

Overview

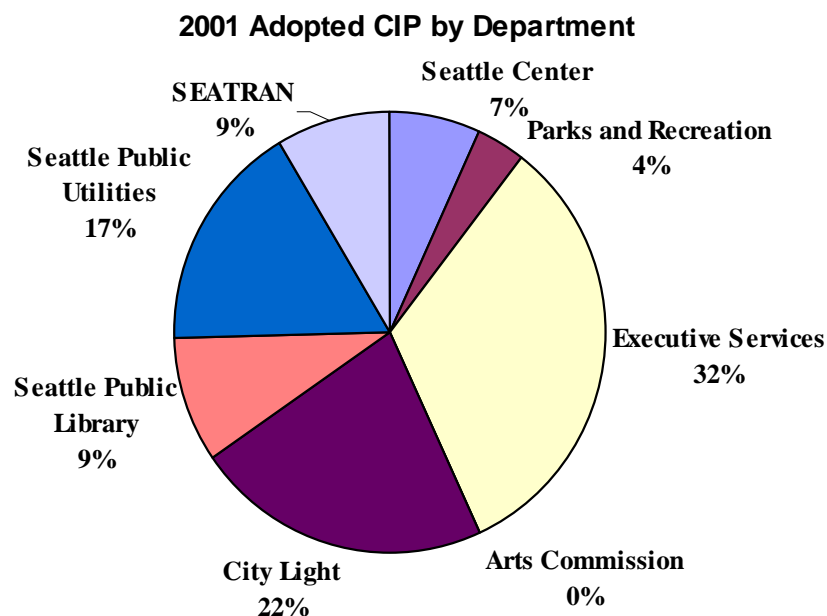
The City of Seattle’s Capital Improvement Program (CIP) allocates existing funds and anticipated revenues to rehabilitate, restore, improve, and add to the City’s capital facilities. Projects in the CIP cover a wide range of capital improvements, including construction of new libraries, street repairs, park restoration, and work on electrical substations. The CIP covers a six-year planning horizon, but is updated each year to reflect ongoing changes and additions. The document, prepared by the City Budget Office based on submissions from City departments, is approved by the Mayor, and is then submitted to the City Council for adoption, along with the City’s annual budget. The six-year 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).

Overall guiding principles for the CIP can be found in the City’s six-year Strategic Capital Agenda, which includes capital funding choices based on criteria developed by the Mayor and City Council. Criteria used in selecting capital priorities and projects include preservation of existing facilities, investment in facilities that support the Comprehensive Plan, implementation of neighborhood plans, support for economic development, leveraging of external funding sources, and consistency with the City’s debt policies.

Citywide Summary

The 2001-2006 Adopted CIP supports the City’s continued commitment to rehabilitate or restore existing infrastructure, including investment in major maintenance projects identified in Neighborhood Plans. In addition, the CIP includes several strategic capital acquisitions or developments that enhance the City’s current infrastructure. Key projects are described in the CIP Highlights section. Other prominent CIP projects are described at the beginning of each departmental CIP section.

The 2001-2006 Adopted CIP totals more than \$2.8 billion. About 62% of this amount is allocated to utility projects that are funded and managed by Seattle City Light and Seattle Public Utilities (SPU). About 11% is allocated to Seattle Transportation. The remaining departments (i.e., Parks, Executive Services, Arts Commission, Seattle Center, and Library) receive approximately 26%. The chart below shows the 2001 allocations by department and the accompanying table provides this information for 2001-2006.



Overview

2001-2006 Adopted CIP by Department (in thousands)

Department	2001 Adopted	2002 Endorsed	2003-2006 Estimated	Total
General Government Depts.				
Arts Commission	120	120	480	720
Executive Services	219,135	8,044	18,347	245,526
Parks & Recreation	24,588	28,408	40,596	93,592
Seattle Center	45,854	99,925	34,252	180,031
Seattle Public Library	61,438	85,655	63,606	210,699
SEATRAN	57,329	47,576	219,007	323,912
Subtotal	408,464	304,752	376,288	1,054,480
City-owned Utilities				
City Light	150,024	149,684	602,991	902,699
SPU – Drainage & Wastewater	42,228	52,131	234,144	328,503
SPU – Solid Waste	2,160	1,321	10,171	13,652
SPU – Technology	7,410	7,707	33,440	48,557
SPU – Water	63,221	93,909	318,841	475,971
Subtotal	265,043	304,752	1,199,587	1,769,382
City Total	\$673,507	\$574,480	\$1,575,875	\$2,823,862

CIP Project Types

In making investments in City facilities or infrastructure, the City tries to balance three goals:

- ◆ Rehabilitation or restoration of existing facilities to avoid the higher costs of deferred maintenance and to meet regulatory requirements;
- ◆ Improvement of existing facilities to meet growing demand; and
- ◆ Development of new facilities to provide additional services (i.e., new requirements imposed by regulation).

