

Overview

The City of Seattle prepares a citywide six-year Capital Improvement Program (CIP) each year that allocates existing funds and anticipated revenues to rehabilitate, restore, improve, and add to the City's capital facilities. Projects in the CIP cover a wide range of capital improvements, including construction of new libraries, street repairs, park restoration, and work on electrical substations. The CIP document, prepared by the Department of Finance based on submissions from City departments reflecting ongoing changes and additions, is approved by the Mayor, and is then submitted to the City Council for adoption, along with the City's annual budget. The CIP is updated each year to reflect ongoing changes and additions. The CIP does not appropriate funds, but rather functions as a budgeting tool, supporting the actual appropriations that are made through adoption of the budget. The CIP is consistent with the City's Comprehensive Plan and includes information required by the State's Growth Management Act (GMA).

The City of Seattle 2008-2013 Proposed Capital Improvement Program can be found on the City of Seattle website at: <http://www.seattle.gov/financedepartment/0813proposedcip/default.htm>

Citywide Summary

The 2008-2013 Proposed CIP reflects the City of Seattle's recent emphasis on building new facilities as well as its long-standing efforts to maintain or improve existing infrastructure. Many of the projects in the 2008-2013 Proposed CIP build civic, cultural or public safety facilities funded by voter-approved levies (e.g., the 2000 "Neighborhood Parks, Green Spaces, Trails and Zoo" Levy and the 2003 "Fire Facilities and Emergency Response" Levy) and bonds ("Libraries for All"). Utility-funded CIP projects in Seattle City Light (SCL) and Seattle Public Utilities (SPU) improve or maintain the utility infrastructure that serves Seattle residents. CIP projects in the Seattle Department of Transportation (SDOT) are funded by multiple fund sources – local, state, federal, and a voter-approved levy ("Bridging the Gap") – and focus on streets, bridges, and other elements of the City's transportation infrastructure. Finally, the CIP also projects the financial impact that major transportation projects will have on City departments, including Sound Transit Light Rail and replacement of the Alaskan Way Viaduct and Seawall. Key projects are more fully described later in this overview, and details on funding and schedule can be found in the individual department sections.

The 2008-2013 Proposed CIP totals over \$4 billion for six years and includes 832 individual projects. Nearly \$2.9 billion of the six-year total, or 70% of the total CIP, consists of utility projects that are managed by SCL and SPU, and are funded by utility rates. Approximately \$816 million, or 20%, is in SDOT over the six-year period. The remaining departments (Parks and Recreation, Fleets and Facilities, Seattle Center, Seattle Public Library, and Department of Information Technology) account for approximately \$415 million, or 10% of the six-year CIP.

Department capital appropriations for the coming year are made through the 2008 Proposed Budget, which includes details following each departmental budget section. For informational purposes only, the table on the next page shows the 2008-2013 proposed allocations by department and the accompanying pie chart displays proposed allocations for 2008 only.

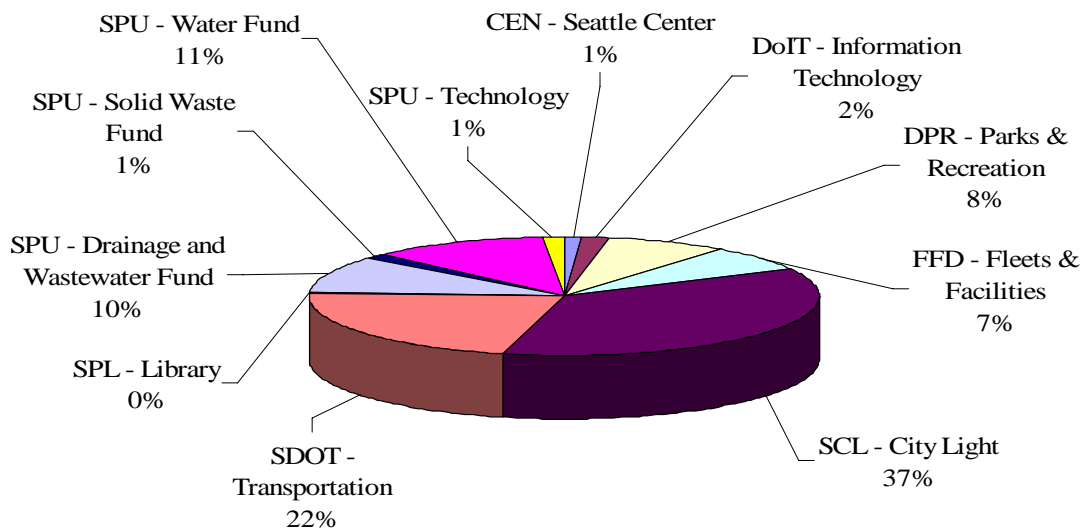
2008-2013 Proposed CIP by Department (dollars in thousands)

Department	2007 Adopted ¹	2007 Revised ²	2008 Proposed ³	2009-13 CIP	2008-13 Total
Fleets and Facilities	68,877	141,075	50,648	128,883	179,531
Information Technology	9,237	18,789	12,551	26,374	38,925
Parks and Recreation	78,209	129,431	56,124	74,656	130,780
Seattle Center	15,841	24,267	8,008	45,367	53,375
Seattle Public Library	3,263	18,665	2,015	10,677	12,692
Seattle Transportation	100,375	176,790	157,361	658,681	816,042
Subtotal	275,802	509,017	286,707	944,638	1,231,345
City-owned Utilities					
Seattle City Light	184,275	214,522	263,200	1,515,418	1,778,618
SPU - Drainage & Wastewater	52,012	57,001	74,245	342,714	416,959
SPU - Solid Waste	17,053	17,851	9,959	155,746	165,705
SPU - Technology Projects	11,100	11,167	10,175	52,331	62,506
SPU - Water	104,246	105,724	79,490	371,033	450,523
Subtotal	368,686	406,265	437,069	2,437,242	2,874,311
City Total	\$644,488	\$915,282	\$723,776	\$3,381,880	\$4,105,656

Notes:

1. 2007 Adopted totals are based on the 2007-2012 Adopted CIP.
2. The 2007 Revised column shows 2007 Adopted totals, plus carryovers, abandonments and supplementals added during the 2007 fiscal year.
3. Not all funds above are appropriated; see the 2008 Proposed Budget for a list of capital appropriations by department.

