

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, and is updated each year to reflect ongoing changes and additions. The document, prepared by the Department of Finance 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).

In August 2001, the City Council adopted Resolution 30365 which provides a framework for the City's capital funding decisions. 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.

The City of Seattle 2003-2008 Adopted Capital Improvement Program can be found on the City of Seattle website at: <http://www.cityofseattle.net/budget/0308adopted>.

Citywide Summary

The 2003-2008 Adopted CIP highlights the City of Seattle's recent emphasis on new civic buildings as well as its long-standing efforts to improve existing infrastructure. Many of the civic projects are the result of voter-approved levies (the "1999 Seattle Center and Community Centers" Levy and the "Neighborhood Parks, Green Spaces, Trails and Zoo" Levy) and bonds ("Libraries for All"). This CIP also projects the financial impact on City departments of major transportation projects including the Monorail, Sound Transit and the Alaskan Way Viaduct. Key projects are more fully described in this overview's highlights section, and details on funding and schedule can be found in the individual department sections.

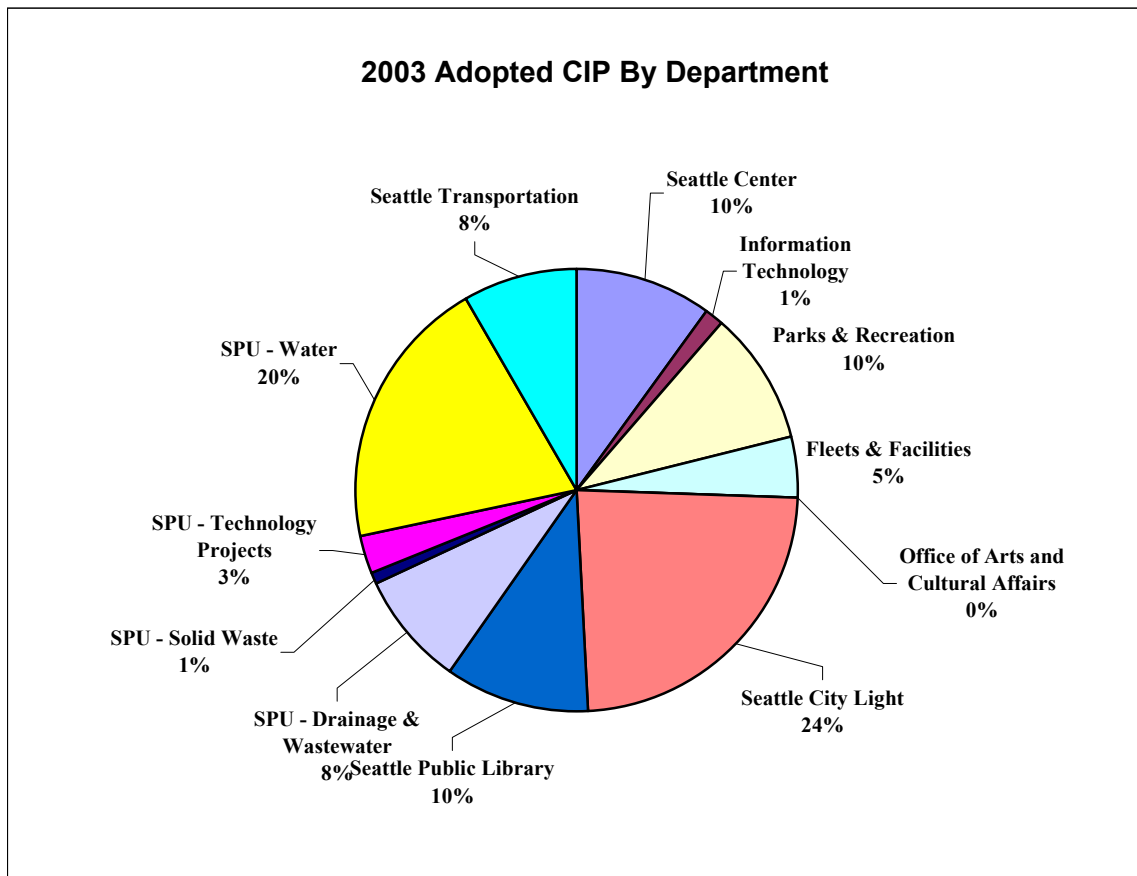
The 2003-2008 Adopted CIP totals more than \$2.3 billion for six years and includes more than 800 individual projects. About \$1.75 billion or 75% of this amount is allocated to utility projects that are funded and managed by Seattle City Light and Seattle Public Utilities (SPU). About \$244 million or 10% is allocated to Seattle Department of Transportation. The remaining departments (Parks and Recreation, Fleets & Facilities, Office of Arts and Cultural Affairs (formerly Seattle Arts Commission), Seattle Center, and Seattle Public Library, and a new CIP department, Department of Information Technology) account for approximately \$343 million or 15%. The table on the next page shows the 2003-2008 allocations by department and the accompanying pie chart provides this information for 2003 only.

