

Reader's Guide to the 2017-2022 Adopted Capital Improvement Program

The City of Seattle's 2017-2022 Adopted Capital Improvement Program (CIP) includes an introduction, departmental sections, appendix, an index, and a glossary. The introduction provides information on the CIP, allocations, funding sources for capital projects, significant initiatives, support for neighborhoods and neighborhood plan projects, and policies guiding the City's capital investments.

Departmental sections comprise the majority of the CIP document, and contain detailed information on approximately 474 projects. The following departments have sections in this book: Parks and Recreation, Seattle Center, Seattle Public Library, Seattle Department of Transportation, Seattle City Light, Seattle Public Utilities (divided into four sections: Drainage and Wastewater, Solid Waste, Technology Projects, and Water), Seattle Information Technology, and Finance and Administrative Services. The Appendix lists new or expanded capital facilities, as required by the Growth Management Act.

Reading CIP Project Pages

CIP project pages, located in the departmental sections of the CIP, provide the most detailed information about a project. The project pages contain the following information:

BCL (Budget Control Level): A grouping of similar projects into department-specific programs. Also reflects the level at which expenditures are controlled to meet state budget law provisions.

Project Type: Projects are identified as New Facilities, Improvements to Existing Facilities, or Rehabilitation or Restoration of Existing Facilities. Technology projects, or those that do not fit into the categories above, are identified as New Investments.

Location: Street address, intersection, or general location of a project. If a project has multiple location entries, only one project location entry will be included in the CIP.

Start Date/End Date: Quarter and year a project begins and is expected to finish. Projects that continue from year-to-year are shown as "Ongoing." Projects without a determined start or end date may show as "TBD" or "On Hold."

Project ID: Unique number identifying a project in the City's automated financial management system.

Neighborhood District: The City is divided into 13 neighborhood districts. This field indicates in which (if any) neighborhood district(s), a project is located. Some projects are located in more than one neighborhood district or outside the city, and are so noted.

Neighborhood Plan: If a project supports a neighborhood plan recommendation, the name of the neighborhood plan is indicated. Some projects are in more than one neighborhood plan, or not in a neighborhood plan. The City's 38 adopted neighborhood plans can be viewed online at <http://www.seattle.gov/neighborhoods/np/plans.htm>.

Council District: The City is divided into seven Council districts. This field indicates in which (if any) council district(s), a project is located. Some projects are located in more than one council district or outside the city, and are so noted.

Urban Village: This field indicates whether a project is located in an Urban Village, a designated geographic area expected to accommodate future population and job growth, as defined by the Comprehensive Plan's growth management strategy.

Project Description: Information about the purpose, scope, and history of the project.

Revenue Sources: Revenues are all sources of money supporting a particular project such as grants, private donations, Councilmanic debt, Real Estate Excise Taxes, etc. The Revenue Source Table lists the project's revenue sources, life-to-date (LTD) expenditures through 2015; the 2016 revised budget (including 2016 Adopted Budget, carry-forward balances, abandonments, and supplemental appropriations); adopted 2017 appropriations; and estimated appropriation requests for 2018-2022. "TBD" indicates that revenue sources are to be determined.

Fund Appropriations/Allocations: This table lists the appropriating funds, which are those funds through which the department has legal appropriation authority, and dollar information by year. Note that this level of detail on the project pages is for information only. The City appropriates funds at the Budget Control Level.

O&M Costs (Savings): Estimate of significant increases or decreases in operations and maintenance costs as a result of a capital project. "N/C" denotes that operations and maintenance costs are not calculated.

Spending Plan: This field is shown when spending differs from appropriation or allocation for a given year. This is displayed for a limited number of projects in this document.

Capital Improvement Program Purpose

The Capital Improvement Program (CIP) is a six-year financial planning tool with the intent to identify future capital investments and potential strategies for funding those investments. The CIP also satisfies the requirements of cities planning under the Growth Management Act.

Background

The City of Seattle owns and operates a variety of physical assets, ranging from community parks, roadways, bridges, office buildings, libraries, open space, fire stations, maintenance yards, facilities at Seattle Center, and more. The City must properly maintain these assets in order to ensure they are safe, lasting, and provide a welcoming and usable space to serve their intended purposes. The City's utility infrastructure is also included in the CIP, including electric, solid waste, water and wastewater utility assets. The City's capital infrastructure supports City operations, direct public services and programs, and in some cases, provides direct public benefits themselves.

Every year during the annual budget process, the City adopts a six-year CIP, which outlines anticipated investments over that timeframe. The 2017-2022 Adopted CIP totals \$6.6 billion over six years, with approximately \$1.1 billion of that amount designated for the 2017 budget year.

Capital Planning Policies

The City has historically based capital planning efforts on a set of criteria that help set priorities among potential capital programs. [Resolution 31203](#), adopted in June 2010, set out the following policies to guide the City's capital spending:

- Preserve and maintain existing capital assets
- Support the goals of the City's plans
- Support economic development
- Consider external funding possibilities
- Consider revenue-generating possibilities
- Seek regional funding for regional projects
- Pursue cost-saving commitments
- Pursue conservation and sustainability investments

Additional specific considerations include:

- Compliance with regulatory requirements
- Coordination between departments and with other jurisdictions
- Public safety and health

In 2016, the Mayor formed a Capital Cabinet with the goal of improving coordination of capital projects and using data to target infrastructure investments that support growth and adapt to its impacts. The Office of Planning and Community Development and the City Budget Office co-lead the Capital Cabinet. The cabinet members include directors from key capital departments (SDOT, Utilities, Parks, FAS) and also involves participation from Department of Neighborhoods, the Office of Economic Development, the Office for Civil Rights and others to address outreach, environmental, and race and social justice issues.

