

CIP White Paper

Department Name: Finance and Administrative Services
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Section 1 – Overview

The proposed capital improvement program (CIP) of Finance and Administrative Services (FAS) includes ongoing programs and several miscellaneous projects. The 2013-2018 Proposed Capital Program shows out-year appropriation in ongoing programs and this need is expected to persist for years based on asset management needs in the 100 plus buildings owned and managed by FAS. Short-term programs and miscellaneous projects are not shown in out years because funding commitments for these types of improvements are typically made on a biennial basis. In the Proposed Capital Program approximately \$91 million is expected to be appropriated for 2013 and 2014.

Capital Program Projected Appropriations

Name	TD Actual	2012	2013	2014	2015	2016	2017	2018	Total
ADA Improvements - FAS	28	421	626	-	-	-	-	-	1,075
Asset Preservation	22,253	9,252	3,800	3,800	3,720	3,720	3,720	3,720	53,985
Fire Facilities and Emergency Response Levy Program	59,194	72,747	20,681	10,530	12,345	9,006	3,506	3,506	191,513
MOB Repairs	-	-	312	-	-	-	-	-	312
ADA Improvements - Citywide	-	92	136	141	-	-	-	-	369
Charles Street Master Facilities Planning	-	100	-	-	-	-	-	-	100
Customer Requested Tenant Improvement Program	11,833	12,620	3,500	3,500	3,500	3,500	3,500	3,500	45,452
FAS: Municipal Energy Efficiency Projects	155	956	-	-	-	-	-	-	1,111
Civic Square	227	1,015	-	-	-	-	-	-	1,242
Multi-City Portal Project	-	-	6,632	1,000	-	-	-	-	7,632
Seattle License Management System Upgrade	-	-	-	-	5,000	-	-	-	5,000
Summit Upgrade	-	-	5,886	7,038	6,218	-	-	-	19,142
Maintenance Shops and Yards	-	-	1,370	2,552	-	-	-	-	3,922
Public Safety Facilities - Fire	-	1,022	-	-	-	-	-	-	1,022
Public Safety Facilities - Police	1,583	218	1,170	17,865	6,620	10,000	20,000	33,500	90,956
Garden of Remembrance	232	46	24	25	26	27	28	29	437
Total:	95,504	98,489	44,136	46,451	37,428	26,253	30,754	44,255	423,271

- Asset Preservation**

This ongoing rent-funded program replaces existing systems in FAS buildings as they wear out, such as mechanical systems, window replacements, electrical systems, roofs and boilers. An annual occupancy charge to departments is used to fund as the funding source. Of the \$4 million collected each year, \$3.72 million is appropriated and \$280,000 is placed into a reserve fund, and when needed, is appropriated in the CIP for large projects.

- Fire Facilities and Emergency Response Levy Program**

This voter-approved program upgrades or replaces fire stations, and renovates the Chief Seattle fireboat. By the end of the program, virtually every fire station in the city will have been improved. Completed projects, such as construction of the new Emergency Operations Center, Joint Training Facility, and several neighborhood fire stations, are no longer shown in the CIP. Sources used to fund the program are levy proceeds, land-sale proceeds, grants, Long-Term General Obligation bonds and Real Estate Excise Taxes (REET I).

- **MOB Repairs**

This project provides non-roof repairs at five of the City's Mutual and Offsetting Benefit (MOB) buildings. Work includes replacement and upgrades to heating ventilation air conditioning equipment, replacement and upgrades to the electrical system and replacement and upgrades to the plumbing infrastructure. Fund Source: Real Estate Excise Taxes (REET I)

- **Americans with Disabilities Act (ADA) - FAS**

This program continues the delivery of FAS facility improvements required by the Americans with Disabilities Act. Fund Source: Real Estate Excise Taxes (REET I)

- **Americans with Disabilities Act (ADA) - Citywide**

This program continues the City central policy and program effort to provide centralized services to guide, staff and document the City's ADA improvements across all capital departments. In 2013, funding is included to fund one central program coordinator. Fund Source: Real Estate Excise Taxes (REET I)

- **Customer Requested Tenant Improvements**

This ongoing program allows City department tenants to fund improvements, additions, and expansions to FAS and City-owned facilities required to meet tenant operational needs. Examples include planning, design, and construction of interior tenant improvements in downtown core office space, shops and yards improvements such as building material storage structures, drainage improvements, and operational program development and space planning to maximize space, create operational efficiencies and expand for new initiatives (e.g. SDOT Seawall Project Office). FAS appropriations serve as a pass-through to the departments that pay for these projects with their capital and/or operating funds.