2008 Proposed CIP by Department - \$724 million



CIP Funds and Funding Sources

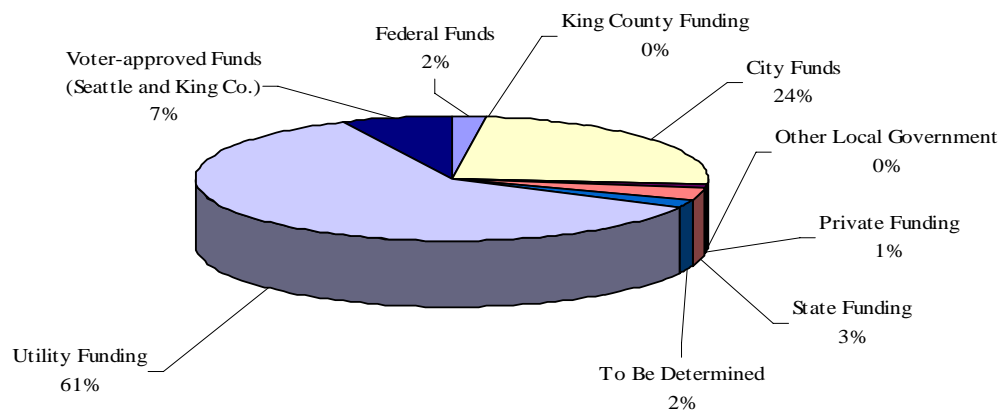
Like all large municipalities, Seattle relies on a variety of sources to pay for capital projects. These include locally-generated revenues (property taxes, fees, voter-approved bonds, and user charges), intergovernmental revenues (including state and federal grants), and debt issuance. Unlike pay-as-you-go sources of funding, the issuance of debt requires revenues in future years to repay the principal and interest expenses. These traditional funding sources continue to provide the majority of funds for capital facility investments. Utility projects (Seattle City Light and Seattle Public Utilities) are funded by revenues from utility rates. The utilities also issue debt to finance a portion of their capital projects. The City's level of capital investment is based on the mix and level of financial resources available to the City.

The table below identifies funding sources for the 2008-2013 Proposed CIP by fund group (displayed in thousands of dollars)

Fund Group	2007 Revised	2008 Proposed	2008-2013 Total
Federal Funds	33,932	15,428	33,020
King County Funding	6,948	25	980
City Funds	232,195	176,077	505,338
Other Local Government	3,991	940	6,279
Private Funding	41,281	3,645	18,700
State Funding	18,527	24,457	69,155
To Be Determined ¹	1,552	14,960	72,222
Utility Funding	411,599	438,397	2,880,043
Voter-Approved Funds (Seattle and King County)	165,258	49,847	519,919
Total	\$915,282	\$723,776	\$4,105,656

1) Funds indicated as "To Be Determined" are generally placeholders for a variety of non-City funding sources (such as grants or private funding). These placeholders are not appropriated, and these projects will not go forward unless funding is secured.

2008 Proposed CIP by Fund Group



2008 Cumulative Reserve Subfund Appropriations

The Cumulative Reserve Subfund (CRS) is a significant source of ongoing local funding to support capital projects in general government departments. This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The table below (dollars displayed in thousands) shows department allocations from the CRS along with other special projects, including debt service payments and the City's Tenant Relocation Assistance Program.

	Budget Control Level	Fund Name	2007 Adopted¹	2007 Revised²	2008 Endorsed¹	2008 Proposed³
Appropriations - Special Projects						
1998B Capital Facilities Refunding REET I Budget Control Level	2CCE0-1	REET I	2,941	2,941	2,935	2,935
2007 LTGO Bond – Woodland Park Zoo Garage REET I Budget Control Level ⁴	TBD4-CRS	REET I	0	0	0	871
Artwork Conservation - OACA - CRF-UR Budget Control Level	V2ACGM	Unrestricted	195	195	170	170
Design Commission	2UU50-DC	Unrestricted	351	351	359	359
Other Drainage CIP REET I Budget Control Level	C335B-CRF	REET I	103	103	0	0
Reserve for Neighborhood Centers Budget Control Level	2CCEO-2	REET I	0	0	125	0
Tenant Relocation Assistance Program - CRF - REET I Budget Control Level	2UU51	REET I	200	200	205	205
Tenant Relocation Assistance Program - CRF - UR Budget Control Level	2UU50-TA	Unrestricted	80	80	80	80
Transfer to General Fund Budget Control Level	2CU50	Unrestricted	785	785	0	0
Special Projects Total			4,655	4,655	3,874	4,620
Allocations - Department Summaries - Information Only						
Department of Parks and Recreation ⁴	Various	CRS	23,871	45,337	27,410	32,199
Fleets and Facilities Department	Various	CRS	19,252	32,884	12,196	17,172
Seattle Center	Various	CRS	4,091	7,855	4,041	5,043
Seattle Public Library	Various	CRS	1,555	5,730	991	2,015
Seattle Department of Transportation	Various	CRS	14,282	24,098	9,810	15,901
Department Summaries Total			63,051	115,904	54,448	72,330
GRAND TOTAL			67,706	120,559	58,322	76,950

Notes:

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3. Not all funds above are appropriated; see the 2008 Proposed Budget for a list of capital appropriations by department.
4. Beginning in the 2008 Proposed Budget, \$871,000 in debt service for Woodland Park Zoo Garage is paid directly from CRS. Previously, this expense had been included in Parks' CIP budget, and therefore, is included in Parks' 2007 Adopted, 2007 Revised and 2008 Endorsed totals above.

Capital Projects Funds

In addition to the Cumulative Reserve Subfund, the City establishes capital project funds to account for resources set aside to acquire or construct major capital facilities, except those financed by proprietary funds. These funds have been established to monitor the revenue and expenditures of specifically authorized revenues, such as voter-approved and Councilmanic bonds and levies. Descriptions of various types of capital projects funds follow.

General Subfund: General Subfund dollars appear in the CIP in two places: the General Subfund contribution towards debt service costs of Councilmanic debt and appropriations to capital projects from a department's operating budget.

Limited Tax General Obligation Bonds: The City's operating budget includes expenditures to pay debt service on general obligation bonds that were issued to finance certain projects. Limited tax general obligation ("LTGO" or "Councilmanic") bonds are bonds issued by the City Council without voter approval. The debt service on these bonds is typically repaid from existing general government revenues or from revenues generated by the project(s) financed with the bonds.

Unlimited Tax General Obligation Bonds: Funds have also been established to account for expenditures of a second type of general obligation bond – unlimited tax general obligation ("UTGO" or "voted") bonds. These voted bonds are issued after receiving approval by 60% of the voters in an election with at least 40% turnout. The debt service on these bonds is repaid from additional ("excess") property tax revenues, which voters approve as part of the bond measure. The "Libraries for All" (LFA) measure, approved by voters in November 1998, is an example of a voter-approved bond.

