

Capital Improvement Program Purpose

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

Background

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

Every year during the annual budget process, the City adopts a six-year CIP, which outlines anticipated investments over that timeframe. The 2018-2023 Proposed CIP totals \$6.8 billion over six years, with approximately \$1.1 billion of that amount designated for the 2018 budget year.

Capital Planning Policies

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

- preserve and maintain existing capital assets
- support the goals of the City's plans
- support economic development
- consider external funding possibilities
- consider revenue-generating possibilities
- seek regional funding for regional projects
- pursue cost-saving commitments
- pursue conservation and sustainability investments

Additional specific considerations include:

- compliance with regulatory requirements
- coordination between departments and with other jurisdictions
- public safety and health

Capital Cabinet

In 2016, the City formed a Capital Cabinet to establish a coordinated decision-making structure to guide the planning and implementation of infrastructure investments and address directly related significant non-infrastructure issues so that the City delivers high quality capital projects on scope, schedule and budget. The Office of Planning and Community Development (OPCD) and the City Budget Office (CBO) co-lead the Capital Cabinet. Cabinet members are directors from key capital departments and others to address outreach, and economic issues, including Seattle City Light (SCL), Seattle Public Utilities (SPU),

Seattle Department of Transportation (SDOT), Seattle Department of Construction and Inspections (SDCI), Department of Neighborhoods (DON), Office of Economic Development (OED), Department of Finance and Administrative Services (FAS), Department of Parks and Recreation (DPR), and Office of Housing (OH). It also includes participation by other departments to address environmental and race and social justice issues.

Geographical Focused Capital Investment

In late 2016 and early 2017 the Capital Cabinet created two pilot focus areas for coordinated capital investment based on specific geographic areas. The current pilot areas are the Duwamish/Georgetown/South Park area and Chinatown/International District. These pilot groups are a collaboration of all capital departments, DON, OED, and other affected departments. They are generally co-led by staff members in OPCD and implementing department (the Office of Sustainability and Environment (OSE) for the Duwamish area and SDOT for Chinatown/ID). The result of this work includes several targeted capital investments in the Duwamish area, and renewed planning around the future of the Charles Street Shops in the Chinatown/ID.

CIP Development and Delivery Working Group

In early 2017, the Capital Cabinet created the CIP Development and Delivery Working Group (Working Group). The Working Group, led by CBO, included project development and delivery and finance staff from each of the large capital departments (SDOT, SPU, SCL, FAS, and Office of the Waterfront) as well as input from Council Central Staff.

The goal of the Working Group was to develop a more uniform approach to capital project development and delivery across the organization. To date, this group has created a universal language for CIP Projects across the City. The Working Group finalized six common CIP project stages for which to categorize all discrete projects. Readers will notice that each project categorized as a discrete project will now display the *Current Project Stage*. The *Current Project Stage* will indicate the relative certainty of the project budget. The project stage definitions are defined in the Reader's Guide section of this document.

CIP Staged Oversight Pilot

The 2018 Proposed Budget contains two pilot projects for capital project oversight by stage, or project phase: Ship Canal Water Quality Project (SPU project C361), and Delridge Multimodal Corridor (SDOT project TC367810). Both projects contain provisos that establish a Council reporting requirement before moving to the next stage of the project. See the department narrative and project pages for more information on each of these.