- **Civic Square**

This project provides for the City's project management and consultant costs associated with the City's involvement in the redevelopment of the former Public Safety Building site between James and Cherry Streets and Third and Fourth Avenues. This project is on hold until commercial development conditions improve for the private partner in the project. Funding source: miscellaneous revenues (note: no new appropriations are expected at this point).

- **Public Safety Facilities – Fire and Police**

These programs, funded biennially, include multiple projects which preserve, modernize and enhance the operational, functional and physical capacity of FAS-owned police and fire facilities. Three police facility improvement projects are funded in 2013. The first replaces outdated, inefficient heating and cooling equipment with new units at the Harbor Patrol facility and will remove them from their current hazardous location to one which provides safe and easy maintenance access. The second proposes to replace the existing bulkhead at the Harbor Patrol facility which is near the end of its useful life and will require major repairs to remain functional. The third will provide for enhanced security and enhanced police communications equipment in the underground levels of the East Precinct parking garage. The new equipment supports uninterrupted police radio and cell phone coverage so officers can be contacted in and dispatched from the garage. Funding source: Real Estate Excise Taxes (REET I)

- **Maintenance Shops and Yards Facilities**

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This program, funded biennially, includes multiple projects which preserve, modernize and enhance the operational, functional and physical capacity of FAS-owned maintenance shops and yards. Three projects are proposed for 2013/2014 funding. Funding source: Real Estate Excise Taxes (REET I).

- Airport Way Center Building A Envelope Replacement (\$3.3 million) – AWC Building A was purchased by the City of Seattle as part of the Park 90 - 5 Business Park acquisition in 1996. Originally built as a rendering plant, it was extensively renovated in 1943 and again in 1985 to serve as an office building. The exterior building components used for the renovations were typical to that era for easy-to-install, inexpensive exterior assemblies. These systems are well beyond their useful life. This project proposes to remove and replace the exterior windows and wall cladding to permanently prevent water intrusion and curtail further mold growth. Funding source: Real Estate Excise Taxes REET I.
- Charles Street 714 Pipe Replacement (\$350,000) – This project provides full replacement of the outdated galvanized piping with copper, thereby eliminating the numerous service calls to address individual leaks. In addition, the upgrade to copper will serve to greatly reduce the risk of a full pipe break within the wall cavity, an event which could cause extensive damage to the facility and major disruption to the tenants. Funding source: Real Estate Excise Taxes REET I.
- Charles Street Material Test Lab (\$320,000) – This project is a full roofing system replacement. Scope will include new plywood underlayment, fascia and trim, insulation to meet current energy code requirements, new roofing membrane and new fall protection devices conforming to current regulatory requirements. Funding source: Real Estate Excise Taxes REET I.

- **North Precinct Police Station Replacement**

The North Precinct serves all of Seattle north of the ship canal. The existing facility was built for a staff of 115 and is severely undersized for its current staffing of more than 200. SPD expects the staffing for this precinct will continue to rise to meet public safety needs in the north end. This project funds the construction of a new North Precinct facility from which the Seattle Police Department will serve the north end of the city. Work includes but is not limited to, locating an appropriate site, operational programming, building and site design, and construction. Funding Source: LTGO bonds

- **Garden of Remembrance**

This project is included in FAS's CIP because it provides a convenient location to budget for the City's obligation to fund certain capital costs of the memorial located at Benaroya Hall. Funding source: property sales, interest earnings and Cumulative Reserve Subfund – Unrestricted Subaccount.

- **Information Technology –**

Three projects are proposed for 2013/2014 funding. Funding source: Long-Term General Obligation bonds.

- **Summit Upgrade/FinMap**

This project upgrades the City’s financial management system, Summit and includes major standardization and redesign of the City’s accounting structure (FinMap).

➤ **Multi-City Tax Portal Project**

This project implements a multi-city (Seattle, Bellevue, Bellingham, Everett and Tacoma) business and occupation license and tax filling portal, allowing all businesses operating in multiple cities to register for a business license, file business taxes, and make tax payments for multiple cities in one online location.

➤ **Replace the City of Seattle’s License Information System (SLIM)**

This project replaces the SLIM system which manages the issuance and renewal of business licenses; and the collection of revenue from fees and taxes. SLIM is outdated and can no longer adequately meet the needs of expanding business license, tax collection and enforcement processes. This project is dependent on the Multi-City tax portal project.