Utility Funds: These funds exist to account for both the operating and capital expenses of Seattle Public Utilities and Seattle City Light. The Utility Funds are: Seattle City Light Fund, and Seattle Public Utility's Drainage and Wastewater Fund, Solid Waste Fund, and Water Fund.

Private Dollars: Some departments show private funding contributing to their capital projects. There are two ways in which private funds appear in the CIP: private dollars that go towards a capital project but do not pass through the City in any way, and private dollars which are deposited in City funds, appropriated in the City budget, and spent on a department's capital project.

Significant Initiatives in the 2008-2013 Adopted CIP

The following section describes significant capital investments or initiatives in the 2008-2013 Proposed CIP. The projects and programs highlighted below are not new to the CIP, but reflect three types of investments underway: new and improved cultural and public safety facilities approved by the voters in the last eight years, other capital investments in maintaining the City's infrastructure and protecting public safety, and ongoing work on transportation projects including Bridging the Gap and the planned replacement of the Alaskan Way Viaduct and Seawall. Two voter-approved measures acquire, redevelop, and enhance parks, green spaces, and trails throughout the City; and expand, renovate, or build new libraries throughout the City. Public safety capital

investments upgrade the City's fire stations, build a new emergency operations center, and bury or cover reservoirs, creating additional open space while protecting public health. Several projects have required additional funds to fulfill commitments to voters, as the bid climate became less favorable in recent years or to respond to newly-identified opportunities.

Preserving and Enhancing Open Space

2000 Parks Levy Projects: The 2000 Parks Levy Program includes three distinct capital funding elements: property acquisitions, park and facility development projects, and acquisition and development projects that are pursued through an Opportunity Fund program to award Levy funding to applicant projects on a competitive basis.

Capital projects funded by the Opportunity Fund appeared for the first time in the 2003-2008 Proposed CIP, after awards were made in 2002. The Department of Parks and Recreation (DPR) awarded the remaining \$4 million in 2005. As of mid-year 2007, 11 of the 22 development projects are complete, and eight more will be completed by the end of the year. DPR has acquired 11 new properties under the Opportunity Fund Acquisition program, and anticipates acquiring one more by year's end.

As of mid-year 2007, DPR has acquired all but two of the 17 named neighborhood parks. DPR anticipates abandoning the Sylvan Way property acquisition project, and acquiring the last named neighborhood park in 2008. Acquisitions are complete for 21 green spaces, and DPR anticipates closing additional transactions in 2007 and 2008. Sixty-six of the 95 development projects are complete (including one trail project being managed by the Seattle Department of Transportation (SDOT)), twelve more will be completed by the end of the year (including two trail projects being managed by SDOT), and all but three of the remaining projects are underway.

Neighborhood Park Development: The 2008-2013 Proposed CIP includes \$7.0 million of General Subfund resources to pay for almost all ongoing operations and maintenance costs that are built into the 2000 Parks Levy. Using these General Subfund resources will allow Levy resources to stretch out beyond 2008, when the Levy ends. The 2008 Proposed Budget appropriates these freed up Levy resources as an additional \$7.0 million that may now be used for capital development in the Neighborhood Park Development Program in this CIP. The intent of the program is to further fund capital development of various park projects that have been only partially funded with Levy resources or have had difficulty with securing community funding. All future Levy-related operations and maintenance costs will be paid with General Subfund resources.

1999 Seattle Center and Community Centers Levy: Eight of the nine community center projects funded by the 1999 Seattle Center and Community Centers Levy are complete. The ninth and final project, the new Belltown Community Center, is in the planning stage as Parks seeks a location for the center.

Center City Parks Improvements: Several projects support the Mayor's initiative to transform Seattle's Center City into vibrant, attractive public spaces, including improvements at Occidental Park, Freeway Park, City Hall Park and one new project in 2008, Center City Park Security. The new project includes an appropriation of \$850,000 of General Subfund resources to pay for installation of automated cameras and various capital improvements to discourage illegal activities and encourage more use of key parks in the downtown area. Four parks are identified as the first ones to receive the security improvements in 2008: Hing Hay, Victor Steinbrueck, Occidental and Cal Anderson Parks. DPR will plan and implement these improvements with consideration of potential impacts on other nearby parks.

Discovery Park: In 2007, DPR completed negotiations for the purchase of the Capehart property, and completed demolition and restoration of the site of the Discovery Park chapel annex and Washington Avenue. Work is progressing on several other projects.

Lake Union: The 2008-2013 Proposed CIP appropriates \$750,000 to pay for electrical repairs and upgrades to the Armory building in anticipation of negotiations with the Museum of History and Industry (MOHAI) for the building's purchase or long-term lease. These upgrades will be needed for any major use of the building, even if

MOHAI does not locate there. An additional \$225,000 is appropriated outside the CIP for design and research of a more extensive renovation of the Armory, also in anticipation of negotiations with MOHAI. One million dollars of General Subfund resources is also appropriated to fund the Lake Union Trail project that aims to connect Lake Union Park's trails, the Burke-Gilman trail, and other public rights of way to create a contiguous trail around Lake Union.

Warren G. Magnuson Park: The 2008-2013 Proposed CIP includes \$2.7 million for the renovation of the western wing of Building 30, which includes replacing some building systems, and performing seismic upgrades and various interior improvements. An association of over 40 private artists has signed a letter of commitment to lease the newly renovated space. Other lease and redevelopment negotiations are in progress related to Buildings 2, 11, 18 and 27, the Magnuson Community Center Theater and a possible new structure for a tennis center.

Restoring and Enhancing Civic and Cultural Structures

“Libraries for All” Plan: This program, approved by voters in 1998, builds a new Central Library on the site of the old Central Library; constructs three new branch libraries - Delridge, International District/Chinatown, and Northgate - in neighborhoods not previously served by branches; and replaces, expands, renovates, or relocates each of the other 22 branch libraries in the system as of 1998. In addition, an Opportunity Fund supports projects in areas underserved by the library system. For example, the Opportunity Fund contributed to the construction of an additional branch library in South Park. To date, 23 “Libraries for All” projects have been completed, including the new Central Library, which opened in May 2004. The Southwest and Queen Anne branches opened in 2007. The University and Broadview branches are scheduled to open in fall 2007. The Madrona-Sally Goldmark and Magnolia branches are scheduled to open in 2008 marking the successful completion of the LFA program. The 2008-2013 Proposed CIP reflects 2007 supplemental appropriations of \$737,000 in interest earnings from voter-approved bonds, \$307,000 from the Cumulative Reserve Subfund, and \$1 million from the Library Capital Subfund to directly support LFA projects. There are no new appropriations for LFA projects in the 2008-2013 Proposed CIP. The 2008-2013 Proposed CIP also allocates \$2,015,000 in 2008 from the Cumulative Reserve Subfund to support maintenance for Library facilities.

