

CIP White Paper
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Department Name: Finance and Administrative Services

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Section 1 - Overview

The Finance and Administrative Services (FAS) Capital Improvement Program (CIP) is the department's blueprint for planning, replacing, maintaining, enhancing, and upgrading FAS-owned and operated general government facilities, owned/leased community-based facilities, and the City's enterprise applications such as the financial management (Summit) and payroll/human resources information (HRIS) technology applications. These assets are used by City departments and FAS to deliver critical services to Seattle residents, and by certain non-profit agencies that serve the public.

The general government facilities portfolio encompasses the City's core general facilities (City Hall, Seattle Justice Center and the Seattle Municipal Tower), fleet vehicle maintenance shops, and other City multipurpose campus support facilities (Haller Lake, Charles Street, and Airport Way Center), and the City's public safety facilities, including 33 fire stations and waterfront marine operations, five police precincts, the mounted patrol facility, the harbor patrol facility, and the Seattle emergency operations and fire alarm centers. FAS maintains core building systems for some of the community-based facilities that are owned by the City and leased to community groups, such as the Central Area and Greenwood Senior Centers, and community service centers, including the South Seattle Health Clinic, the Central Area Motivational Program and the South Park Area Redevelopment Center.

FAS's adopted 2011-2016 Capital Improvement Program only reflected facilities-related projects, and showed long-term, out-year spending in major program areas. Miscellaneous projects are not shown in out years because funding commitments for these types of projects are typically made on a biennial basis. In 2011, approximately \$30 million in appropriations add to \$114 million in existing funding commitments:

Name	LTD Actuals	2010	2011	2012	2013	2014	2015	2016
Asset Preservation	14,877	7,688	3,720	3,720	3,720	3,720	3,720	3,720
Fire Facilities and Emergency Response Levy Program	65,129	94,244	21,711	31,749	9,493	2,890	3,862	3,862
Americans with Disabilities Act	-	-	200	1,000	2,000	3,000	3,000	3,000
Customer Requested Tenant Improvement Program	8,640	8,612	3,500	3,500	3,500	3,500	3,500	3,500
FAS: Municipal Energy Efficiency Projects	-	-	692	4,200	-	-	-	-
Fleet Garage Vehicle Lifts	313	2,376	-	-	-	-	-	-
Stormwater Drainage	-	-	150	100	-	-	-	-
Civic Square	197	1,045	-	-	-	-	-	-
North Precinct Upgrades	-	-	500	-	-	-	-	-
Police Facilities	2,507	378	-	-	-	-	-	-
Garden of Remembrance	210	22	23	24	25	26	26	27
Total:	91,873	114,365	30,496	44,293	18,738	13,136	14,108	14,109

- Asset Preservation** – FAS's Asset Preservation Program replaces existing systems in FAS buildings as they wear out (e.g., roofs, windows, boilers, etc.). Funding source: annual charges to departments for space.

Note: \$4 million is collected each year. Of this, \$3.72 million is appropriated and \$280,000 is placed into a reserve fund and not appropriated in the CIP unless needed for a large project. Policy 8 of the Financial Policies of the Asset Preservation Subaccount guidelines states that " no less than 10 percent of the annual receipts attributable to the Schedule 1 share of the Asset Preservation Revenue Requirement will be set aside to be held as large project reserve to fund future large-expense asset

preservation projects.” Schedule 1 facilities comprise existing and future office buildings located in downtown Seattle, including but not limited to City Hall, the Seattle Municipal Tower, and the Seattle Justice Center. The large project reserve ensures adequate funding for large projects, such as the replacement of the façade maintenance platform and the weatherization program work (i.e. roofs, caulking, window and sealant replacement, granite panel replacements).