Section 2 - Summary of Upcoming Budget Issues and Challenges

The principal CIP budget issues faced by FAS continue to be the age and condition of many City buildings, expanding facility needs of tenants, and the age and condition of technology infrastructure.

- **Asset Preservation**

The FAS Asset Preservation program, created by Ordinance 121642, raises \$1.2 million in space rent each year for the purpose of building system replacement in the 95 buildings outside of the downtown core. Given the number and condition of the buildings, FAS focuses this funding on those systems that are in such poor repair they risk shutting down a building. This \$1.2 million funding level, endorsed by Resolution 30812, is lower than both that recommended by independent consultants at the beginning of the program (2005), and the funding need shown by the FAS ongoing asset preservation project backlog.

- **Expanding Needs**

FAS facilities are occupied with a wide variety of different City departments, from Police and Fire to the Seattle Department of Transportation and Seattle Public Utilities and private tenants (i.e. Washington State Patrol, private business firms). The operations of City departments regularly grow with population, development, more restrictive regulations, and initiatives, such as the Seawall Replacement Project, the Neighborhood Policing Plan (NPP), and department reorganizations. As the departments contract and expand, FAS works with its tenant departments to propose facility modernization, space maximization, and additions or expansion, as appropriate. Initiatives, such as the Seawall, may cause a department’s space needs to expand, which in turn drives a demand for space, remodeling, etc.

Section 3 - Thematic Priorities

FAS develops a CIP that addresses the following priorities: 1) Investments that Create or Enhance Operational Efficiencies/Effectiveness, 2) Asset Preservation, 3) Sustainability, 4) Race and Social Justice, 5) Life/Safety Issues and 6) Federal, State and Local Requirements.

- **Investments that Create or Enhance Operational Efficiencies/Effectiveness**

FAS is responsible for the operation and maintenance of Citywide business technology enterprises supporting the City’s financial management, budget planning, treasury, payroll, human resource

information management, purchasing, tax management, etc., and of approximately 3.2 million square feet of building space throughout the city, including the City’s police and fire facilities, shops and fleet maintenance facilities, high-rise office space in the civic core, parking garages and some of the city’s community-based public service facilities. FAS’ capital investments must improve or enhance the operational capacity of these mission-critical systems and facilities.

- **Asset Preservation**

Created by Ordinance 121642, FAS has a dedicated \$4 million in annual funding to support replacement of existing building systems, guided by strict policies to ensure the funds are used exclusively to upgrade, and/or replace failing and existing components, such as roofs, windows, structures, electrical capacity, boilers, or systems when they have reached the end of their useful lives. FAS must also maintain the City’s enterprise technology systems.

- **Sustainability**

Up until now our sustainability efforts have focused on meeting the energy efficiency requirements of the Seattle Energy Code, cost-effective opportunities to reduce energy use, and other sustainable strategies required by regulations. The 2011 passage of the revised Sustainable Building Policy increased project requirements from LEED Silver to Gold with an emphasis on increased energy efficiency. In the future, we will also have to address new sustainability goals, such as “20 by 20” and the “2030 Challenge,” by funding projects to reduce energy use and greenhouse gas emissions triggered solely by sustainability goals (see Section 6 for details).

- **Race and Social Justice Initiative**

FAS integrates the City’s social equity contracting requirements into all aspects of the execution of CIP projects.

- **Life/Safety Issues**

Projects intended to ensure continuity of service at facilities that provide emergency or other essential services receive high priority, e.g., replacing generators near the end of their useful lives at essential facilities, such as police or fire stations. Projects that respond to potential threats to human life and safety receive priority such as mold abatement and other hazardous conditions in building interiors and structural failures.

- **Federal, State and Local Requirements**

FAS must consider regulatory requirements in assessing capital needs and replacing existing, failing systems in FAS-aged facilities. One example is the WAC requirement requiring upgrades to fire alarm panels and installation of fire sprinklers when substantial alteration is determined in the course of upgrading or modernizing an existing building. Another example is addressing facility improvements required by the Americans with Disabilities the dual goals of complying with federal requirements and, at the same time, providing equitable access to all.

Section 4 - Project Selection Criteria

Projects to be considered for inclusion in the FAS CIP fall into two categories: projects that create and/or enhance operational effectiveness or asset preservation projects.

