

Overview

The City of Seattle's Capital Improvement Program (CIP) allocates existing funds and anticipated revenues to rehabilitate, restore, improve, and add to the City's capital facilities. Projects in the CIP cover a wide range of capital improvements, including construction of new libraries, street repairs, park restoration, and work on electrical substations. The CIP covers a six-year planning horizon (this document covers 2005-2010), and is updated each year to reflect ongoing changes and additions. The CIP document, prepared by the Department of Finance based on submissions from City departments, is approved by the Mayor, and is then submitted to the City Council for adoption, along with the City's annual budget. The six-year CIP does not appropriate funds, but rather functions as a budgeting tool, supporting the actual appropriations that are made through adoption of the budget. The CIP is consistent with the City's Comprehensive Plan and includes information required by the State's Growth Management Act (GMA).

The City of Seattle 2005-2010 Proposed Capital Improvement Program can be found on the City of Seattle website at: <http://www.cityofseattle.net/budget/0510proposed>.

Citywide Summary

The 2005-2010 Proposed CIP highlights the City of Seattle's recent emphasis on building new facilities as well as its long-standing efforts to maintain or improve existing infrastructure. Many of the projects in the 2005-2010 Proposed CIP are civic, cultural or public safety facilities funded by voter-approved levies (the "1999 Seattle Center and Community Centers" Levy, the "Neighborhood Parks, Green Spaces, Trails and Zoo" Levy, and the "Fire Facilities and Emergency Response" Levy) and bonds ("Libraries for All"). Utility-funded projects in the Seattle City Light and Seattle Public Utilities (SPU) CIPs improve or maintain the utility infrastructure that serves Seattle residents. Projects in the Seattle Department of Transportation (SDOT) CIP are funded by multiple fund sources – local, state, and federal – and focus on streets, bridges and other elements of our transportation infrastructure. Finally, the Proposed CIP also projects the financial impact on City departments of major transportation projects including the Monorail, Sound Transit Light Rail, and the Alaskan Way Viaduct. Key projects are more fully described later in this overview, and details on funding and schedule can be found in the individual department sections.

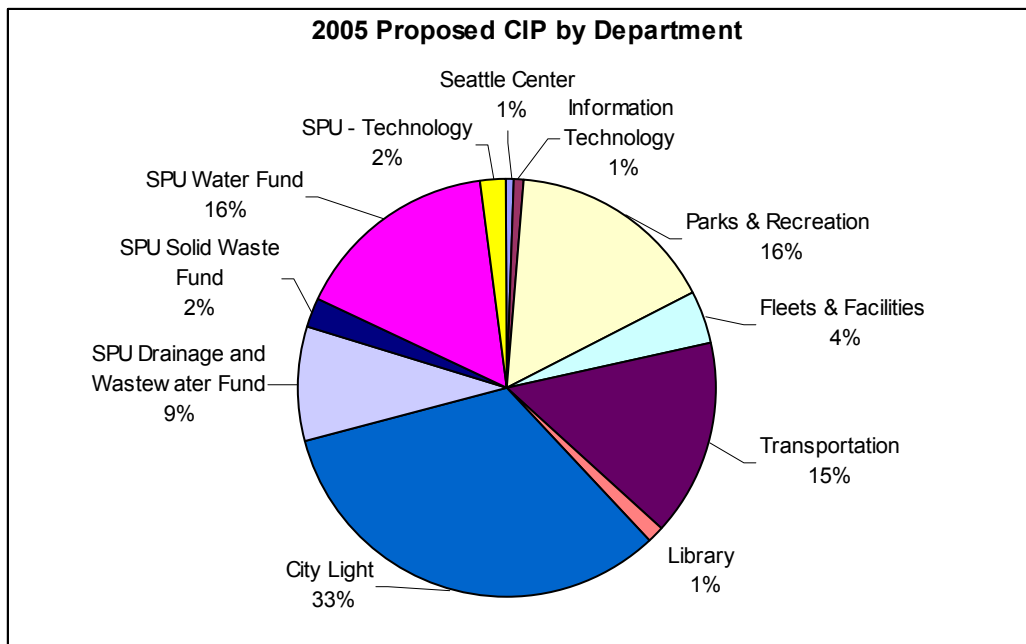
The 2005-2010 Proposed CIP totals more than \$2.9 billion for six years and includes more than 800 individual projects. About \$1.9 billion or 66% of this amount is allocated to utility projects that are funded and managed by City Light and SPU. About \$603 million or 21% is allocated to SDOT over the six-year period. The remaining departments (Parks and Recreation, Fleets & Facilities, Seattle Center, Seattle Public Library, and Department of Information Technology) account for approximately \$405 million or 13%. The table on the next page shows the 2005-2010 allocations by department and the accompanying pie chart provides this information for 2005 only.

2005-2010 Proposed CIP¹ by Department² (in thousands)

Department	2004 Adopted	2004 Revised	2005 Proposed	2006 Proposed	2007-2010 CIP	2005-2010 Total
Fleets and Facilities	6,101	132,758	20,640	29,293	73,700	123,633
Information Technology	8,555	15,931	4,400	4,000	23,130	31,530
Parks and Recreation	33,858	81,648	78,316	32,183	68,805	179,304
Seattle Center	7,416	18,858	2,842	3,633	36,009	42,484
Seattle Public Library	16,102	69,291	6,839	3,560	1,293	11,692
Seattle Transportation	44,575	91,843	72,352	86,734	443,739	602,825
Subtotal	116,607	410,329	185,389	159,403	646,676	991,468
City-owned Utilities						
Seattle City Light	113,895	135,453	159,907	162,446	682,429	1,004,782
SPU - Drainage & Wastewater	30,194	43,493	42,893	40,746	199,935	283,574
SPU - Solid Waste	4,020	7,137	10,976	11,237	126,438	148,651
SPU - Technology Projects	10,358	11,707	9,175	7,323	31,124	47,622
SPU - Water	73,399	65,503	79,135	76,746	307,958	463,839
Subtotal	231,866	263,293	302,086	298,498	1,347,884	1,948,468
City Total	348,473	673,622	487,475	457,901	1,994,560	2,939,936

¹ Note that not all funds above are appropriated; see the 2005-2006 Proposed Budget for a list of anticipated capital appropriations by department.

² The 2005-2010 Proposed CIP does not include a separate section for the Office of Arts and Cultural Affairs. Capital funds for this department are discussed later in this introduction.