Capital Program Funding

Like all large municipalities, Seattle relies on a variety of sources to pay for capital projects. These include locally generated revenues (taxes, fees, voter-approved levies, and user charges), intergovernmental revenues (including state and federal grants), private funding (franchise utilities, philanthropy) and debt issuance. These traditional sources continue to provide the majority of funds for capital facility investments. The City's level of capital investment is based on the mix and extent of financial resources available to the City.

Debt Financing

The City uses multiple forms of debt to finance large capital projects such as Limited Tax General Obligation Bonds (LTGO) also known as councilmanic bonds, Unlimited Tax General Obligation Bonds (UTGO) or voter-approved bonds, and revenue bonds. Unlike pay-as-you-go sources of funding, the issuance of debt requires revenues in future years to repay the principal and interest expenses. Councilmanic debt is a common financing tool used by the City, but those obligations must be repaid from the same set of limited resources including REET and General Fund revenues. See the Debt Service section of the 2017-2018 Adopted Budget for more information on debt financing.

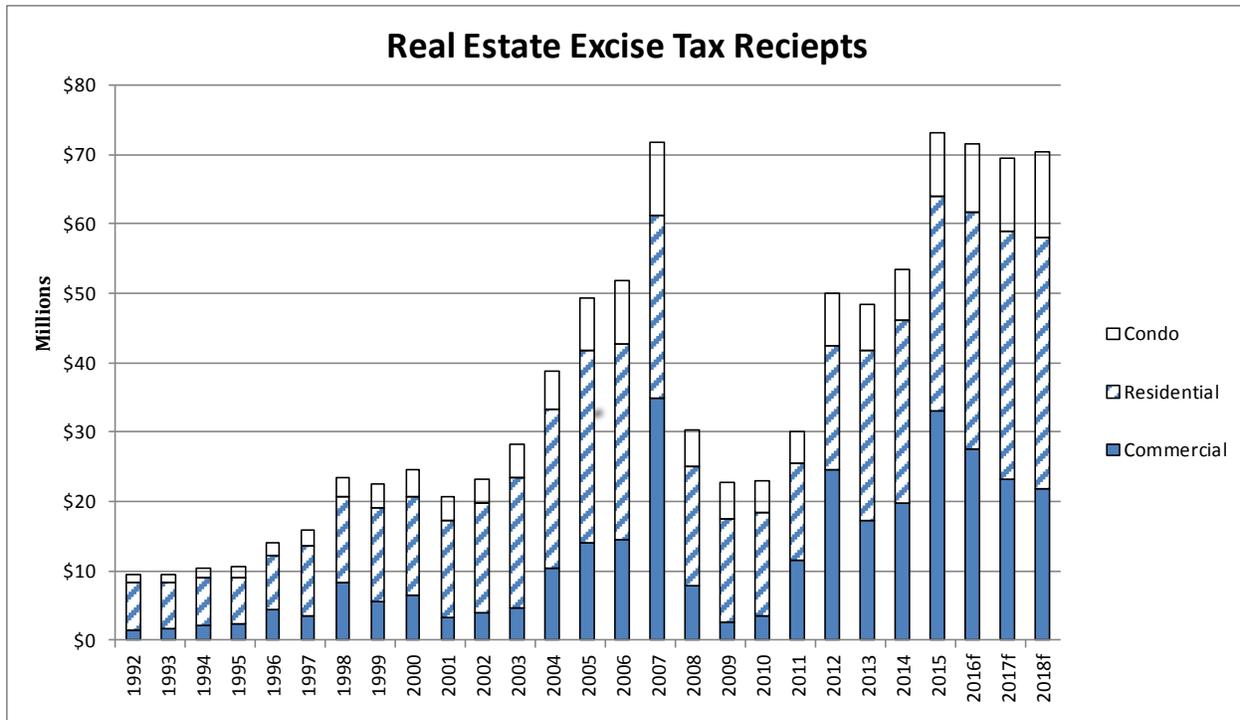
Public Utility Funding

Both Seattle City Light and Seattle Public Utilities fund utility projects with revenues from utility rates. Each utility's adopted financial policies determine what share of their capital investments are funded through cash, and what share from debt. These policies are designed to balance the portion of current investments that are paid by today's ratepayers, versus future ratepayers who will also benefit from long-term capital investments.

Real Estate Excise Tax (REET)

Funding of the City's general government capital program is highly dependent on revenue from REET. REET is a volatile revenue source that tracks closely to local economic activity. As shown in the graph below, REET revenues rose sharply in 2004-2007 during the economic expansion, but fell sharply in 2008-2011 as real estate activity fell off. REET revenues rebounded significantly in 2012 due to robust commercial activity. An improving residential market combined with continued strength in commercial activity has led to robust REET revenues over the past few years. The current REET forecast for 2017 and 2018 shows sustainable growth into the near future. The continued growth provides the opportunity to target investments such as asset preservation and other REET eligible projects.

