

8. Financing & Implementation Plan

To make transportation investments in Northgate a reality, SDOT has developed a financing and implementation plan outlined in this chapter. Funding for transportation projects is on the upswing, with a \$25 million increase to City projects in 2006 and the potential for the public to approve a regional transportation investment district in 2006 or 2007. The current health of the economy is generating additional tax revenues for transportation improvements. However, the demand for dollars continues to be high as the City begins to make up for years of unmet needs.

As new private development occurs, developers will make financial contributions to CTIP projects proportionate to the share of their transportation impacts. Developers will also make significant pedestrian improvements guided by the strong pedestrian requirements of code and the Northgate neighborhood design guidelines.

Projects included in the CTIP must be considered alongside other neighborhoods' needs, non-discretionary projects, and interagency projects (such as street improvements to support Metro transit service). Through the City's budget process, eligible projects are added to the City's Capital Improvement Program (CIP), which includes capital projects, operational improvements, inter-agency projects, and developer mitigation projects.

In order for CTIP projects to become part of the CIP, potential funding sources must be identified and committed. Once a project is funded, project design and implementation will begin. Some projects may be a collaboration between SDOT and another city department.

The list of existing and future revenue sources is detailed below, followed by an overview of how SDOT implements projects.

Existing Revenue Sources

The City of Seattle currently funds its transportation program through gas tax revenue, the general fund, grants, loans, impact fees, and the cumulative reserve fund. The City has also recently begun collecting revenues under the Transportation Mitigation Payment Program in the South Lake Union Urban Center and intends to offer this option to Northgate developers. This report

excludes consideration of funding for special “mega projects” that tend not to depend on local revenue decisions and far exceed SDOT’s capacity to accomplish within its normal revenues, such as the Alaskan Way Viaduct and Seawall Replacement, Magnolia Bridge, and South Spokane Street Viaduct.

Figure 8-1 depicts SDOT’s historical and anticipated revenue for the twelve years from 1995 to 2006, in terms of local revenues and grants/loans/other sources.

Local Revenues

“Local revenues” in **Figure 8-1** are those funds, such as gas tax and developer contributions, allocated to SDOT and over which the City can exercise discretion.

Current local revenues include the City’s general fund, which includes sales and property taxes, the cumulative reserve fund, and the City’s share of the state gas tax. After the City’s street utility was declared unconstitutional in the mid-1990s, the City significantly increased general fund contributions to transportation. The 2006 budget for SDOT is \$25.5 million more than 2005, ending a three-year trend of level general fund contributions to transportation. **Figure 8-2** shows SDOT’s local revenues (grants and loans are not included) by source for the period from 1995 to 2005.

Through the authority of the State Environmental Policy Act (SEPA), the City assesses the environmental impacts of development proposals to determine whether mitigation measures are required to prevent adverse environmental impacts. Development impacts on the transportation system typically include increased use of the system by the added traffic generated by the development project. This additional use may cause transportation facilities to become less efficient, decrease safety, or increase air pollution.

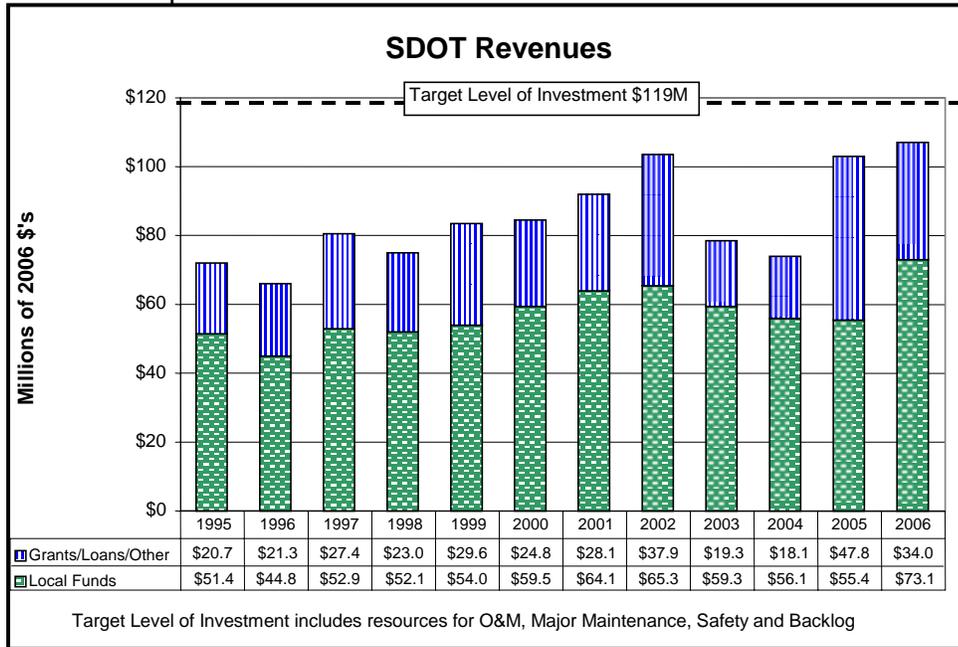
Under the city’s current regulatory framework, developers prepare their own transportation study of a proposed project’s impacts and develop mitigation proposals for the City’s consideration. Mitigation is generally a one-time requirement by the development to provide capital or programmatic improvements to the transportation system, or to pay the City for the cost of facilities or programs that are needed to serve new development.