Significant Initiatives in the 2005-2010 Proposed CIP

The following section describes significant capital investments or initiatives in the 2005-2010 CIP. The City's most recent CIPs focused on a number of new civic, cultural, and public safety facility projects, mainly associated with voter-approved ballot measures in the last six years. These projects are, for the most part, well underway or completed (see Significant Projects and Programs Underway). The 2005-2010 Proposed CIP also includes several new initiatives to invest in the city's aquatic environment and downtown parks as well as a new funding mechanism to preserve existing assets. In addition to these new areas of focus, City investment in three community-based facilities is highlighted below.

Restore Our Waters Strategy

Beginning in 2005, City departments will make a concerted effort to improve and enhance the aquatic environment of Seattle through the Mayor's Restore Our Waters Strategy. This strategy establishes Citywide goals for protecting, restoring and enhancing the city's aquatic environment. It requires City departments to get the most benefit out of publicly-funded projects by coordinating work and using sound scientific information to make the smartest and best investments. Examples of projects the City is undertaking in this biennium include:

- Sand Point Magnuson Park Shoreline Renovation, which will repair the bulkhead and regrade the shoreline, providing a safer habitat for small fish (see Parks CIP project K732277);
- Beer Sheva Habitat Improvement, which will create a high-quality fish refuge and rearing habitat at the mouth of Mapes Creek (see SPU Drainage & Wastewater CIP project C301319); and the
- Fish Passage Program, which will remove fish passage barriers located in Pipers Creek and Taylor Creek, allowing returning salmon to access many more miles of stream (see SPU Drainage & Wastewater CIP project C3NW033-006).

Transforming Downtown Parks

Greater downtown Seattle is home to 24 parks ranging in size from the 0.1-acre Washington Street Boat Landing to the five-acre Freeway Park. The City's downtown parks currently suffer from a variety of challenges including poor landscaping design, lack of programmed activities, poor or non-existent connections to surrounding retail commerce, homelessness, drug use/sales and loitering, safety and lighting concerns, code restrictions and inadequate public resources. Three projects in the Parks CIP address some of these issues at downtown parks: improvements at Occidental Park (Pioneer Square – Area Park Improvements), Freeway Park (Freeway Park Renovation), and City Hall Park (City Hall Park Restoration). Improvements will be planned and implemented with consideration for potential impacts on other nearby facilities.

Maintaining the City's Infrastructure

Waterfront Piers: The City owns four saltwater piers on the Puget Sound Waterfront that are in varying stages of deterioration. In conjunction with necessary repairs and inspections, the Executive is planning to coordinate planning for the City's properties on the waterfront with planning for the Alaskan Way Viaduct and Seawall reconstruction. Four projects are proposed for funding in the Parks CIP, including replacing the entire piling systems for two piers - Pier 59 and Pier 62/63. The project at Pier 59, where the Seattle Aquarium is located (Aquarium – Pier 59 Piling Replacement), is scheduled to begin construction in 2005; and the project at Pier 62/63, location of the "Summer Nights on the Pier" concert series, is scheduled for planning in 2005 with construction expected in 2006 (Pier 62/63 – Piling Replacement). The condition of the Pier 60 pilings will be studied in conjunction with the Pier 59 construction project; while Pier 58, the current site of Waterfront Park, will undergo a required inspection in 2005-2006 (Pier 58 Piling Corrosion inspection).

Asset Preservation – Fleets and Facilities: In 2005, Fleets and Facilities begins to implement a new Asset Preservation Program. This program provides funding from space rent to enhance the City's efforts to preserve general government assets. For the 2005-2006 biennium, \$5.8 million is appropriated for asset preservation projects. Planned work ranges from the replacement of floor slabs and drainage at the Charles Street Maintenance Facility to the renovation of elevators at Seattle Municipal Tower.

Investments in Community-Based Facilities

The 2005-2010 Proposed CIP includes support for three key community-based social service and cultural facilities. The City is committing \$1 million (\$381,000 of federal Community Development Block Grant allocation and \$619,000 of Cumulative Reserve Subfund (CRF) – Unrestricted funds) towards construction of a new facility for the Asian Counseling and Referral Service in the Rainier Valley. The City is also committing \$1 million of CRF- Unrestricted for an African American Heritage Museum located at the former Colman School. The Urban League’s project includes the museum, retail space, and housing. Finally, \$1 million is committed to the Wing Luke Museum for redevelopment of a building in the International District into a new home for the Wing Luke Asian Museum. These projects can be found in the Fleets & Facilities CIP. Before releasing funds for these projects, the City will negotiate public benefits agreements with all three of the nonprofit entities.

Significant Projects or Programs Underway

The projects and programs highlighted below are not new to the CIP, but reflect three types of investments underway: new and improved cultural and public safety facilities approved by the voters in the last six years; capital investments in public safety; and ongoing major transportation projects. Three voter-approved measures acquire, redevelop, and enhance parks, green spaces, and trails throughout the City; redevelop facilities at Seattle Center (completed) and nine community centers and two neighborhood service centers citywide; and expand, renovate, or build new libraries throughout the city. Public safety capital investments upgrade our fire stations and build a new emergency operations center, and bury or cover reservoirs, creating additional open space while protecting public health. Several projects have required additional funds to fulfill commitments to voters as the bid climate became less favorable in the last year or to respond to newly identified needs and opportunities.

Fulfilling Commitments to Voters

2003 Fire Facilities & Emergency Response Levy: The 2005-2010 Proposed CIP includes a number of projects included in the Fire Facilities and Emergency Response levy lid lift, approved by voters in November 2003. As passed, the levy lid lift will make about \$167 million in levy proceeds available to: (i) upgrade, renovate, or replace 32 neighborhood fire stations; (ii) construct a new training facility and upgrade the Department's Fire Alarm Center; (iii) establish emergency preparedness facilities and disaster response equipment that includes a modern, seismically safe Emergency Operations Center, emergency community supplies, emergency shelter power generators, and emergency water supply capacity for fire fighting in the event the City's fire hydrants are disabled; and (iv) a new, large platform fire boat, a rehabilitated and enhanced Chief Seattle fireboat, and a new fast attack fire boat. Funds have been added or reprogrammed in this CIP to cover bids that exceeded the project budget for the Joint Training Facility project and to co-locate a Hygiene Center at the site of the Fire Station 10 replacement. See the Fleets & Facilities CIP for more detailed information on the projects.