Although REET revenues in recent years have been relatively stable, large and sudden fluctuations in this revenue source make it difficult to depend upon for ongoing capital needs. For this reason, the City maintains a reserve of REET funds to help offset fluctuations in revenue. The City dipped into this reserve in 2010, but through careful management of capital spending over the last several years, the City was able to replenish the \$10 million target reserve level by the end of 2014. Maintaining this reserve is critical to ensure the City has sufficient funding to support core asset preservation work in the event of a future economic downturn. The following chart shows the City's REET revenue for the past 24 years and the current forecast for the next three years.



Seattle’s Recent History – Major Voter-Approved Capital Projects

In addition to reliance upon general tax sources, Seattle undertook a number of major capital projects during the last two decades using voter-approved funds and councilmanic (non-voted) debt. Voter-approved capital projects include improvements to Seattle Center and construction of new or expanded community centers and parks, new or remodeled downtown and branch libraries, new or remodeled fire facilities, parks improvements, and replacement of the Elliott Bay Seawall. The following is a list recent levies:

- The 2015 Move Seattle Transportation Levy:* The Move Seattle levy will generate \$95 million in 2016, increasing every year until it reaches \$112 million in 2024. The levy proceeds will be used to support safe routes, congestion relief, and maintenance and repairs of our city’s bridges and arterial roadways. A major financing strategy in the Move Seattle levy is the dependence on partnerships—leveraging external resources such as state and federal grants to accomplish transportation projects such as the S. Lander Street Grade Separation project.
- Creation of Seattle Parks District in 2014.* The passage of the Park District is the culmination of the Parks Legacy Plan project, led by the Parks Legacy Plan Citizens' Advisory Committee. The goal of the Park District is to provide long term, stable funding to support recreation programing, parks projects and the critical needs for investment in major and ongoing maintenance. In 2016, the Parks District began collecting property tax revenue, accumulating the first year of full funding for Park District projects. The Park District will provide over \$35 million annually for major maintenance and capital projects.
- The 2012 Central Seawall Excess Levy:* A 30-year, \$290 million bond levy provided a portion of the funding needed to construct Phase 1 the Elliott Bay Seawall Project (from Washington Street to Virginia Street) and funds reconstruction of one of the public piers (Pier 62/63 and Waterfront Park).

- *The 2012 Library Levy:* A seven year, \$123 million levy to support, maintain and improve core Library services. Included as part of the levy were resources for the preservation and maintenance of library facilities. The City Librarian and the Library Board of Trustees prepare annual progress reports that show how levy proceeds have been used each year. The levy provides an average of \$3.1 million annually for major maintenance and asset preservation projects; including maintenance necessary for building components such as roofs, floors, finishes, HVAC and mechanical systems.
- *The 2008 Parks and Green Spaces Levy:* A six-year, \$146 million levy to acquire, develop, or restore, existing or new, parks, recreation facilities, cultural facilities, green spaces, playfields, trails, community gardens, and shoreline areas. This levy expired at the end of 2014, but a new source of voter-approved revenue—the Seattle Park District—is now providing on-going funding to help address major maintenance needs, as well as park development, at the Seattle Department of Parks and Recreation.
- *The 2006 Bridging the Gap Levy:* A nine-year, \$365 million levy for transportation maintenance and improvements. In 2015, the Bridging the Gap levy was replaced by the Move Seattle levy.
- *The 2003 Fire Facilities and Emergency Response Levy:* A nine-year, \$167 million levy which supported upgrades or replacement of the City’s 33 fire stations and renovated the Chief Seattle fireboat, and built a new Emergency Operations Center and a new Joint Training Facility.

Funding Dynamics for Significant Future Capital Projects

Given general resource funding challenges, the City will continue to rely on mix of general government resources and voter-approved funding packages to complete major capital projects and to secure needed funding for basic asset preservation. The City has identified several major priority areas for which significant capital investments will be needed. The following sections describe these priority areas at a high level.

Public Safety Facilities

A number of the City’s public safety facilities are in need of upgrade or replacement. For example, Fire Station 5 on Alaskan Way, Fire Station 22 on East Roanoke Street, the Police Harbor Patrol facility on Lake Union, and the Police North Precinct on College Way North all need to be remodeled or replaced. In addition, The Fire Department Headquarters is currently located in a seismically unsound building and the Department’s fresh water boat facilities is in need of a major upgrade. Given the costs of these investments, there is a potential that the City will return to voters to request the funding required to address these projects in the future.

Transportation

The City’s existing transportation network faces an extensive backlog of major maintenance. Current funding is not sufficient to maintain the City’s road, bridges, signs, etc. In addition, through a series of long-term planning efforts the City has completed “Master Plans” that identify large potential investments in a transit network, bicycle facilities, freight projects and pedestrian-oriented infrastructure. In recent years, the Bridging the Gap transportation levy, which expired in 2015, provided a significant amount of funding to help address all these needs. In November of 2015, voters approved a new nine year \$930 million dollar levy that will address critical transportation programs such as safe routes, relief of congested roadways and maintenance and repair programs.

Waterfront

The City has developed a comprehensive plan for the improvement of Seattle's Central waterfront. The removal of the Alaskan Way Viaduct will provide an opportunity to reconnect the City to the waterfront and develop new open space to support the growth and economic development of central Seattle. There are five main capital projects encompassed in the Waterfront program.

Projects

The largest project—the Alaskan Way Main Corridor project—will construct a new surface street providing access to the waterfront from Pioneer Square to Belltown. The Overlook Walk and East-West Connections project constructs the Overlook Walk, a new accessible connection between the Pike Place Market and the waterfront, and improvements to east-west streets connecting the waterfront and the rest of downtown Seattle. The program also includes projects to reconstruct parks located on piers along the waterfront (Waterfront Park and Pier 62/63 Park), expand the Seattle Aquarium and to expand the Pike Place Market.