Grants/Loans/Other

Revenues under “Grants/Loans/Other” in **Figure 8-1** are generally associated with and earmarked for specific capital projects and programs.

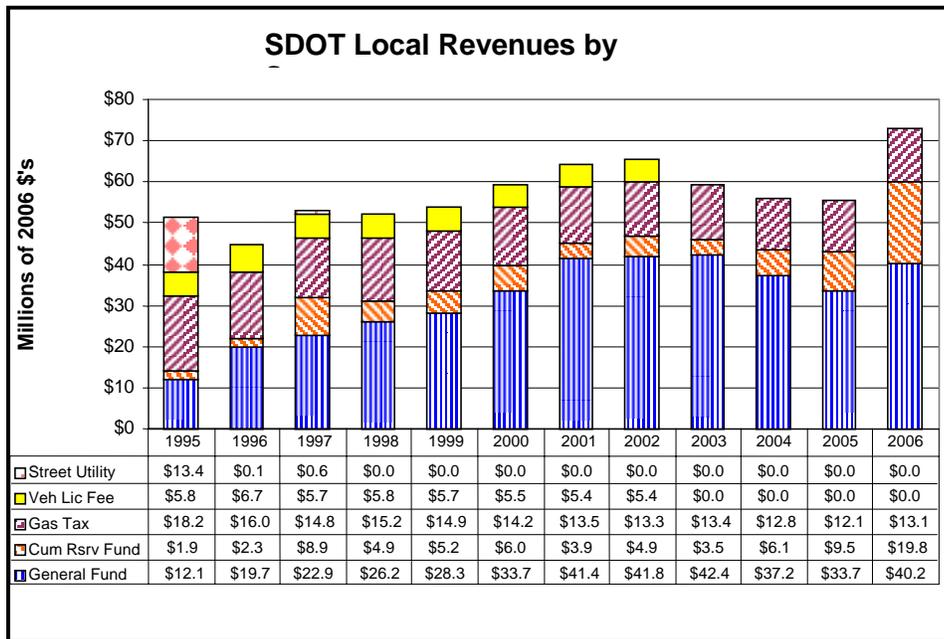
Figure 8-1 shows that the City's local and grant/loan revenue for transportation has ranged from \$80 million to \$100 million (in 2006 dollars) per year since 1995, of which 30–35% has been grant funds.

Figure 8-1. SDOT Revenues



Source: SDOT, 2006, originally titled SDOT Revenues w/o "Mega" Projects

Figure 8-2. Local Revenues by Source



Source: SDOT, 2006

Transportation Mitigation Payment Program

As an alternative to the City's current SEPA-based mitigation program, Northgate-area developers will have the option to participate in Seattle's new transportation mitigation payment program. This option allows developers to make a financial payment proportionate to the transportation impacts of their project. Participation in the mitigation program would be an alternative to directly providing the mitigation required by permit conditions. The fee program uses subarea rather than project-specific transportation improvements. It also allows payments to be made for improvements to all modes of travel. Payments would apply to the comprehensive set of transportation improvements identified in the CTIP, based on a development's impact. Permit applicants would have the option of making use of the CTIP and its Environmental Impact Statement and making the mitigation payment, or of preparing their own traffic impact study and calculating the amount of their mitigation payment for the City's consideration.