Facilities-related projects that **create and/or enhance operational effectiveness** are solicited from FAS’ tenant departments on an annual basis and internally vetted for timeliness and appropriateness,

and evaluated on their own merit. Executive direction is sought for those capital development projects which increase operational capacity for departments and identify areas of opportunity for the City to consider strategically in the course of planning the City’s Capital Improvement Program priorities. Business Technology-related projects are developed by FAS staff with input from customers and the Department of Information Technology’s Enterprise Applications Board.

Facilities-related **asset preservation projects** are compiled from a rolling list of urgent and high-priority building deficiencies, a facilities maintenance backlog list of projects, and from an annually updated asset management project list usually comprised of recommendations resulting from building condition assessments, energy audits and other preliminary engineering studies. FAS annually updates the priority of the facilities-related projects on the lists based on its maintenance efforts in the prior year and input from other sources, including federal or state requirements, property managers, tenants/customers and elected officials.

Business Technology-related projects are developed by FAS staff with input from customers and the Department of Information Technology’s Enterprise Applications Board. FAS relies on the expertise of its technology, maintenance, operations and capital development staff to review and vet its project list, keeping these criteria in mind: continuity of essential services; preserving the long-term use of the building/technology; meeting regulatory requirements; responsiveness to life safety concerns; compatibility and synergy with other planned projects; and capacity to reduce demand for routine maintenance service and generate resulting dollar savings.

The Unifier Asset Management and Preservation System, now fully operational, is used to inform the prioritization of FAS asset preservation projects. Unifier is FAS’ integrated work-management software system that allows various work units to collaborate in one place. It organizes tasks, such as work-order management, facility maintenance, lease management and maintenance of property information.

Sustainability and resource conservation are also considered as a subset for both of these categories when compiling the facilities project lists. These are projects that result in longer useful life of improvements, increased comfort and reduced utility bills and many times are integrated into existing projects. Sustainability projects are not prioritized in terms of the CIP, but they are ranked based on estimated payback period.

Section 5 - Aligning Infrastructure with Planned Growth

In aligning FAS’ capital planning with the Comprehensive Plan, FAS has worked with the Police and Fire Departments to address their operational needs.

FAS and the Fire Department have evaluated a variety of locations for siting a new fire station to serve growth in South Lake Union, potentially in conjunction with relocating the freshwater fireboat. The location of new fire stations in the FAS CIP reflects extensive work with the Fire Department to identify locations that keep response times at least as good as those at former locations.

The Police Department’s North Precinct serves all of Seattle north of the ship canal. The existing facility was built for a staff of 115 and is severely undersized for its current staffing of more than 200. Conceptual planning considers replacing the existing facility with a new 63,000 square foot facility at a different location, adding approximately 47,000 square feet of precinct space and a parking structure.

Section 6 - Future Projects/What is on the Horizon

The following projects appear in the order of priority to FAS that focuses first on taking care of existing facilities and information technology systems. Traditionally business technology system upgrades and replacements of this scale have been debt financed, rather than treated as capital projects, but they are included here to ensure they are considered as part of the City's overall capital needs.

Asset Preservation

In addition to the specific projects that follow, it is important to note that the amount of funding available for ongoing asset management of the FAS portfolio of facilities is inadequate to keep pace with the aging of the critical public safety assets. Currently, the unfunded list of asset preservation projects is approximately \$15 million – \$30 million plus. See section 8 for a sample list of projects by facility. As stated in Section 2, the current FAS Asset Preservation program raises \$1.2 million in space rent each year for the purpose of building system replacement in the 95 buildings outside of the downtown core. These buildings include the City's fire and police facilities, the Seattle Animal Shelter and our City's maintenance shops and yards complexes. These facilities are critical to the City's emergency responders and Utilities to maintain operations during routine and emergency operations. FAS' future funding requests will seek to execute large asset preservation projects to address multiple failing systems in a single facility and to provide better tools to inform ongoing asset management planning and developing capital projects.

Facility operations/maintenance plans, building condition assessments, Master Use plans

To better plan and manage the City's FAS-building portfolio and maximize funding, timing of projects, integration of capital improvement strategies (i.e. development strategies, sustainability, ADA, operational and energy efficiencies), these planning projects help inform major maintenance and capital planning by providing comprehensive condition analysis and recommendations for upgrades, replacements and other asset preservation projects within FAS facilities.

Energy Audits

In conjunction with the building condition assessments, energy audits inform major maintenance and capital planning. Limiting air and water intrusion, upgrading insulation in roofs, walls and foundations, and replacing windows should be done in tandem with energy consuming equipment replacement (lighting, boilers, sub metering, energy modeling etc.) to increase building life and energy efficiency in FAS' buildings.