Capital Program Funding

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

Debt Financing

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

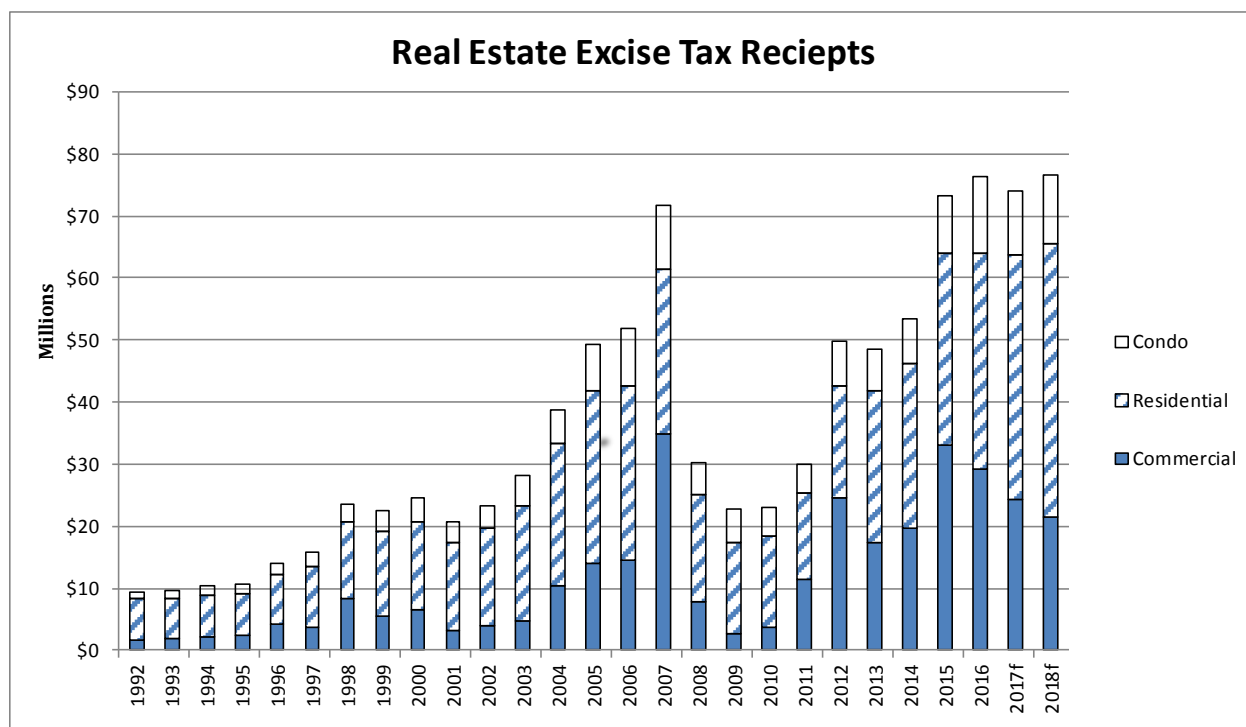
Public Utility Funding

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

Real Estate Excise Tax (REET)

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

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



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

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

- The 2015 Move Seattle Transportation Levy:** The Move Seattle Levy generated \$95 million in 2016, increasing every year until it reaches \$110.6 million in 2024. The levy proceeds will be used to support safe routes, congestion relief, and maintenance and repairs of our city’s bridges and arterial roadways. A major financing strategy in the Move Seattle Levy is the dependence on partnerships—leveraging external resources such as state and federal grants to accomplish transportation projects such as the S. Lander Street Grade Separation project. The Move Seattle Levy replaced the 2006, \$365 million Bridging the Gap Levy
- Creation of Seattle Park District in 2014.** The passage of the Park District is the culmination of the Parks Legacy Plan project, led by the Parks Legacy Plan Citizens' Advisory Committee. The goal of the Park District is to provide long term, stable funding to support recreation programming, parks projects and the critical needs for investment in major and ongoing maintenance. In 2016, the Parks District began collecting property tax revenue, accumulating the first year of full funding for Park District projects. The Park District will provide over \$37 million in 2018 for major maintenance and capital projects.
- The 2012 Central Seawall Excess Levy:** A 30-year, \$290 million bond levy provided a portion of the funding needed to construct Phase 1 the Elliott Bay Seawall Project (from Washington Street

to Virginia Street) and funds reconstruction of one of the public piers (Pier 62/63 and Waterfront Park).