Planning for a Legacy Levy: Both Seattle Center and the Pike Place Market Public Development Authority (PDA) will continue planning for a potential ballot measure in November 2008. Seattle Center will complete an Environmental Impact Statement (EIS) process and will propose a new master plan based on the alternatives developed by the Century 21 Committee in 2007. The Center will also identify elements to be included in a first levy package. The PDA will begin design development on its proposed renovation of the Pike Place Market. The PDA intends to upgrade the mechanical, electrical and heating and ventilation systems of the Market and improve access for disabled patrons. The Executive will evaluate other projects for inclusion in the levy and intends to submit a proposed levy package to Council for consideration in May 2008.

Improving and Maintaining City's Utility Investments

The windstorm of December 2006 exposed some vulnerable areas in City Light's infrastructure. To that end, SCL's Proposed CIP includes funding for implementation of an Asset Management program (\$2.9 million in 2008); development of a North Downtown network, network services and substation (\$53 million in 2008); and more than triples annual funding for utility pole replacement (to \$9.1 million in 2008). In addition to exposing critical infrastructure needs for Seattle City Light, the December windstorm highlighted the need for improvements to the utility's emergency preparedness structure. The Proposed CIP includes funding for development of a City Light Command, Control and Coordination Center (\$4.6 million in 2008) and an Outage Management System (\$3.9 million in 2008). These new facilities and systems will help customers receive accurate and timely information about outages that impact their families and businesses, and will allow Seattle City Light to more effectively maintain its services to the public.

The Proposed CIP also funds an initiative to underground electrical utility distribution lines on major arterial streets and in urban center areas. Undergrounding utilities improves system reliability, provides aesthetic benefits, and supports implementation of the City's Complete Streets policy (established by Ordinance 122386), which states guiding principles for improving the city's streets. In 2008, this effort will include work to move overhead distribution lines to underground in conjunction with three Seattle Department of Transportation projects – Aurora Avenue North, Spokane Street Viaduct, and the Mercer Corridor.

Capital Investments in Public Safety

2003 Fire Facilities & Emergency Response Levy: The 2008-2013 Proposed CIP includes a number of projects in the Fire Facilities and Emergency Response Levy lid lift, approved by voters in November 2003. As passed, the multi-year Levy lid lift makes about \$167 million in levy proceeds available to: (i) upgrade, renovate, or replace 32 neighborhood fire stations; (ii) construct a new training facility and upgrade the Seattle Fire Department's Fire Alarm Center; (iii) add emergency preparedness facilities and disaster response equipment that includes a modern, seismically-safe Emergency Operations Center, emergency community supplies, emergency shelter power generators, and emergency water supply capacity for fire fighting in the event the City's fire hydrants are disabled; and (iv) provide a new, large-platform fire boat, a rehabilitated and enhanced Chief Seattle fireboat, and a new fast attack fire boat. Funds have been added to the original Levy program in this CIP to pay for exceptionally high recent construction inflation and the cost of building Levy projects to the LEED Silver standard of sustainable design. Please see the Fleets and Facilities CIP for more detailed information on these Levy projects.

Urban Areas Security Initiative (UASI) Grants: The City of Seattle has been awarded six grants under the federal Urban Areas Security Initiative, a funding source that provides state and local governments with resources to prevent, respond to, and recover from, acts of terrorism. The UASI-funded CIP projects add security features to critical infrastructure, improve communication among first responders and among regional emergency management officials, and provide needed equipment, vehicles, and technology for first responders. No projects are funded to construct or renovate facilities.

Reservoir Coverings: Seattle's water system includes six open reservoirs that store treated drinking water. These reservoirs built between 1901 and 1947, range in size from 7 to 68 million gallons and are managed by Seattle Public Utilities. These reservoirs represent a large portion of the system's in-city storage capacity. The reservoir sites also provide open space areas in the City often serving as neighborhood focal points and/or abutting recreational areas. To comply with water quality regulations and enhance security, the City plans to cover or decommission all of its drinking water reservoirs over the next decade. Approximately \$114 million is included in the 2008-2013 Proposed CIP for reservoir covering and undergrounding projects. Four open reservoirs have already been covered: Magnolia Reservoir in 1995, Bitter Lake Reservoir in 2001, Lake Forest Park Reservoir in 2002, and Lincoln Reservoir in 2005. Of the remaining six open reservoirs, SPU began construction at the Beacon and Myrtle Reservoirs in 2006, and started design work for the replacement of the West Seattle and Maple Leaf reservoirs. SPU also plans to decommission the Roosevelt Reservoir, and is evaluating whether to underground or decommission the Volunteer Reservoir. The Department of Parks and Recreation has developed a park over the Lincoln Reservoir and will be developing parks over the Beacon and Myrtle reservoirs. The 2008-2013 Proposed CIP reflects the revised schedule for reservoir undergrounding adopted by Ordinance 121447. See the Seattle Public Utilities - Water Fund CIP for more detailed project information.

Transportation and Mobility Priorities

Transportation projects, such as the Sound Transit Link Light Rail and Alaskan Way Viaduct and Seawall Replacement project, are expected to have a substantial impact on the region's transportation infrastructure. These projects are reflected in the 2008-2013 Proposed CIP for several City departments. The initial segment of the Sound Transit Link Light Rail is anticipated to be completed and in service in 2009.

Sound Transit is designing the University Link 3.15 mile tunnel extension of the light rail system from Downtown Seattle to Capitol Hill and the University of Washington. SDOT is managing the City's design review and permitting process and has negotiated a reimbursement agreement with Sound Transit for City services. The Proposed CIP includes \$110,000 in anticipated reimbursable workload for 2008 activities.

In 2008, construction work is expected to begin on the King Street Station. After acquiring the property from Burlington Northern Santa Fe Railway (BNSF), the Station will be remodeled and transformed into a transportation hub connecting express bus, commuter train, and light rail service. The City expects to partner with the Washington State Department of Transportation to complete the restoration of the building so that it complies with the City's Sustainable Building Policy using a combination of state and Bridging the Gap funds.

Other major transportation and mobility projects include the Spokane Street Viaduct, which widens the existing viaduct by about 41 feet and adds an eastbound Fourth Avenue off-ramp; the Mercer Corridor project, which implements a comprehensive package of transportation improvements in the Mercer Corridor in South Lake Union; and the South Lander Street Grade Separation project, which develops a grade separation of the Lander Street roadway and the Burlington Northern mainline railroad tracks between First Avenue South and Fourth Avenue South.