The following table shows the 2001-2002 CIP allocations by these project types. Some departments use a fourth project type, New Investment, which includes capital investment in technology projects and software.

2001-2002 CIP Allocations by Project Type (in thousands)

	Rehabilitation of Existing Facility		Improved Facility		New Facility		New Investment	
	2001	2002	2001	2002	2001	2002	2001	2002
Arts Commission	120	120	-	-	-	-	-	-
Executive Services	1,622	2,418	68,149	1,826	136,210	3,600	13,154	200
Parks & Recreation	9,135	11,209	4,292	2,409	11,161	14,790	-	-
Seattle Center	2,825	5,048	28,072	94,877	14,957	-	-	-
Seattle Public Library*	-	-	59,977	84,400	1,461	1,255	-	-
SEATRAN	18,430	11,980	22,592	23,387	16,307	12,209	-	-
Subtotal	32,132	30,775	183,082	206,899	180,096	31,854	13,154	200
City Light	39,484	47,786	50,782	44,600	44,060	44,651	15,698	12,647
SPU-Drainage & Wastewater	15,374	18,029	18,307	20,365	8,547	13,737	-	-
SPU-Solid Waste	545	926	-	360	1,615	35	-	-
SPU-Technology	-	-	-	-	-	-	7,410	7,707
SPU-Water	22,361	23,815	17,122	32,667	23,738	37,427	-	-
Subtotal	77,764	90,556	86,211	97,992	77,960	95,850	23,108	20,354
Grand Total	\$109,896	\$121,331	\$269,293	\$304,891	\$258,056	\$127,704	\$36,262	\$20,554

* All of Seattle Public Library's "Libraries for All" projects are categorized as "improved facilities".

Highlights by Project Type

Rehabilitation and Restoration of Existing Facilities

Rehabilitation and restoration of the City's infrastructure and existing facilities continue to be major themes of the CIP. In February 1994, a Citizens' Capital Investment Committee created by the Mayor and City Council began the task of analyzing the City's capital investment program. As a result of the Committee's work, the City Council passed Resolution 28947, which incorporated many of the Committee's recommendations. This legislation called for the City to substantially increase its annual major maintenance funding to general government departments (Parks, Seattle Transportation, Arts Commission, Seattle Center, Executive Services, and the Library) from about \$4 million annually to \$15 million in 1997, \$17 million in 1998, and a similar level from each year forward. Major maintenance projects include mandated facility modifications, maintenance recommended to continue the use of existing facilities, or cost-saving investments.

To provide an initial funding source for increased major maintenance, the Committee recommended that the City dedicate \$37.7 million in accumulated fund balances to reduce backlogged maintenance of City facilities. While these funds are close to being fully spent, future funding for the rehabilitation and restoration of City facilities comes primarily from Real Estate Excise Tax (REET) revenue. REET revenue flows through the Capital Projects Account of the Cumulative Reserve Subfund. The City proposes to spend \$32.1 million on rehabilitation and restoration of existing general government facilities in 2001 and \$30.7 million in 2002.

Key rehabilitation or restoration project allocations in 2001 include playfield improvements and grounds restoration in the Parks Department; open space restoration and repair at Seattle Center; library building renovations and repairs, including flooring, roofs and foundations; maintenance on the City's sited artworks; fire and police station renovations; and transportation projects including street resurfacing, seismic retrofitting of City bridges, replacement of bridge decking on the City's drawbridges, crosswalk and lane line markings, electrical and traffic control maintenance.

Beginning in 1999, the City set aside \$1 million per year of the Cumulative Reserve Subfund for major maintenance projects identified in neighborhood plans. The table below lists the projects by neighborhood district that are to be funded with the money earmarked for this purpose in the 2001 Adopted Budget. This table also includes \$500,000 from the Neighborhood Street Fund. These projects were identified by the community and selected for funding by the Department of Neighborhoods and the City Budget Office.