- **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, all but one of the City’s fire stations will have been improved. Completed elements of the program, such as construction of the new Emergency Operations Center, 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 REET I.
- **ADA** – This program will address improvements in City facilities required by the Americans with Disabilities Act as a result of a consent decree by the Department of Justice. Funding source: REET I.
- **Customer Requested Tenant Improvements** – This program allows improvements to FAS facilities to meet tenants’ operational needs. Examples include training facilities required for new grant-funded projects and customer-service counters. Departments pay for projects as needed out of their own budgets, so FAS appropriations just pass-through from customer operating funds.
- **Energy Efficiency** – This program includes projects to install more energy-efficient components in FAS facilities and is expected to yield long-term savings. Funding source: Long-Term General Obligation Bonds.
- **Vehicle Lifts** – This project replaces failing lifts used in the City’s vehicle maintenance facilities. Funding source: REET I.
- **Stormwater Drainage** – This project will retrofit certain fire stations to meet stormwater code. These retrofits address regulatory requirements identified after the Fire Facilities and Emergency Response Levy Program was approved and is therefore not a levy program component. Funding source: REET I.
- **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 time).
- **North Precinct Upgrades** – This project replaces the emergency generator and addresses related electrical work at the North Precinct Police Station, providing a larger generator that can supply all of the building’s power needs. Funding source: REET I.
- **Police Facilities** – This ongoing project preserves or extends the useful life or operational capacity of FAS-owned Police facilities. Projects have included heating/air conditioning replacement, structural assessments and repairs, and roof replacements. Funding sources: REET I, Long-Term General Obligation Bonds, property sales, and interest earnings.
- **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 for the memorial located at Benaroya Hall. The project, which began in 1998, provides an annual contribution (including annual increases for inflation), to create a capital renewal fund for the Garden of Remembrance per an agreement with BH Music Center, a private, non-profit affiliate of the Seattle Symphony. This capital fund pays for major maintenance and replaces garden installations, including irrigation equipment, landscaping, electrical/lighting fixtures, and mechanical water features. There are no additional operations and maintenance costs associated with this project. Funding source: property sales and interest earnings.

FAS’s proposed 2012-2017 CIP includes a new program which builds, manages, and maintains two City-wide enterprise technology applications and identifies four planning projects for major technology

upgrades and replacements. In addition, the proposed CIP includes four major facility programs, several miscellaneous facility projects, and multiple capital facility planning projects for future capital prioritization. Eighteen capital facility and technology planning efforts are described in Section 6 – Future Projects/What is on the Horizon.

Section 2 - Summary of Upcoming Budget Issues and Challenges

The primary CIP budget issues confronting FAS involve the age and condition of many City buildings, expanding facility-related tenant needs, community facilities with essentially no funding, and the age and condition of technology infrastructure, all within the context of a continued downturn in the local economy.

- **Asset Preservation**

FAS's Asset Preservation Program raises \$4 million in space rent each year for the purpose of replacing building systems in the 95 FAS-managed buildings located outside of the downtown core. Given the number and condition of the buildings, FAS prioritizes the City's limited funding on those systems that are in such poor repair that they risk shutting down a building. This program's funding level is lower than what was recommended by independent consultants at the beginning of the program in 2005, and lower than funding requirements determined - from the potential project list accumulated by FAS. Previous analysis of the asset preservation backlog of projects identified more than \$68 million of needed work at FAS facilities ranging from roofs and boilers to windows and floors. FAS is developing a more complete condition assessment of its buildings and, when complete, expects to make a specific multi-year funding proposal through the Asset Preservation Program and seek an increase in program funding.

- **Expanding Needs**

FAS facilities are used by a wide variety of different City departments, from Police and Fire to the Seattle Department of Transportation and Seattle Public Utilities. The operations of these departments regularly grow with population, development, more restrictive regulations, and initiatives, such as Bridging the Gap and the Neighborhood Policing Plan (NPP). As such growth occurs, FAS works with its tenant departments to propose facility modernization, additions, or expansion as appropriate. Initiatives, such as Bridging the Gap, may cause a department's space needs to expand, which in turn drives a demand for space, remodeling, etc. The North Precinct replacement project is another example of this kind of work in that its workload has grown at a greater pace than any other precinct. As a result, staffing has increased substantially, exceeding the capacity of the current precinct building. NPP's formula for allocating patrol staff suggests further growth in numbers at the precinct.