2000 Parks Levy Projects : In November 2000, Seattle voters approved a \$198.2 million eight-year levy lid lift for parks and recreation purposes. The levy funds more than 100 projects to improve maintenance and enhance programming of existing parks, including the Woodland Park Zoo. With levy funds, the City will acquire, develop and maintain new neighborhood parks, major parks, green spaces, playfields, trails and boulevards, and will add out-of-school and senior activities. The levy also funds an acquisition and development "opportunity fund." The 2005-2010 Proposed CIP includes more than \$18 million for more than 50 Parks Levy projects. Recently-completed projects include Mineral Springs Park, Cowen Park, Ravenna Creek Daylighting, Golden Gardens Bathhouse Renovation, and the International District Community Center Gym. Recent acquisitions include a property on Thornton Creek at NE 100th St., the Lake City Civic Core property, Queen Anne Park, and Pinehurst Pocket Park.

1999 Seattle Center and Community Centers Levy : This \$72 million levy lid lift, adopted by voters in 1999, provided \$36 million for two major projects on the Seattle Center campus (the Fisher Pavilion and Marion Oliver McCaw Hall - both completed). The remaining \$36 million is funding nine new or renovated community centers throughout the City. Work on all nine of these projects is well underway. By the beginning of 2005, five projects will be completed (High Point, Sand Point, International District/Chinatown, Jefferson and Yesler Community Centers). The Southwest Community Center is expected to be completed in 2005, and Northgate and Van Asselt Community Centers are expected to be completed in 2006. Funds have been added or re-programmed in this CIP to cover bids that exceeded the project budget for the Northgate Community Center and the Lake City Neighborhood Service Center. The Belltown Neighborhood Center project is currently on hold until the Low Income Housing Institute (LIHI) raises the necessary funding to proceed with the Belltown View project.

"Libraries for All" Plan: This program, adopted by voters in 1998, built a new Central Library on the site of the old Central Library; three new branch libraries – Delridge, International District/Chinatown and Northgate – in neighborhoods not previously served by branches; and replaces, expands, renovates, or relocates each of the 23 branch libraries in the system as of 1998. To date, 12 "Libraries for All" projects have been completed, including the new Central Library, which opened in May 2004. In 2005, the following libraries are scheduled to open: Ballard, Douglass-Truth, Fremont, Greenwood, International District/Chinatown, Lake City, Madrona, Montlake,

and Southwest. The 2005-2010 Proposed CIP allocates \$1.5 million in 2005 and \$2.5 million in 2006 from voter-approved bonds, \$1.3 million from the Cumulative Reserve Subfund, and \$3.3 million in 2005 and \$1 million in 2006 from private donations. Funds have been added in this CIP to cover bids that exceeded the project budget for the Northgate Library.

Capital Investments in Public Safety

UASI Grants: The City of Seattle has been awarded three grants under the federal Urban Areas Security Initiative (UASI), a funding source that provides local governments with resources to prevent and respond to acts of terrorism. The CIP projects provide security features to critical infrastructure, improve communication among first responders and among regional emergency management officials, and build marine vessels for first responders. No projects are funded to construct or renovate facilities.

Reservoir Coverings: Seattle's water system includes six open reservoirs storing treated drinking water. These reservoirs, built between 1901 and 1947 and managed by Seattle Public Utilities, range in size from 7 to 68 million gallons and represent a large portion of the system's in-city storage capacity. Reservoir sites also provide open space areas in the city often serving as neighborhood focal points and/or abutting recreational areas. To comply with water quality regulations and enhance security, the City plans to cover or decommission all of its drinking water reservoirs over the next decade. Approximately \$59 million is included in the 2005-2010 Proposed CIP for reservoir covering and undergrounding projects. Three open reservoirs have already been covered: Magnolia Reservoir in 1995, Bitter Lake Reservoir in 2001, and Lake Forest Park Reservoir in 2002. One reservoir covering project - Lincoln - is in the final stages of completion and the open reservoir is no longer in service. Of the remaining six open reservoirs, SPU is starting design work for the replacement of Beacon, Myrtle, West Seattle, and Maple Leaf reservoirs. SPU currently plans to decommission Roosevelt Reservoir, and further evaluate the possibility of decommissioning Volunteer Reservoir as well. The proposed CIP reflects the revised cost estimates and schedule for reservoir undergrounding adopted by Ordinance 121447. See the Seattle Public Utilities - Water Fund CIP for more detailed project information.

Ongoing Major Transportation Projects

A number of major transportation projects, including the Sound Transit Light Rail, the Monorail, and Alaskan Way Viaduct/Seawall projects, will have a great impact on the region's transportation infrastructure. In the 2005-2010 Proposed CIP these projects are reflected in several departments, including the Seattle Department of Transportation (SDOT), Seattle Public Utilities, and Seattle City Light capital programs.

Washington cities, including Seattle, face a looming crisis in transportation funding. Court decisions and ballot initiatives have eliminated dedicated sources of local transportation funding and State gas tax allocations to cities do not keep up with inflation. The Mayor and City Council organized a Citizen's Transportation Advisory Committee to study this issue and their May 2004 report calls on the Legislature to create new local funding sources. Obtaining this funding will be a major effort by cities in the 2005 legislative session.

Seattle's 2005-2006 Proposed Budget and CIP fills the transportation funding gap using windfall proceeds from the Real Estate Excise Tax (REET). REET revenues soared in 2004 due to the housing market boom and these proceeds are carried forward into 2005 and 2006 to support the SDOT CIP. It is not likely that this approach can be sustained after 2006.

The following sections describe the City's commitments to neighborhood plans and investments in neighborhoods, key policies guiding the City's capital investments, and the funds and funding sources used for capital projects.

Support for Neighborhoods and Neighborhood Plan Projects

The 2005-2010 Proposed CIP contains more than 190 projects, with a total of \$65 million of funding in 2005, supporting elements of neighborhood plans. In 1999, the City Council finished the approval process for 38 neighborhood plans, created by nearly 20,000 citizens. The plans identify actions desired to ensure that the City's neighborhoods continue to thrive and improve as Seattle grows over the next 20 years and meet commitments under the State's Growth Management Act. Projects supporting neighborhood plan recommendations are found throughout the CIP and include parks, street and pedestrian improvements, libraries, community centers, drainage improvements, and pedestrian and safety lighting. Projects that respond to or include elements of neighborhood plan recommendations are indicated by the appropriate neighborhood plan, just above the project description. Funding for these projects comes from voter-approved levies (the 1999 Seattle Center and Community Centers Levy and 2000 Parks Levy) and bonds ("Libraries for All"), the Neighborhood Matching Subfund, the Cumulative Reserve Subfund, utility funds, and other public and private sources. Two specific programs, the NSF/CRF Neighborhood program and the Neighborhood Matching Subfund, are described in more detail below.