Progress Update

Significant construction work on the waterfront projects relies on the removal of the Alaskan Way Viaduct, which cannot take place until WSDOT's completion of its tunnel-boring project and construction of the new tunnel, currently estimated for completion in 2019.

Design of the Main Corridor and Overlook Walk projects is well underway. In addition, construction of the Pike Place Market Front expansion is on track for completion in 2017. The Seattle Aquarium has also begun design for its expansion.

In 2016, Parks and the Office of the Waterfront were able to accelerate the project schedule for replacing Pier 62 on the waterfront. The Pier was closed for large public events after the 2001 Nisqually Earthquake. The Council approved a schedule and a funding plan for the Piers project that leverages both Seattle Park District funding and private fundraising from the Friends of the Waterfront group.

Funding

The 2017-2022 Adopted CIP identifies a mix of resources to fund these projects and the other elements of the overall Waterfront redevelopment. In addition to general government resources in the form of REET and General Fund-supported debt, the funding plan calls for significant contributions from a Local Improvement District (LID), philanthropy, and WSDOT. The LID provides that property owners who benefit from the project pay a share of its cost. LID formation is expected to occur in 2018, with LID revenues anticipated beginning in 2019. Negotiations with WSDOT on a final construction funding agreement are anticipated to be complete by mid-2017.

Protecting and Creating Opportunities for Workers

The City considers not only what capital projects to fund, but also how to deliver them and achieve broader goals for fairness, equity and opportunity in the community. The Department of Finance and Administrative Services (FAS) leads a number of policy initiatives to ensure social responsibility and equity in the spending of City capital dollars.

Fair and equitable treatment of workers: While FAS monitors and enforces fair and equitable treatment of workers in City construction contracts to protect workers, due to limited resources, it could only focus on a small number of projects. In 2013, FAS increased its monitoring and enforcement of wage and labor conditions on City-contracted construction projects, including Office of Housing-financed projects. The 2017 Adopted Budget provides funding to allow FAS to continue this program, including compliance monitoring for wage and labor violations for projects considered high-risk.

Reduce barriers to construction jobs: The City’s own spending on major capital investments can help drive employment within the local economy. Construction jobs and related positions offer living-wage jobs that can support individuals and families. The 2017-2018 Adopted Budget maintains additional funding added in the 2016 Adopted Budget for contracts with pre-apprenticeship and training partners in support of the “Priority Hire” program. The program provides opportunities for City residents to work on City-funded capital projects. For major capital projects, City contractors enter into Community Workforce Agreements that are intended to increase employment for women, people of color and those living in economically distressed areas of the City.

Women and Minority Owned Business (WMBE): The City continues to successfully address contracting equity for minority- and women- owned businesses. In 2011, FAS implemented a Citywide requirement on all public work bids and contracts above \$300,000 called the “Public Works WMBE Inclusion Plan” that continues to effectively encourage and enforce commitments by contractors to use WMBE firms. In 2014, FAS launched prompt pay initiatives which our WMBE firms report as very significant and meaningful for their business cash flow.

2017-2022 Adopted Capital Improvement Program Summary

The 2017-2022 Adopted CIP totals \$6.6 billion over six years and includes approximately 474 projects, which includes three new projects added by the City Council. Approximately \$4.1 billion of the six-year total, or 62%, are utility projects managed by Seattle City Light (SCL) and Seattle Public Utilities (SPU), and mostly funded by utility rates. The Seattle Department of Transportation’s (SDOT) CIP totals \$1.58 billion over the six-year period (24% of the City’s total CIP), while the remaining departments (Parks and Recreation, Finance and Administrative Services, Seattle Center, Seattle Public Library, and Department of Information Technology) account for approximately \$951 million, or 14%, of the six-year CIP. The following table shows the total CIP Budget by department.

2017-2022 Adopted CIP by Department (000s)

Department	2016 Adopted	2017 Adopted	2018 Estimated	2019 -2022 Estimated	2017-22 Total
Finance and Admin Services	74,270	66,990	44,365	56,298	167,654
Information Technology	11,913	42,136	44,018	139,763	225,917
Parks and Recreation	54,566	79,405	84,380	330,272	494,057
Seattle Center	6,969	13,073	7,340	26,748	47,161
Seattle Public Library	4,527	5,557	4,322	6,242	16,121
Seattle Dept of Transportation	291,451	235,944	353,042	987,447	1,576,432
Subtotal	443,696	443,105	537,467	1,546,770	2,527,342
City-owned Utilities					
Seattle City Light	413,727	410,173	385,227	1,578,771	2,374,171
SPU - Drainage & Wastewater	117,172	125,910	158,106	747,850	1,031,866
SPU - Solid Waste	32,129	11,146	22,137	23,759	57,041
SPU - Technology Projects	33,346	28,783	16,322	39,950	85,055
SPU - Water	59,521	88,591	101,721	329,670	519,982
Subtotal	655,895	664,603	683,512	2,719,999	4,068,115
City Total	1,099,591	1,107,708	1,220,980	4,266,769	6,595,457

Note: 2016 Adopted totals are based on the 2016-2021 Adopted CIP. Not all funds above are appropriated; see the 2017-2018 Adopted Budget for a list of capital appropriations by department.