- **Community Facilities**

Six City facilities are leased to community service providers in exchange for community services: Greenwood Senior Center, Teen Mothers Home, Central Area Senior Center, South Park Community Service Center (SPARC), Southeast Health Clinic (Public Health – Seattle & King County and Puget Sound Neighborhood Care), and Central Area Motivation Program (CAMP). These facilities generate very little rent revenue, so there is no funding source for the ongoing upkeep of the buildings. Historically, appropriations have been made from REET revenues, or bonds repaid by REET, to replace building systems. Funding constraints have led to conditions wherein systems in these buildings are in poor condition (failing roofs, aged boilers, leaking windows). If desired, FAS can approach the tenants to determine if they can contribute to the building upkeep. If the tenants are unable to do so, the City may wish to consider transferring ownership of the facilities to the tenants or selling the properties.

- **Information Technology Systems**

FAS plans, develops, implements, and maintains technology that supports most of the City's

enterprise business activities, including financial management, budget planning, treasury, payroll, human resource information management, purchasing, licensing, tax management and benefits administration. Several major technology systems require either upgrades or replacement (see Section 6 for details). Traditionally such efforts of this scale have been debt financed or cost-allocated to the six City of Seattle funds, rather than treated as capital projects. Given current economic conditions and no dedicated funding source for such work, it may be prudent to treat these as capital projects. Concurrently, FAS will work with CBO to develop a long-term, sustainable funding strategy and mechanism to support required upgrades for the City's enterprise applications to ensure their continued viability.

Section 3 - Thematic Priorities

FAS's CIP addresses the following priorities: 1) Life/Safety Issues, 2) Investments that Create or Enhance Operational Efficiencies/Effectiveness, 3) Asset Preservation, 4) Sustainability, 5) Race and Social Justice, and 5) Federal or State Requirements. These priorities are best viewed as competing, and cannot be ordered in any particular way. FAS seeks to balance these priorities in its proposals through active engagement of the Executive.

1) Life/Safety Issues

Projects intended to ensure continuity of service at facilities that provide emergency or other essential services receive top 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 (e.g., upgrading aging fire sprinkler systems would rank high in the selection process).

2) 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's capital investments must preserve, improve or enhance the operational capacity of these mission-critical systems and facilities.

3) Asset Preservation

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

4) Sustainability

Up until now FAS's sustainability efforts have focused on meeting the City's LEED Silver requirements per Resolution 30121, the energy efficiency requirements of the new Seattle Energy Code, cost-effective opportunities to reduce energy use, and other sustainable strategies required by regulations. In the future, we will need to meet the City's newer, higher sustainability goals of LEED Gold requirements and beyond on the energy code with strict reporting requirements on the project results and building performance. We 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.)

5) **Race and Social Justice Initiative**

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

6) **Federal or State Requirements**

FAS must consider state and federal requirements in assessing capital needs. For example, addressing facility improvements required by the Americans with Disabilities Act, which meet the dual goals of complying with federal requirements and providing equitable access to all. Another example, described in Section 6 below, is the recent revision in the Washington Administrative Code (WAC), whereby enhanced fire resistance is required for sleeping quarters in fire stations.

Section 4 - Project Selection Criteria

Projects to be considered for inclusion in FAS’s 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’s tenant departments on an annual basis, internally vetted for timeliness and appropriateness, and evaluated on their own merit. 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 maintained by FAS’s Facility Operations Division, and from a bi-annually updated plan of FAS’s maintenance assessment efforts. FAS annually updates the priority status of facilities-related projects on the lists based on 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 the 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. In the future, the Unifier asset management and preservation system, which is FAS’s new integrated work-management software system that allows various work units to collaborate in one place. Unifier organizes tasks, such as work-order management, facility maintenance, lease management and maintenance of property information, and will be used to prioritize operational facility-related projects.