Maintenance Shops and Yards, Police and Fire Facilities Asset Preservation Backlog

FAS continues to manage a backlog of asset preservation projects required in order to support a portfolio of aging facilities with outdated and inefficient infrastructure and exterior envelopes. FAS will continue to seek additional funding for large capital projects, some of which are mentioned below.

- **Charles Street Complex Redevelopment (\$16 million - \$38 million)**

The shops and yards complex located at Charles Street includes a number of facilities that have reached the end of their useful lives. It is becoming more expensive to maintain the facilities and seismic upgrades / renovations or replacements are necessary. Individual buildings currently in need of replacement include: the 714 Building, Weights and Measures and the Maintenance Garage. A highest and best use study was completed to consider these needs in the context of the overall development potential. The result suggests the City should look at facility and operational needs holistically and across all tenant departments (SPU, SDOT, FAS, SPD) to leverage the best result. Three scenarios

have been explored that detail various public and private development options and the corresponding funding sources and uses. Tax revenue benefits have also been considered for each of the scenarios involving private development. Projected revenues range from \$3 - \$12 million.

- **Charles Street 714 Building Replacement (\$21 million)**
The Charles Street 714 Building houses engineering functions for SPU and SDOT. This includes SPU Drainage and Wastewater and SDOT Street Maintenance. The building has reached the end of its useful life. This project would demolish and replace the 714 Building on the same site.
- **Charles Street Weights and Measures Building Replacement (\$6 million)**
The Charles Street Weights and Measures building houses the FAS Weights and Measures office. The building has reached the end of its useful life and is operationally inefficient. This project would demolish and replace the Weights and Measures building on another site.
- **Charles Street Maintenance Garage Replacement (\$49 million)**
The Charles Street Maintenance Garage is the primary maintenance facility for City vehicles ranging from police cars and other sedans to vactor trucks and other heavy equipment. The 1950s vintage facility has a very inefficient envelope and much-worn building systems, and is seismically vulnerable. Also, its internal circulation makes the facility energy and operationally inefficient, and hazardous for employees from a noise transmission perspective. This project would demolish and replace the maintenance garage on the same site.
- **Communications Shop Replacement (\$ unknown)**
The DoIT Communications Shop is located in a decommissioned fire station south of Lake Union. The building has reached the end of its useful life and is operationally inefficient. This project would replace and relocate the facility to the Charles Street Complex where it creates operational efficiency with the vehicles serviced at the Fire and Vehicle Maintenance Garages.

Seattle Municipal Tower Maintenance Program - (\$15 million - \$30 million)

At 23 years old, the City's largest office building, the 62-story, 700,000+ square foot Seattle Municipal Tower has several of its most extensive exterior building systems approaching the end of their anticipated 20 to 25 year service life. Developed in 2011 and now following the 2012 Weatherization Study, FAS has begun executing the 7-10 year Maintenance Plan for the Seattle Municipal Tower. In addition to the asset preservation sub fund, FAS will be seeking an additional \$15 million – \$30 million over the next 7-10 years to address the refurbishment and replacement of the exterior systems. Silicone joint sealants which provide the primary barrier to water entry (at the tower facades and the glass curtain walls/roofing system) and the plaza deck waterproofing membrane are two of the most critical assemblies to be addressed first in this plan. In 2013, an infrastructure condition assessment will be conducted to assess mechanical, electrical and plumbing systems, provide planning scopes of work and estimates performed within a 5-10 year maintenance program schedule.

Haller Lake Complex Redevelopment (\$50 million - \$80 million)

The Haller Lake Complex is home to a FAS Vehicle Maintenance Shop, the north end operations for the SPU Drainage and Wastewater Maintenance crews, the north end operations of the SDOT Road Maintenance crews, a FAS Fueling Station, and a SPU Household Waste Collection Site. The buildings on the site range from 30- to 50-years-old and none have been renovated while in service. The facilities are undersized and/or ill-configured for current operations. The building systems are significantly beyond their useful service lives and inefficient in their energy consumption. Building envelopes are consistently in poor condition, with significant water and outside air intrusion issues. Site drainage is significantly substandard, and discharges to receiving waters. This project would demolish and replace several buildings at the site, and install environmentally sustainable drainage infrastructure.