- *The 2012 Library Levy:* A seven year, \$123 million levy to support, maintain and improve core Library services. Included as part of the levy were resources for the preservation and maintenance of library facilities. The City Librarian and the Library Board of Trustees prepare annual progress reports that show how levy proceeds have been used each year. The levy provides an average of \$3.1 million annually for major maintenance and asset preservation projects; including maintenance necessary for building components such as roofs, floors, finishes, HVAC and mechanical systems.
- *The 2008 Parks and Green Spaces Levy:* A six-year, \$146 million levy to acquire, develop, or restore, existing or new, parks, recreation facilities, cultural facilities, green spaces, playfields, trails, community gardens, and shoreline areas. This levy expired at the end of 2014, but a new source of voter-approved revenue—the Seattle Park District—is now providing on-going funding to help address major maintenance needs, as well as park development, at the Seattle Department of Parks and Recreation.
- *The 2003 Fire Facilities and Emergency Response Levy:* A nine-year, \$167 million levy which supported upgrades to or replacement of the City’s 33 fire stations and renovations to the Chief Seattle fireboat and built a new Emergency Operations Center and a new Joint Training Facility. Work on the last remaining station to be constructed with levy funds, Fire Station 32, is expected to be completed in 2018.

Funding Dynamics for Significant Future Capital Projects

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

Public Safety Facilities

A number of the City’s public safety facilities are in need of renovations, upgrade or replacement. For example, the Police Harbor Patrol facility on Lake Union needs significant capital renewal, and the Fire Department Headquarters is currently located in a seismically unsound building and its freshwater boat facilities are in need of a major upgrade. The City will continue to work to identify potential funding sources for these projects.

The 2018 Proposed Budget includes funding for modifications to the current Police North Precinct facility that will allow it to accommodate anticipated staffing for the next several years. It also includes funding for a multi-year project that will upgrade ventilation systems at 11 fire stations and the Joint Training Center.

Transportation

The City’s existing transportation network faces an extensive backlog of major maintenance. Current funding is not sufficient to maintain the City’s road, bridges, signs, etc. In addition, through a series of long-term planning efforts the City has completed “Master Plans” that identify large potential

investments in a transit network, bicycle facilities, freight projects and pedestrian-oriented infrastructure. In recent years, the Bridging the Gap transportation levy, which expired in 2015, provided a significant amount of funding to help address all these needs. In November of 2015, voters approved the nine-year \$930 million-dollar Move Seattle Levy that will address critical transportation programs such as safe routes, relief of congested roadways and maintenance and repair programs.

Waterfront

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

Projects

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

Progress Update

In early 2017, the City signed a construction funding commitment with the Washington State Department of Transportation (WSDOT) to reconstruct Alaskan Way and build the new Elliot Way and related projects. The City is also working with WDOT on the demolition schedule for the Alaskan Way Viaduct, which will follow the opening of the new State Route 99 tunnel, anticipated in early 2019.

The design of the Main Corridor and Overlook Walk continue to progress with the 90% Main Corridor design submittal expected in Q4 2017. In addition, the Pike Place Market Front expansion opened in the summer of 2017.

Funding

The 2018-2023 Proposed CIP identifies a mix of resources to fund these projects and the other elements of the overall Waterfront redevelopment. In addition to general government resources in the form of REET, commercial parking tax, and general fund-supported debt, the funding plan calls for significant contributions from a Local Improvement District (LID), philanthropy, and WSDOT. The LID provides that property owners who benefit from the project pay a share of its cost. LID formation is expected to occur in 2018, with LID revenues anticipated in late 2019.

Protecting and Creating Opportunities for Workers

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

Fair and equitable treatment of workers: While FAS monitors and enforces fair and equitable treatment of workers in City construction contracts to protect workers, due to limited resources, it could

only focus on a small number of projects. In 2013, FAS increased its monitoring and enforcement of wage and labor conditions on City-contracted construction projects, including Office of Housing-financed projects. The 2018 Proposed Budget provides funding to allow FAS to continue this program, including compliance monitoring for wage and labor violations for projects considered high-risk. It also includes funding to support the new Appropriate Construction Workplace program, which will train, teach and enforce anti-harassment and anti-bullying interventions on City-funded construction projects.