When compiling the facilities project list, sustainability and resource conservation are also considered as a subset for both of these categories, as such projects result in longer useful lives of improvements, increased comfort, and reduced utility bills.

Section 5 - Aligning Infrastructure with Planned Growth

In aligning FAS’s 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 address growth in South Lake Union, potentially in conjunction with relocating the freshwater fireboat. The location of new fire stations in FAS’s CIP reflects extensive work with the Fire Department to identify new locations that keep response times at least as good as those under the status quo.

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 60,000 square foot facility at a different location, adding approximately 43,000 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, focusing first on 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. They are included here to ensure they are considered as part of the City's overall capital needs.

Asset Preservation Backlog

In addition to the specific projects that follow, FAS wants to inform CBO, the Mayor and the Council of asset preservation needs on a broader scale. FAS is the only City department with a dedicated source that funds \$4 million annually for asset preservation projects. There remains an evolving backlog of projects which is updated every two years (to account for projects that may have been taken care of through the existing Asset Preservation Fund). In 2009, this backlog of projects totaled approximately \$68 million for projects with planned budgets, and includes two major subprograms:

- \$11 million in roof replacements.
- \$13 million in fire station asset preservation projects.

These projects fall into the following categories across multiple fire stations: stormwater code compliance, roof replacements, envelope repairs and replacements, heating systems, miscellaneous mechanical/electrical/water piping systems work.

The remaining \$44 million backlog is for miscellaneous projects that have yet to be categorized and do not fit into the two subprograms listed above. This information was submitted last year when departments were asked to provide a list of the unfunded asset preservation backlogs.

City of Seattle's Oracle/PeopleSoft Financial Management System Upgrade through the Financial Management and Accountability Program (FinMAP) – (\$10 million - \$12 million)

FinMAP provides for business process reengineering, technology, and application upgrades in support of improvements to the City's financial management system (Summit). Summit is used to manage Citywide general ledger, accounts payable, purchasing, asset management, labor distribution, accounts receivable, billing, and project costing. The FinMAP business process redevelopment projects will move the City towards a standardized central financial management system as well as explore the opportunity for the City to use existing functionality in Summit which have not yet been utilized. The business process redevelopment is slated to begin in 2012 and be completed by fourth quarter 2013; the application upgrade of the system would begin in 2013 and be completed in 2014.

The Summit system was originally implemented in 1999 at a cost of \$23.5 million and has been upgraded twice: once in 2002 and again in 2006. Vendor support for the City's current version, 8.8 – which is six years old – expires on December 31, 2011. Upgrading Summit to the latest version will provide the City with vendor support through 2017. If an upgrade is not started in 2014 and completed by 2015, then the City likely will be required to replace the system, at a projected cost of at least \$50 million.

The total cost of upgrade is between \$10 million and \$12 million, however, in 2012 there is an Operations and Maintenance Budget Issue Paper (BIP) to fund the FinMAP Business Process projects at a cost of \$740,000, which is not reflected in the CIP database as a CIP cost.

Airport Way Center Building A Window Replacement (\$2 million - \$3 million)

Airport Way Center Building A has recently been subjected to mold abatement work due to flawed exterior windows and cladding systems, which are no longer allowed under building code because of the common incidence of leakage. The system allows moisture to wick into the building and enter into the exterior wall cavity. The mold in the walls has been exposed and treated, and stopgap measures have been implemented on the existing window assembly to prevent further water intrusion. However, the long-term solution to the problem is the removal and replacement of the exterior windows and cladding on the building to permanently prevent the water intrusion and reoccurrence of mold. The City has no recourse to warranties or other legal means to avoid these costs. We estimate the design and construction of a project this size and scope will take approximately 24 months. The potential start date is 2014.