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Major Maintenance in Neighborhood Plans

(for more information, see Transportation Project "2001 NSF/CRF Neighborhood Program")

District	Projects	Fund Source	Amount
Ballard	Broken sidewalks along NW Market	CRF	\$50,000
	Chicanes on 12th NW between 85th and 87th	NSF	\$10,000
	Parking signs on NW Market	NSF	\$1,500
	31st NW Speed Control (or traffic circles on 70th)	NSF	\$9,000
	Shilshole & Vernon pedestrian crossing	CRF	\$15,000
	NW 24th & NW 61st sidewalk repair	CRF	\$10,000
	Subtotal		\$95,500
Central	Street improvement to Union Street - 18th to 24th Avenue	NSF/CRF	120,000
	Traffic circle at 32nd Avenue and E. Spring	NSF	9,000
	Subtotal		\$129,000
Delridge	Traffic calming on 21st Avenue near Cooper Elementary	NSF	10,000
	Traffic circle at SW Elmgrove and 27th SW	NSF	15,000
	Walking path along 21 st Avenue SW near Cooper Elementary	NSF/CRF	54,000
	Subtotal		\$79,000
Downtown	Create area in International District alley for dumpster storage	NSF	25,000
	Subtotal		\$25,000
East	Repair sidewalks at various locations on Pike/Pine	CRF	75,000
	Sidewalk repair on 8th Avenue	CRF	35,000
	Traffic Circle at Roy Street	NSF/CRF	19,000
	Subtotal		\$129,000
Greater Duwamish	Repair asphalt walkway on Cloverdale from MLK to Beacon	NSF/CRF	90,000
	Rose Street-Repair asphalt walkway	CRF	7,000
	Sidewalk repair at South Homer Street and Padilla Place South	CRF	34,000
	Subtotal		\$131,000
Lake Union	Irrigation/drainage at Rogers Playfield (Park Project)	CRF	76,000
	Safety improvements at Boylston/Lakeview/Newton/I-5 on-ramp	NSF	5,000
	Subtotal		\$81,000
North	Elongated traffic circle at Alton Avenue NE & NE 105th St	NSF	21,000
	Sidewalk repairs, NE 135th Street from 37th NE to 39th NE	CRF	15,000
	Asphalt walkway, Meadowbrook Playfields	NSF/CRF	75,000
	Subtotal		111,000
Northeast	Install curb on south side, install sidewalk on north side of Blakely between 25th and 29th	NSF	50,000
	University Playfield/Park infrastructure repairs (Park Project)	CRF	128,000
	Subtotal		\$178,000
Northwest	Linden Avenue & 143rd street construction	NSF/CRF	130,000
	Subtotal		130,000
Queen Anne/Magnolia	Soundview Terrace Park repair (Park Project)	CRF	160,000
	Subtotal		160,000
Southeast	Curb bulbs and crosswalk improvements 55th and 57th	NSF	50,000
	Mapes Creek/52nd Avenue walkway	NSF	50,000
	Traffic calming: 3600 block of Courtland Place South & Spokane Street	NSF	9,000
		Subtotal	109,000
Southwest	Fauntleroy large curb bulb	NSF	45,000
	Marked crosswalk on California between Genessee and Oregon	NSF	6,000
	Repair sidewalks on perimeter of Hiawatha Park	CRF	85,000
	Traffic circle at 39th SW and SW Ida Street	NSF	6,500
	Subtotal		142,500
	Grand Total		\$1,500,000

Rehabilitation and Restoration of Utility Infrastructure

Although the Citizen's Capital Investment Committee's report was directed at General Subfund departments, the CIP also makes substantial allocations to rehabilitate or restore the City's utilities facilities. Including utilities, the City's total capital investment in the rehabilitation or restoration of existing City facilities for 2001 is expected to be \$110 million, and \$121.3 million in 2002.

Improvements to Existing Facilities and Development of New Facilities

In addition to the rehabilitation and restoration of existing City facilities, the CIP also includes allocations for the improvement of existing facilities and the development of new City facilities. The City proposes to spend \$269.3 million to improve existing facilities in 2001 and \$304.9 million in 2002. New facilities replace capital structures that are aging, are otherwise unusable, or help meet Seattle's emergent capital requests. The City proposes to spend \$258.1 million on new facilities in 2001 and \$127.7 million in 2002. In the 2001-2006 Adopted CIP, key project allocations to existing facilities and new facilities include:

The Municipal Civic Center: The Council adopted the Civic Center Master Plan in May 1999. The Plan consists of the following: demolition of the existing Municipal and Public Safety Buildings, construction of a new Courthouse and Police Headquarters building to be located at 5th and Cherry across the street from the Key Tower, construction of a new City Hall at the site of the Municipal Building and development of open space and campus elements on the rest of the land which currently is occupied by the Municipal Building and the Public Safety Building. The Council-approved cost estimates for this Plan total \$259.5 million, including \$92 million for the Courthouse/Police Headquarters Building, \$72 million for the City Hall, and \$14 million for open space and campus elements on the Municipal Building and Public Safety Building sites. In addition, the Plan calls for the City to relocate most of its downtown offices to the Key Tower and some police functions to the City's Park 90/5 facility located southeast of Safeco Field. These moves and associated tenant improvements are anticipated to cost \$43 million. Limited Tax General Obligation bonds and Historic Building sale proceeds will finance these projects. By the end of the biennium, City Hall and the Justice Center will be ready for occupancy.