Available Grant Programs

Federal Programs

In August 2005, the U.S. Congress passed a new transportation funding bill known as SAFETEA-LU, the Safe Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. The majority of funds, 75%, go to highways; 18.5% go to transit; and approximately 6% go to primary safety projects. Infrastructure-related and educational projects are both eligible, including public awareness campaigns that promote non-motorized travel.

One of the new federal programs that could be helpful to Northgate area projects is titled **Safe Routes to Schools**. The law authorizes \$612 million nationwide over 5 years to support projects to improve walking and biking access to schools. The goal of this program is to enable and encourage primary and secondary school children to walk and bicycle to school by making it a safer and more appealing alternative, and also to facilitate planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools (see **Figure 1-2** for school locations within the study area).

In addition, the **Federal Enhancement Program** was reauthorized, with \$42 million in grants over five years available nationwide to public agencies and nonprofit organizations. The purpose of the transportation enhancement program is to fund projects that allow communities to strengthen the local economy,

improve the quality of life, enhance the travel experience for people traveling by all modes, and protect the environment.

State Programs

The Motor Vehicle Fuel Tax and Motor Vehicle Excise Tax (MVET) continue to serve as the two major state revenue sources for highway maintenance and arterial construction funds. Projects in the Northgate area could potentially compete successfully for the state's two major programs. The **Transportation Improvement Board's Urban Corridor Program** funds projects to improve the mobility of people and goods in urbanized areas. It specifically encourages projects that are coordinated among government agencies and provide for public/private participation. A second program, the **Urban Arterials Program**, funds projects that reduce congestion, strengthen the structural ability to carry traffic loads, and make improvements to reduce accident rates. The funds can also be used to implement traffic management to maximize mobility of people and goods.

Potential Revenue Sources

The revenue sources described in this section are transportation programs, approved by the Washington State Legislature, which authorize jurisdictions to impose fees at the local level for specific transportation infrastructure categories with voter approval. Most of these programs have not been instituted in this region, but represent the universe of possible funding sources identified by the Mayor's Citizen Transportation Advisory Committee. Some of these funding options require a public vote or legislative action by King County. Other funding options are within the City's discretionary authority, however, the City has not yet made decisions to use any of these funding sources.

Regional Transportation Investment District

The Regional Transportation Investment District may seek voter approval for funding transportation improvements in King, Pierce, and Snohomish counties. Some projects being considered by the City of Seattle may be eligible for funding through this district. The current RTID proposal considers raising the following taxes:

- sales tax of 0.1% to 0.2%
- vehicle license fee of \$1 to \$100
- motor vehicle excise tax (MVET) of 0.1% to 0.3%
- local option gas tax of 0 to 2.8¢ per gallon
- tolls on specific roads or bridges

Revenue from the RTID cannot be used for operations, maintenance, or preservation projects or programs.

Local Option Fuel Tax

The local option fuel tax is imposed at the county level and constitutes up to 10% of the statewide motor vehicle fuel tax. Funds from this tax can be used for highway purposes only, including construction and maintenance of city streets, county and state roads, and related activities.

Local Option Vehicle License Fee

The Legislature recently granted authority to cities and counties to form a Transportation Benefit District for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements, including major maintenance and investments in public transportation. Subject to voter approval, the local government assessing the tax may collect up to \$100 per vehicle.

Transportation Impact Fees

Local governments may collect transportation impact fees authorized by the Growth Management Act to address the impact of development activity on transportation facilities. The impact fees can be collected only for roadway projects. Pedestrian, bicycle, and transit improvements are excluded under this option.

Commercial Parking Tax

Commercial parking taxes may be imposed by cities or counties based on gross proceeds or number of stalls, or on the customer. This tax is subject to exclusive referendum procedure and can be used for general transportation purposes.

Levy Lid Lift (Property Tax)

A levy lid lift, or property tax, was authorized by the State in 2003 (RCW 84.55.050). A simple majority of voters may approve a levy lid lift; 60% approval is needed if general obligation bond issues are tied to the ballot measure. This revenue can be used for general transportation purposes.

Employment Tax

Employment taxes may be authorized in the form of a business and occupation tax, but may require state authorization. These taxes can be used for general transportation purposes.