2005 NSF/CRF Neighborhood Program

Beginning in 1999, the City set aside \$1 million per year of the funds from the Cumulative Reserve Subfund (CRF) for major maintenance projects identified in neighborhood plans. In 2005, the Seattle Department of Transportation (SDOT) contributes "Neighborhood Street Fund" (NSF – shown in the SDOT fund source table as "City Street Fund") money to this program as well, to leverage the types and amounts of projects that can be completed. CRF dollars allocated to this program (in the Department of Parks and Recreation and SDOT CIPs) can be used only for repairing or restoring existing facilities (not new construction) in neighborhood plan areas. These projects are identified and prioritized by the community and selected for funding by the Department of Neighborhoods, SDOT, Parks, and the Department of Finance. The selection process for 2005 funding was completed in August 2004, and as a result \$40,000 of CRF was added to the Parks CIP, and \$960,000 of CRF and \$220,000 of NSF to the SDOT CIP for the projects listed on the following pages. See also SDOT project TC365770 (NSF/CRF Neighborhood Program) and two projects in the Parks CIP: Belvedere Viewpoint – Landscape Restoration (project K732296) and Ballard Community Center Grounds Landscape Restoration (project K732295) for more detail.

Overview

2005 NSF-CRF Neighborhood Program

District Council	N'hood Plan	Project Title	Dept.	CRF Amount	NSF Amount
Ballard	Crown Hill/Ballard	Ballard Community Center grounds landscape restoration	Parks	\$30,000	
Ballard	BINMIC	Complete 26th Ave. NW/NW 54th repair	SDOT	\$10,000	
Ballard	Crown Hill/Ballard	Phase II of sidewalk rehab on NW Market	SDOT	\$50,000	
Ballard Subtotal				\$90,000	
Central	Central Area	Curb bulbs on 31st Ave. S between Jackson & Judkins; 3 intersections	SDOT	\$50,000	
Central	Central	Traffic calming on Dearborn btwn 23rd to MLK	SDOT		\$40,000
Central Subtotal				\$50,000	\$40,000
Delridge	Delridge	Phase I of sidewalk trail on SW Holly from 12th Ave. SW to 13th Ave. SW			\$45,000
Delridge	Westwood & Highland Park	Redesign intersection of Delridge Way SW, SW Roxbury Street and 16th Ave. SW to create gateway	SDOT	\$40,000	\$15,000
Delridge Subtotal				\$40,000	\$60,000
Downtown	Pioneer Square	Completion of sidewalk repair adjacent to Tashiro Kaplan building	SDOT	\$60,000	
Downtown	International District	Phase I of streetscape improvement on eastside of S Maynard, south of Main St.	SDOT		\$40,000
Downtown Subtotal				\$60,000	\$40,000
East (First Hill/Capitol Hill/Madison Park)	Central/ Capitol Hill	Completion of pedestrian crossing improvements at 12th Ave./E Madison St.	SDOT	\$15,000	
East (First Hill/Capitol Hill/Madison Park)	Capitol Hill	Repave E Republican St. between Harvard Ave. E & Summit Ave. E	SDOT	\$65,000	
East Subtotal				\$80,000	
Greater Duwamish	North Beacon Hill	Crosswalk improvement at Beacon Ave. S, S Forest, & 17th Ave. S	SDOT	\$50,000	
Greater Duwamish	South Park	Phase II of 8th Ave. sidewalk repair on Dallas Ave. S from Elmgrove to Rose	SDOT	\$50,000	
Greater Duwamish Subtotal				\$100,000	
Lake Union	Fremont	N 36th St./Evanston Av N intersection improvements	SDOT	\$20,000	
Lake Union	Wallingford	Pedestrian crossing improvement and sidewalk rehab on N 45th	SDOT	\$70,000	
Lake Union Subtotal				\$90,000	
Magnolia/Queen Anne	Queen Anne	5th Ave W from W Smith St to W Raye St. repaving		\$50,000	
Magnolia/Queen Anne	Queen Anne	McGraw Pl. from Warren Ave. N to 2nd Ave. N repaving	SDOT	\$35,000	
Magnolia/Queen Anne Subtotal				\$85,000	
North	North District/Lake City Way	Phase II improvement on NE 110th, east of 35 th	SDOT	\$50,000	
North	Northgate	Phase II of sidewalk improvements on west side of 15th Ave. NE btwn NE 92nd St. to NE 106th St.	SDOT	\$30,000	

2005-2010 Proposed Capital Improvement Program

Overview

District Council	N'hood Plan	Project Title	Dept.	CRF Amount	NSF Amount
North	North District/Lake City Way	Phase II of sidewalk installation on NE 130th St. from 30th Ave. NE to Lake City Way NE	SDOT		\$20,000
North Subtotal				\$80,000	\$20,000
Northeast	University	Phase I redesign intersections of Ravenna, 55th and 22nd	SDOT	\$40,000	
Northeast	Roosevelt	Phase II pedestrian crossing Improvement on NE Ravenna Blvd and Brooklyn	SDOT	\$50,000	
Northeast Subtotal				\$90,000	
Northwest	Aurora-Licton	Phase II of sidewalk on North 100th St. btwn Aurora and North Seattle Community College	SDOT		\$60,000
Northwest	Greenwood/Phinney	Phase II sidewalk repair along Greenwood and Phinney	SDOT	\$40,000	
Northwest Subtotal				\$40,000	\$60,000
Southeast	Columbia City/Hillman City	Curb installment on the 5200 block of 37th Ave. S	SDOT	\$30,000	
Southeast	Columbia City/Hillman City	Sidewalk improvement 42nd Ave. S from S Hudson St. to Rainier Ave. S	SDOT	\$70,000	
Southeast Subtotal				\$100,000	
Southwest	Admiral	Belvedere Viewpoint landscape bed restoration	Parks	\$10,000	
Southwest	West Seattle Junction (FOJ)	Glenn Way SW at 45th and Oregon	SDOT	\$85,000	
Southwest Subtotal				\$95,000	
Grand Total				\$1,000,000	\$220,000

Neighborhood Matching Subfund

A number of CIP projects, particularly in the Department of Parks and Recreation CIP, include funding from the Neighborhood Matching Subfund (NMF), a subfund of the City's General Fund. The NMF was created in 1989 to provide money to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing, or planning projects. Many of these projects also support neighborhood plan recommendations. Grants are made for all phases of a capital project (with the exception of property acquisition) ranging in size from a few thousand dollars to \$100,000. Significant projects receiving NMF in the 2005-2010 Proposed CIP include the Alki Bathhouse project, Cal Anderson Park, and the Mt. Baker Rowing and Sailing Center Addition. NMF awards often add unfunded amenities to City or other-funded projects. All awards leverage other private and public contributions; a requirement of the NMF is that the City contribution is matched with volunteer time or money.