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

Women and Minority Owned Business (WMBE): The City continues to successfully address contracting equity for minority- and women- owned businesses. In 2011, FAS implemented a Citywide requirement on all public work bids and contracts above \$300,000 called the "Public Works WMBE Inclusion Plan" that continues to effectively encourage and enforce commitments by contractors to use WMBE firms. In 2014, FAS launched prompt pay initiatives which our WMBE firms report as very significant and meaningful for their business cash flow. The 2018 Proposed Budget adds funding for a WMBE Technical Business Center. It is anticipated that the Center will both provide WMBE firms with business and technical guidance that will allow them to compete more successfully for public projects and better equip them to participate in Priority Hire.

2018-2023 Proposed Capital Improvement Program Summary

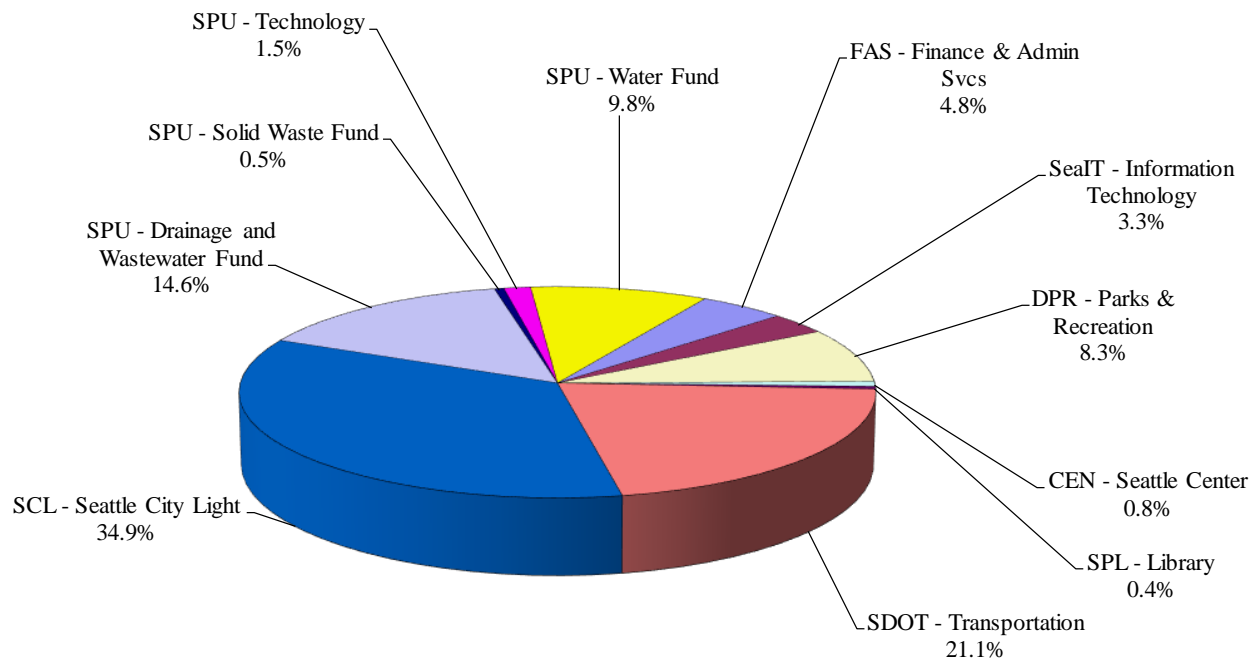
The 2018-2023 Proposed CIP totals \$6.8 billion for six years and includes approximately 473 projects. Approximately \$4.2 billion of the six-year total, or 62%, are utility projects managed by Seattle City Light (SCL) and Seattle Public Utilities (SPU), and mostly funded by utility rates. The Seattle Department of Transportation's CIP totals \$1.7 billion (26%) over the six-year period, while the remaining departments (Parks and Recreation, Finance and Administrative Services, Seattle Center, Seattle Public Library, and Seattle Information Technology Department) account for approximately \$813 million, or 12%, of the six-year CIP.