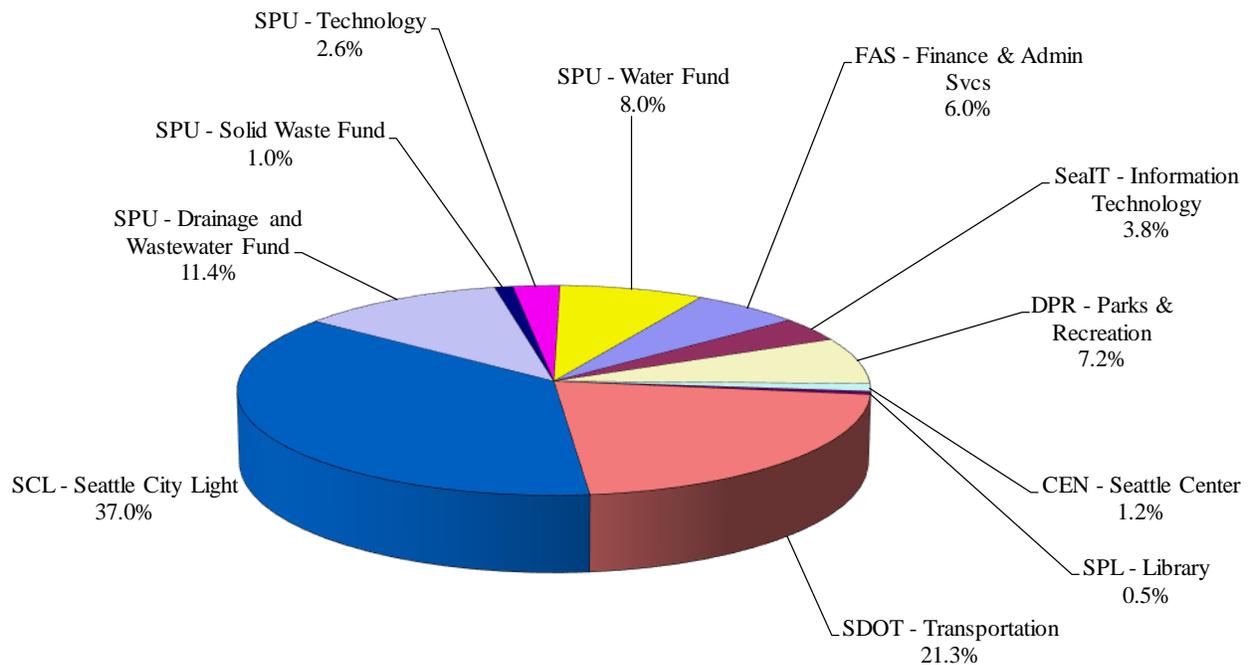
2017-2022 Adopted Capital Improvement Program

The table below is a breakdown of the changes in the CIP from the proposed budget phase to the adopted budget phase. All of the following budget changes are detailed in the individual department overview sections.

2017-2022 Proposed to Adopted Department Budget Adjustments (000s)

Department	2017 Adjustments	2018 Adjustments	2019 -2022 Adjustments	Total Council Adjustment
Finance and Admin Services	(900)	(1,900)	-	(2,800)
Information Technology	(200)	264	-	64
Parks and Recreation	3,827	538	1,439	5,804
Seattle Center	-	-	-	-
Seattle Public Library	-	-	-	-
Seattle Dept of Transportation	8,968	7,485	(5,799)	10,654
Subtotal	11,695	6,387	(4,360)	13,721
City-owned Utilities				
Seattle City Light	-	-	-	-
SPU - Drainage & Wastewater	-	-	-	-
SPU - Solid Waste	-	-	-	-
SPU - Technology Projects	-	-	-	-
SPU - Water	-	-	-	-
Subtotal	-	-	-	-
City Total	11,695	6,387	(4,360)	13,721

2017 Adopted CIP by Department - \$1,108 Million



2017-2022 Adopted Capital Improvement Program

The next two tables identify funding sources for the 2017-2022 Adopted CIP by Revenue Source Group. The first table shows the total 2017-2022 Adopted Budget by Revenue Source Group, and the second table details the adjustments made from the proposed budget to the adopted budget.

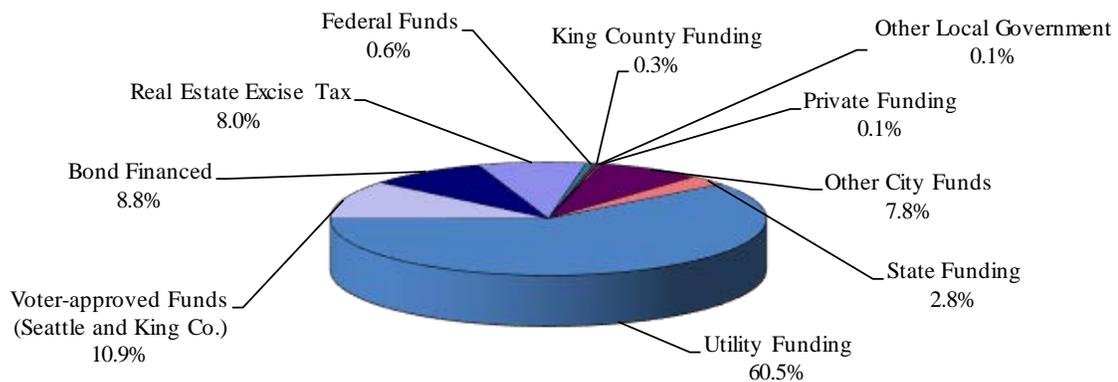
2017-2022 Adopted CIP Revenues (000s)