Additional Policies Guiding the City's Capital Investments

A set of important policies reflecting the City of Seattle's values and priorities guide the City's investments in capital projects. These policies touch on how the City takes care of buildings and infrastructure; invests in capital projects in areas that have accepted growth as envisioned in comprehensive plan; preserves the City's and greater Seattle's historic buildings and supports sustainable building practices; and ensures that all members of the community have access to the economic opportunities capital projects create. Policies also support investment in public art and ensure good design standards in all City projects. The following sections detail these policies, and how they are reflected in the 2005-2010 CIP.

Asset Preservation

During 2002, the Executive undertook an assessment of the City's demands for major maintenance and facility improvement projects. This effort, which was an outgrowth of the City's update to its 2001 financial policies, was intended to develop an annual funding target for major maintenance (now called "asset preservation") investments that would reflect an updated assessment of the City's capital infrastructure. The Asset Preservation Study found that, despite achieving targets recommended by the Citizens' Capital Investment Committee in 1994, the City still lags behind industry-recommended levels of investment in asset preservation. The four General Government departments involved in the study (Fleets & Facilities, Library, Parks and Recreation, and Seattle Center) are responsible for a total of 6.9 million square feet of building space, 2.6 million square feet of parking space, and 240 million square feet of grounds (primarily green space) and work yards. These assets have a replacement value of approximately \$5 billion. Assuming an annual asset preservation funding target of 1.0% of the replacement value for buildings and 0.5% of the replacement value for other assets, the City should be investing about \$38 million per year in asset preservation. These percentage targets are consistent with those used by other jurisdictions; these jurisdictions were polled as part of this study's review of best practices.

Among the recommendations from the study are: setting the City's asset preservation funding target based on a percentage of the replacement value of all of the assets for which the City has asset preservation responsibility; funding asset preservation investments in part through user fees or internal rates; and actively engaging in property management strategies such as disposal, demolition or retirement of facilities to reduce asset preservation obligations, and developing a comprehensive property management system which includes condition assessments, commissioning of new buildings, and life cycle analysis.

In 2005, the City is spending \$60 million on asset preservation of general government infrastructure, including rehabilitation or restoration projects in parks, libraries, civic buildings, and on the Seattle Center campus. This amount includes approximately \$34 million to fund repairs and replacement at downtown waterfront piers. In SDOT, \$23 million funds asset preservation of roads and bridges in 2005. In the 2005-2010 Proposed CIP, the City implements the first recommendation of the Asset Preservation study by funding a set of projects in the Fleets & Facilities Department through Fleets and Facilities fund balance and space rent.

City of Seattle Comprehensive Plan

Development of the 2005-2010 Proposed CIP was informed by the City of Seattle's Comprehensive Plan, which had its required 10-year update in 2004. The Mayor directed that departments take special note of capital projects in neighborhoods targeted for substantial growth in the future or that have received substantial growth in the last few years. This effort was intended to make sure that areas receiving growth have the appropriate physical infrastructure to accommodate such growth. There are many examples of such projects in the 2005-2010 Proposed CIP. See below for detail on projects in two urban areas – Northgate and South Lake Union.

The Proposed CIP for Seattle Public Utilities has many examples of projects and programs linked to implementation of the City's Comprehensive Plan. One major effort is implementation of the Comprehensive Drainage Plan that was submitted to the City Council in the summer of 2004. Many of the strategies in the Drainage Plan are focused on areas receiving growth, such as improving stormwater runoff in the right-of-way around critical facilities such as fire stations and hospitals. The SPU CIP also includes funding for projects that achieve both drainage and transportation benefits.

The SDOT CIP focuses much of its funding on major urban growth areas. For example, bond funding is provided for the Fremont Bridge Approaches and the related Bridge Way project. These projects are critical to traffic flow in Fremont and surrounding neighborhoods.

Of course, not all CIP projects are targeted toward growth areas. Much of the City's CIP is focused on major maintenance of existing facilities such as power distribution systems, pipes, community centers, swimming pools, libraries, and streets that are located throughout the city, not just in urban centers. The CIP thus must balance these asset preservation activities with projects designed to support new growth. Within this balance, the 2005-2010 Proposed CIP is designed to align closely with the City's Comprehensive Plan and provide the infrastructure needed to help neighborhoods experiencing substantial growth.

Northgate

Work is now underway to revitalize Seattle's Northgate area. In addition to the redevelopment of the privately-owned Northgate Mall, enhancements include a public park, a community center and library (funded primarily by the voter-approved 1999 Seattle Center and Community Centers Levy and the 2000 Parks Levy), street improvements on 5th Avenue NE emphasizing a pedestrian-friendly corridor, a coordinated transportation investment plan, a stormwater management/open space project, and a new mixed-use project at the King County-Metro transit station. These projects can be found in the Parks, Library, and SPU Drainage & Wastewater CIPs, and represent a variety of funding sources, including Drainage & Wastewater revenues, voter-approved funding, federal and county grants, and state funding. The 2005 Proposed Budget includes an additional \$1 million of CRF funding to cover bid escalation at the Northgate park, community center and library project.

South Lake Union

The South Lake Union neighborhood is poised for economic and community development. Situated just north of the Central Business District with 340 acres of underdeveloped land, South Lake Union has emerged as the central point of the Puget Sound region's growing biotechnology and life sciences industry. The City projects that up to 23,000 jobs and 10,000 units of housing will be created in the neighborhood between 2004-2020.

To help realize this potential for job creation and housing development, the City enacted new zoning code amendments in 2003 to facilitate the location of research facilities in South Lake Union and adopted policies to stimulate housing development to create a mixed-use, live-work environment. During the 2004 Update to the City's Comprehensive Plan, the Mayor proposed that South Lake Union be designated as an Urban Center.