2018-2023 Proposed CIP by Department (000s)

Department	2017 Adopted	2018 Endorsed	2018 Proposed	2019 -2023 Estimate	2018-2023 Total
Finance and Admin Services	66,990	44,365	53,457	62,065	115,522
Information Technology	42,136	44,018	36,897	140,122	177,019
Parks and Recreation	79,405	84,380	92,489	375,840	468,329
Seattle Center	13,073	7,340	8,490	34,086	42,576
Seattle Public Library	5,557	4,322	4,622	4,882	9,504
Seattle Dept of Transportation	235,944	353,042	234,736	1,510,326	1,745,061
Subtotal	443,105	537,467	430,690	2,127,321	2,558,011
City-owned Utilities					
Seattle City Light	410,173	385,227	388,894	1,910,198	2,299,092
SPU - Drainage & Wastewater	125,910	158,106	162,643	1,109,071	1,271,714
SPU - Solid Waste	11,146	22,137	5,787	56,213	62,000
SPU - Technology Projects	28,783	16,322	16,409	51,000	67,409
SPU - Water	88,591	101,721	109,229	428,861	538,090
Subtotal	664,603	683,512	682,961	3,555,343	4,238,304
City Total	1,107,708	1,220,980	1,113,652	5,682,664	6,796,315

Note: 2017 Adopted totals are based on the 2017-2023 Adopted CIP. Not all funds above are appropriated; see the 2018 Proposed Budget for a list of capital appropriations by department.

2018 Proposed CIP by Department - \$1,114 Million



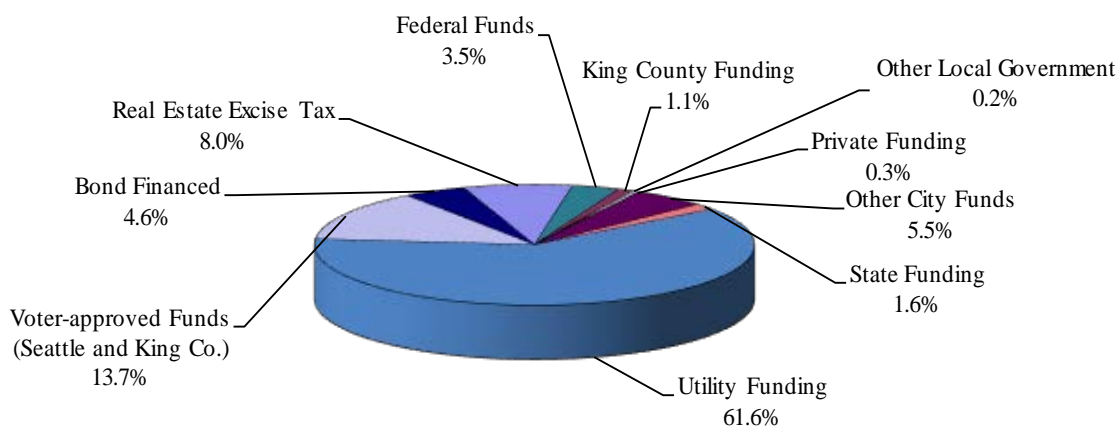
2018-2023 Proposed Capital Improvement Program

The table below identifies funding sources for the 2018-2023 Proposed CIP by Revenue Source Group

2018-2023 Proposed CIP Revenues (000s)

Revenue Source Group	2017 Adopted	2018 Endorsed	2018 Proposed
Federal Funds	6,821	60,747	38,824
King County Funding	3,228	3,185	12,076
Other City Funds	86,386	61,436	60,822
Other Local Government	901	3,035	2,478
Private Funding	1,610	5,851	3,601
State Funding	31,370	21,889	17,483
To Be Determined	-	87,559	-
Utility Funding	669,866	695,933	685,884
Real Estate Excise Tax	88,433	70,327	89,143
Bond Financed	97,873	53,534	51,237
Voter-approved Funds (Seattle and King Co.)	121,221	157,483	152,102
Grand Total	1,107,708	1,220,980	1,113,652