Revenue Source Group	2017 Adopted	2018 Estimated	2019 -2022 Estimated	2017-2022 Total
Federal Funds	6,821	60,747	21,037	88,605
King County Funding	3,228	3,185	3,260	9,673
Other City Funds	86,386	61,436	299,669	447,491
Other Local Government	901	3,035	11,571	15,507
Private Funding	1,610	5,851	101,608	109,069
State Funding	31,370	21,889	216,743	270,002
To Be Determined	-	87,559	148,774	236,333
Utility Funding	669,866	695,933	2,727,275	4,093,074
Real Estate Excise Tax	88,433	70,327	102,824	261,584
Bond Financed	97,873	53,534	89,640	241,047
Voter-approved Funds (Seattle and King Co.)	121,221	157,483	544,367	823,071
Grand Total	1,107,709	1,220,979	4,266,768	6,595,456

2017-2022 Proposed to Adopted CIP Revenue Adjustments (000s)

Revenue Source Group	2017 Adjustment	2018 Adjustment	2019 -2022 Adjustment	2017-2022 Total Adjustment
Federal Funds	-	-	-	-
King County Funding	-	-	-	-
Other City Funds	(639)	1,016	2,608	2,986
Other Local Government	-	-	-	-
Private Funding	-	-	-	-
State Funding	-	-	-	-
To Be Determined	-	-	-	-
Utility Funding	-	-	-	-
Real Estate Excise Tax	7,912	1,033	(1,407)	7,538
Bond Financed	1,094	-	-	1,094
Voter-approved Funds (Seattle and King Co.)	3,327	4,338	(5,561)	2,104
Grand Total	11,695	6,387	(4,360)	13,721

2017 Adopted CIP by Revenue Source - \$1,108 Million



Asset Preservation

A 2002 Asset Preservation Study found that, despite achieving targets recommended by the 1994 Citizens’ Capital Investment Committee, the City still lagged behind industry-recommended levels of investment in asset preservation. The four general government departments involved in the study (Finance and Administrative Services, Library, Parks and Recreation, and Seattle Center) are responsible for about 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 \$50 million (2013 dollars) per year in asset preservation. These percentage targets are consistent with those used by other jurisdictions that were polled as part of this study’s review of best practices.

In 2017, the City will spend \$52 million from the Cumulative Reserve Subfund (CRS) and \$88 million overall on asset preservation of general government infrastructure in parks, libraries, civic buildings, and on the Seattle Center campus, an increase of \$2 million from the proposed budget. Space rent charges continue to fund projects in the Department of Finance and Administrative Services as recommended by the 2002 Asset Preservation Study. The Department of Transportation will spend an additional \$110 million on asset preservation for infrastructure in 2017, a \$4 million increase from the proposed budget.

Cumulative Reserve Subfund

The Cumulative Reserve Subfund (CRS) is a significant source of ongoing local funding to support capital projects in general government departments. This subfund is a reserve fund authorized under state law and is used primarily for maintenance and development of City capital facilities. Real Estate Excise Taxes (REET) supports the majority of CRS spending.

The table below shows department allocations from CRS along with other special programs, including debt service payments, support for the Design Commission, Artwork Conservation and the City’s Tenant Relocation Assistance Program. Further explanations of these special programs can be found in the 2017 Adopted and 2018 Endorsed Budget.

CRS Appropriations by Department (000s)

Department	2017 Proposed	Council Change	2017 Adopted	2018 Proposed	Council Change	2018 Endorsed
Seattle Center	7,217	-	7,217	6,268	-	6,268
Seattle Public Library	1,884	-	1,884	550	-	550
Seattle Department of Transportation	26,500	5,762	32,262	5,000	3,085	8,085
Department of Parks and Recreation	34,142	3,500	37,642	37,575	200	37,775
Finance & Administrative Services	24,943	(1,350)	23,593	29,760	(2,252)	27,508
Cumulative Reserve Subfund Direct Spending	1,414	-	1,414	1,440	-	1,440
Total	96,100	7,912	104,012	80,593	1,033	81,626

Neighborhood Projects

Support for Neighborhoods and Neighborhood Plan Projects

The 2017-2022 Adopted CIP contains more than 79 projects, totaling approximately \$224 million, in support of neighborhood plans in 2017. The plans, created with input from 20,000 citizens and approved by the City Council, identify actions desired to ensure the City’s neighborhoods continue to thrive and improve as Seattle grows over the next 20 years, as well as 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. Funding for these projects comes from voter-approved levies, the Neighborhood Matching Subfund, the Cumulative Reserve Subfund, utility funds, Community Development Block Grant funds, and other public and private sources.

Neighborhood Project Fund

Beginning in 1999, the City set aside approximately \$1 million per year from the Cumulative Reserve Subfund (CRS) for major maintenance projects identified in neighborhood plans. The Mayor, as part of his commitment and investment in Neighborhoods, added an additional \$1 million of CRS resources for 2017. These neighborhood projects are identified and prioritized by the community, and selected for funding by the Department of Neighborhoods, SDOT, Parks, and the City Budget Office. The most recent selection process was completed in August 2016 and the complete list of projects can be found on the [Neighborhood Park and Street Fund](#) website. The Department of Parks and Recreation budget includes \$59,000 of CRS REET II funding and SDOT's budget includes \$1,941,000 of CRS REET II funding for these neighborhood projects. SDOT also contributes approximately \$300,000 of additional resources to supplement the available resources. Funding for these projects is included in SDOT project TC365770 (NPSF Neighborhood Parks Street Fund) and Parks project K732376 (Neighborhood Capital Program).