Bridging the Gap: In August 2006, the Seattle City Council approved Bridging the Gap (BTG), a funding initiative proposed by the Mayor to repair and improve Seattle's streets, bike trails, sidewalks, and bridges. The package includes a commercial parking tax and a business transportation tax to be phased in gradually starting in July 2007. In addition, the City Council approved a property tax levy that was voted on and approved by Seattle citizens in November 2006. The property tax measure is a nine-year levy, with the annual growth rate in levy revenue is capped at one percent, plus the value of new construction. The BTG funding package provides about \$52 million of new revenue for transportation projects in 2008. SDOT's 2008-2013 Proposed CIP includes over \$300 million in funding from Bridging the Gap revenues and from Limited Tax General Obligation bonds that would be serviced with a portion of the revenues. Highlights of the Bridging the Gap program for 2008 include a plan to repave more than 47 lane miles of arterials, early implementation of the Bicycle Master Plan, construction of more than 13 blocks of new sidewalks, further development of a pedestrian master plan, continued work and construction on the rehabilitation of two bridges and the seismic retrofit of two additional bridges, and construction of multiple neighborhood transportation improvements identified through the Neighborhood Street Fund process in 2007.

Alaskan Way Viaduct and Seawall Replacement Project: The 2008-2013 Proposed CIP continues the City's work to replace the Alaskan Way Viaduct and Seawall with a new transportation facility. In mid-2007, the City Council called for the development of an urban mobility plan to examine options for replacing the Viaduct. The City, King County, and the State of Washington agreed on a series of "early implementation" projects that do not depend on the ultimate design of the new transportation system on the central waterfront. The City continues to work with the U.S. Army Corps of Engineers on design and construction of components of the north seawall. The City's portions of all of these projects are funded in the 2008-2013 Proposed CIP using a combination of General Subfund money, bond proceeds, external grants, and utility funds for relocation of utility infrastructure. Preliminary estimates of costs and funding sources related to implementing the overall Viaduct and Seawall Replacement Project (including relocating the City's utility infrastructure as necessary) are reflected in the 2008-2013 Proposed CIP for the following departments – these estimates will be revised as the project progresses:

- For Seattle Public Utilities, a total of \$5.8 million is allocated in 2008 through 2009 for relocation of water, drainage and wastewater infrastructure. Costs in later years will be shown in future CIPs, due to uncertainty about the timing and cost of the utility work.
- For Seattle City Light, a total of \$306 million is allocated from 2008 through 2013 for relocation of electrical system infrastructure. The amounts shown in the CIP represent preliminary cost estimates and funding assumptions, and will be revised as the overall Viaduct and Seawall Replacement Project progresses.

- For the Seattle Department of Transportation (SDOT), approximately \$5 million is budgeted in 2008, from City and state funding sources. Funding assumptions for 2008 and future years will be subject to further discussions between the City and the Washington State Department of Transportation (WSDOT).

Pedestrian Improvements and Safety: In addition to work supported by the Bridging the Gap Transportation Funding Package, the 2008 Proposed CIP includes substantial investments in pedestrian and safety improvements. The Proposed Budget includes an increase in support for the Neighborhood Street Fund, adding \$500,000 for small projects and \$1.5 million for large projects. The program enhances the safety, quality, and condition of the pedestrian and neighborhood environments. This additional funding allows larger and more numerous projects to be constructed in 2008. The CIP also includes funding for installation and operation of 24 new red light cameras, and rehabilitation of Post Avenue between Marion and Columbia Streets.

Ordinance 122386 establishes Seattle's Complete Streets policy, stating guiding principles and practices so that transportation improvements are planned, designed, and constructed to encourage walking, bicycling and transit use while promoting safe operations for all users. These principles are applicable to all new City transportation improvement projects, strategic plans, and other SDOT plans, manuals, rules, regulations and programs. The Proposed CIP includes \$800,000 to begin improvements to Linden Avenue North. This project provides pedestrian, drainage and roadway improvements, and will complete the final link in the Interurban Trail, and is an example of how the City is implementing the Complete Streets policy.

Mayor's Environmental Action Agenda

The Mayor's Environmental Action Agenda has four key initiatives: Climate Protection, Green Seattle, Restore Our Waters, and Healthy People & Communities.

Climate Protection: The City of Seattle continues to be a national leader in promoting climate protection. The 2008-2013 Proposed CIP includes programs to engage Seattle citizens and businesses in reducing resource consumption and greenhouse gas emissions. The Proposed CIP includes a new Building Efficiency Program fund of \$5 million in 2008. City departments with qualified projects that demonstrate reduced resource consumption can draw from this new fund. These projects will also have other benefits, including greenhouse gas reduction and labor savings. Subsequent savings will replenish the fund. Examples of possible projects include replacing the lights and lighting control system in Seattle Municipal Tower, and installing energy-efficient heat pumps in fire stations. The Proposed CIP also continues investments in green equipment and biofuels, and supports research and planning for the impacts of climate change on utility service.

Restore Our Waters Initiative: Restore Our Waters is a long-term effort to protect and restore the City's aquatic habitats, improve water quality, and inspire citizens and businesses to do the same. The Proposed CIP continues work on the Stormwater Facilities Assessment to examine drainage conditions at all City-owned facilities, funds priority CIP projects identified in the assessment, and increases resources to comply with the requirements of the City's National Pollution Discharge Elimination System (NPDES) permit. The Proposed CIP also includes a number of natural drainage projects to better manage pollution and stormwater flow, protecting aquatic habitat in Seattle's creeks and waterways.

Green Seattle Initiative: Green Seattle is an initiative to restore Seattle's urban forest and green the built environment. The City's Urban Forestry Management Plan established a goal of increasing Seattle's tree canopy cover from a current level of 18% to 30%. The Proposed CIP includes funding for replanting trees on City property, removing invasive vegetation from forested parklands, and increase pruning cycles to better maintain City-owned trees. As part of the Green Seattle Initiative, a task force was convened to examine potential incentives and regulations for promoting Seattle's urban forest on private property and recommendations will be considered in 2008.

Healthy People & Communities Initiative: The City of Seattle is committed to creating healthy, livable urban centers, promoting sustainable practices, and improving environmental justice. The Proposed CIP includes

programs to promote energy conservation and green building concepts in new and existing buildings, a new recycling pilot program in Seattle’s parks, and a food waste reduction program.