2003-2008 CIP Overview

2003-2008 Adopted CIP by Department (in thousands)

Department	2002 Revised*	2003 Adopted	2004 Endorsed	2005-2008 Estimated	2003-2008 Total
General Government Depts.					
Office of Arts & Cultural Affairs	167	120	120	480	720
Dept. of Information Technology	15,421	6,511	3,122	21,487	31,120
Fleets & Facilities	138,651	25,085	2,477	15,878	43,440
Parks & Recreation	61,276	53,086	30,615	48,117	131,818
Seattle Center	118,564	54,902	3,903	700	59,505
Seattle Public Library	139,002	57,210	10,646	8,712	76,568
Seattle Dept. of Transportation	87,947	44,783	46,738	152,874	244,395
Subtotal	\$561,028	\$241,697	\$97,621	\$248,248	\$587,566
City-owned Utilities					
City Light	167,066	128,902	124,421	531,146	784,469
SPU – Drainage & Wastewater	42,730	45,172	42,996	167,061	255,229
SPU – Solid Waste	1,680	5,567	9,527	82,781	97,875
SPU – Technology	7,707	14,765	11,849	23,205	49,819
SPU – Water	84,686	109,480	81,121	374,670	565,271
Subtotal	\$303,869	\$303,886	\$269,914	\$1,178,863	\$1,752,663
City Total	\$864,897	\$545,583	\$367,535	\$1,427,111	\$2,340,229

*2002 Revised = 2002 adopted budget, carryforward balances from prior years, and supplemental appropriations and abandonments.



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 or to improve efficiency; and
- ◆ *Development of new facilities* to provide additional services (i.e., new requirements imposed by regulation).

The following table shows the 2003-2004 Adopted CIP allocations by project types, corresponding to these goals. Some departments use a fourth project type, New Investment, which includes capital investment in technology projects and software.

2003 and 2004 CIP Allocations by Project Type (in thousands)

	Rehabilitation of Existing Facility		Improved Facility		New Facility		New Investment	
	2003	2004	2003	2004	2003	2004	2003	2004
Office of Arts and Cultural Affairs	120	120						
Dept. of Information Technology							6,511	3,122
Fleets & Facilities	14,875	2,109	5,850	100	4,160		200	268
Parks & Recreation	12,083	11,027	18,187	16,083	22,816	3,505		
Seattle Center	11,792	3,703	28,360	200	14,750			
Seattle Public Library*			54,282	10,117	2,928	529		
Seattle Dept. of Transportation	17,620	14,637	15,658	6,071	11,505	26,030		
Subtotal	\$56,490	\$31,596	\$122,337	\$32,571	\$56,159	\$30,064	\$6,711	\$3,390
City Light	52,859	49,137	37,206	38,567	38,837	36,717		
SPU-Drainage & Wastewater	16,711	20,031	12,563	8,349	15,524	14,347	374	269
SPU-Solid Waste	4,414	6,023			1,153	3,504		
SPU-Technology							14,765	11,849
SPU-Water	27,312	38,510	36,381	29,742	45,787	12,869		
Subtotal	\$101,296	\$113,701	\$86,150	\$76,658	\$101,301	\$67,437	\$15,139	\$12,118
Total	\$157,786	\$145,297	\$208,487	\$109,229	\$157,460	\$97,501	\$21,850	\$15,508

