

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 2006-2011), 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 2006-2011 Adopted Capital Improvement Program can be found on the City of Seattle website at: <http://www.seattle.gov/financedepartment/06adoptedcip/default.htm>.

Citywide Summary

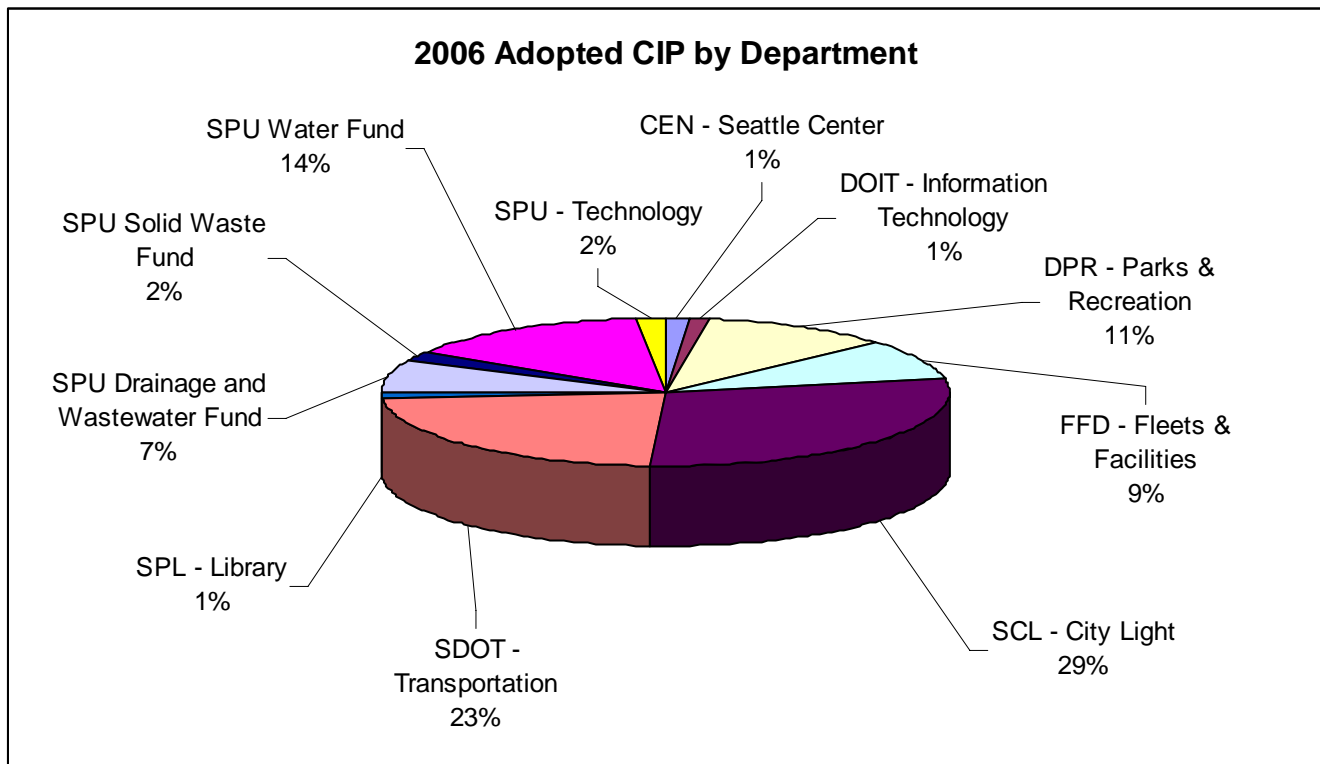
The 2006-2011 Adopted CIP highlights the City of Seattle's recent emphasis on building new facilities as well as its long-standing efforts to maintain or improve existing infrastructure. Many of the projects in the 2006-2011 Adopted CIP are civic, cultural or public safety facilities funded by voter-approved levies (the 1999 "Seattle Center and Community Centers" Levy, the 2000 "Neighborhood Parks, Green Spaces, Trails and Zoo" Levy, and the 2003 "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 the City's transportation infrastructure. Finally, the CIP also projects the financial impact on City departments of major transportation projects including Sound Transit Light Rail and the Alaskan Way Tunnel and Seawall. 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 2006-2011 Adopted CIP totals more than \$3 billion for six years and includes 799 individual projects. Nearly \$2 billion or 64% of this amount is allocated to utility projects that are funded and managed by City Light and SPU. About \$765 million or 25% 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 \$338 million or 11%. The table on the next page shows the 2006-2011 allocations by department and the accompanying pie chart provides this information for 2006 only.