"Libraries for All" Capital Plan: Following approval of a bond issue in November 1998, the Library began an eight-year, \$239.5 million capital program – "Libraries for All" – to build a new Central Library and three new branches in the International District, Northgate, and Delridge areas. The program calls for the renovation, replacement, or expansion of each of the 22 branch libraries. The plan also includes startup book collections for new facilities and installation of state-of-the-art technology. In addition, the plan includes a \$6 million Opportunity Fund that provides capital funding for new neighborhood requests. In 2001, \$53.4 million is allocated from voter-approved bonds. By the end of the biennium, new or replacement Branch Libraries will be constructed at Ballard, Beacon Hill, Capitol Hill, Delridge, Greenwood and High Point. Renovation or expansion projects will be complete or under way at the following branches: West Seattle, Green Lake, Lake City, Douglass Truth, North East, Broadview, Southwest, Columbia and Rainier Beach. The community will be involved in planning new or replacement projects in the Montlake and Northgate neighborhoods, as well as a new library in leased space in the International District. The Central Library will be temporarily housed at the Convention Center while the new building is under construction on the existing downtown site.

New or Renovated Community Centers: In the November 1999 General Election, Seattle voters renewed the 1991 Seattle Center and Community Centers levy providing an additional \$36 million for capital improvements at community centers, neighborhood service centers and community-gathering places throughout the City. The eight-year levy renewal constructs six new community centers, neighborhood service centers and community gathering places, and renovates five others throughout the City. Voter approved projects include new facilities at Yesler, Northgate, Belltown, Chinatown/International district, Lake City, and Ballard, and renovations at High Point, Jefferson, Sand Point, Southwest, and Van Asselt community centers. In 2001, an additional \$1,026,000 in Cumulative Reserve Subfund funding is provided for roof replacement on Building 47 at Sand Point/Magnuson

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Park. By the end of the biennium, the Sand Point and Belltown Community Center Projects are expected to be completed.

Seattle Center Redevelopment Phase II: The voter-approved Seattle Center and Community Centers levy lid lift provides \$36 million for capital improvements at the Seattle Center. The Seattle Center's share of the 1991 levy provided the initial funding to begin implementation of the Seattle Center 2000 Master Plan, including the renovation of Center House, the creation of the Broad Street Green, and the replacement of the International Fountain. The approved levy renewal will continue this program of renovation and replacement by renovating the 73 year-old Opera House into the modern Marion Oliver McCaw Hall and replacing the Flag Pavilion with a new Festival Pavilion and new green space at Seattle Center. The funding plan for the McCaw Hall and Festival Pavilion projects at Seattle Center includes funding from King County, the State of Washington, and \$70 million from the private sector. Construction of McCaw Hall is expected to begin in 2001. The building is scheduled to open in late Spring, 2003. Construction on the new Festival Pavilion is scheduled to begin in September, 2001, with the opening planned for August, 2002.

South Lake Union: The City took acquisition of the Naval Reserve Property in the second quarter of 2000. The South Lake Union Park Master Plan was updated as well. In 2001, the City continues to perform major maintenance on the facility grounds and buildings, greening of the site, potential demolition of the Neptune building, wharf design, and feasibility studies for the potential maritime museum. A Citizens' Advisory Panel has been appointed to help shape the future of this new acquisition. The Adopted Budget provides for the interim use of the site for open space, waterfront access, special events, and several tenants. Long-term development is dependent on the input of the Citizens' Advisory Panel, neighborhood groups, and funding opportunities.

Southwest Police Precinct Station: A new Southwest Police Precinct Station is being planned for West Seattle. Construction of the new station is scheduled for second quarter 2001, with occupancy targeted for Spring of 2002. This project will use \$12.2 million of councilmanic debt (LTGO Bonds), and approximately \$250,000 of the construction cost is directed toward achieving building sustainability.

Neighborhood Plan Projects: The 2001-2006 Adopted CIP includes several key neighborhood projects, including the Georgetown "Old City Hall", the Ballard Neighborhood Service Center (also referred to as the Ballard Municipal Center – to be co-located with the new Ballard branch library), and the Lake City Neighborhood Service Center (also referred to as the Lake City Civic Center). All of these projects emerged as priorities in the neighborhood planning process.