* All of Seattle Public Library’s “Libraries for All” projects are categorized as “improved facilities”, with the exception of the new Northgate branch (project B2NGT1)

2003-2008 CIP Project Highlights – by Project Type

Development of New Facilities and Improvements to Existing Facilities

The CIP includes substantial allocations for the development of new City facilities and improvement of existing facilities. New facilities replace capital structures that are aging, are otherwise unusable, or help meet Seattle’s emergent capital requests. The City plans to spend \$157 million on new facilities in 2003 and \$98 million in 2004. The City plans to spend \$208 million on improved facilities in 2003 and \$109 million in 2004. In the 2003-2008 Adopted CIP, key project allocations for new and existing 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 (Seattle Justice Center) building located at 5th and Cherry across the street from the Key Tower, construction of a new City Hall east of the Municipal Building and development of open space and campus elements on unused land of the Seattle Justice Center and City Hall blocks. The Council-approved cost estimates for this Plan total \$265.2 million, including \$92 million for the Courthouse/Police Headquarters Building, \$72 million for the City Hall Phase I, \$4.6 million for City Hall Phase II, and \$14 million for open space and campus elements. In addition, the Plan calls for the City to relocate most of its downtown offices to the Key Tower and some police

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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 are financing these projects. The Seattle Justice Center is occupied and City Hall is to be occupied in summer of 2003. Due to earthquake damage at Park 90/5, the Public Safety Building will not be fully demolished until 2005. A related project to repair the damage at Park 90/5 is included in the 2003 budget for \$12.7 million.

“Libraries for All” - New, Expanded and Renovated Central and Branch Libraries

Following approval of a bond issue in November 1998, the Library began an eight-year, \$238.5 million capital program – “Libraries for All.” The program features a new Central Library, three new branches in the International District, Northgate, and Delridge areas, and the renovation, replacement, or expansion of each of the 22 branch libraries. In addition, the program includes a \$6 million Opportunity Fund for underserved areas. Designated Opportunity Fund projects include two new branch libraries in South Park and Sand Point, a language center at the Beacon Hill branch; a meeting room addition at the Magnolia branch; and new Bookmobile service. Since 1998, additional private donations and bond interest earnings have increased the project budget to \$249.1 million. In 2003, \$39.04 million is allocated from voter-approved bonds, \$675,000 from bond interest earnings, and \$14.82 million from private donations. The new Delridge Library opened in June 2002, and the new Capitol Hill Library (which replaces the old library on the existing site) opens in early 2003. The new Central Library is scheduled to open in late 2003. The Central Library is temporarily housed at the Convention Center while the new building is under construction on the existing downtown site. By the end of the biennium, new or replacement branch libraries are to be constructed at Ballard, Beacon Hill, Greenwood, High Point, International District, and Montlake. Renovation or expansion projects are to be complete or under way at the following branches: Broadview, Columbia, Douglas-Truth, Fremont, Green Lake, Lake City, Madrona, Magnolia, North East, Queen Anne, Rainier Beach, Southwest, University, and West Seattle. The community is involved in planning a new library in the Northgate neighborhood.

New or Renovated Community Centers

In 1999, Seattle voters approved an eight-year renewal of the 1991 Seattle Center and Community Centers Levy, continuing the City's commitment to renovate and expand old facilities and provide new centers. The 1999 levy totals \$72 million spread over eight years. Nine community center and two expanded neighborhood service center projects receive a total of \$36 million from the levy. (The remainder of the money funds two redevelopment projects on the Seattle Center campus – Marion Oliver McCaw Hall and the Fisher Pavilion.) In general, the levy brings some existing public buildings up to code and makes them safe, renovates old spaces to meet current community expectations, expands community centers to provide more program space, makes community centers ADA accessible, and builds new centers in areas currently underserved. In 2003, \$15.3 million is appropriated from the Seattle Center and Community Centers Levy Fund for six projects; \$2 million is anticipated to be appropriated in 2004 for two levy projects in 2004 (Van Asselt Community Center expansion and Southwest Community Center gym construction).