2018 Proposed CIP by Revenue Source - \$1,114 Million



Asset Preservation

A 2002 Asset Preservation Study found that, despite achieving targets recommended by the 1994 Citizens' Capital Investment Committee, the City still lagged behind industry-recommended levels of investment in asset preservation. The four general government departments involved in the study (Finance and Administrative Services, Library, Parks and Recreation, and Seattle Center) are responsible for about of 6.9 million square feet of building space, 2.6 million square feet of parking space, and 240 million square feet of grounds (primarily green space) and work yards. These assets have a replacement value of approximately \$5 billion. Assuming an annual asset preservation funding target of 1.0% of the replacement value for buildings and 0.5% of the replacement value for other assets, the City should be investing about \$55 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 2018, the City will spend \$54 million from the Cumulative Reserve Subfund (CRS) and \$94 million overall on asset preservation of general government infrastructure in parks, libraries, civic buildings, and on the Seattle Center campus. Space rent charges continue to fund projects in the Department of Finance and Administrative Services as recommended by the 2002 Asset Preservation Study. The Department of Transportation will spend an additional \$63 million on asset preservation for infrastructure in 2018.

Cumulative Reserve Subfund

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

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

CRS Appropriations by Department (000s)

Department	2018 Endorsed	2018 Proposed
Seattle Center	6,268	6,918
Seattle Department of Transportation	8,085	14,384
Seattle Public Library	550	550
Department of Parks and Recreation	37,775	44,555
Finance & Administrative Services	27,508	32,173
Cumulative Reserve Subfund Direct Spending	1,440	1,231
Total	81,626	99,811

Neighborhood Projects

As the City adapts to the impacts of unprecedented growth, and plans for yet further development, a focus on the livability of neighborhoods is essential. The 2018-2023 Proposed CIP reflects this focus, and as highlight below, supports neighborhood-scale capital investments in several different ways.

Neighborhood Parks and Street Fund – Your Voice, Your Choice

Beginning in 1999, the City set aside approximately \$1 million per year from the Cumulative Reserve Subfund (CRS) for major maintenance projects identified through neighborhood outreach. That amount was increased by \$1 million of CRS resources in 2017 as part of the city's commitment to neighborhoods. These neighborhood projects are identified and prioritized through participatory

budgeting—a new process called “Your Voice, Your Choice” initiated by the Department of Neighborhoods in 2017.

The most recent selection process was completed in August 2017 and the complete list of projects can be found on the [Your Voice, Your Choice](#) website. The Department of Parks and Recreation budget includes \$90,000 of CRS REET II funding and SDOT's budget includes \$1,910,000 of CRS REET II funding for these neighborhood projects. SDOT also contributes approximately \$300,000 of additional resources to supplement the available resources. Funding for these projects is included in SDOT project NPSF “Neighborhood Parks Street Fund – Your Voice, Your Choice” (TC365770) and Parks project “Neighborhood Capital Program” (K732376).

Neighborhood Matching Subfund

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

The City created the NMF in 1988 to provide funding to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing, or planning projects. Many of these projects also support citywide initiatives such as Race and Social Justice, Youth Violence Prevention, Environment and Sustainability, and Neighborhood Planning. Awards range from a few thousand dollars up to \$100,000, and NMF funds can cover all phases of a capital project except property acquisition. The NMF program requires a 1/2:1 match for capital projects, which means all awards leverage other private and public contributions. Matches consist of volunteer labor, donated materials, professional services, or money. The Department of Neighborhoods administers the granting process.

Art and Design Funding for City Capital Projects - 1% for Art Program

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

Municipal Art Fund revenues from the 1% for Art program can fluctuate significantly from year-to-year depending on changes in City capital investments. In 2018, the Municipal Art Fund is expected to receive approximately \$3.04 million from capital departments for the 1% for Art program, as described below. Actual 2018 receipts may vary because of project timing, expenditures and prior year credits.