City of Seattle’s Human Resources Information and Payroll System (HRIS) Replacement (\$43 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 HRIS’s 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 will be stored on ADP servers and accessible over the Internet vs. providing on-premises software the City would own). This change in business strategy requires the City to decide by 2014 to either re-implement ADP’s software as a service offering or select another vendor product to replace HRIS, Payroll, Benefits Administration and Employee Self Service. If the City decides to replace the system, this work would begin in 2015 and be completed by 2017.

Police Firing Range Safety Upgrades (\$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. The facility is owned by the Seattle Police Athletic Association, but 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 and require a 48-month project schedule. Potential start date is 2014.

City of Seattle’s License Information System (SLIM) Replacement (\$2 million - \$5 million)

SLIM manages the issuance and renewal of business licenses and the collection of revenue from fees and taxes. The system was originally implemented in 1996 at a cost of \$1.2 million and was developed in-house. SLIM is outdated and can no longer adequately meet the needs of expanding business license, tax collection and enforcement processes. The City requires a system that is more user friendly, flexible, allows integration of newer technology, requires fewer manual processes and workarounds, and supports data needs, such as GIS, real-time processing and reporting capabilities. While the preference is to purchase off-the-shelf software, the City would also consider hiring an outside vendor to build a new system. Potential start date is proposed for 2013.

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 specialized gear of the Harbor Patrol unit. This project will include a consideration of options

for the redevelopment of the Harbor Patrol site to meet the current and future needs of the Harbor Patrol, and may also provide an opportunity to assess a collocation for the freshwater fire boat which 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. This project would require a minimum 48-month schedule to address environmental and Shoreline Management Act compliance and other environmental regulatory reviews.

Southwest Precinct Police Station Annexation Tenant Improvement (\$0.4 million)

If annexation were to occur, SPD would add 40 patrol officers and detectives to its Southwest Precinct. To accommodate the new staff, the precinct station would need to be remodeled by building new locker rooms, bathrooms, and showers; and remodeling space to expand the officers' report-writing area and gear storage. Additional parking available adjacent to the existing precinct parking will need fencing, an additional key card gate, and security lighting. Timing of this project would need to be coordinated with the Highline Annexation and require an 18-24 month schedule.

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 both in terms of its systems integrity and operational efficiency. There is inadequate parking and storage on the site. Additionally, the dock area is uncovered, exposing the multimillion dollar fireboats to weather 24 hours a day, seven days a week, thereby 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 that 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. This project would require a 38-42 month schedule to include all environmental regulatory reviews and requirements. Its potential start date would be coordinated with other construction activity in the vicinity, such as construction of a replacement seawall.

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 (space is available there for this purpose). The Fire Department Headquarters function is currently located in the old Fire Station 10 building at 301 2nd Avenue South, and the Fire Marshal's office is in leased space at 220 3rd Avenue South 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, are 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. This is a 48-month project with a potential start date of 2014.

North Precinct Police Station Replacement (\$135 million - \$152 million)

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. Expanding the facility beyond its existing footprint is not feasible because of environmental concerns on the existing site. SPD would

prefer to keep the precinct as a single facility to minimize command and administrative costs. Potential solutions include replacement and other options under consideration.

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 people 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 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. This is a potential 60-month project schedule given the extensive environmental reviews and regulations involved. The potential start date is 2014.

20 Percent Energy Savings by 2020 Program Investments (\$24 million)

This is proposed to be an eight-year program of incremental improvements to existing facilities to meet the Executive's goal of 20 percent energy efficiency improvement by 2020. A typical existing building in FAS's portfolio will not easily yield 20 percent energy savings without concurrent improvements to many parts of the building. Improvements may include such measures as replacements of HVAC equipment and lighting for improved energy efficiency, and replacement of roofs, windows, and wall insulation, to improve insulating value for energy savings. Studies on a typical small building in FAS's portfolio have shown that energy efficiency improvement measures average 2 - 5 percent improvement per measure, with more than a 20 year payback for most improvement measures, which may require accelerating the replacement of these building systems to meet the timeline of the goals. These approaches will require funding in addition to current asset preservation levels. Multiple projects would have 12-24 month schedules and a potential start date of 2012.