Support for Neighborhoods and Neighborhood Plan Projects

The 2008-2013 Proposed CIP contains more than 179 projects, with a total of nearly \$225 million of funding proposed in 2008, in support of neighborhood plans. The plans, created by nearly 20,000 citizens and approved by City Council, identify actions desired to ensure the City’s neighborhoods continue to thrive and improve as Seattle grows over the next 20 years and meet commitments under the State’s Growth Management Act. Projects supporting neighborhood plan recommendations are found throughout the CIP and include parks, street and pedestrian improvements, libraries, community centers, drainage improvements, and pedestrian and safety lighting. When a project’s location is included in a neighborhood plan’s geographic parameters, the neighborhood plan is indicated. If the project is specifically identified as a desired activity within the neighborhood plan, a corresponding matrix number will be indicated. Funding for these projects comes from voter-approved levies (2000 Parks Levy) and bonds (“Libraries for All”), the Neighborhood Matching Subfund, the Cumulative Reserve Subfund, utility funds, Community Development Block Grant Funds, and other public and private sources.

Effort to Update Neighborhood Plans: In 2008, the City will begin a multiyear initiative to update existing neighborhood plans within the City’s six geographic sectors. The Department of Planning and Development will lead the process with active involvement from Department of Neighborhoods, Seattle Department of Transportation, Department of Parks and Recreation, Office of Housing, and other departments as necessary. The Department of Neighborhoods will coordinate all public outreach efforts within each planning area. Updates will incorporate sustainability and connectivity goals by addressing topics such as land use, transportation, housing, environment and open space, capital facilities, and utilities. The effort will result in a standardized set of neighborhood plans that reflect changes in growth targets and Citywide plans and policies that have been adopted since the original plans were developed.

2008 NSF/CRS Neighborhood Program: Beginning in 1999, the City set aside approximately \$1 million per year from the Cumulative Reserve Subfund (CRS) for major maintenance projects identified in neighborhood plans. In addition, there will be a one-time \$500,000 transfer from the CIP Citizen Suggestion Process to the Neighborhood Street Fund and \$239,000 from gas taxes, for a total of \$1.7 million in 2008. These projects are identified and prioritized by the community, and selected for funding by the Department of Neighborhoods, SDOT, Parks, and the Department of Finance. The selection process for \$1.7 million of 2008 funding was completed in August 2007, and as a result \$243,000 of CRS was added to the Parks CIP, and \$1.2 million of CRS and \$239,000 of gas taxes to SDOT’s CIP. The following table lists all of the projects funded in 2008. See also SDOT project TC365770 (NSF/CRS Neighborhood Program) and Parks project K732376 (Neighborhood Capital Program) for more detail.

2008 NSF/CRS Neighborhood Program

District Council	Neighborhood Plan	Project ID #	Project Description	Dept	NSF/CRS Amount
Ballard	Crown Hill/Ballard	2007-460	Traffic Circle at 13th Ave NW and NW 95th St	SDOT	\$10,000
Ballard	Crown Hill/Ballard	2007-007	Traffic Circle at NW 60th St and 9th Ave NW	SDOT	\$10,000
Ballard	Crown Hill/Ballard	2007-506	Sidewalk repair south side of NW 56th St, east & west of 22nd NW	SDOT	\$10,000
Ballard	Crown Hill/Ballard	2007-462	Traffic circle at 12th Ave NW between NW 95th and NW 100th Streets	SDOT	\$10,000

Overview

District Council	Neighborhood Plan	Project ID #	Project Description	Dept	NSF/CRS Amount
Ballard	Crown Hill/Ballard	2007-505	One block of sidewalk rehabilitation – Ballard Avenue NW from NW Market to 20th Ave NW	SDOT	\$50,000
Ballard	Crown Hill/Ballard	2007-528	14th Avenue NW Streetscape Improvements	SDOT	\$40,000
Ballard Subtotal					\$130,000
Central		2007-216A	31st Ave S and Yesler curb bulbs	SDOT	\$50,000
Central	Central Area	2007-150	Traffic Calming at 20th between E Cherry and E Union Streets	SDOT	\$15,000
Central		2007-216B	31st S and S Dearborn Speed Cushions	SDOT	\$22,000
Central	Central Area	2007-227	Traffic Circle at 25th Ave and E Jefferson St	SDOT	\$10,000
Central	Central Area	2007-529	Pratt Park Lighting and Pathways at 1800 S Main St	Parks	\$38,000
Central Subtotal					\$135,000
Delridge	Delridge	2007-186	Lighting at SW Roxbury St and 16th Ave SW	SDOT	\$20,000
Delridge	Delridge	2007-527	Speed cushions from Delridge Way to SW Dawson to 16th Ave SW to South Seattle Community College	SDOT	\$50,000
Delridge	Delridge	2007-318	Radar speed signs on 35th Ave SW and SW Raymond St	SDOT	\$22,000
Delridge	Delridge	2007-008	Sidewalk on 30th Ave SW between SW Juneau and SW Brandon Streets	SDOT	\$38,000
Delridge Subtotal					\$130,000
Downtown	International District/Chinatown	2007-247	Green street for Eastern half of Maynard Ave S between S Main and S Jackson Streets	SDOT	\$100,000
Downtown	International District/Chinatown	2007-362	Paving of S Main St alley between 5th & 6th Ave	SDOT	\$17,000
Downtown	Commercial Core	2007-043	Kiosk replacement on 5th Ave & Pine St	SDOT	\$25,000
Downtown Subtotal					\$142,000
East	First Hill	2007-063	Streetscape improvements at intersection of Harvard, Union, and Seneca Streets	SDOT	\$80,000
East		2007-155	Madison Park Walkway Improvements between McGilvra Blvd and 43rd Ave E	SDOT	\$50,000
East Subtotal					\$130,000