2006-2011 Adopted CIP by Department (\$s in thousands)

Department	2005 Adopted	2005 Revised	2006 Endorsed	2006 Adopted	2007-2011 CIP	2006-2011 Total
Fleets and Facilities	20,640	116,379	29,293	45,974	86,473	132,448
Information Technology	4,400	18,813	4,000	4,762	25,730	30,492
Parks and Recreation	67,160	109,229	44,572	56,132	64,662	120,794
Seattle Center	2,842	15,182	3,633	7,524	41,036	48,560
Seattle Public Library	6,839	34,996	3,560	4,461	1,293	5,754
Seattle Transportation	73,687	123,287	87,528	117,373	647,710	765,083
Subtotal	175,568	417,886	172,586	236,226	866,904	1,103,131
City-owned Utilities						
Seattle City Light	161,670	169,357	164,171	148,485	821,720	970,205
SPU - Drainage & Wastewater	42,743	50,508	40,495	38,251	255,173	295,424
SPU - Solid Waste	10,976	8,633	11,237	11,350	141,098	152,448
SPU - Technology Projects	9,175	9,760	7,323	8,932	41,962	50,894
SPU - Water	79,135	81,395	76,746	72,566	379,574	452,140
Subtotal	303,699	319,653	299,972	279,584	1,639,527	1,921,111
City Total	479,268	737,539	472,558	515,810	2,506,431	3,024,242

Note that not all funds above are appropriated; see the 2006 Adopted Budget for a list of capital appropriations by department. Note that an additional \$2.5 million allocated by the City Council from Real Estate Excise Tax revenues for Transportation Projects do not appear in the above table and 2006-2011 Adopted CIP, but these funds are shown in the 2006 Adopted Budget.



Significant Initiatives in the 2006-2011 Adopted CIP

The following section describes significant capital investments or initiatives in the 2006-2011 Adopted CIP. The City's most recent CIP focuses on a number of new civic, cultural, and public safety facility projects, mainly associated with ballot measures approved by voters in the last seven years. These projects are, for the most part, well underway or completed (see Significant Projects and Programs Underway). The 2006-2011 Adopted CIP also continues several initiatives to invest in Seattle's aquatic environment and downtown parks as well as a new funding mechanism to preserve existing assets. In addition to these areas of focus, City investment in three community-based facilities is highlighted below.

Restore Our Waters Strategy

In 2005, City departments began making 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 2006 include:

- Sand Point Magnuson Park Shoreline Renovation, which repairs the bulkhead and regrades the shoreline, providing a safer habitat for small fish (see Parks CIP project K732277);
- Aquatic Habitat Matching Grant Project (see SPU Drainage & Wastewater CIP project C353301); and
- Fish Passage Program, which removes 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 C353305).

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. The Mayor has issued a Tree Replacement Executive Order, whereby any tree removed by City departments will be replaced by two new trees in order to increase the City's tree canopy.

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 coordinating planning for the City's properties on the waterfront with planning for the Alaskan Way Tunnel and Seawall reconstruction. Four projects are included 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), began construction in 2005; and the project at Pier 62/63, the former location of the "Summer Nights on the Pier" concert series, is scheduled for construction in 2007 (Pier 62/63 – Piling Replacement), if a decision is made to proceed with this project once planning is complete in 2006. 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 2006 (Pier 58 Piling Corrosion inspection).

Asset Preservation – Fleets and Facilities: In 2005, Fleets and Facilities began the implementation of a new Asset Preservation Program. This program provides funding principally from space rent to enhance the City's efforts to preserve general government assets. For 2006, \$2.9 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 2006-2011 Adopted 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 funds were committed in 2005 and \$619,000 of Cumulative Reserve Subfund (CRF) – Unrestricted funds are Adopted for 2006) 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 in 2006 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 in 2006 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; other 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 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 the City's fire stations, 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 recent years or to respond to newly identified opportunities.

Fulfilling Commitments to Voters

2003 Fire Facilities & Emergency Response Levy: The 2006-2011 Adopted 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 Seattle Fire 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) provide 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 for the Fire Station 10 project to support structural work, measures to ensure that the facility meets LEED Silver status, and unanticipated inflation costs. See the Fleets & Facilities CIP for more detailed information on these Levy 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 is acquiring, developing and maintaining 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 2006-2011 Adopted CIP includes more than \$51 million for more than 65 Parks Levy projects. Recently completed projects include Cascade Playground, Homer Harris Park, Cal Anderson Park (Lincoln Reservoir), Lake City Mini Park, Southwest Community Center Computer Lab and Southwest Community Center Teen Center. In May 2005, the Levy Oversight Committee voted to award \$3.9 million from the Levy Opportunity Fund, including: \$2.6 million from the Opportunity Fund to 15 development projects; \$658,000 for two locations for acquisition; and \$600,000 to develop or supplement acquisition funding for properties that were identified earlier in an Urban Centers project during the first cycle of the Opportunity Fund.