Aquarium Master Plan: This CIP continues implementation of the Aquarium Master Plan, including refinement of the financial plan, review of the process for transferring governance, program planning and completion of schematic design, work on permitting, development of regional partnerships, and involvement of the public. These funds are to be used to pay for staff and consultants to continue the process to design and build an expanded aquarium and transfer development and management of that facility from the City to the Seattle Aquarium Society (SEAS).

MOHAI: The 2001-2006 Adopted CIP includes \$1 million for the planned Museum of History and Industry (MOHAI) downtown facility in each year. These funds, which come from the CRF, will be provided for the facility in exchange for considerations that will benefit the City at MOHAI's new facility at the Washington State Convention Center. No funds will be released until such time as the City Council approves a memorandum of agreement that details the benefits, agreements, and arrangements that have been negotiated in the City's interest.

Olympic Sculpture Park (OSP): The City and the Seattle Art Museum have completed a design agreement that allows for joint planning of the OSP and public improvements. The OSP is being developed on two parcels north of Broad Street, between Western Avenue and Alaskan Way, and is to be free to the public. The 2002 allocation of \$2 million in Cumulative Reserve Subfund is intended to develop 1.8 acres of Alaskan Way right-of-way as a trail and open space.

New Investment

This project type provides for capital investment in technology projects and software. Most of these projects are located in Seattle Public Utilities and the Executive Services Department. Executive Services is allocating \$12 million in General Subfund, Limited Tax General Obligation Bonds, and Federal Technology grants in 2001 for the Law, Safety & Justice Information Technology Projects. Seattle Public Utilities has a range of projects, from customer service technology improvements to an automated meter reading project which implements radio frequency capable meter reading equipment on meters that are difficult to access and costly to read. Seattle Public Utilities' new investment allocation for 2001 is \$7.4 million. The Utilities' Consolidated Customer Service System, a new billing system for Seattle Public Utilities and City Light, should be completed by March, 2001.

CIP Funding Sources

Like all large municipalities, Seattle relies on a variety of sources to finance capital projects, such as locally generated revenues (taxes, fees, and user charges), intergovernmental revenues, and debt issuance. Unlike pay-as-you-go sources of funding, the issuance of debt requires a later revenue stream from which to repay the principal and interest expenses. These traditional funding sources will continue to provide the majority of funds for capital facility investments. New revenue sources may be needed to augment existing ones. 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 2001-2006 Adopted CIP by fund group (thousands of dollars).

Fund Source Category	2001 Adopted	2002 Endorsed	2003-2006 Estimated	Total
County	2,843	958	4,900	8,701
Cumulative Reserve Fund	22,645	30,143	62,553	115,341
Department Operating Fund	1,000	0	0	1,000
Federal/State	41,798	42,210	115,817	199,825
General Subfund	233,598	21,777	37,128	292,508
To Be Determined	19	2,481	11,685	14,185
Other Local Govt.	1,483	10,154	58,142	69,779
Private	29,469	64,681	23,427	117,577
Utility	268,598	304,887	1,199,587	1,770,072
Voter-Approved Funding	75,054	97,189	62,636	234,879
Total	673,507	574,480	1,575,875	2,823,862

Cumulative Reserve Subfund (CRF)

The Cumulative Reserve Subfund represents 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 CRF is funded by Real Estate Excise Tax revenues, general fund transfers, proceeds from the sale of City property, street vacations, and interest earnings. In 2000, the Revenue Stabilization Account was established and the Major Maintenance Reserve Account, created in 1994, was eliminated. Purposes and uses of these accounts are described below:

The **Capital Projects Account** provides funds for a wide array of capital projects. The account is divided into three subaccounts that reflect different revenue sources:

- **Real Estate Excise Tax I (REET I) Subaccount:** This subaccount is funded by a 0.25% tax on real estate transactions. It can be used for a range of public works projects that are specified in the Capital Facilities Element of the Comprehensive Plan, including libraries, administrative facilities, and law enforcement