Overview

District Council	Neighborhood Plan	Project ID #	Project Description	Dept	NSF/CRS Amount
Greater Duwamish	North Beacon	2007-324	Jefferson Park Play Area Improvements	Parks	\$80,000
Greater Duwamish		2007-098	Curb bulb on NE corner of Beacon and Othello	SDOT	\$20,000
Greater Duwamish	South Park	2007-089	Flashing beacon at 8th Ave S & S Director St	SDOT	\$12,500
Greater Duwamish	North Beacon	2007-302	Flashing beacon on S Myrtle St /Beacon Ave S	SDOT	\$12,500
Greater Duwamish	Georgetown	2007-268	Traffic circle at Carleton Ave S and S Warsaw St	SDOT	\$10,000
Greater Duwamish	Georgetown	2007-503	Pedestrian and drainage improvement to 8th Ave S and E Marginal Way	SDOT	\$20,000
Greater Duwamish Subtotal					\$155,000
Lake Union		2007-353	Alley paving between Baker Ave NW and 2nd Ave NW, north of NW 42nd St	SDOT	\$30,000
Lake Union	Wallingford	2007-001	Improved pedestrian access to NE corner of Good Shepherd Center at 50th & Sunnyside Ave N	Parks	\$20,000
Lake Union	Eastlake	2007-182	Pedestrian Improvements - Boylston Ave E and E Newton St	SDOT	\$15,000
Lake Union	Wallingford	2007-239	Pedestrian crossing improvements at 2300 block of Pacific St at Sunnyside Ave N and N 37th St	SDOT	\$30,000
Lake Union	Eastlake	2007-165	Curb bulb at SE or SW corner of E Lynn St and Franklin Ave E	SDOT	\$20,000
Lake Union Subtotal					\$115,000
Magnolia/Queen Anne		2007-096	Traffic circle at 36th Ave W between W Government Way and W Lawton Circle	SDOT	\$15,000
Magnolia/Queen Anne	Queen Anne	2007-152	Spot sidewalk repairs on west side of Queen Anne Ave N from Galer to McGraw	SDOT	\$50,000
Magnolia/Queen Anne	Queen Anne	2007-151	Repair gutters and curb on Bigelow Ave N	SDOT	\$45,000
Magnolia/Queen Anne Subtotal					\$110,000
North	North neighborhoods	2007-206 & 498	Stamped asphalt sidewalk on NE 105th St between 39th Ave NE and John Rogers Playfield	SDOT	\$80,000
North	North neighborhoods	2007-012 & 031	Stamped asphalt sidewalk on north side of NE 123rd St from Sandpoint Way NE to 42nd Ave NE	SDOT	\$40,000

Overview

District Council	Neighborhood Plan	Project ID #	Project Description	Dept	NSF/CRS Amount
North Subtotal					\$120,000
Northeast		2007-263	Installation of asphalt walkway at Sand Point Way NE between 45th Ave NE and 47th Ave NE	SDOT	\$60,000
Northeast		2007-292	Traffic circle at NE 47th St and 48th Ave NE	SDOT	\$10,000
Northeast	University Community Urban Center	2007-100	Landscaping restoration and benches at Ravenna Park, 55th NE and 25th NE	Parks	\$20,000
Northeast		2007-451	Improvements at Dahl Playground at 25th NE & NE 77 th , including ADA accessibility and signage	Parks	\$40,000
Northeast Subtotal					\$130,000
Northwest	Greenwood/Phinney	2007-383	Sidewalk at Fremont Ave N between N 86th and N 87th Streets	SDOT	\$98,000
Northwest	Greenwood/Phinney	2007-355	Sidewalk on N 90th from Phinney Ave N to Fremont Ave N	SDOT	\$43,000
Northwest Subtotal					\$141,000
Southeast		2007-213	Pedestrian safety at intersection of Rainier Ave S and S Holgate Street, 1924 Rainier Ave S between Holgate and Plum and 23rd Ave S	SDOT	\$83,000
Southeast		2007-311	Walkway on 4800 block of S Fontanelle St, Phase I	SDOT	\$51,000
Southeast		2007-530	Curb and planting strip 36th Ave S between S Hinds and S Spokane St	SDOT	\$30,000
Southeast Subtotal					\$164,000
Southwest	Admiral Residential Urban Village Plan	2007-333	Walkway on SW Forest St from 39th Ave to Walnut Ave SW	SDOT	\$70,000
Southwest	Morgan Junction	2007-132	Solstice Park, 7400 Fauntleroy Way SW, improvements including trash receptacles, benches, picnic tables and blackberry vines removal	PARKS	\$45,000
Southwest	Morgan Junction	2007-129	Radar speed signs on Fauntleroy Ave SW north and south of intersection with California Ave SW	SDOT	\$22,000
Southwest Subtotal					\$137,000
GRAND TOTAL					\$1,739,000

Bridging the Gap - Large Projects Fund: The Bridging the Gap funding package provides over \$1.5 million per year on a triennial basis for projects estimated between \$100,000 and \$500,000. The 2008-2013 Proposed CIP includes an additional \$1.5 million dedicated to the large project pool, for a total of \$6 million in the initial three-year period. In late 2007, a representative committee will review the large project proposals and public input, and make funding recommendations on which projects to fund. The chosen projects will be listed in the 2008-2013 Adopted CIP.

Neighborhood Matching Subfund: A number of CIP projects, particularly in the Department of Parks and Recreation CIP, include funding from the Neighborhood Matching Subfund (NMF), a subfund of the City's General Fund. The NMF was created in 1988 to provide money to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing, or planning projects. Many of these projects also support neighborhood plan recommendations. Awards are made for all phases of a capital project (with the exception of property acquisition) ranging in size from a few thousand dollars to \$100,000. NMF awards often add unfunded amenities to City or other-funded projects. All awards leverage other private and public contributions by requiring organizations to match the City's contribution with volunteer labor, donated materials, professional services, or money.

Key Policies Guiding the City's Capital Investments

City investments in capital projects are guided by a set of key policies reflecting the City's values and priorities. These policies shape how the City takes care of buildings and infrastructure, invests in capital projects in areas that have accepted growth as envisioned in the City's Comprehensive Plan, preserves the City's and greater Seattle's historic buildings, supports sustainable building practices, and ensures that all members of the community have access to the economic opportunities capital projects create. The following section details the key policies, and how they are reflected in the 2008-2013 Proposed CIP.

Asset Preservation: During 2002, the Executive undertook an assessment of the City's demands for major maintenance and facility improvement projects. This effort, which was an outgrowth of the City's update to its 2001 financial policies, was intended to develop an annual funding target for asset preservation investments (formerly referred to as "major maintenance") that would reflect an updated assessment of the City's capital infrastructure. The Asset Preservation Study found that, despite achieving targets recommended by the Citizens' Capital Investment Committee in 1994, the City still lagged behind industry-recommended levels of investment in asset preservation. The four General Government departments involved in the study (Fleets & Facilities, Library, Parks and Recreation, and Seattle Center) are responsible for a total of 6.9 million square feet of building space, 2.6 million square feet of parking space, and 240 million square feet of grounds (primarily green space) and work yards. These assets have a replacement value of approximately \$5 billion. Assuming an annual asset preservation funding target of 1.0% of the replacement value for buildings and 0.5% of the replacement value for other assets, the City should be investing about \$44 million per year in asset preservation. These percentage targets are consistent with those used by other jurisdictions that were polled as part of this study's review of best practices.

In 2008, the City is spending approximately \$42.4 million from the CRS and nearly \$53 million overall on asset preservation of general government infrastructure, including rehabilitation or restoration projects in parks, libraries, civic buildings, and on the Seattle Center campus. In SDOT, over \$51 million is allocated to asset preservation of roads and bridges in 2008. In the 2008-2013 Proposed CIP, the City continues to fund projects in the Fleets and Facilities Department through Fleets and Facilities' fund balance and space rent charges, as recommended by the 2002 Asset Preservation Study.