1999 Seattle Center and Community Centers Levy: This \$72 million levy lid lift, approved 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 or completed. Six of the nine Community Center Levy projects have been completed, including Sand Point, Yesler, Jefferson Park, International District/Chinatown, High Point and Southwest Community Centers. The Van Asselt Community Center began construction in late 2005. The construction contract for the new Northgate Community Center and Park has been awarded and construction on this project is 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. The Belltown Neighborhood Center project is also now in the planning stages since the community partner, Low Income Housing Institute, has secured its portion of funding.

"Libraries for All" Plan: This program, approved by voters in 1998, builds 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 other 23 branch libraries in the system as of 1998. To date, 16 "Libraries for All" projects have been completed, including the new Central Library, which opened in May 2004. The Lake City Library/Neighborhood Service Center opened in 2005. In 2006, the Douglass-Truth, Northgate, and South Park branches are scheduled to open. The 2006-2011 Adopted CIP allocates \$1 million in 2006 from voter-approved bonds, \$2.5 million from the Cumulative Reserve Subfund, and \$1 million from private donations.

Capital Investments in Public Safety

Urban Areas Security Initiative (UASI) Grants: The City of Seattle has been awarded four grants under the federal Urban Areas Security Initiative, a funding source that provides local governments with resources to prevent and respond to acts of terrorism. The UASI-funded 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. The 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 \$90 million is included in the 2006-2011 Adopted CIP for reservoir covering and undergrounding projects. Four open reservoirs have already been covered: Magnolia Reservoir in 1995, Bitter Lake Reservoir in 2001, Lake Forest Park Reservoir in 2002, and Lincoln Reservoir in 2005. Of the remaining six open reservoirs, SPU begins construction at the Beacon Reservoirs in 2006, and is starting design work for the replacement of the Myrtle, West Seattle, and Maple Leaf reservoirs. SPU also plans to decommission the Roosevelt Reservoir, and is evaluating whether to underground or decommission the Volunteer Reservoir. The Department of Parks and Recreation has developed a park over the Lincoln Reservoir and will be developing parks over the Beacon and Myrtle reservoirs. The CIP reflects the revised 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 Sound Transit Light Rail and Alaskan Way Tunnel/Seawall projects, will have a great impact on the region's transportation infrastructure. In the 2006-2011 Adopted CIP these projects are reflected in several departments, including the Seattle Department of Transportation (SDOT), Seattle Public Utilities, and Seattle City Light capital programs. In 2005, the Seattle Monorail Project (SMP) Board of Directors turned down the financing plan proposed for the SMP, and the project's status was uncertain at the time of the 2006 Proposed Budget. In November 2005, Seattle voters elected to end the project, so City projects related to the SMP have been removed.

Washington cities, including Seattle, face a growing crisis in transportation funding. Court decisions and ballot initiatives have eliminated dedicated sources of local transportation funding and state gas tax allocations to cities have not kept up with inflation. The Mayor and City Council organized a Citizen's Transportation Advisory Committee to study this issue and their May 2004 report called on the Legislature to create new transportation funding sources. In the 2005 session, the Legislature did enact an increase in the gas tax of 9.5 cents phased in over four years. Initiative 912, on the November 2005 ballot, sought to repeal this gas tax increase, but was not approved by the state's voters. Gas tax revenues that would have been impacted by Initiative 912 have been included in the 2006-2011 Adopted CIP.

Seattle's 2006 Budget and CIP fills the transportation funding gap using windfall proceeds from the Real Estate Excise Tax (REET). Since, 2004 REET revenues have exceeded projections 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, and additional revenue sources will be required to prevent further growth in transportation maintenance backlogs and to address major infrastructure projects.

Subsequent 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.

City Council Changes from the Proposed to the Adopted CIP

The 2006-2011 Adopted CIP reflects two general types of changes made by the City Council during its review in the fall of 2005: changes to individual project scopes or budgets (primarily in SCL, SDOT, and Parks) and provisos restricting spending on specific projects (primarily in SDOT, Parks, and Fleets & Facilities). The City Council increased project budgets for Olympic Sculpture Park, Gas Works Park Utility Infrastructure Upgrade, Golf – Capital Improvements Project, Lower Woodland Skateboard Park, Dahl Playfield Renovation, Denny Park Play Area, and SDOT’s Neighborhood Street Fund (NSF)/CRF Program. The City Council allocated \$2.5 million for additional Transportation CIP projects, subject to future ordinance. The City Council also reduced funding for Lot 2 Skate Park and Basketball Court Development, City Hall Park, and City Light’s CIP. The table below lists all of the capital budget provisos adopted by the City Council. Most of these changes are discussed in more detail in department introductory narrative sections later in this document. The Council also adopted a series of technical corrections (known as “errata”) affecting project spending plans, narrative detail, and operations and maintenance costs.