	2018
1% for Art Revenues	Proposed
City Light	\$569,131
Seattle Public Utilities	\$921,546
Finance & Admin. Services	\$72,600
Seattle Center	\$2,250
Parks & Recreation	\$140,880
Transportation	\$1,302,928
Total	\$3,009,335

Design Commission

Established in 1968, the [Seattle Design Commission](#) advises the Mayor, the City Council and appropriate City departments on design and environmental aspects of the City's CIP. Commission members are appointed by the Mayor for a renewable two-year term. Membership is comprised of two licensed architects, one professional fine artist, one appointee from the Get Engaged program, one lay member, and at least one and no more than two from each of the following categories, for a maximum total of five (professional urban planner, professional environmental or urban designer, landscape architect, and licensed professional engineer). The Design Commission is fully funded with funds from the Cumulative Reserve Subfund.

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

Background of Capital Improvement Program Policy Drivers

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

Sustainable Building Policy

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

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

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

Overview

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

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

City of Seattle Comprehensive Plan

The Comprehensive plan is a 20-year vision and roadmap for Seattle's future. The plan guides City decisions on where to build new jobs and houses, how to improve our transportation system, and where to make capital investments such as utilities, sidewalks, and libraries. The Plan is the framework for most of Seattle's big-picture decisions on how to grow while preserving and improving our neighborhoods. The update of the City's Comprehensive Plan "[Seattle 2035](#)" was passed by the City in October 2016.

The Comprehensive Plan helped inform the development of the 2018-2023 Proposed CIP as departments have taken special note of capital projects in neighborhoods targeted for substantial growth in the future or that have received substantial growth in the last few years. This effort is intended to make sure areas receiving growth have the appropriate physical infrastructure to accommodate such growth, while balancing the major maintenance of existing facilities, such as power distribution systems, pipes, community centers, swimming pools, libraries, and streets that are located throughout the City, not just in targeted growth areas.

Federal and State Regulatory Requirements

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

City Light operates its hydroelectric dams and powerhouses under licenses from the Federal Energy Regulatory Commission. Licenses include Settlement Agreements that require City Light to perform mitigation and public benefit activities. City Light is currently completing Skagit Mitigation; is well under way with Boundary Relicensing; and is planning to start Skagit Relicensing in 2019. To meet North

American Electric Reliability Corporation (NERC) security standards, City Light is proposing substation and hydro facility improvements such as access cards, fencing, camera coverage, and vehicle and pedestrian gates.

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

Endangered Species Compliance

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

Americans with Disabilities Act

The United States Department of Justice (DOJ) conducted an audit of select City of Seattle facilities, practices and procedures, in order to assess City compliance with the Americans with Disabilities Act (ADA), and reported its findings to the City. While the City is largely in compliance, there are some elements within facilities that the DOJ has requested that the City update or alter to improve accessibility for individuals with disabilities. A comprehensive survey of City facilities for ADA compliance, conducted in 2017, will be the basis for the City's ADA Transition Plan. That Plan will guide the development of a long-term strategy that manages the City's most critical public-facing ADA deficiencies first and maximizes accessibility to the greatest extent possible.

A project manager added in 2011 will continue to coordinate and oversee implementation of ADA improvements in certain City facilities, determine and report compliance to DOJ, and review and modify as needed the facilities design and construction process with regard to the ADA. The City is in the process of moving towards a new approach to ADA improvements in which these improvements are included in ongoing maintenance and other remodeling work. The 2018 Proposed Budget provides funding to support the development of a Citywide work-prioritization methodology and to address one or more high-priority projects that the methodology identifies.

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

Historic Preservation

Seattle's commitment to historic preservation began with citizen efforts in the 1960s to block the demolition of two of Seattle's oldest neighborhoods—Pike Place Market and Pioneer Square. Both

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

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