of the West Lake Sammamish Parkway Improvements. This phase of the corridor begins at SE 34th Street and goes north to approximately the 1700 block SE. The design funding will be to consider several design alternatives ranging from continuing with the same improvements as the first phase to developing less costly alternatives while maintaining the original objectives of the improvements of the corridor. This also includes involving the community and obtaining the City Council's direction on design and/or construction alternatives.

### **3. Downtown Transportation Plan/NE 6<sup>th</sup> Station Access**

This proposal provides funding in response to Council's 2014-2015 Priority #5: Complete Downtown Transportation Plan and Begin Implementing it, specifically as it relates to access enhancements to the Downtown light rail station on NE 6th adjacent to City Hall. Council has accepted the Transportation Commission's recommendations prioritizing mobility options for

all modes of travel to allow Downtown to grow while enhancing livability. Council has directed staff to proceed toward implementation in coordination with the Downtown Livability Initiative, and staff has completed a study to inform design and cost considerations for access enhancements within two blocks each direction of the new train station.

The table below highlights the Improved Mobility CIP projects now proposed to be funded that were previously “below the line”.

<b>CIP Plan No.</b>	<b>Project Name</b>	<b>LT Base</b>	<b>+ CM Base</b>	<b>+ Enhanced CIP</b>	<b>Total 2015-2021</b>
<b>PW-R-174</b>	NE Spring Boulevard - 130th to 132nd Avenues NE	397	3,000	-	3,397
<b>PW-R-172</b>	NE Spring Boulevard 116th to 120th Avenues NE	21,605	10,000	-	31,605
<b>PW-R-155</b>	Traffic Computer System Upgrade (SCATS)	5,193	500	-	5,693
<b>PW-R-182</b>	DTP/NE 6 <sup>th</sup> Station Access	-	-	5,000	5,000
<b>TFP-078</b>	W Lk Sammamish Pkwy, Phase 2	-	6,000	2,000	8,000
<b>TFP-255</b>	Newport Way – Somerset to 150 <sup>th</sup>	1,100	-	7,000	8,100
<b>TBD</b>	Opportunity Fund – May include Transportation Projects	-	-	8,500	8,500

#### **NEXT STEPS**

The City Council will hold a public hearing on the budget on November 17, 2014, at which the Commission may provide testimony. A letter from the Commission will be drafted per Commission direction and will be provided to Council in advance of the public hearing.

#### **ATTACHMENT**

- 1. Spotlight on Enhanced CIP** - Attachment C from City Manager’s Budget Transmittal to Council, October 27, 2014

## ATTACHMENT C

### Spotlight on Enhanced CIP

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):** 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, and therefore cannot be addressed through our typical neighborhood sidewalks CIP program. This project will fully construct a sidewalk on one side of Newport Way, addressing this critical neighborhood safety issue. Funds for the design of the project are included in the base CIP.
- **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 34<sup>th</sup> 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 provide broadband access to under-served populations, in addition to general public access and City use for service delivery. Components of these improvements could be delivered in partnership with a number of public and private entities, including one or more private broadband providers, the Bellevue School District, Bellevue College and/or the regional Community Connectivity Consortium.
- **Downtown Transportation Plan/NE 6<sup>th</sup> 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 6<sup>th</sup> 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 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 judicious in its consideration of tax increases, and a great deal of thought has gone into the Manager’s proposal for a modest increase of 5% of the City’s banked capacity. Currently, only 11 cents of every property tax dollar collected on properties in Bellevue are allocated to city government, a share that has been declining in recent years. The proposed 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 capital project needs and opportunities the community is facing, the Manager believes that this is a reasonable and prudent proposal.

While this step will allow for progress on several important projects, the City continues 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. Additional options for consideration include a future ballot measure or measures for voter consideration. Staff is prepared to help advance this discussion in the coming year.