Fire Station 5 Replacement (\$11 million - \$13 million)

The existing Fire Station 5, serving the Seattle waterfront, houses both an engine company and the fireboat company. The 1960s era station has reached the end of its useful service life in both systems integrity and operational efficiency. There is inadequate parking and storage on the site; the dock area is uncovered, exposing the multimillion dollar fireboats to weather, increasing the wear and tear on expensive, mission-critical apparatus. This station replacement project was originally included in the 2003 Fire Facilities and Emergency Response Levy Program but was later deferred due to the uncertain status of the Seawall Replacement and Alaskan Way Viaduct Replacement projects. It is now known the seawall and viaduct projects will not interfere with the existing fire station location beyond temporary inconvenience, so it is appropriate to plan for replacement of this fire station. Conceptual planning considers replacing the existing facility with a new three-story, 11,000 square foot facility, adding approximately 4,500 square feet of space and improved waterfront facilities.

South Lake Union Fire Station (\$20 million - \$30 million)

The South Lake Union area has experienced significant growth in the last decade, and an increase in the density of both property and lives in the neighborhood. Historically, SFD has provided emergency response for the area with overlapping coverage from as many as four fire stations. However, the higher demand for emergency services and the need for faster response times to the area would justify a station specifically for that neighborhood. Conceptual planning considers building a new facility with three response units in the South Lake Union neighborhood on a new site adding approximately 13,000 square feet of capacity to the City's emergency response infrastructure. This station could include the freshwater fireboat if located on Lake Union.

Police Harbor Patrol Site Redevelopment/Marine Emergency Response Facility (\$15 million - \$30 million)

The Police Harbor Patrol Unit deploys 10 patrol boats and 26 officers out of a 3,600 square foot facility originally programmed for one patrol boat and nine officers. The existing 80-year-old facility on Lake Union is beyond its useful service life and cannot be modified to adequately accommodate the current staffing and the specialized gear of the Harbor Patrol unit. This project will include consideration of options for the redevelopment of the Harbor Patrol site to meet the current and future needs of the Harbor Patrol. This project may also be an opportunity to assess a co-location for the freshwater fire boat that is currently moored in Elliott Bay. SFD is seeking a base of operations for the freshwater fireboat on Lake Union to more centrally locate the freshwater boat and improve emergency response times to emergency calls on both Lake Union and Lake Washington.

Fire Headquarters Relocation (\$75 million - \$80 million)

This project provides for the design and construction of a new facility that will consolidate the Fire Operations and Fire Marshal's Office functions at the site of the new Fire Station 10, where space is

available for this purpose. The Fire Department Headquarters function is currently located in the old Fire Station 10 building and the Fire Marshal's office is in leased space in the historic Pioneer Square district. Fire HQ is in a seismically vulnerable building in the liquefaction zone that underlies Pioneer Square. In a seismic event, the building – and the Fire Department command and control staff – is at considerable risk. In addition to being seismically vulnerable, the old Fire Station 10 building is 80 years old and at the end of its useful service life. Continued use of this building will require substantial reinvestment in all building systems, as well as substantial seismic retrofit. Even with retrofit, the liquefaction zone means the building will likely be inoperable after an earthquake. The project will keep fire department staff safe in the event of an earthquake and co-locate important fire command and control functions.

Police Firing Range Safety (\$0.4 million - \$30 million)

The Police Firing Range is a 40-year-old facility originally designed and constructed when high-powered weapons were used only by the military in combat situations. Today, the use of high-powered weapons is more prevalent in law enforcement, and the use of these weapons demands frequent and consistent practice to master use. Because of SPD's operational interest in the facility, and because of the difficulty in siting such a facility within city limits, the City has an interest in addressing the issues of lead containment and containment of high-powered ammunition at the existing site. Costs for excavating existing metal-contaminated soil and constructing enhanced protection start at \$0.4 million, and escalate depending on the comprehensiveness of the improvements. Constructing a fully enclosed replacement facility could cost \$30 million. If upgrades are made at this facility, the City can avoid the cost of including a firing range as part of the new North Precinct project.

Freshwater Fireboat Siting (\$ unknown)

This project locates a site and designs a small facility on Lake Union from which the Fire Department will operate a freshwater fireboat. The scope of the construction project will include any waterfront improvements – such as bulkheads, docks and piers – necessary to properly moor the vessel. The freshwater fireboat is currently moored at Fisherman's Terminal in Interbay and responds to emergency calls on both Lake Union and Lake Washington from that location. To more centrally locate the fireboat unit and improve emergency response times, SFD would like to have a base of operations for the boat on Lake Union. A 2008 study estimated it would cost between \$2 million and \$8.1 million to develop such a facility at the NOAA site on Lake Union. A freshwater fireboat facility could be co-located with Harbor Patrol or a new South Lake Union fire station. As is the case with the Police Harbor Patrol Site Redevelopment/Marine Emergency Response Facility project, this project requires additional analysis by CBO and FAS with assistance from Police and Fire.