In addition to the actions above, the City Council directed the Department of Finance, through a Statement of Legislative Intent, to develop financial policies for the use of Real Estate Excise Tax (REET) revenues on a City-wide basis, including debt policies, and guidelines regarding projecting future levels of REET revenues.

City Council also directed the Department of Parks and Recreation to report on three issues: planning for athletic facility improvements and development and any related public participation processes, the approach to developing the Department’s Major Maintenance Plan, and assessment of capital facilities needs along with prioritization of improvements for the City’s golf facilities.

2006 Capital Budget Provisos

Proviso #, Title, and Description	Department
<p>060-1-A-1: FFD – Proviso funding for four neighborhood fire station projects in FFD’s CIP</p> <p>None of the money appropriated for 2006 for the Department of Fleets and Facilities Neighborhood Fire Stations BCL can be spent to pay for the Fire Station 02 Project (Project ID = A1FL102), until authorized by a future ordinance.</p> <p>None of the money appropriated for 2006 for the Department of Fleets and Facilities Neighborhood Fire Stations BCL can be spent to pay for the Fire Station 17 Project (Project ID = A1FL117), until authorized by a future ordinance.</p> <p>None of the money appropriated for 2006 for the Department of Fleets and Facilities Neighborhood Fire Stations BCL can be spent to pay for the Fire Station 28 Project (Project ID = A1FL128), until authorized by a future ordinance.</p> <p>None of the money appropriated for 2006 for the Department of Fleets and Facilities Neighborhood Fire Stations BCL can be spent to pay for the Fire Station 31 Project (Project ID = A1FL131), until authorized by a future ordinance.</p>	FFD
<p>073-1-A-3: Add \$150,000 for Gas Works Park Utility Infrastructure Upgrade</p> <p>None of the money appropriated for 2006 for the Department of Parks and Recreation, Parks Infrastructure BCL, can be spent to pay for Gas Works Park Utility Improvements, Project # K731294, until authorized by a future ordinance. Council anticipates that such authority will not be granted until the Department of Parks and Recreation provides to Council a proposal to hold the Summer Nights Concerts at Gas Works Parks.</p>	DPR
<p>079-4-C-3: DPR – Cut \$250,000 from the Lot 2 Skate Park and Basketball Court Development (Project ID K732176), adopt a budget proviso</p> <p>None of the money appropriated for 2006 for the Department of Parks and Recreation’s Ballfields/Athletic Courts/Play Areas BCL can be spent to pay for the Lot 2 Skate Park and Basketball Court Development Project (Project ID K732176), until authorized by a future ordinance.</p>	DPR

<p>080-1-C-6: Appropriate \$200,000 REET II funds for Dahl Playfield Renovation, adopt a Budget Proviso and rescind green sheet 80-1-C-3</p> <p>Of the appropriation for 2006 for the Department of Parks and Recreation’s K72441 - Parks Infrastructure BCL, \$100,000 is appropriated solely to pay for the construction of a playground and basketball court improvements at Dahl Playfield and may be spent for no other purpose.” The Council expects that the Executive will use these funds solely for the construction of a playground that adheres to the most recent edition of the Handbook for Public Playground Safety by the U.S. Consumer Product Safety Commission. Specifically, that the final playground design includes separate play areas with appropriately sized equipment designed for different age groups to serve the children’s different development levels and to ensure their safety.</p> <p>Of the appropriation for 2006 for the Department of Parks and Recreation’s K72441 - Parks Infrastructure BCL, \$100,000 is appropriated solely to pay for ballfield improvements at Dahl Playfield and may be spent for no other purpose.</p>	DPR
<p>082-1-D-2: Appropriate \$100,000 REET II funds for Denny Park Play Area and adopt a Budget Proviso</p> <p>Of the appropriation for 2006 for the Department of Parks and Recreation’s K72441 – Parks Infrastructure BCL, \$100,000 is appropriated solely to pay for the construction of the children’s play area at Denny Park and may be spent for no other purpose.</p>	DPR
<p>083-1-B-2: Reduce funding for improvements at City Hall Park but provide \$50,000 in funding for planning and design and adopt budget proviso</p> <p>Of the appropriation for 2006 for the Department of Parks and Recreation Parks Infrastructure BCL, \$50,000 is appropriated solely for planning and design activities for City Hall Park Restoration Project #K732297 and may be spent for no other purpose.</p>	DPR
<p>123-3-A-1: Allocate \$2,500,000 from REET I and REET II for Transportation Projects</p> <p>Of the appropriation for 2006 for the Seattle Department of Transportation’s Capital Projects BCL, \$2,500,000 is appropriated solely for additional projects (or additional funding for existing projects) not planned to be funded under the Mayor’s 2006 Proposed Budget and this amount may not be spent until authorized by future ordinance.</p>	SDOT