Neighborhood Matching Subfund

The 2017-2018 Adopted Budget maintains funding to [Neighborhood Matching Subfund](#) (NMF) grant programs. A number of CIP projects, particularly in the Department of Parks and Recreation, include funding from NMF.

The City created the NMF in 1988 to provide funding to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing, or planning projects. Many of these projects also support citywide initiatives such as Race and Social Justice, Youth Violence Prevention, Environment and Sustainability, and Neighborhood Planning. Awards range from a few thousand dollars up to \$100,000, and NMF funds can cover all phases of a capital project except property acquisition. The NMF program requires a ½ match:1 funding request for capital projects, which means all awards leverage other private and public contributions. Matches consist of volunteer labor, donated materials, professional services, or money. The Department of Neighborhoods administers the granting process.

Art and Design Funding for City Capital Projects

1% for Art Program

The 1% for Art program, established by Seattle Municipal Code Chapter 20.32, requires the City deposit 1% of eligible CIP project budgets in the Municipal Arts Fund for the commission, purchase and installation of artworks throughout Seattle. The Office of Arts and Culture (Arts) manages the 1% for Art program and the Municipal Art Fund. Arts establishes the scope of work and budgets for new art projects and describes the status of ongoing public art projects in an annual [Municipal Art Plan \(MAP\)](#).

Municipal Art Fund revenues from the 1% for Art program can fluctuate significantly from year-to-year depending on changes in City capital investments. In 2017, the Municipal Art Fund is expected to receive approximately \$3.97 million from capital departments for the 1% for Art program, as described below.

	2017
1% for Art Revenues	Adopted
City Light	\$1,440,960
Seattle Public Utilities	\$873,000
Finance & Admin. Services	\$605,000
Seattle Center	\$50,850
Parks & Recreation	\$92,380
Transportation	\$909,899
Total	\$3,972,089

In addition to the 1% for Art revenues identified above, Arts receives \$187,000 in 2017 from the Cumulative Reserve Subfund for repair of all sited and portable artworks.

Design Commission

Established in 1968, the [Seattle Design Commission](#) advises the Mayor, the City Council and appropriate City departments on design and environmental aspects of the City’s CIP. Commission members are appointed by the Mayor for a renewable two-year term. Membership is comprised of two licensed architects, one professional fine artist, one appointee from the Get Engaged program, 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). The Design Commission is fully funded with funds from the Cumulative Reserve Subfund.

Projects eligible for review 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.

Background of Capital Improvement Program Policy Drivers

As described above, City investments in capital projects are guided by a set of key policies reflecting the City'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 historic buildings, supports sustainable building practices, and ensures that all members of the community have access to the economic opportunities capital projects create. The following section details some of these key policies.

Sustainable Building Policy

In February 2000, the City Council adopted a Sustainable Building Policy for the City of Seattle ([Resolution 30121](#)) which articulated the City's commitment to environmental, economic and social stewardship and set the expectation that new municipal facilities meet established green building standards. Specifically, it called for all new construction and major remodel projects over 5,000 square feet to achieve a LEED Silver rating. When adopted, this policy was the first of its kind in the nation and represented a groundbreaking approach to demonstrating City leadership and transforming the marketplace.

Since 2000, the green building community has experienced exceptional growth in expertise and capacity. Recognizing this change, in 2011 the Executive proposed an updated Sustainable Building Policy which the Council unanimously passed in October of 2011 ([Resolution 31326](#)). The update represents a comprehensive approach that reflects advances in the green building industry, aligns the policy with the City's increased attention to climate change, addresses a greater range of project types, and ensures that Seattle continues to provide leadership that advances sustainable development in both the public and private sectors. The updated policies include the following requirements:

As a result of the 2011 Sustainable Buildings and Sites Policy now in place:

- For new construction, additions and major renovation projects 5,000 square feet or greater
 - The minimum required green building rating is LEED Gold;
 - There are minimum requirements for energy and water efficiency, construction waste reductions, and bicycle amenities;
- For tenant improvement projects 5,000 square feet or greater, where the scope includes mechanical, electrical, and plumbing
 - The minimum required green building rating is LEED Gold;
 - There are minimum requirements for water efficiency and construction waste reductions;
- Completion of a Capital Green checklist is required for projects smaller than 5,000 square feet or those otherwise not eligible for a LEED rating;
- City departments are encouraged to test new approaches and standards, such as the Living Building Challenge and the Sustainable Sites Initiative;
- Annual reporting of performance under the policy is required by March 31st of each year.

Additionally, the resolution directs City departments to evaluate and improve existing standards and processes that relate to tenant improvements, leasing, and site management.

City of Seattle Comprehensive Plan

The Comprehensive plan is a 20-year vision and roadmap for Seattle's future. The plan guides City decisions on where to build new jobs and houses, how to improve our transportation system, and where to make capital investments such as utilities, sidewalks, and libraries. The Plan is the framework for most of Seattle's big-picture decisions on how to grow while preserving and improving our neighborhoods. The Office of Planning and Community Development (OPCD) sent the Mayor's proposed update of the City's Comprehensive Plan "[Seattle 2035](#)" to the City Council in May of 2016. Council completed their review and approved the Comprehensive Plan in October of 2016.