Estimated City Transportation Revenue for Facility Improvements

The following analysis identifies a range of potential SDOT transportation revenue for the next 25 years. The basis for this range of potential revenues is (1) an estimate of City revenues for transportation for the next 20 years; and (2) an analysis of Northgate's housing units, employment, and land area in proportion to the City as a whole.

This analysis of revenue uses conservative estimating practices, meaning that the results are likely to be understated.

- All revenues are estimated in 2005 dollars, with no adjustment for growth in any source of revenue.
- The adjustment factor for facility improvements is conservative, such that estimates for CIP Improved Facilities and Grants & Appropriations are at the low end of probable ranges.
- The percent of revenue that might be distributed to specific projects, as opposed to citywide programs, is only 3/4 of the revenue available for improvements and new facilities.
- No new sources of transportation revenue are considered.

Citywide Estimated Potential Revenues for Transportation Facilities

The 25-year total of all transportation revenue that may be available for adding improvements and new facilities to the transportation network is estimated to be \$693 million.

This analysis assumes that approximately 25% of the transportation revenue will be used for programs of a citywide nature, such as the bridge seismic program. Thus, no more than 75% of the City transportation revenue available for improvements and new facilities would be distributed to discrete projects (as opposed to citywide programs).

Therefore, the 25-year citywide total of all transportation revenue that may be available for discrete projects and new transportation facilities throughout the City is approximately \$519.8 million.

Table 8-1 provides a 25-year estimate of transportation revenue. The CIP revenues are estimated based upon the 2005–2009 CIP, excluding unspecified federal and state revenues. The grants and appropriations estimates are based on receipts during the past six years.

The 25-year revenues are then adjusted to reflect the estimated percent of each category that would be available for transportation improvements and new facilities. None of the “maintenance” funds identified in **Table 8-1** would be available for projects; however, 100% of the “new facilities” funds would be available for projects. Approximately 40% of the “improved facilities” funds would be available because approximately 60% of this category of funds is dedicated to maintenance projects.

Northgate Portion of Citywide Factors

Several variables were considered as predictors of the range of transportation revenues that Northgate might receive over a 25-year period. These include land area, current and future housing units, future employment, and growth in housing units and employment. **Table 8-2** shows the results of this analysis.

Note: SDOT prioritizes projects using the process described on the following pages. SDOT does not distribute transportation funding using formulas or factors; Table 8-2 is designed to give a sense of the Northgate area’s size and projected growth in jobs and housing relative to the rest of the City.

This analysis estimates that Northgate would likely receive funding within a range of 2.4% (based on Northgate’s proportion of the citywide land area) to 6.95% (based on Northgate’s expected proportion of employment growth). Although it’s not guaranteed, it is reasonable to assume that over a 25-year period Northgate will receive between 2.5% and 7% of citywide transportation revenues for facility improvements.

Table 8-1. Estimated Potential Revenue Available for New Facilities and Transportation Improvement Projects (in millions of 2005 dollars) *

CIP Category	Estimated 25-Year Total Revenue	Estimated Percent Available for Improvements	Estimated Revenue Available for Improvements over 25 years
Maintenance	\$225.0	0%	\$0
New Facilities	\$385.0	100%	\$385.0
Improved Facilities	\$207.5	40%	\$83.0
Grants & Appropriations	\$375.0	60%	\$225.0
Citywide Total	\$1,192.5		\$693.0
Less 25% Reserved for Citywide Programs			(\$173.2)
Total Available for Transportation Improvement Projects			\$519.8

* "Maintenance" funds go toward preservation of existing facilities; "New Facilities" funds go toward new infrastructure; and "Improved Facilities" funds go toward significant upgrades to an existing facility.

Table 8-2. Northgate Proportion of Citywide Factors

	Northgate	Citywide	Northgate Percent	25-Year Revenue for added facility improvements (millions)
Current (2000)				
Land Area (acres)	1,291	53,760	2.40%	\$12.5
Employment (persons)	13,995	536,471	2.61%	\$13.7
Housing (units)	8,779	258,481	3.40%	\$17.7
Future (2030)				
Employment (persons)	25,614	703,561	3.64%	\$19.0
Housing (units)	14,671	353,718	4.15%	\$21.6
Growth (2000-2030)				
30-Year Housing Units Growth	5,892	95,237	6.19%	\$32.2
30-Year Employment Growth	11,619	167,090	6.95%	\$36.2

This range assumes that citywide revenue for added facility improvement and new facility projects is the \$519.8 million from the initial estimates described above. Using the factors identified in Table 8.2, the 25-year revenue available for CTIP projects is estimated to range from \$12.5 million to \$36.2 million. The total cost of the CTIP's recommended high-priority projects is approximately \$20 million; the total for all recommended projects, excluding the pedestrian/bicycle bridge over I-5, is approximately \$40 million.