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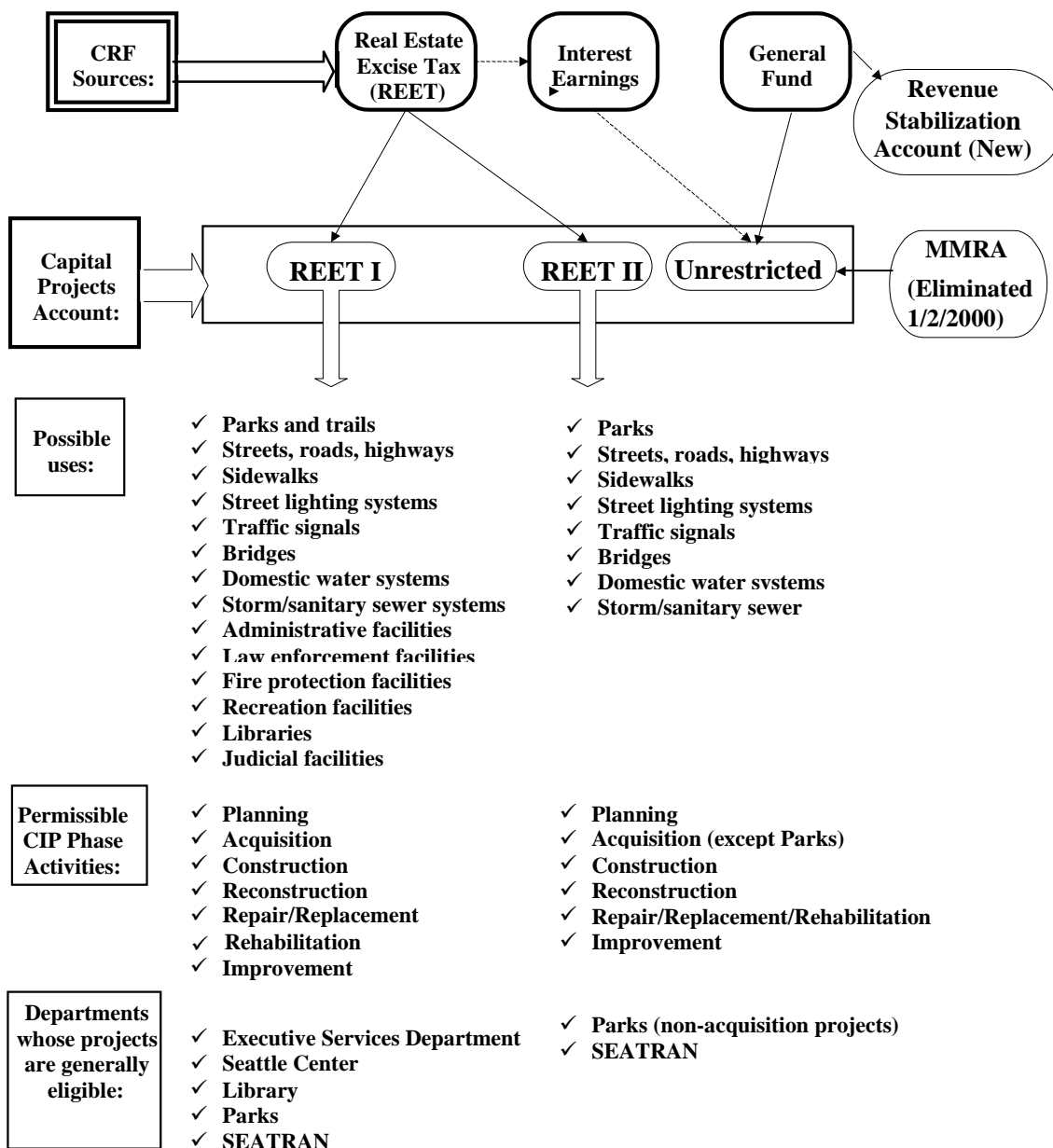
facilities. Grandfathering language in a restrictive 1992 State law amendment allowed cities to spend REET I money on low-income housing projects prior to December 31, 1995, and to use REET I revenues to retire debt if pledged to that purpose prior to April 30, 1992. The City issued \$35 million in Capital Facilities Bonds in April 1992 that were secured by future REET I revenues. Proceeds of these bonds were spent on housing, parks, and the Benaroya Hall. Projected REET I revenue in 2001 is approximately \$11.7 million.

- **REET II Subaccount:** This subaccount is the most restrictive and is primarily used for parks (excluding acquisition) and transportation public works projects that are specified in the Capital Facilities Element of the Comprehensive Plan. The REET II Subaccount is funded from an additional 0.25% tax on real estate transactions and is kept separate due to different State requirements regarding the use of these funds. Projected REET II revenue in 2001 is approximately \$11.7 million.
- **Unrestricted Subaccount:** This subaccount receives funding from a variety of sources, including street vacations and rents on City-owned facilities. In addition, the City will make a significant General Subfund contribution of \$10 million in the 2001-2002 biennium. For the last few years, the vast majority of expenditures from the Capital Projects Accounts have been devoted to maintaining and rehabilitating existing City facilities. The Unrestricted Subaccount (derived from General Subfund, street vacation revenues, and interest earnings from the Capital Projects Account) can be used for any City capital purpose.