Sustainability (\$ unknown)

The City has articulated a variety of energy efficiency goals for its buildings, including the "20 by 20" effort to reduce energy use by 20 percent by 2020 and the "2030 Challenge" to reduce greenhouse gas emissions. Substantial progress on these goals has been made through raising sustainability standards for new buildings and executing projects to replace inefficient systems where energy savings alone justify the project costs. Few projects remain that are justified purely on a cost-avoidance basis. Future savings will likely come from replacing failing building systems, such as boilers and roofs, with much more energy-efficient systems. It may also require accelerating the replacement of these building systems to meet the timeline of the goals. Both these approaches will require funding in addition to current asset preservation levels.

Replace the City of Seattle's Human Resources Information and Payroll System (\$30.5 million - \$35.5 million)

HRIS/Payroll supports the City's functions related to Payroll Processing, Human Resource and Benefits Administration. The system, originally implemented in 1995 at a cost of \$10 million, has been upgraded six times: in 1997, 1999, 2001, 2003, 2006 and 2010. There is no known end date for support for the current version, ADP's version EV5. However, ADP has indicated its new business strategy will be to offer this software as a service (i.e., a "cloud-based solution," meaning all the software and information are stored on ADP servers, accessible over the Internet) vs. providing on-premises software the City would own. This change in business strategy requires the City to decide by 2016 to either re-implement with ADP or select another vendor to provide software to replace HRIS, Payroll, Benefits Administration and Employee Self Service. If the City decides to replace the system, this work would begin in 2018 and be completed by 2019. If significant business process reengineering or redesign efforts are undertaken related to this business function, the costs associated may need to be revisited and adjusted to accommodate. The cost estimates provided assume minimal business process change.

Replace the City of Seattle's Oracle/PeopleSoft Enterprise Budget System (\$10 million)

The Summit Budget System supports the development of the Parks Department Budget. The current Budget System is on Oracle PeopleSoft version 9.0. Rather than upgrade this system to version 9.1, which will be the final version in this product line, it is more cost effective in the long run to replace it with the budgeting software, Hyperion, which Oracle plans to support moving forward. Replacing the system also gives the City the opportunity to expand the budget system to other departments or Citywide. If significant business process reengineering or redesign efforts are undertaken related to this business function, the costs associated may need to be revisited and adjusted to accommodate. The cost estimates provided assume minimal business process change.

Section 7 - CIP Revenue Sources

CRS AP Subaccount (00168)

FAS is unique in that the FAS CIP contains an asset preservation program established by Council Resolution Number 30812. For decades the City's resource for funding major maintenance work was REET. The volatility in REET revenues year to year, along with competing priorities for capital dollars Citywide, meant there was infrastructure replacement work that did not get done. This resulted in a "run-to-failure" approach to facilities maintenance with little attention given to more proactive measures based on priority assessments and life cycle/cost benefit analyses of the building. To supplement the REET resource, in 2005 the Executive and City Council created a new FAS asset preservation program. The AP Subaccount (00168) resides in the Capital Projects Account of the Cumulative Reserve Subfund. It is designated for FAS' use; no other department may access funds in the subaccount. Revenues to the subaccount derive from a portion of the per-square-foot space rent charge that FAS levies on its tenant departments. Each year FAS is responsible for depositing the collections attributable to the asset preservation program into the subaccount. The \$4 million annual collection for asset preservation was set in 2005, and is somewhat lower than that recommended by the consultants who participated in program development.

2003 Fire Facilities Fund (34440)

A large portion of the funding for FAS CIP work comes from the 2003 Fire Facilities Fund (34440). As established in Ordinance 121230, the City will collect \$167.2 million from 2004 to 2012 for the 2003 Fire Facilities and Emergency Response Levy Program. Approximately \$7.8 million remains to be collected in fire levy tax receipts, with final collections planned to occur by year-end 2012. The original levy program included an additional \$29.7 million from other planned resources, including

land sale proceeds, grant proceeds, and non-interest bearing receipts from Seattle Public Utilities for the Joint Training Facility.