Marion Oliver McCaw Hall and Fisher Pavilion

The 1999 Seattle Center and Community Centers levy also provides \$36 million for capital improvements at the Seattle Center for the renovation of the 75 year-old Opera House into the modern Marion Oliver McCaw Hall and replacement of the Flag Pavilion with the new Fisher Pavilion and new green space at Seattle Center. The funding plan for the McCaw Hall and Fisher Pavilion projects at Seattle Center includes funding from King County, the State of Washington, and \$72 million from the private sector. Construction of McCaw Hall began in 2001, and the building is scheduled to open in late Spring 2003. The Fisher Pavilion opened in August 2002.

2000 Parks Levy

In November 2000, Seattle voters approved a \$198.2 million eight-year levy lid lift for parks and recreation purposes. The levy closely follows the plan forged by the Pro Parks 2000 Citizens Planning Committee. The levy is designed to fund more than 100 projects to improve maintenance and enhance programming of existing parks, including the Woodland Park Zoo; acquire, develop and maintain new neighborhood parks, green spaces, playfields, trails and boulevards; and add out-of-school and senior activities. The levy also funds an acquisition

and development “opportunity fund.” In 2003, \$17.6 million is appropriated from the 2000 Parks Levy Fund in the Department’s CIP for 43 projects. In 2004, an appropriation of \$16.9 million is anticipated for 35 projects.

Neighborhood Plan Projects

The 2003-2008 Adopted CIP includes several key projects which emerged as priorities in the neighborhood planning process. The 12th Avenue Development Project (found in the Seattle Department of Transportation (SDOT) CIP) makes street and pedestrian improvements to this part of the Central Area. The Ballard Municipal Center includes a new library, co-located with a Neighborhood Service Center, and including park space and street improvements. This project is found in the Parks, Library, Fleets & Facilities, and SDOT CIPs). The Lake City Civic Center also combines a renovated library with a new Neighborhood Service Center, and park space in the Lake City neighborhood (found in the Parks, Library, Fleets & Facilities CIPs). Finally, a number of the 2000 Parks Levy projects, included throughout the Parks CIP, respond to neighborhood plans.

Olympic Sculpture Park

The City and the Seattle Art Museum have completed a design agreement that allows for joint planning of the Olympic Sculpture Park (OSP) and related 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 Parks CIP includes funding towards a pedestrian crossing of Alaskan Way and the railroad tracks within the proposed Olympic Sculpture Park in the block between Broad and Eagle Street in the Belltown/Queen Anne Waterfront Connections – OSP project.

Major Transportation Projects

The Sound Transit Light Rail, Elevated Transportation Company Monorail, and Alaskan Way Viaduct/Seawall projects will have a large impact on the region's transportation infrastructure. In the 2003-2008 CIP these major projects are reflected in the Seattle Department of Transportation, Seattle Public Utilities, and City Light capital programs. Due to uncertainties at the time the 2003-2008 CIP was developed with the Monorail (which was approved by public vote in November 2002) and the Viaduct/Seawall, these departments have included only estimated costs related to preliminary planning, engineering, and design in their CIPs. Because the Light Rail project is further along the departments have included construction cost estimates as well.

Rehabilitation and Restoration of Existing Facilities

Rehabilitation and restoration of the City’s infrastructure and existing facilities continue to be a focus of CIP investment. In February 1994, a Citizens’ Capital Investment Committee established by the Mayor and City Council analyzed the City’s capital investment program. As a result of the Committee’s work, the City Council passed Resolution 28947, which called for the City to substantially increase its annual funding to maintain existing facilities in certain general government departments (Parks, Office of Arts and Cultural Affairs, Seattle Center, Fleets & Facilities, and the Library) from about \$4 million annually to \$17 million in 1998, and a similar level from each year forward. In 2001, the City updated its capital policies and adopted Resolution 30365 which raised this amount to \$18.7 million to reflect inflation since 1998. In 2002, the Executive undertook a major update to the City’s assessment of its demand for major maintenance and facility improvement projects for non-utility departments. The results of this major maintenance study, completed with the help of an outside consultant, were finalized in late 2002, and will be presented to the City Council in 2003. Any changes in City policy begin with the 2004 CIP and beyond.