Historic Preservation: Seattle's commitment to historic preservation began with citizen efforts in the 1960s to block the demolition of several beloved buildings and adopted "Urban Renewal" plans that would have destroyed most of Pioneer Square and Pike Place Market. In 1970, the Seattle City Council secured Pioneer Square's survival with the City's first historic preservation district, and voters approved an initiative for the Pike Place

Overview

Market historic district two years later. In 1973, the Seattle City Council adopted a Landmarks Preservation Ordinance to safeguard properties of historic and architectural significance around the City, and more than 300 buildings, sites, and objects have now been designated. The City of Seattle currently owns or maintains 55 designated Landmarks, ranging from libraries to park buildings to fire stations; more than 75 other City-owned properties may be eligible for Landmark status. The City's current policy is to consult with Landmarks Board staff when there are plans to alter or demolish a structure that is listed in the inventory of City-owned Historic Resources as potentially eligible for Landmark status, to determine whether it is necessary for the department that owns the building to prepare a nomination. If the facility is significant, the department would go through the landmark designation process in order to preserve the historic nature of the facility. Staff from Fleets & Facilities has worked with Landmarks Board staff in preparing and implementing the Fire Facilities and Emergency Response Levy; the Landmarks Board has designated eight stations as Historic Landmarks.

Sustainable Building Policy: In February 2000, the City Council adopted a Sustainable Building Policy for the City of Seattle (Resolution 30121). The policy is based on criteria given by the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system. All capital construction which falls under the Sustainable Building Policy (new or renovated facilities larger than 5,000 square feet) is expected to budget to meet the LEED "silver standard" or higher. Sustainable building uses materials and methods that promote environmental quality, economic vitality, and social benefit through the design, construction, and operation of the built environment.

Alignment with City of Seattle Comprehensive Plan: Development of the 2008-2013 Proposed CIP was informed by the City of Seattle's Comprehensive Plan, which had its required 10-year update in 2004. Departments have taken special note of capital projects in neighborhoods targeted for substantial growth in the future or that have received substantial growth in the last few years. This effort is intended to make sure areas receiving growth have the appropriate physical infrastructure to accommodate such growth, while balancing the City's other major maintenance needs of existing facilities such as power distribution systems, pipes, community centers, swimming pools, libraries, and streets that are located throughout the City, not just in targeted growth areas.

Federal Regulatory Compliance: The City's utilities have several facility projects in their Capital Improvement Programs to meet federal and state regulatory requirements. The City must abide by U.S. Endangered Species Act regulations, which are designed to assist in species recovery efforts. In response to the listing of mid-Puget Sound Chinook salmon under the Act, Seattle Public Utilities is implementing measures to facilitate fish passage near the Landsburg Diversion Dam on the Cedar River. Other projects include creating Cedar River downstream fish habitat, fish passage facilities, and protective fish screening to prevent salmon entrapment in the water supply system. City Light and Seattle Public Utilities are also acquiring salmon habitat in the Green/Duwamish, Cedar/Lake Washington, Skagit, and Snohomish watersheds as part of the City's Early Action Plan.

Small and Economically-Disadvantaged Business Assistance: The City has taken steps to address contracting equity for small and economically-disadvantaged businesses, including minority- and women-owned businesses. Several City departments (Seattle Public Utilities, Seattle City Light, Seattle Department of Transportation, and Department of Executive Administration on behalf of General Fund departments) have contracts with the Contractor Development and Competitiveness Center (CDCC), which is managed by the Urban League of Metropolitan Seattle. The CDCC provides assistance to small construction firms, including minority- and women-owned businesses, in support of City public works projects. The CDCC provides these businesses with a bridge to resources available in the small business community for professional, managerial, and technical development.

Art and Design Funding for City Capital Projects

One Percent for Art Program: The One Percent for Art program, established by SMC Chapter 20.32, requires that one percent of eligible CIP project budgets be deposited in the Municipal Arts Fund for the commission, purchase, and installation of artworks throughout Seattle. The Office of Arts and Cultural Affairs (OACA) manages the One Percent for Art program and Municipal Art Fund. Public art projects funded through the One Percent for Art program are developed in the annual Municipal Art Plan (MAP), which is prepared by OACA. The MAP establishes the scope of work and budgets for new art projects and describes the status of ongoing public art projects.

Municipal Art Fund revenues from the One Percent for Art program can fluctuate significantly from year-to-year depending on changes in City capital investments. In 2008, the Municipal Art Fund is expected to receive approximately \$2.2 million from capital departments for the One Percent for Art program, as described below.

One Percent for Art Revenues	2006	2007		2008
	Actuals	Adopted	Revised	Proposed
City Light	0	1,227,201*	1,226,773*	535,780
Seattle Public Utilities	0	1,589,771*	1,514,772*	564,000
Fleets & Facilities	198,740	536,510	584,510	324,620
Library	18,631	0	8,588	0
Seattle Center	160,250	8,500	8,500	13,750
Parks & Recreation	399,336	204,710	125,320	205,770
Transportation	156,562	329,609	322,109	591,539
Totals	\$933,520	3,896,301	3,790,572	2,235,459

*Includes One Percent for Art from the utilities' eligible 2004-2006 CIP projects.

In addition to the One Percent for Art revenues identified above, OACA will receive \$170,000 in 2008 from the Cumulative Reserve Subfund for general maintenance and repair of all sited and portable artworks.

Design Commission: Established in 1968, the Seattle Design Commission advises the Mayor, City Council and appropriate City departments on both design and environmental aspects of the City's Capital Improvement Program. Commission members are Seattle citizens appointed by the Mayor for a renewable two-year term. Membership is comprised of two licensed architects, one professional fine artist, one youth member and one lay member; and at least one and no more than two from each of the following categories, for a maximum total of five: professional urban planner, professional environmental or urban designer, landscape architect, and licensed professional engineer. The Design Commission is fully funded with unrestricted funds from the Cumulative Reserve Subfund.

Projects eligible for review include any on- or above-grade structure including buildings and additions to buildings, bridges, park developments, street furniture, and all similar installations. The Commission reviews below-grade structures such as tunnels, arcades and underground passageways that are regularly visible to the public. Projects reviewed by the Commission must be financed in whole or in part with City funds, be on land belonging to the City or be subject to approval by the City. Commission involvement in capital improvement projects begins as early in the planning process as possible, starting with participation in the consultant selection process and continuing through the many stages of project development. This includes project reviews at the scope briefing or pre-design stage, conceptual design, schematic design, design development and sometimes construction documents stages.