During the past year, City staff have completed three community-based infrastructure assessments—SLU Transportation Study, North Downtown Parks Plan and the Office of Housing's Principles and Action Steps for South Lake Union. These plans have identified infrastructure investments to accommodate the desired growth. Concurrently, Seattle City Light and Seattle Public Utilities have pursued plans to provide the required level of utility service to this neighborhood.

Overview

The City desires to create a strategic Capital Improvement Program (CIP) for its infrastructure investments in South Lake Union and to provide a framework for City actions. This effort should be consistent with the goals established in the City’s Comprehensive Plan for housing, parks and open space, utilities and transportation, and should prioritize investments to support biotechnology industry jobs and to stimulate housing production for a wide range of income levels.

The following table displays those various investments identified to date by the City to accommodate growth in South Lake Union, and whether or not the projects are funded in this biennium¹. The complete funding for some of these projects has not been secured at this time and the City intends to leverage its investments by maximizing federal, regional, state and private funding sources for these projects. Therefore, projects for which funding is not currently available either have “TBD” as a funding source as listed in the CIP project pages, or are not included in this biennium’s CIP.

Department	CIP Projects Funded ‘05/06	Projects Partially Funded	Projects Not Funded
Seattle Department of Transportation		<ul style="list-style-type: none"> ▪ Mercer Corridor Project ▪ South Lake Union Streetcar 	<ul style="list-style-type: none"> ▪ Bicycle Improvements ▪ Pedestrian Improvements ▪ Traffic Flow Improvements ▪ Transit Priority Improvements
Parks	<ul style="list-style-type: none"> ▪ Cascade Playground Improvements ▪ South Lake Union Park - Armory Assessment and Roof Repair ▪ South Lake Union Park – Development ▪ South Lake Union Park - Wharf Development 		<ul style="list-style-type: none"> ▪ Denny Park Improvements
City Light	<ul style="list-style-type: none"> ▪ Broad Street Substation Networks ▪ South Lake Union - Substation Development 		
Seattle Public Utilities	<ul style="list-style-type: none"> ▪ SLU - WM Replacement in Park ▪ SLU Combined Sewer Overflow Ph2 ▪ SLU Combined Sewer Overflow-KC ▪ SLU Water Main Relocation/Replacement and Utility Coordination 		

¹ The City’s investment in affordable housing production for South Lake Union is not reflected in the tables because affordable housing is not traditionally a CIP item. However, the City recognizes that as market rate housing is developed in South Lake Union, it is the City’s policy goal that affordable housing units are constructed concurrently to produce a neighborhood with a variety of housing options.

Historic Preservation and Sustainability

Historic Preservation

Seattle's commitment to historic preservation began with citizen efforts in the 1960s to block the demolition of several beloved buildings and proposed "Urban Renewal" plans that would have destroyed most of Pioneer Square and Pike Place Market. In 1970, the Seattle City Council secured Pioneer Square's survival with the City's first historic preservation district, and voters approved an initiative for the Pike Place Market historic district two years later. In 1973, the Seattle City Council adopted a Landmarks Preservation Ordinance to safeguard properties of historic and architectural significance around the city - and more than 230 structures and sites have now been designated. The City of Seattle currently owns or maintains 30 designated Landmarks, ranging from libraries to park buildings to historic downtown office buildings; more than 90 more City-owned properties may be eligible for Landmark status. The City's current policy is to consult with Landmarks Board staff when there are plans to alter or demolish a structure that is listed in the inventory of City-owned Historic Resources as potentially eligible for Landmark status, to determine whether it is necessary for the department that owns the building to prepare a nomination. If the facility is significant, the department would go through the Landmarks Board review process in order to preserve the historic nature of the facility. Staff from Fleets & Facilities have worked with Landmarks Board staff in preparing the Fire Facilities and Emergency Response Levy; Landmark nominations will be prepared for nine buildings as part of the Levy program.

Sustainable Building Policy

In February 2000, the City Council adopted a Sustainable Building Policy for the City of Seattle (Resolution 30121). The policy is based on criteria given by the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system. All capital construction which falls under the Sustainable Building Policy (new or renovated facilities larger than 5,000 square feet) is expected to budget to meet the LEED "silver standard" or higher. Sustainable building uses materials and methods that promote environmental quality, economic vitality, and social benefit through the design, construction, and operation of the built environment.

The City's current program is multi-faceted, with actions underway in two major areas: 1) sustainable design and construction of City-owned buildings and infrastructure; and 2) promoting sustainable design and construction of non-City facilities (e.g., commercial buildings, affordable housing, schools, etc.). To date, the Carkeek Park Environmental Learning Center has achieved the "LEED Gold" standard and 15 City projects across six departments are expected to meet the "LEED Silver" standard, making the City the single largest owner of LEED buildings in the world. These buildings include the new Seattle Justice Center and City Hall, McCaw Hall, the new Central Library, Yesler Community Center, and Cedar River Treatment Facility Operations Building.

Art and Design Funding for City Capital Projects

One Percent for Art Program

One percent of City capital improvement project funds are set aside for the commission, purchase, and installation of artworks throughout Seattle. The 2005-2010 Proposed CIP includes One Percent for Art allocations for each project eligible for art funding in compliance with the ordinance establishing the program (SMC Chapter 20.32). The total of these allocations, plus some miscellaneous earned revenues, is about \$1.2 million for 2005 and about \$690K for 2006, as shown in the table below. These projects are also included in a Municipal Art Plan. The Plan is prepared by the Office of Arts and Cultural Affairs to describe the status of continuing public art projects and establish the scope of work and budgets for new public art projects. If the expected allocations for a CIP project change in future years (either in the budget or through a separate ordinance), the anticipated One Percent for Art allocation changes accordingly. Project costs for the purposes of calculating the One Percent for Art allocations cover all phases of a construction project (e.g., studies, planning, design, and construction), except for property acquisition.

As a result of a preliminary Supreme Court decision in the Okeson v. Seattle case, utility participation in the One Percent for Art program is suspended for 2005-2006. The City plans to appeal this decision, so One Percent for Art may be restored later in the biennium.