The **Revenue Stabilization Account**, as created in the 2000 Adopted Budget, provides a cushion from the impact of sudden revenue or spending changes that could undermine City government's ability to maintain services. The account is supported by the General Subfund and is not to exceed two and one-half (2.5) percent of the amount of General Subfund tax revenues received by the City during the fiscal year prior to the closed fiscal year.

The flow chart below highlights types of projects for which CRF subaccounts can be used.

CUMULATIVE RESERVE SUBFUND (CRF) ACCOUNTS AND RESTRICTIONS



Overview

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 Fund dollars appear in the CIP in two places: the General Fund contribution to the Cumulative Reserve Subfund, and appropriations to capital projects from a department's operating budget. The Seattle Police Department will be using lease savings from their budget towards one-time capital projects including equipment, furniture costs, and debt service associated with their new training facility. (See Executive Services Department CIP.)

Limited Tax General Obligation Bonds

The City's operating budget includes expenditures to pay debt service on general obligation bonds which were issued to finance certain projects. Limited tax general obligation ("LTGO," or "councilmanic") bonds, are bonds that are 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.

Funds set up to monitor the expenditures of specific LTGO bonds include:

The **Capital Facilities Project Fund (CFB)**, established in 1992 for financing housing, health, open space, and parks and recreation facilities included in the City's Comprehensive Plan (Ordinance 116105).

The **Public Safety Facilities and Equipment Fund**, established in December 1990 for the improvement of public safety equipment (Ordinances 115453, 116797, 118108, 118184, 118225, 118364).

The **Public Safety Information Technology Fund**, established in 1999 for the purpose of acquiring public safety information technology (Ordinance 119630).

The **Sand Point Redevelopment Fund**, established in 1997 to pay for the cost of upgrading infrastructure, buildings, and other facilities at the former United States Naval Station at Sand Point (Ordinance 118423).

The **South Police Stations Fund**, established in 1999 for the design of the new South Police Station and modification of existing stations (Ordinance 119432).

The **Transportation Bond Fund**, established in 1997 for designated transportation programs and projects (Ordinances 118503 and 118528).

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 a 40% turn-out. 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 (Proposition One) on the November 1998 ballot is an example of voter-approved bonds. The **LFA UTGO Bond Series One** fund, was established in 1999 to account for proceeds from the sale of voter-approved bonds (approximately \$100 million) to be used for the "Libraries for All" capital program. The 1998 **Libraries for All Fund** was established in 1999 to hold proceeds from a line-of-credit borrowing (approximately \$1.5 million) that were used to finance LFA operations until the voter-approved bonds could be sold (Ordinance 119185).

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, Drainage and Wastewater Fund, Solid Waste Fund, and Water Fund.**

Other Funds include:

The **Municipal Civic Center Fund** was established in 1998 to account for the planning, design, and construction of the new Civic Center (Ordinance 119304).

The **Neighborhood Matching Fund** (NMF) receives annual appropriations from the General Subfund to match investments made by neighborhood associations in neighborhood-initiated improvement projects.

The **Seattle Center Redevelopment/Parks Community Center Fund** (SCRPCCF) was established in 1991 to provide partial funding for certain needed improvements to the Seattle Center and full City funding for certain improvements to selected community centers (Ordinances 115844 and 116720). The **Seattle Center Flag Pavilion and Community Centers Fund** was established in 1999 to account for the levy of property taxes for the purpose of improvements to the Seattle Center Opera House, replacement of the Flag Pavilion with a new Festival Pavilion and for building and remodeling community centers. Private money that the City will use to pay project costs will be deposited into this fund (Ordinance 119522).

The **Shoreline Park Improvement Fund** (SPIF) accounts for local improvement subprogram monies for shoreline and beach park improvements that were received as Metro mitigation grants related to the expansion of the West Point sewage treatment plant. This fund is expected to be fully appropriated in this biennium.

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. Both of these types of transactions are reflected in two Seattle Center CIP projects: the Festival Pavilion and Marion Oliver McCaw Hall.

Additional Policies Guiding the City's Capital Investments

Regulatory Compliance

The City's utilities have several new facilities 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 salmon under the Act, Seattle Public Utilities is implementing measures to facilitate fish passage near the Landsburg Diversion Dam on the Cedar River. The Cedar Sockeye Hatchery project includes an incubation facility capable of producing 34 million "swim-up" fry and housing for the on-site hatchery managers. Other projects include creating Cedar River downstream fish habitat and fish passage facilities, and protective fish screening to prevent salmon entrapment in the water supply system. City Light and Seattle Public Utilities are also planning to begin acquiring salmon habitat in the Green/Duwamish, Cedar/Lake Washington, Skagit, and Snohomish watersheds as part of the City's Early Action Plan.