The overall cost of the Fire Facilities and Emergency Response Levy Program is currently at \$308 million. The difference between the initial \$196.9 million levy program and the final estimate of \$308 million is most notably caused by the \$67.7 million that was added in 2006 to address unprecedented cost escalation in the local construction market, additional funds for low project estimates and LEED certification requirements. Other funding has been added to the Program over the course of its execution to address specific scope needs. The primary funding sources for the Program are Levy Tax Proceeds, Long-Term General Obligation Bonds (starting in 2008), REET, and Grant.

LTGO Bonds

Fire Levy – A 2013-2016 \$36.4 million commitment of Long-Term General Obligation Bond funding contained within the FAS CIP is dedicated to the execution of the Fire Facilities and Emergency Response Levy Program. The FAS capital plan for the program continues to assume full funding for all remaining projects, including those deferred in 2009 due to the decline in REET revenues and those projects delayed in 2011 due to the restructuring of the 2010-2016 Proposed CIP. As strains on the City’s financial status continue to evolve, FAS will continue to work closely with CBO to ensure the delivery of the Fire Facilities and Emergency Response Levy Program.

North Precinct – The design and construction of the new North Precinct is proposed to receive LTGO bonds beginning in 2013 through 2019 totaling approximately \$88.5 million.

Information Technology Projects – New to the FAS CIP, three IT projects are proposed to receive LTGO bonds and future bond funds of approximately \$32 million to execute over a three-year period.

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The payment of debt service on bonds issued to cover a portion of the costs associated with the 2003 Fire Facilities and Emergency Response Levy Program will continue as planned and in response to funding changes as the levy progresses through its completion schedule. Also, ongoing preservation programs that involve major maintenance projects that focus on extending the life or operational capacity of an existing facility typically have been funded by REET I. More recently, REET funding has been provided for the FAS Americans with Disabilities Act (ADA) Improvement Program.

Land Sale Proceeds

Fire Stations 37 and 38 were sold this year for a combined total of \$1.2 million. At the direction of CBO the proceeds have been identified in the proposed 2013-2018 CIP as one of several revenue sources for the Fire Station 32 project (A1FL132).

Section 8 - CIP Spending by Major Category

FAS proposes using four of the thematic priorities discussed in Section 3, Thematic Priorities. See Section 3 for examples of projects that would fit into each category.

1. Investments that Create or Enhance Operational Efficiencies/Effectiveness
2. Asset Preservation
3. Sustainability
4. Federal or State Requirements

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Note: Per the Race and Social Justice Initiative, FAS integrates the City’s social equity contracting requirements into all aspects of the execution of CIP projects; therefore, there is not a separate list of projects that are uniquely categorized as RSJ.

Summary of FAS 2013-2018 CIP Table by Proposed Thematic Categories (\$000)

Please note this table includes LTD actuals, 2012 revisions, 2013-2014 biennial budget and projected 2015-2018 appropriation.

Thematic Priority	BCL	2013-2018 CIP Budget
Operational Efficiencies/Effectiveness		\$366,294
Charles Street Master Facilities Planning	A1GM1	\$100
Chief Seattle Fireboat Rehabilitation	A1FL402	\$9,700
Civic Square	A1GM5	\$1,242
Customer Requested Tenant Improvement		
Program	A1GM1	\$45,452
Fire Stations - Land Acquisition	A1FL101	\$23,346
Maintenance Shops and Yards	A1MSY	\$3,922
MOB Repairs	A1GM2	\$312
Multi City Portal Project	A1IT	\$7,632
Neighborhood Fire Stations	A1FL1	\$158,467
Public Safety Facilities – Fire	A1PS2	\$1,022
Public Safety Facilities - Police	A1PS1	\$90,957
Seattle License Management System Upgrade	A1IT	\$5,000
Summit Upgrade	A1IT	\$19,142
Asset Preservation		\$53,985
Asset Preservation - Civic Core	A1AP1	\$8,938
Asset Preservation - Public Safety Facilities	A1AP6	\$9,305
Asset Preservation - Seattle Municipal Tower	A1AP2	\$28,382
Asset Preservation - Shops and Yards	A1AP4	\$7,360
Sustainability		\$1,111
FAS: Municipal Energy Efficiency Projects	A1GM1	\$1,111
Federal or State Requirements		\$1,881
ADA Improvements – FAS	A1ADA	\$1,075
ADA Improvements – Citywide	A1GM1	\$369
Garden of Remembrance	A51647	\$437
Grand Total		\$423,271