Project & Program Implementation

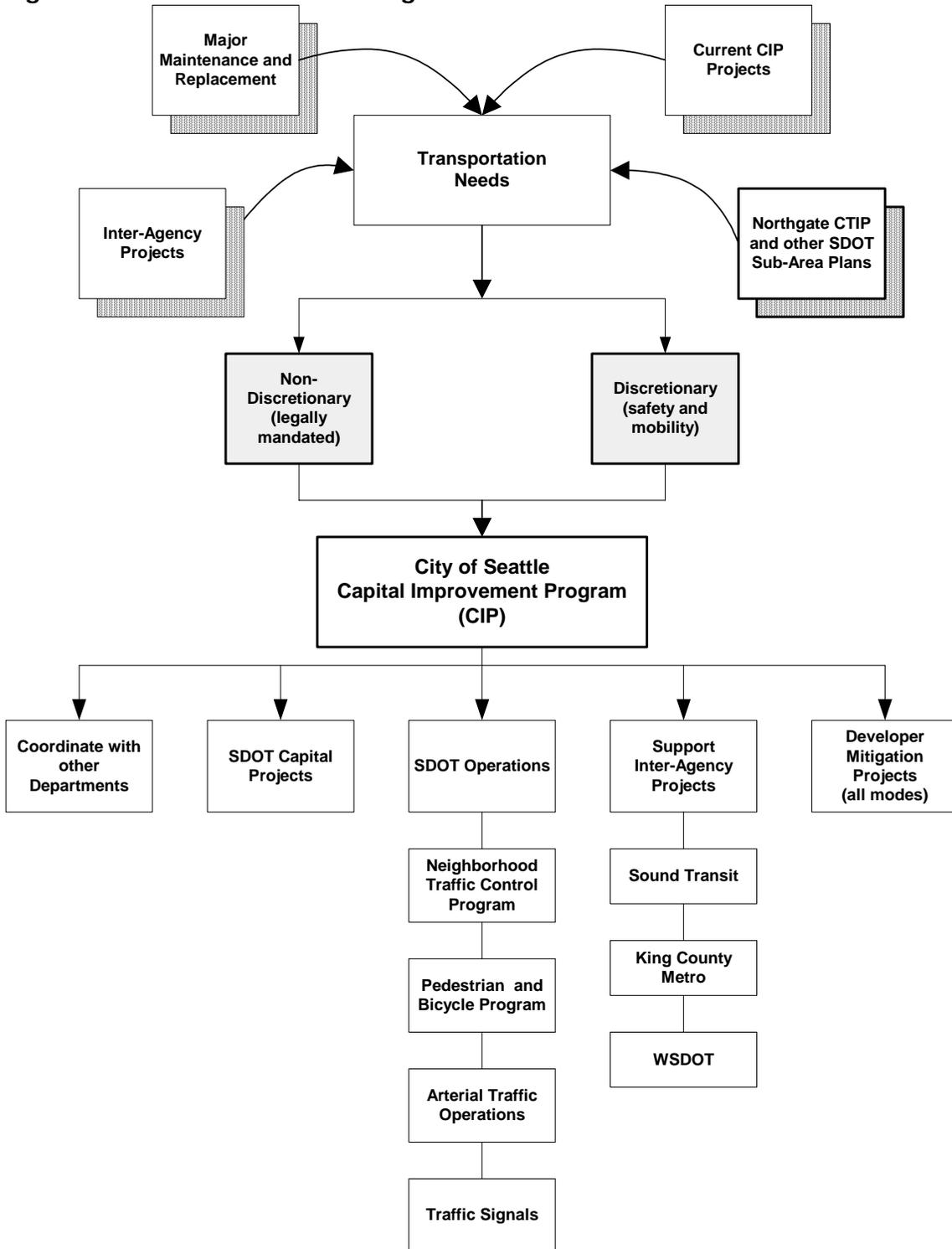
The recommendations in this plan will become part of SDOT's work program through the CIP adoption process, ongoing departmental operations and programs, inter-agency projects, and developer project mitigation. **Figure 8-3** illustrates the process by which SDOT develops its CIP recommendations and the existing tools and resources available to assist in CTIP project implementation.