Charles Street Maintenance Garage Replacement (\$40 million - \$60 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, poor insulation, worn building systems and is seismically vulnerable. Also, its internal circulation makes the facility energy inefficient, operationally inefficient, and unacceptable for employees from a noise transmission perspective. This project would demolish and replace the maintenance garage. This is a minimum 50-month project to include acquisition with a potential start date of 2015.

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

The Haller Lake Complex is home to a FAS's Vehicle Maintenance Shop, the north-end operations for the SPU Drainage and Wastewater Maintenance crews, north-end operations of SDOT's Road Maintenance crews, an FAS Fueling Station, and a SPU Household Waste Collection Site. The buildings on the site range from 30- to 50-years-old, none of which have been renovated while in service. The facilities are undersized and/or ill-configured for current operations and the building systems are significantly beyond their useful service lives. Building envelopes are consistently in poor condition, with severe water intrusion problems. 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. This is a 36-month project with a potential start date of 2015.

City of Seattle's Oracle/PeopleSoft Enterprise Budget System Replacement (\$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 which will soon be obsolete as Oracle is moving all Oracle/PeopleSoft budget customers to another Oracle product called Hyperion. Should the City choose

to implement a centralized budgeting system, it would be more cost effective to replace it with a budget system that will be supported by the vendor. The City would need to go through a process to select a new system and potentially expand the new budget system to other departments or Citywide. This project has a potential start date in 2015 and is on a two-year schedule.

Sustainable Buildings Program (\$6 million)

This ongoing program proposes to meet the City's revised sustainability standards for new buildings through the proposed update to the Sustainable Building Policy, effective in 2012. The revised standards include LEED Gold certification for new construction that is a minimum of 5,000 square feet, 15 percent energy efficiency beyond current energy code, 30 percent water conservation measures beyond drainage code, and 90 percent construction waste recycling. Implementation of the revised standards in currently planned Fire Levy new construction projects will include energy modeling, integrated design, energy efficient heat recovery mechanical systems, water conservation measures and stricter construction processes for waste management. This will include Fire Levy projects FS20, FS32, FS14, FS6, FS22 and FS9. Potential funding to start in 2013 to align with planned construction projects.

Owner Improvements at Leased Community Facilities (\$7.5 million)

This ongoing program provide funding for major maintenance repairs to, and replacement of, core building components that are beyond their useful service life. Improvements to core components such as roofs, electrical services, life safety systems, and mechanical systems would prolong the use of facilities owned by the City and leased to community service groups, including the Central Area and Greenwood Senior Centers, the Southeast Health Clinic, the Central Area Motivational Program (CAMP), and the South Park Area Redevelopment Center (SPARC). Multiple projects would be on 12-24 month schedules and potential start date is 2012.

Section 7 - CIP Revenue Sources

CRS AP Subaccount (00168)

FAS is unique in that FAS's 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 REET 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's 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 the Program's development.

2003 Fire Facilities Fund (34440)

A large portion of the funding for FAS's 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 \$19.7 million remains to be collected from the levy, which is planned to expire in 2011, with final collections planned to occur by 2012 yearend. The original levy program included an additional \$29.7 million from other planned resources, including land sale proceeds, grant proceeds, and noninterest 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 \$297 million. The difference between the \$196.9 million levy program and the final estimate of \$297 million is most notably caused by the \$67.7 million that was added in 2006 to the

program to address unprecedented cost escalation in the local construction market, low project estimates and LEED certification requirements. The funding sources for closing this gap are Long-Term General Obligation Bonds (starting in 2008) and REET.

LTGO Bonds A majority of the Long-term General Obligation Bond funding contained within the FAS’s CIP is dedicated to the execution of the Fire Facilities and Emergency Response Levy Program. FAS’s 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.

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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 respond to funding changes as the levy progresses through its completion schedule. Also, those major maintenance projects that focus on extending the life or operational capacity of an existing facility typically have been funded by REET dollars.