Support for Neighborhoods and Neighborhood Plan Projects

The 2006-2011 Adopted CIP contains more than 140 projects, with a total of nearly \$87 million of funding in 2006, in support 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. Each of these projects has been identified with specific Neighborhood Plan Matrix numbers that are now tracked in a database that contains department CIP submittals. 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, Community Development Block Grant 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.

2006 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 addition, SDOT had allocated

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\$227,000 in 2006 for the Neighborhood Street Fund for a total of \$1.2 million. 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 \$1.2 million of 2006 funding was completed in August 2005, and as a result \$105,000 of CRF was added to the Parks CIP, and \$1.1 million of CRF to the SDOT CIP. Additionally, Council added \$560,000 of REET II during the budget process for projects already identified through the 2006 outreach process. The following table lists all of the projects funded in 2006. See also SDOT project TC365770 (NSF/CRF Neighborhood Program) and three projects in the Parks CIP: Westcrest Park Trail System (project K732288), Roxhill Park ADA Comfort Station (project K732289), and Kobe Terrace Landscape Restoration (project K732290) for more detail.

2006 NSF-CRF Neighborhood Program

District Council	Neighborhood Plan	Project Title	Dept.	CRF Amount
Ballard	Crown Hill/Ballard	Ballard Avenue NW Sidewalk rehabilitation	SDOT	\$75,000
Ballard	Crown Hill/Ballard	Improve shoulder parking and bicycle safety – on SW side of Shilshole Avenue	SDOT	\$50,000
Ballard Subtotal				\$125,000
Central	Central Area	Traffic circle – 26 th Avenue S and S Judkins	SDOT	\$23,000
Central	Central Area	Traffic circle – 26 th Avenue E and E Fir	SDOT	\$13,500
Central	Central Area	Curb bulbs – 31 st Avenue S between Jackson and Judkins; three intersections	SDOT	\$44,000
Central	Central Area	Concrete traffic circle at 29 th Ave S and S Judkins Street	SDOT	\$10,000
Central	Central Area	Concrete traffic circle at 31st Ave E and E Denny Street	SDOT	\$10,000
Central Subtotal				\$100,500
Delridge	Westwood & Highland Park	Westcrest Park Trail system renovation	Parks	\$31,650
Delridge	Westwood & Highland Park	Roxhill ADA comfort station improvements	Parks	\$57,000
Delridge	Westwood & Highland Park	Signal improvements at Roxbury and 16 th	SDOT	\$40,000
Delridge Subtotal				\$128,650
Downtown	International District/Chinatown	Kobe Terrace landscape restoration	Parks	\$15,888
Downtown	Belltown	Sidewalk rehabilitation – west side of 1 st Avenue, south from Blanchard to the Bell Tower Building	SDOT	\$39,056
Downtown	Belltown	Belltown Sidewalk rehabilitation	SDOT	\$39,056
Downtown	Pioneer Square	Downtown sidewalk rehabilitation	SDOT	\$20,000
Downtown Subtotal				\$114,000
East	Pike-Pine	Sidewalk repair – 700 block of E Pike Street, (south side); 1100 block of E Pine (north side)	SDOT	\$70,000
East	First Hill	Sidewalk repair on Broadway and Yesler	SDOT	\$38,000
East Subtotal				\$108,000