Project Funding

Projects must compete against other citywide needs within tight funding constraints, either as a separate line item in the City's capital budget (the CIP) or as part of an ongoing program of transportation improvements, such as the pedestrian and bicycle program or neighborhood traffic control. These programs are described in more detail below.

Funding may include existing or future funding sources as described previously in this chapter. SDOT will leverage City resources by collaborating on CTIP recommendations that would be coordinated with other departments' Northgate-area projects. For example, the Department of Neighborhoods and the Neighborhood District Councils can choose to allocate neighborhood-directed funds in support of CTIP and community priorities. In addition, the Parks Department and Seattle Public Utilities may have trail projects or underground utility work that may tie directly to potential CTIP projects.

Figure 8-3. CIP Process and Programs



Capital Improvement Program

Each year, the City updates its six-year capital budget (CIP) to fund the highest priority projects within available revenue. Seattle's Transportation CIP includes a grant match reserve opportunity fund to provide a local match for potential new grants, appropriations, and partnership opportunities. Grant candidates must be competitive against the granting agency's criteria, which have specific areas of emphasis, such as accident reduction, pedestrian safety, etc.

Potential CTIP Capital Improvement Program projects:

- New signal at N 115th Meridian Avenue N, with bike lanes and sidewalks
- NE Northgate Way/5th Avenue NE intersection improvements
- New signal at 5th Avenue NE and NE 130th Street

As described in the Transportation Strategic Plan, SDOT's Policy Planning and Major Projects division uses the following four-step process to prioritize programs and projects for inclusion in the CIP.

Step 1. Identification of Transportation Needs

The CTIP will be one of many sources of programs and projects to address existing and future needs. Extensive technical analyses of Northgate's transportation system identified area-wide needs and necessary improvements. This plan prioritizes these improvements in order to provide additional clarity to SDOT and the community. Other sources include SDOT's existing backlog of major maintenance and replacement projects, projects in the current CIP that require additional funding, projects from other planning studies, and project coordination with partner agencies, such as WSDOT, Sound Transit, and King County Metro.

Step 2. Identification of Non-Discretionary Programs and Projects

Projects that must be completed fall into several categories: 1) required by law or contract, including debt service, judgment and claims payments, Metro "Ride-Free Zone" payment, City Commute Trip Reductions payment, and federal or state law mandates; 2) urgent safety needs to prevent personal injury or property damage, such as a landslide or sinkhole; 3) reimbursable services to other City departments or outside agencies, such as street use permitting or repairing utility cuts; 4) restricted funds (support for Sound Transit, Metro, Alaskan Way Viaduct, and Seawall Replacement); 5) services that generate revenue for the General Fund, such as parking; and 6) currently in construction, such that stopping a project would be more costly than completing it.

Step 3. Prioritization of Discretionary Programs and Projects

Each program and project that remains after Step 2 is evaluated on its merits using the following criteria:

- Safety
- Preserving and maintaining infrastructure
- Cost effectiveness or cost avoidance
- Mobility improvement
- Economic development
- Comprehensive Plan/Urban Village land use strategy
- Improving the environment

Step 4. Ranking Projects and Programs for Implementation

Project readiness is assessed using the following criteria. The results of steps 3 and 4 are used together to identify discretionary projects for which funding will be sought.

- Funding availability
- Interagency coordination
- Geographic balance
- Constituent balance

Project Design

The actual configuration of CIP projects is determined during project design. During the design phase, each project undergoes an environmental assessment, design review, and considerable public involvement. In some instances, engineering feasibility or cost constraints might require tradeoffs to balance desirable project objectives.

Seattle's land use code, particularly the Northgate Overlay District chapter, sets specific development standards for design improvements in the public rights of way on key arterial streets in the CTIP study area. These include NE Northgate Way, 5th Avenue NE, NE 100th Street, and NE 103rd Street. These standards specify such features as minimum sidewalk width and the provision of landscaping and must be met by all developments taking place adjacent to these streets. The Northgate Urban Center and Overlay District Guidelines also provide strong pedestrian design guidance.