The Comprehensive Plan helped inform the development of the 2017-2022 Adopted CIP as departments have taken 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 is intended to make sure areas receiving growth have the appropriate physical infrastructure to accommodate such growth, while balancing the 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 targeted growth areas

Federal and State Regulatory Requirements

The City's utilities have several facility projects in their Capital Improvement Programs to meet federal and state regulatory requirements. The City of Seattle must abide by the City's two National Pollutant Discharge Elimination System (NPDES) permits, one for storm water and one for combined sewer system. The City is required, for example, to invest hundreds of millions of dollars in the combined sewer/storm water system over the next several years to control the number of combined sewer overflows (CSOs) into receiving bodies of water, including Lake Washington and Puget Sound. City Council recently approved a CSO Consent Decree with the Environmental Protection Agency (EPA) and the Department of Ecology (DOE). This Consent Decree outlines how the City will become compliant with EPA and DOE regulatory requirements regarding sewage releases from the city conveyance system.

City Light operates its hydroelectric dams and powerhouses under licenses from the Federal Energy Regulatory Commission. Licenses include Settlement Agreements that require City Light to perform mitigation and public benefit activities. City Light is currently completing Skagit Mitigation; is well under way with Boundary Relicensing; and is planning to start Skagit Relicensing in 2019. To meet North American Electric Reliability Corporation (NERC) security standards, City Light is proposing substation and hydro facility improvements such as access cards, fencing, camera coverage, and vehicle and pedestrian gates.

City Light also complies with a wide range of permitting requirements and environmental regulations. Current examples include wetlands mitigation in the Technical Training Center project, mitigation of soil contamination at the Denny Substation site, and ongoing environmental mitigation in the Endangered Species Act project. Street-use permits and regulations are a major part of City Light projects that expand and repair the electric distribution system.

Endangered Species Compliance

The Cedar River Watershed Habitat Conservation Plan (HCP) is a 50-year, ecosystem-based plan that was prepared to address the declining populations of salmon, steelhead and other species of fish and wildlife in the Cedar River basin. The HCP was prepared under the Endangered Species Act and is designed both to provide certainty for the City of Seattle's drinking water supply and to protect and restore habitats of 83 species of fish and wildlife that may be affected by the City of Seattle's water supply and hydroelectric operations on the Cedar River. Seattle Public Utilities is continuing to implement its commitments under the HCP, which include downstream habitat protection and restoration, upland forest

restoration, logging road decommissioning, and ongoing monitoring. City Light is also acquiring salmon habitat in the Green/Duwamish, Skagit, and Snohomish watersheds.

Americans with Disabilities Act

The United States Department of Justice (DOJ) conducted an audit of select City of Seattle facilities, practices and procedures, in order to assess City compliance with the Americans with Disabilities Act (ADA), and reported its findings to the City. While the City is largely in compliance, there are some elements within facilities that the DOJ has requested that the City update or alter in order to improve accessibility for individuals with disabilities. In 2017, the City will continue to survey City facilities for ADA compliance, and appropriate funds to alter or address items where the City agrees accessibility can be improved.

A project manager, added in 2011, will continue to coordinate and oversee implementation of ADA improvements in certain City facilities; determine and report compliance to DOJ; and review and modify as needed the facilities design and construction process with regard to the ADA. Additionally, a citywide prioritization process was developed to allocate ADA funding among the five implementing departments: Parks and Recreation, Seattle Center, Seattle Public Library, Department of Transportation and Finance and Administrative Services (FAS). Among other criteria, the process aimed to identify the highest use facilities and those where work could be done at the same time as other remodeling.

In order to provide additional proactive monitoring of compliance with ADA standards for new capital projects, in 2013 the City added additional staff dedicated to monitoring ADA compliance of new projects. An additional position was added in 2014 to the Parks Department, dedicated to ADA compliance coordination and in 2015 the Seattle Department of Transportation added one strategic advisor and funding for an ADA transition plan to ensure curb ramp compliance.

Historic Preservation

Seattle's commitment to historic preservation began with citizen efforts in the 1960s to block the demolition of two of Seattle's oldest neighborhoods—Pike Place Market and Pioneer Square. Both neighborhoods were threatened with proposals that would have irreversibly changed the character of the districts. The Pike Place Market was faced with an Urban Renewal Plan that would have demolished it, while Pioneer Square was threatened with a major roadway project. In 1970, the Seattle City Council created the Pioneer Square Preservation District, Seattle's first historic district. Then, in 1971, voters approved an initiative to create the Pike Place Market historical district. In 1973, the Seattle City Council adopted a Landmarks Preservation Ordinance to safeguard properties of historic and architectural significance throughout the City, and more than 450 buildings, sites, and objects have now been designated as City landmarks.

The City of Seattle currently owns or maintains many of those landmarks, including libraries, park buildings, and fire stations. In 2001, the City began a comprehensive effort to survey and inventory both City-owned properties and privately-owned properties throughout the City. To date, the Department of Neighborhoods has completed surveys and inventories in 20 of the City's neighborhoods including Belltown, Cascade, Central, Columbia City, Denny Triangle, Downtown, Fremont, Georgetown, Mount Baker, North Beacon Hill, North Rainier, Pike-Pine, Pioneer Square, Queen Anne, South Lake Union, South Park, South Seattle, University, Wallingford, Waterfront, as well as city-owned properties, pre-1906 residential buildings, and neighborhood commercial buildings throughout the City. The results of those efforts are available in a searchable database on the [Department of Neighborhoods](#) website.