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District Council	Neighborhood Plan	Project Title	Dept.	CRF Amount
Greater Duwamish	South Park	South Henderson sidewalk improvements between 7 th and 8 th	SDOT	\$75,000
Greater Duwamish	Duwamish/George town	Improve sidewalks, planting strip, curbing, and parking at 4 th Avenue S from S Michigan Street to Dawson Street	SDOT	\$148,000
Greater Duwamish Subtotal				\$223,000
Lake Union	Wallingford	Improve pedestrian walkway between Eastlake & Yale Avenue on Louisa Street	SDOT	\$3,500
Lake Union	Wallingford	Streetscape/street trees – N 45 th Street between Stone Way and 15 th	SDOT	\$110,500
Lake Union Subtotal				\$114,000
Magnolia/Queen Anne	Queen Anne	Sidewalk repair – Queen Anne Avenue N between Galer Street and McGraw Street	SDOT	\$54,000
Magnolia/Queen Anne	Queen Anne	Street surface restoration – 3 rd Avenue W between W McGraw Street and W Fulton Street	SDOT	\$60,000
Magnolia/Queen Anne Subtotal				\$114,000
North	North neighborhoods	Sidewalk improvement – NE 130 th between Lake City Way and 25 th Avenue NE	SDOT	\$33,000
North	North neighborhoods	Sidewalk improvement – NE 120 th , east of Lake City Way	SDOT	\$32,000
North	North neighborhoods	Sidewalk repair – west side of 35 th Avenue NW between 96 th and 97 th at the Meadowbrook Community Center	SDOT	\$11,000
North	North neighborhoods	Sidewalk improvement to NE 110 th	SDOT	\$50,000
North	North neighborhoods	Sidewalk improvement to 15 th Ave NE from 92 nd to 96 th	SDOT	\$50,000
North Subtotal				\$176,000
Northeast	University	Sidewalk installation – 30 th Avenue NE between NE 55 th Street and Blakely	SDOT	\$118,500
Northeast Subtotal				\$118,500
Northwest	Broadview – Bitter Lake – Haller Lake	Traffic circle at N 135 th Street between Meridian Avenue N and Ashworth Avenue North	SDOT	\$20,000
Northwest	Green Lake	Curb bulbs – NE 56 th and Latona Avenue NE	SDOT	\$44,000
Northwest	Licton Springs	Sidewalk installation on N 100 th	SDOT	\$30,000
Northwest	Broadview/Bitterlake	Pedestrian walkways – Greenwood Avenue N to 3 rd Avenue NW	SDOT	\$10,000
Northwest	Greenwood/Phinney	Greenwood Transportation Plan	SDOT	\$10,000
Northwest	Greenwood/Phinney	Sidewalk installation on Dayton from 86 th to 87 th	SDOT	\$70,000
Northwest Subtotal				\$184,000
Southeast	Rainier Beach	Curbs/traffic calming/landscaping – 5100 block of S Garden Street, 5100 block of S Orchard, 7200 block of Orchard Place S	SDOT	\$126,000
Southeast	Columbia City/Hillman City	Sidewalk improvement – 37 th Avenue S from Dawson to Hudson Street	SDOT	\$70,000

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District Council	Neighborhood Plan	Project Title	Dept.	CRF Amount
Southeast	Columbia City/Hillman City	South Hudson walkway design	SDOT	\$5,000
Southeast Subtotal				\$201,000
Southwest	Admiral	Sidewalk repair – west side of California Avenue SW from SW Admiral Way to SW College Street	SDOT	\$23,000
Southwest	Admiral	Sidewalk repair – east side of California Avenue SW from SW Admiral to SW College Street	SDOT	\$50,000
Southwest Subtotal				\$73,000
City Wide	City Wide	Walkway Design – SvR contract		\$7,350
Grand Total				\$1,787,000

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. 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

City investments in capital projects are guided by a set of important policies reflecting the City of Seattle's values and priorities. These policies shape how the City takes care of buildings and infrastructure; invests in capital projects in areas that have accepted growth as envisioned in the City's 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 adherence to good design standards in all City projects. The following sections detail these policies, and how they are reflected in the 2006-2011 Adopted 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 2006, the City is spending approximately \$91 million on asset preservation of general government infrastructure, including rehabilitation or restoration projects in parks, libraries, civic buildings, and on the Seattle Center campus. In SDOT, \$68 million funds asset preservation of roads and bridges in 2006. In the 2006-2011 Adopted CIP, the City continues implementing the first recommendation of the Asset Preservation study by funding another 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 2006-2011 Adopted 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 2006-2011 Adopted CIP. See below for detail on projects in two urban areas – Northgate and South Lake Union.

The Adopted 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 the City Council adopted in January 2005 through Resolution 30731. Many of the strategies in the Drainage Plan, such as improving stormwater runoff in the right-of-way around critical facilities such as fire stations and hospitals, are focused on areas receiving growth. 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, funding is provided for the Fremont Bridge Approaches Project and the related Bridge Way North and Fremont Circulation 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 2006-2011 Adopted 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 mixed-use development, a senior housing project, and a Civic Center, which will have a public park, community center, and branch library. SPU is also building a stormwater channel that will create additional open space and connect the area south of Northgate Mall to Thornton Creek. New projects in the 2006-2011 Adopted CIP include transportation improvements around the south end of Northgate developments and acquisition of 3.74 acres for future park development. The Northgate redevelopment 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.