Section 8 - CIP Spending by Major Category

FAS proposes using five 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. Life/Safety Issues
5. Federal or State Requirements

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, we have not separately listed projects uniquely categorized as RSJ.

Summary CIP Table by Proposed Categories

This is a high-level sort of FAS’s CIP. In some cases, the scopes of work in individual projects may span multiple thematic priorities. For example, as part of the Fire Facilities and Emergency Response Levy Program, many fire station generators are being replaced and/or new generators are being supplied. Individually, generator replacements at a fire station would fall under the definition of the Life/Safety thematic priority as described in Section 3. But when a specific scope of work is taking place within the context of a larger capital program, as in the levy program, which falls under the theme of Operational Efficiencies/Effectiveness, the work was included in that theme.

SUMMARY FAS 2011-2016 CIP TABLE BY PROPOSED THEMATIC PRIORITIES

<u>Thematic Priority</u>	<u>BCL</u>	<u>2011-2016 CIP Budget</u>
Operational Efficiencies/Effectiveness-Subtotal		\$278,007
Chief Seattle Fireboat Rehabilitation	A1FL402	\$5,947
Civic Square	A1GM5	\$1,242
Customer Requested Tenant Improvement Program	A1GM1	\$38,252
Fire Stations - Land Acquisition	A1FL101	\$23,346
Fleet Garage Vehicle Lifts	A1GM1	\$2,689

Neighborhood Fire Stations	A1FL1	\$203,646
Police Facilities	A1PS1	\$2,885
Asset Preservation-Subtotal		\$44,885
Asset Preservation - Civic Core	A1AP1	\$7,038
Asset Preservation - Public Safety Facilities	A1AP6	\$8,305
Asset Preservation - Seattle Municipal Tower	A1AP2	\$23,582
Asset Preservation - Shops and Yards	A1AP4	\$5,960
Sustainability-Subtotal		\$4,892
FAS: Municipal Energy Efficiency Projects	A1GM1	\$4,892
Life/Safety-Subtotal		\$500
North Precinct Upgrades	A1PS1	\$500
Federal or State Requirements-Subtotal		\$12,833
ADA: Facilities Improvements	A1GM1	\$12,200
Garden of Remembrance	A51647	\$383
Stormwater Drainage	A1GM3	\$250
TOTAL		\$341,117

<u>SUMMARY FAS FUTURE PROJECTS (SEE SECTION 6 ABOVE)</u>	<u>BCL</u>	<u>2011-2017</u>	<u>Project Completion</u>
Asset Preservation Backlog	A1AP1	\$ 20,500	68,000
Oracle/PeopleSoft Financial Management System Upgrade via FinMAP	A1IT1	11,260	11,260
Airport Way Center Building A Window Replacement	A1GM1	3,000	3,000
Human Resources Information System Replacement	A1IT1	43,000	43,000
Police Firing Range Safety Upgrades	A1PS1	30,000	30,000
Seattle License Information System Replacement	A1IT1	5,000	5,000
Police Harbor Patrol Site Redevelopment/Marine Emergency Response Facility	A1PS1	30,000	30,000
Southwest Precinct Police Station Annexation Tenant Improvement	-----	400	400
Fire Station 5 Replacement	A1PS2	13,000	13,000
Fire Headquarters Relocation	A1PS2	80,000	80,000
North Precinct Replacement	A1PS1	111,500	152,000
South Lake Union Fire Station	A1PS2	15,000	15,000
20 Percent Energy Savings by 2020 Program Investments	A1GM1	24,000	24,000
Charles Street Maintenance Garage Replacement	A1GM1	45,000	60,000
Haller Lake Complex Redevelopment	A1GM1	41,500	80,000
Oracle/PeopleSoft Enterprise Budget System Replacement	A1IT1	10,000	10,000
Sustainable Buildings Program	A1GM3	6,000	6,000
Owner Improvements at Leased Community Facilities	A1GM1	<u>7,500</u>	<u>7,500</u>
TOTAL		\$496,600	\$638,900