Revenue Source	03 Actuals	04 Adopted	04 Revised	05 Proposed	06 Proposed
City Light Percent for Art	264,974	210,704	210,704	0	0
Seattle Public Utilities Percent for Art	455,690	314,857	464,857	0	0
Fleets & Facilities Percent for Art	105,000	6,970	554,980	625,860	198,740
Seattle Center Percent for Art	5,220	8,200	8,200	7,450	4,500
Department of Parks & Recreation Percent for Art	332,730	188,900	388,900	155,070	146,550
Seattle Department of Transportation Percent for Art	117,580	47,130	47,130	223,630	218,930
Miscellaneous Revenue	382,075		140,500	160,000	120,000
Totals	\$1,663,269	\$776,761	\$1,815,271	\$1,172,010	\$688,720

In addition to the One Percent for Art funds allocated above, the Office of Arts and Cultural Affairs also receives \$120,000 per year from the Cumulative Reserve Subfund. These funds are used by the Office for three types of projects: relocation of artwork and removal of portable works from City facilities undergoing renovation; general maintenance of all of the City's sited artworks; and major repairs to portable artworks such as paintings, sculptures, and photographs. These funds were formerly displayed in a separate CIP section for the Office of Arts and Cultural Affairs; beginning in 2005, that section is not included in the CIP.

Design Commission

Established in 1968, the Seattle Design Commission advises the Mayor, City Council and appropriate City departments on both design and environmental aspects of the City's Capital Improvement Program. Commission members are Seattle citizens appointed by the Mayor for a renewable two-year term. Membership is comprised of two licensed architects, one professional fine artist and one lay member; and at least one and no more than two from each of the following categories, for a maximum total of five: professional urban planner, professional environmental or urban designer, landscape architect, and licensed professional engineer. Funding for the Design Commission comes from the projects being reviewed. Generally, individual projects are assessed a fee, built into the project budget, of .33% of the eligible portion of the project.

Overview

Eligible projects include any on- or above-grade structure including buildings and additions to buildings, bridges, park developments, street furniture, and all similar installations. The Commission reviews below-grade structures that are regularly visible to the public. Projects reviewed by the Commission must be financed in whole or in part with City funds, or subject to approval by the City. Commission involvement in capital improvement projects begins as early in the planning process as possible, starting with participation in the consultant selection process and continuing through the many stages of project development. This includes project reviews at the scope briefing or pre-design stage, conceptual design, schematic design, design development and sometimes construction documents stages.

Other Key Policies

Small and Economically Disadvantaged Business Assistance

The City has taken steps to address contracting equity for small and economically disadvantaged businesses (including Women & Minority owned Businesses “WMBEs”) affected by the race and gender neutral requirements of Initiative 200, passed in a statewide vote in 1998.

In 2002, Ordinance 120888 authorized the development of a “small economically disadvantaged business assistance program”, managed by the Urban League of Metropolitan Seattle. This program, called the Contracting Development and Competitiveness Center (CDCC), provides assistance to small construction firms including minority and women-owned businesses, and provides a bridge to resources available in the community for professional, managerial, and technical development. In 2005, the CDCC will receive \$300,000 and in 2006, \$200,000 from the City. CIP departments are responsible for part of this funding, based on each department’s appropriated CIP amount.

Another City initiative, the Boost program, was established as a pilot program to set requirements or provide incentives to general or prime contractors to employ these small businesses on seven select large City construction projects. These projects include City Hall, the Justice Center, Central Library, McCaw Hall, Landsburg Dam, Cedar River Treatment Facility, and Park 90/5.

Federal Regulatory Compliance

The City’s utilities have several new facilities projects in their Capital Improvement Programs to meet Federal and State regulatory requirements. The City must abide by U.S. Endangered Species Act regulations, which are designed to assist in species recovery efforts. In response to the listing of mid-Puget Sound Chinook salmon under the Act, Seattle Public Utilities is implementing measures to facilitate fish passage near the Landsburg Diversion Dam on the Cedar River. Other projects include creating Cedar River downstream fish habitat and fish passage facilities, and protective fish screening to prevent salmon entrapment in the water supply system. City Light and Seattle Public Utilities are also planning to begin acquiring salmon habitat in the Green/Duwamish, Cedar/Lake Washington, Skagit, and Snohomish watersheds as part of the City’s Early Action Plan.

CIP Funds and Funding Sources

Like all large municipalities, Seattle relies on a variety of sources to finance capital projects. These include locally-generated revenues (property taxes, fees, voter-approved bonds, and user charges), intergovernmental revenues (including state and federal grants), and debt issuance. Unlike pay-as-you-go sources of funding, the issuance of debt requires a later revenue stream from which to repay the principal and interest expenses. These traditional funding sources continue to provide the majority of funds for capital facility investments. Capital projects in the utilities (Seattle City Light and Seattle Public Utilities) are funded by rates; the utilities issue revenue debt to finance a portion of their capital projects. The City’s level of capital investment is based on the mix and level of financial resources available to the City.

The table below identifies funding sources for the 2005-2010 Proposed CIP by fund group (displayed in thousands of dollars).

Fund Group	2004 Revised	2005 Proposed	2006 Proposed	2007-2010
Federal Funds	24,902	18,927	32,753	26,443
King County Funding	6,238	3,581	2,938	1,380
Other City Funds	126,901	75,484	37,913	75,155
Other Local Government	6,233	10,549	4,081	6,080
Private Funding	43,451	13,724	5,392	27,395
State Funding	36,142	17,406	21,147	56,078
To Be Determined	-	5,500	12,484	376,301
Utility Funding	265,709	310,028	300,220	1,348,578
Voter-Approved Funds (Seattle and King County)	164,046	32,276	40,973	77,150
Total	673,622	487,475	457,901	1,994,560

*Funds indicated as “To Be Determined” are generally placeholders for a variety of non-City funding sources (such as grants or private funding). These placeholders are not appropriated, and these projects will not go forward unless funding is secured.

Department capital appropriations for the coming year are made through the budget; details are included in the 2005-2006 Proposed Budget, following each departmental budget section. The level of budget control varies by department and funding source. The Cumulative Reserve Subfund is appropriated at the project or program level. Transportation and Utility funds are generally appropriated at the program category level. Projects or programs that are funded by general obligation bonds are usually appropriated by separate ordinances.

Cumulative Reserve Subfund (CRF)

This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The subfund is currently divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account. The purposes and uses of these accounts are described below:

The **Capital Projects Account** provides funds for an array of capital projects, with a primary focus on maintaining and rehabilitating existing City facilities. This year the Capital Projects Account includes the proposed Asset Preservation Subaccount – Fleets and Facilities and the proposed Street Vacation Subaccount (replacing the Street Vacation Compensation Fund). With these two additions, the Capital Projects Account includes the following:

- ◆ The Real Estate Excise Tax I (REET I) Subaccount is funded by a 0.25% tax on real estate transactions. A portion of these proceeds is used to pay debt service on bonds issued in 1992 and refinanced in 1998 for low-income housing and recreation facilities.