Funding for the rehabilitation and restoration of City facilities comes primarily from Real Estate Excise Tax (REET) revenue, a 0.5% tax on property sales. This dedicated funding source flows through the Capital Projects Account of the Cumulative Reserve Subfund. Projected REET revenue for 2003 is \$19.2 million, and for 2004 is \$19.6 million. These funds are allocated across the general government departments mentioned above, as well as the Seattle Department of Transportation. Other funding sources for rehabilitation and restoration for include Councilmanic Debt, grants user fees, and rent. Transportation also receives significant funding from the General Subfund. The City proposes to spend \$56 million on rehabilitation and restoration of existing general government facilities in 2003, and \$31.5 million in 2004. Key rehabilitation or restoration project allocations in 2003 and 2004 include renovation of athletic fields at the Riverview Playfield and emergency piling at Pier 62/63 (Parks projects K732081 and K731082, respectively); major roof replacements on the Seattle Center campus (Seattle

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Center project S9701); fire and police station renovations and earthquake repairs at Park 90/5 (Fleets & Facilities projects A51542, A51638, and A12930E); and transportation projects including replacement of the Magnolia Bridge and resurfacing of asphalt and concrete arterial streets (SDOT projects TC366060 and TC365440).

2003 NSF/CRF Neighborhood Program

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 Seattle Department of Transportation (SDOT) also contributes "Neighborhood Street Fund"(NSF) to this program, to leverage the types and amounts of projects that can be completed. In 2003, \$250,000 of NSF brings the total allocation to \$1,250,000. Types of projects identified for this program include sidewalk repair and replacement, installation of curb bulbs or other traffic calming devices, and improvements to crosswalks. Cumulative Reserve Subfund dollars allocated to this program (in the Parks Department) can be used only for repairing or restoring existing facilities (not new construction) in neighborhood plan areas. These projects are identified by the community and selected for funding by the Department of Neighborhoods and the Department of Finance. The selection process for 2003 was completed in October 2002, and as a result \$433,000 of CRF was added to the Parks CIP and \$567,000 to the SDOT CIP for the projects listed below. SDOT's \$250,000 NSF allocation was included in the Mayor's Proposed budget.

Below and on the next page is a list of projects selected. See also SDOT project TC365770 NSF/CRF Neighborhood Program for more information.

2003 NSF/CRF Neighborhood Program

(For more information, see Seattle Department of Transportation Project TC365770 NSF/CRF Neighborhood Program)

District	Project Description	Fund Source	Amount	District Total
Ballard	Renovate Gilman Playfield shelterhouse	CRF	\$42,000	
	Repair sidewalk at 15th Ave. NW & NW 80th St.	CRF	\$15,000	
	Install traffic circle at 30th Ave. NW & NW 63rd St.	NSF	\$10,000	
	Repair sidewalks on Market St./Downtown Ballard	CRF	\$20,000	
District Total				\$87,000
Central	Restore curb at 23rd & Main	CRF	\$20,000	
	Renovate Powell Barnett basketball court	CRF	\$57,000	
	Repair sidewalk on 23rd between Cherry & Yesler	CRF	\$57,000	
District Total				\$134,000
Delridge	Make improvements to Longfellow Creek Trail	CRF	\$30,000	
	Upgrade Riverview Playfield asphalt path	CRF	\$35,000	
	Renovate EC Hughes basketball court	CRF	\$52,000	
District Total				\$117,000
Downtown	Install additional Vine Street improvements	NSF	\$22,000	
		CRF	\$16,000	
	Repair sidewalk at 1500 block 2nd Ave.	CRF	\$12,000	
District Total				\$50,000
East	Install curb bulbs at 19th & Republican	NSF	\$35,000	
	Resurface Bobby Morris tennis court	CRF	\$69,000	
District Total				\$104,000