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 16,000 jobs and 8,000 units of housing will be created in the neighborhood between 2004 and 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. Last year, South Lake Union was designated as an Urban Center.

During the past two years, City staff members 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 has created a strategic Capital Improvement Program (CIP) for its infrastructure investments in South Lake Union in order 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; not all of these projects are fully funded in the 2006-2011 Adopted CIP¹. 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 “To Be Determined” as a funding source as listed in the CIP project pages, or are not included in this biennium’s CIP.

Department	CIP Projects Included in the 2006-2011 Adopted CIP	Projects Not Funded
Seattle Department of Transportation	<ul style="list-style-type: none"> ▪ Mercer Corridor Project ▪ South Lake Union Streetcar ▪ Bicycle Improvements ▪ Pedestrian Improvements 	<ul style="list-style-type: none"> ▪ Traffic Flow Improvements ▪ Transit Priority Improvements
Parks	<ul style="list-style-type: none"> ▪ South Lake Union Park - Armory Assessment and Roof Repair ▪ South Lake Union Park – Development 	
City Light	<ul style="list-style-type: none"> ▪ Broad Street Substation Networks ▪ South Lake Union - Substation Development ▪ South Lake Union Streetcar – City Light 	
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 – Utility Coordination ▪ SLU Feasibility Phase 2 	

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 Adopted “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

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.

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 fire stations; 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 and implementing the Fire Facilities and Emergency Response Levy; the Landmarks Board has designated eight stations as Historic Landmarks.

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 construction (e.g., commercial buildings, affordable housing, schools, homes, neighborhoods, etc.). To date, the Carkeek Park Environmental Learning Center, the Airport Way Center Building C (formerly Park 90/5), the Cedar River Water Treatment Facility Operations Building, and City Hall have achieved the LEED Gold standard. Seattle Justice Center, Central Library, and Airport Way Center Building A have met LEED Silver, and Fisher Pavilion and Highpoint Community Center have met LEED Certified (formerly Bronze). Three other projects have LEED certification pending, and 25 other projects that fall under the policy are in various stages of construction or planning.

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 2006-2011 Adopted 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 the One Percent for Art allocations, the revenue from an Office of Arts and Cultural Affairs Memorandum of Agreement with Seattle Public Utilities, and some miscellaneous revenues is nearly \$1.2 million for 2006, as shown in the table below. 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. The project cost of City capital projects used to calculate the One Percent for Art allocation includes all phases of a construction project (e.g., studies, planning, design, and construction) except for property acquisition.

The projects funded with these allocations are identified in the annual Municipal Art Plan, which is prepared by the Office of Arts and Cultural Affairs. The Plan describes the status of continuing public art projects and establishes the scope of work and budgets for new public art projects. The Municipal Arts Fund is appropriated via the Office of Arts and Cultural Affairs' adopted operating budget.

Municipal Arts Fund Revenue Source	2004	2005		2006	
	Actuals	Adopted ⁵	Revised	Endorsed	Adopted
City Light ¹	0	0	0	0	0
Seattle Public Utilities ²	162,982	0	304,500	0	389,500
Fleets & Facilities	554,980	625,860	625,860	198,740	198,740
Library ³	47,252	33,640	33,640	16,800	16,800
Seattle Center	8,200	7,450	7,450	4,500	160,250
Parks & Recreation	197,400	155,070	165,570	146,550	212,240
Transportation	47,130	223,630	272,790	218,930	108,682
Miscellaneous ⁴	136,248	126,360	126,360	103,200	103,200
Totals	\$1,154,192	\$1,172,010	\$1,536,170	\$688,720	\$1,189,412

Notes:

- 1) As a result of a Superior Court decision in the Okeson v. Seattle case, the City suspended utility participation in the One Percent for Art program for the 2005-2006 biennium. Future participation by the utilities will be guided by the December 19, 2005 decision of the Washington State Court of Appeals.
- 2) The 2005 Revised and 2006 Adopted figures for Seattle Public Utilities (SPU) reflect a fee-for-services agreement between the Office of Arts and SPU.
- 3) The figures for the Library reflect administrative costs the Office of Arts collects from the Library for managing the arts elements of the Library's "Libraries For All" bond measure.
- 4) Miscellaneous revenue is generated from several sources, including City Light and CB Richard Ellis for arts management services.
- 5) The 2005 Adopted figure reflects the amount of MAF appropriated in the 2005 Adopted Budget of the Office of Arts and Cultural Affairs. The amount of MAF allocated by the 2005-2010 Adopted CIP was about \$60,000 higher than the 2005 Adopted Budget for the Office of Arts and Cultural Affairs due to CIP changes made by the City Council during its budget deliberations. The MAF appropriation was adjusted to reflect the higher CIP allocation in supplemental legislation passed in 2005.