The utilities have several other projects in their CIPs to meet regulatory requirements. City Light must meet environmental mitigation statutes under the terms of Seattle's Federal Energy Regulatory Commission licenses to operate its hydroelectric dams. Projects include an environmental education center on Diablo Lake, a visitor center at Newhalem, the acquisition of additional wildlife lands on the Skagit Basin, and an enhanced wetlands and salmon spawning habitat on the Tolt River. Seattle Public Utilities has entered into a design, build, operate

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(DBO) contract for the development of new Tolt treatment facilities that will ensure reliable water supplies and allow the department to meet stringent water quality guidelines. Seattle Public Utilities has also entered into a compliance agreement with the Washington Department of Health and the U.S. Environmental Protection Agency concerning the installation of the Cedar River ozonation water treatment facility. Other programs include: the continuation of the City's Combined Sewer Overflow (CSO) program; and the Elliott Bay/Duwamish Restoration Program (Estuary Enhancement), a cooperative program implemented by the National Oceanic and Atmospheric Administration (NOAA), the U.S. Fish and Wildlife Service, Washington State Department of Ecology, Suquamish Tribe, Muckleshoot Tribe, King County, and the City of Seattle.

Sustainable Building Policy

In February 2000, the City Council adopted a Sustainable Building Policy for the City of Seattle. 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 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.

Requirements for Some Capital Projects

Public-Private Partnership Review

The City of Seattle has a new process for review of public-private partnerships, targeted towards those which involve capital facilities. Called P4, the new process grew from a set of recommendations made by the Public-Private Partnership Task Force in September 1999. The Task Force was a group of Seattle citizens first convened in November 1998 by the Mayor and City Council President, to propose a set of standards for partnerships between the City of Seattle and private entities (including non-profit organizations).

Certain partnerships which involve \$5 million or more in City investment (meaning cash and such things of value as City property and credit) are subject to review by the Public-Private Partnership Review Panel. The Panel assists City departments, the Mayor, the City Council, and the public in evaluating the public benefits of a project. The Panel consists of 15 members who are skilled in such areas as real estate, public finance, neighborhood planning, public engagement, and other special expertise.

In addition, Resolution 30096, passed by the City Council in December 1999, contains a Standard Operating Procedure for the City, with regard to certain capital projects of \$5 million or more. The resolution states that the City Council will provide public notice and a public hearing for each covered project before committing \$5 million or more of City money, and that citizens have access to the project's fiscal note and other key documents. The resolution was written with P4 in mind, and many of the projects that fall under the requirements of this resolution will also go through P4.

Design Commission

Established in 1968, The Seattle Design Commission advises the Mayor, City Council and appropriate City departments on the both design and environmental aspects of the City's Capital Improvement Program.

Commission members are citizens of the City appointed by the Mayor for a renewable two year term. Membership is comprised of two licensed architects, one professional fine artist 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.

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. The Commission's collective design expertise is a valuable resource for the City.

Percent for Art Program

The 2001-2006 Adopted CIP includes 1% for Art allocations for each project eligible for art funding in compliance with the ordinance establishing the program (SMC Chapter 20.32). The total of the 1% for Art allocations for 2001 is \$3,290,900 and is shown in the Seattle Arts Commission 2001-2006 Adopted CIP section. If the expected allocations for a project changes in future years (either in the budget or through a separate ordinance), then the anticipated 1% for Art allocations will also change accordingly. Project costs for the purposes of calculating the 1% for Art allocations cover all phases of a construction project (e.g., studies, planning, design, and construction), except property acquisition.

In 1998, the City Budget Office led an effort to ensure that all departments comply with the terms of the 1% for Art ordinance. New policies that more clearly define what funds and projects are, and are not, eligible for art funding were adopted. In general, projects that represent a betterment or improvement are eligible, while those that simply rehabilitate or restore existing facilities are not. The City Budget Office will continue to improve the process of collecting 1% for Art funds by requiring all allocations to be deposited in the Municipal Arts Fund by the end of the first quarter of 2001.

Summary

This CIP represents a remarkable level of capital investment for the City of Seattle. Many of the projects identified in this document are the result of years of planning and community involvement. Not since the late 1960's when voters approved over \$187 million in capital projects for Seattle has there been such a wide ranging investment in public infrastructure. The 2001-2006 Adopted CIP does not include projects associated with the ballot measure for Neighborhood Parks, Green Spaces, Trails and Zoo, a \$198.2 million levy approved by Seattle voters in November 2000.