In addition to the land use code development standards, design principles are articulated in the 5th Avenue NE Streetscape Design Plan, the Northgate Open Space & Pedestrian Connections Plan, and this document. Through the processes described below, good

urban design principles will help guide Northgate's public and private projects.

Design Commission Review

The City Design Commission reviews the design of publicly funded projects and projects in the public right-of-way. The Commission takes into account the community vision as demonstrated by current and prior planning and design efforts, such as the plans identified above and this document. The Commission also draws heavily on overarching City urban design principles that identify design qualities appropriate for the mixed-use nature of an Urban Center such as Northgate. Several examples can be taken from the adopted City-wide guidelines, such as "a strong pedestrian orientation is expected in the relationship of buildings to street-level activity," and "transportation facilities should contribute to a vigorous pedestrian environment."

Design Review Board: Project Review

The Design Review Board plays a similar role to the Design Commission with respect to projects on private property. Adopted City-wide guidelines and neighborhood-specific guidelines, the Northgate Urban Center & Overlay District Design Guidelines, are applied to Northgate projects by the Northeast Design Review Board. The Northgate neighborhood design guidelines have very strong pedestrian and urban design emphasis. In addition, the Board can weigh plans such as those identified above and the guidance in this document.

Collaborative City-Community Review

The City will continue to involve the Northgate community during project review to seek public input on design issues, and will encourage public participation in design review processes by the Design Commission and Northeast Design Review Board. During the design phase of transportation projects, the Department of Planning and Design (DPD) works closely with SDOT in developing the conceptual-level drawings of capital projects, such as pedestrian and roadway improvements. This partnership includes joint activities such as collaborative design workshops, where such issues as achieving balance between desired design features and traffic operation and safety standards can be reconciled.

The evolution of the 5th Avenue Streetscape project from conceptual design stage through highly detailed engineering drawings is an example of how DPD and SDOT collaborated to shape the final "look" of a major transportation improvement in a way that is consistent with the Northgate vision. In addition, citizen representatives were actively engaged in this multi-year collaborative planning and design process.

The coordinated design of the South Lot projects adjacent to Northgate Mall is an additional example of the collaboration between City departments, with private developers, and the public. The Northgate Commons, Thornton Creek Water Quality Channel, new 3rd Avenue NE extension, and new transit center pedestrian improvements are implementing the Pedestrian and Open Space Plan through its realization of several pedestrian “desire lines” identified in that plan and in the execution of design details, such as pedestrian lighting, following the guidelines in the 2006 Technical Urban Design Guidance document.

Departmental Operations

The following operational divisions within SDOT will implement many of the CTIP’s safety and operational improvements.

Traffic Management Division

The City Traffic Engineer is responsible for Neighborhood Traffic Control, the Pedestrian and Bicycle Program, Arterial Traffic Operations, and Traffic Signals. These programs receive funding from a variety of CIP line items. CTIP projects will compete with citywide needs against an array of program-specific criteria, and those that rank high and can be completed within available revenue will be constructed.

Potential CTIP safety and operations projects:

- Roosevelt Way NE pedestrian crossing
- College Way N bicycle lanes
- NE 98th Street traffic calming
- NE 120th Street traffic calming

Capital Project/Roadway Structures

This division will design and construct CTIP projects identified in the CIP or the Traffic Management Division’s work programs. Projects costing over \$100,000 are generally contracted out for design, under the supervision of an internal project manager. The project manager is responsible for the project budget and schedule, as well as for resolving any issues associated with design features. SDOT project managers will also integrate urban design elements identified by DPD. For example, several projects included in the CTIP originated in the Northgate Open Space and Pedestrian Connections Plan.

Inter-Agency Projects

SDOT's Policy Planning and Major Projects Division will work closely with other agencies on CTIP projects of mutual interest. For example, SDOT will work with King County Metro and Sound Transit on transit service improvements and transit facilities consistent with the CTIP's recommendations. These recommendations will be integrated into and balanced against the citywide and other subarea interests documented in the Seattle Transit Plan.

Potential CTIP inter-agency projects:

- King County Metro transit service
- Roadway on 3rd Ave NE: NE 100th - NE 103rd
- Transit shelters
- Sound Transit link light rail and transit station
- I-5 cross freeway connection