Overview

- ◆ The Real Estate Excise Tax II (REET II) Subaccount is funded from an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these funds. REET II is used for a variety of capital projects authorized by State law.
- ◆ The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union and investment earnings attributable to the subaccount. Guidance on the use of these funds is generally governed by Resolution 30334.
- ◆ The Unrestricted Subaccount receives funding from a variety of sources, including a portion of street vacation revenues, transfers of General Fund balances, property sales, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount and the proposed Asset Preservation Subaccount – Fleets and Facilities), and other unrestricted contributions to the Cumulative Reserve Subfund.
- ◆ The Asset Preservation Subaccount – Fleets and Facilities, proposed through legislation with the 2005-06 Proposed Budget, receives a portion of the funds collected from space rent charges on certain Fleets and Facilities Department (“FFD”) facilities and interest earned on subaccount balances. For the 2005-06 biennium, FFD will supplement rent revenues with department fund balances generated from operational savings. A portion of the funds will be held in reserve within the subaccount, estimated to be \$2,600,000 over the biennium, for future large facility expenses. Use of these funds is limited to asset preservation expenses in certain FFD facilities.
- ◆ The Street Vacation Subaccount, proposed with the 2005-2006 Proposed Budget, receives funding from a portion of street vacation revenues. In 2001, the State Legislature made major changes in the law pertaining to vacation compensation. These changes allowed cities, in certain circumstances, to charge a vacation fee that is the full-appraised value of the right-of-way and mandated that at least half of the vacation compensation fees received be dedicated to the acquisition, improvement, development, and related maintenance of public open space or transportation capital projects within the city. This subaccount tracks those funds.

The **Revenue Stabilization Account**, created in the 2000 Adopted Budget through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government’s ability to maintain services. The account is limited by ordinance to 2.5% of the prior tax year revenues. The entire account fund balance was used to balance the 2002 budget through the adopted 2002 budget and subsequent supplemental legislation.

2005-2006 Proposed Cumulative Reserve Subfund Appropriations

The table on the following page shows department allocations from the Cumulative Reserve Subfund (CRF) along with debt service payments and the City’s Tenant Relocation Assistance Program. This information is shown for informational purposes only; actual appropriations for capital projects funded by the CRF are made in the 2005-2006 budget. Department capital projects are fully described in project sections of this document.

Overview

	Fund Name	Fund Number	2004 Adopted	2004 Revised	2005 Proposed	2006 Proposed
Special Projects						
1998B Capital Facilities Refunding	REET I	00163	\$3,004,000	\$3,004,000	\$3,004,000	\$3,004,000
Transfer to Defeasance Account	REET I	00163	4,579,000	4,579,000	0	0
1998B - West Seattle Bridge Debt Service	REET II	00161	369,860	369,860	0	0
Artwork Conservation - OACA	Unrestricted	00164	120,000	120,000	120,000	120,000
Tenant Relocation Assistance Program	Unrestricted	00164	179,000	179,000	179,000	179,000
Special Projects Total			\$8,251,860	\$8,251,860	\$3,303,000	\$3,303,000
Department Summaries						
Department of Parks and Recreation			\$11,000,069	\$12,200,483	\$11,286,000	\$11,837,000
Fleets and Facilities Department			2,490,000	3,033,964	7,795,000	9,949,000
Seattle Center			1,818,000	2,418,000	2,825,000	3,633,000
Seattle Public Library			371,000	396,000	1,678,000	2,460,000
Seattle Transportation			5,905,000	5,905,000	9,580,000	8,587,000
Department Summaries Total			\$21,584,069	\$23,953,447	\$33,164,000	\$36,466,000
Grand Total			\$29,835,929	\$32,205,307	\$36,467,000	\$39,769,000

Capital Projects Funds

In addition to the Cumulative Reserve Subfund, the City establishes capital project funds to account for resources set aside to acquire or construct major capital facilities, except those financed by proprietary funds. These funds have been established to monitor the revenue and expenditures of specifically authorized revenues such as voter-approved and Councilmanic bonds and levies. Descriptions of various types of capital projects funds follow.

General Subfund

General Fund dollars appear in the CIP in two places: the General Fund contribution towards debt service costs of Councilmanic debt and appropriations to capital projects from a department's operating budget.

Limited Tax General Obligation Bonds

The City's operating budget includes expenditures to pay debt service on general obligation bonds that were issued to finance certain projects. Limited tax general obligation ("LTGO" or "Councilmanic") bonds, are bonds that are issued by the City Council without voter approval. The debt service on these bonds is typically repaid from existing general government revenues or from revenues generated by the project(s) financed with the bonds.

A number of City funds are established to monitor the expenditures of specific LTGO bonds. These include the Seattle Center/Community Centers Levy Fund and the Municipal Civic Center Fund (with subfunds including the Justice Center Subfund, the City Hall Subfund, the Key Tower Subfund, and the Open Space/Arctic Subfund).

Unlimited Tax General Obligation Bonds

Funds have also been established to account for expenditures of a second type of general obligation bond – unlimited tax general obligation ("UTGO" or "voted") bonds. These voted bonds are issued after receiving approval by 60% of the voters in an election with at least a 40% turnout. The debt service on these bonds is repaid from additional ("excess") property tax revenues, which voters approve as part of the bond measure. The "Libraries for All" (LFA) measure (Proposition One), approved by voters in November 1998, is an example of voter-approved bonds. The LFA UTGO Bond Series One fund, was established in 1999 to account for proceeds from the sale of voter-approved bonds (approximately \$100 million) to be used for the "Libraries for All" capital program. The 1998 Libraries for All Fund was established in 1999 to hold proceeds from a line-of-credit borrowing (approximately \$1.5 million) that were used to finance LFA operations until the voter-approved bonds could be sold (Ordinance 119185). In September 2002, the final \$94.8 million of UTGO bonds for LFA projects were sold.

Utility Funds

These funds exist to account for both the operating and capital expenses of Seattle Public Utilities and Seattle City Light. The Utility Funds are: Seattle City Light Fund, Drainage and Wastewater Fund, Solid Waste Fund, and Water Fund.

Private Dollars

Some departments show private funding contributing to their capital projects. There are two ways in which private funds appear in the CIP: private dollars that go towards a capital project, but do not pass through the City in any way; and private dollars which are deposited in City funds, appropriated in the City budget, and spent on a department's capital project. Both of these types of transactions are reflected in the Marion Oliver McCaw Hall project (S0001) in the Seattle Center CIP.