In addition to the One Percent for Art and miscellaneous funds identified above, the Office of Arts and Cultural Affairs also receives \$120,000 per year from the Cumulative Reserve Subfund to fund relocation of artwork, removal of portable works from City facilities undergoing renovation, and general maintenance and repair of all sited and portable artworks.

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, one youth member and one lay member; and at least one and

Overview

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 up to 1% of the eligible portion of the project – the rate has been 0.33% for the last several years, but could change in future years. When projects are appropriated \$10 million or more within a fiscal year, they are automatically assessed at a reduced rate of 0.12% of the eligible portion of the project.

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 such as tunnels, arcades and underground passageways that are regularly visible to the public. Projects reviewed by the Commission must be financed in whole or in part with City funds, be on land belonging to the City or be 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. CIP departments are responsible for supporting the CDCC, based on each department’s appropriated CIP amount.

Federal Regulatory Compliance

The City’s utilities have several 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 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 2006-2011 Adopted CIP by fund group (displayed in thousands of dollars).

Fund Group	2005 Revised	2006 Endorsed	2006 Adopted	2006-2011
Federal Funds	37,620	32,753	39,027	72,350
King County Funding	9,471	2,938	2,883	3,943
Other City Funds	136,654	51,096	91,773	179,639
Other Local Government	15,565	4,081	4,466	200,908
Private Funding	40,407	5,392	35,650	43,948
State Funding	37,149	21,147	9,908	42,112
To Be Determined	0	12,484	9,757	435,251
Utility Funding	327,024	301,694	281,415	1,925,609
Voter-Approved Funds (Seattle and King County)	133,649	40,973	40,931	120,482
Total	737,539	472,558	515,810	3,024,242

*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 2006 Adopted 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 sometimes 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. Starting in 2005, the Capital Projects Account includes the Asset Preservation Subaccount – Fleets and Facilities and the 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.
- ◆ 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.

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- ◆ 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 Adopted Asset Preservation Subaccount – Fleets and Facilities), and other unrestricted contributions to the Cumulative Reserve Subfund.
- ◆ The Asset Preservation Subaccount – Fleets and Facilities, created through legislation with the 2005-06 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 supplements rent revenues with Department fund balances generated from operational savings. Use of these funds is limited to asset preservation expenses in certain FFD facilities. A portion of the funds (\$2.46 million) was held in Finance General for 2005. FFD completed an asset preservation study requested under a Statement of Legislative Intent and these funds are adopted for appropriation in 2006.
- ◆ The Street Vacation Subaccount receives funding from a portion of street vacation revenues. In 2001, the Washington 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 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. There is approximately \$3.5 million held within the account in 2006.

2006 Cumulative Reserve Subfund Appropriations

The table on the following page shows department allocations from the Cumulative Reserve Subfund (CRF) along with other projects, including 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 2006 Adopted Budget. Department capital projects are fully described in project sections of this document.

Overview

	Fund Name	Fund Number	2004 Actuals	2005 Adopted	2006 Endorsed	2006 Adopted
Special Projects						
1998B Capital Facilities Refunding	REET I	00163	\$2,558,931	\$3,004,000	\$3,004,000	\$2,946,013
Artwork Conservation - OACA	Unrestricted	00164	212,977	120,000	120,000	120,000
Other Drainage CIP	REET I	00163	0	0	0	100,000
Tenant Relocation Assistance Program	Unrestricted	00164	179,000	179,000	179,000	179,000
Special Projects Total			\$2,950,908	\$3,303,000	\$3,303,000	\$3,345,013
Department Summaries						
Department of Parks and Recreation			\$9,482,716	\$11,786,000	\$10,519,000	\$15,979,000
Fleets and Facilities Department			3,877,960	7,795,000	9,949,000	13,339,000
Seattle Center			2,076,792	2,825,000	3,633,000	4,661,000
Seattle Public Library			1,420,227	1,678,000	2,460,000	2,460,000
Seattle Transportation			6,879,320	9,580,000	8,587,000	21,415,000
Department Summaries Total			\$23,737,015	\$33,664,000	\$35,148,000	\$57,854,000
Grand Total			\$26,687,923	\$36,967,000	\$38,451,000	\$61,199,013

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, 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 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.