District	Project Description	Fund Source	Amount	District Total
Greater Duwamish	Install traffic circle at Flora Ave. S. & S. Eddy St	NSF	\$15,000	
	Repair island and improves intersection for pedestrians at 13th Ave. & S. Bailey	NSF	\$18,000	
		CRF	\$12,000	
	Repair portion of sidewalk at 8100 & 8300 block of 8th Ave S.	CRF	\$40,000	
District Total				\$85,000
Lake Union	Install traffic calming on 5th Ave NE & NE 43rd	NSF	\$15,000	
	Provide Fremont circulation improvements identified in Fremont Circulation Plan (36th & Evanston or other improvements)	CRF	\$90,000	
District Total				\$105,000
Magnolia/Queen Anne	Relocate Queen Anne Ave N. & W. Galer crosswalk with curb bulb	CRF	\$35,000	
	Repave portions of Queen Anne boulevard system (at 3 identified locations).	CRF	\$80,000	
District Total				\$115,000
North	Install extruded curb & landscaping strip at NE 95th Street near Olympic View school	CRF	\$60,000	
District Total				\$60,000
Northeast	Provide pedestrian safety improvement at sidewalk next to Roanoke Park	CRF	\$20,000	
	Install curb bulb and pedestrian improvement at Brooklyn Ave. NE & NE Ravenna	CRF	\$40,000	
	Resurface tennis courts at University Playfield	CRF	\$62,000	
District Total				\$122,000
Northwest	Install walkways on portion of N. 100th between Meridian & Ravenna	NSF	\$40,000	
	Install asphalt walkway on Dayton Ave. N. (85 th -87 th)	NSF	\$20,000	
	Repair west tennis court at Green Lake	CRF	\$31,000	
District Total				\$91,000
Southeast	Install extruded curb & landscaping on 36th Ave. S. from Horton to Hinds	CRF	\$50,000	
	Restore landscaping in Colman Park	CRF	\$55,000	
District Total				\$105,000
Southwest	Install walkways near Whale Tail Playground	NSF	\$75,000	
District Total				\$75,000
Total Allocated				\$1,250,000

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Rehabilitation and Restoration of Utility Infrastructure

The CIP also makes substantial allocations to rehabilitate or restore the City's utilities infrastructure. In 2003 the allocation amount is \$101.3 million and in 2004 \$114 million is allocated. These funds are generated primarily by utility rates and financed by revenue bonds. Projects include comprehensive rehabilitation at the Boundary Dam (Seattle City Light project 6186); sewer rehabilitation projects (Seattle Public Utilities – Drainage and Wastewater project C300488 and others); and post-closure operations, maintenance and capital improvements at the Midway Landfill (Seattle Public Utilities – Solid Waste project C2NW002).

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 a new CIP, the Department of Information Technology (DoIT). This new CIP is comprised of technology projects formerly found in the Fleets & Facilities CIP. A total of \$22 million is allocated in 2003 for New Investment, and \$15.5 million in 2004. Projects in the DoIT CIP include the Seattle Fire Department Computer Aided Dispatch System (project SFDCAD) and Fiber Optic Communication Installation and Maintenance (project FIBER). Seattle Public Utilities shows its New Investment projects in a separate Technology CIP. Projects include customer service technology improvements (project TECH105) and an automated meter reading project which implements radio frequency capable meter reading equipment on meters that are difficult to access and costly to read (project C598001).

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 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 2003-2008 Adopted CIP by fund group (thousands of dollars).

Fund Group	2002 Revised	2003 Adopted	2004 Endorsed	2005-2008
County	5,672	3,069	190	0
Cumulative Reserve Subfund	33,456	18,012	14,593	53,470
Department Operating Fund	4,342	3,898	3,264	20,918
Federal/State	72,824	23,901	25,643	99,129
General Govt. - Restricted*	183,323	72,880	1,987	(26,037)
General Subfund	9,527	2,276	1,358	4,499
Other Local Government	7,396	2,369	2,975	17,732
Private	77,529	34,708	849	4,574
Street Vacation	0	625	300	0
To Be Determined**	0	1,315	18,128	28,237
Utility	308,711	307,078	269,914	1,178,863
Voter-Approved Funding	162,117	75,452	28,334	45,726
Total	\$86,4897	\$545,583	\$367,535	\$1,427,111

*The "General Govt. – Restricted" group captures a number of different funding sources including the KeyArena Renovation Fund, LTGO Projects Fund, Transportation Bond Fund, and the Public Safety Information Technology Fund. Negative funds in 2005-2008 indicate debt repayment for Marion Oliver McCaw Hall (project S0001 in Seattle Center's CIP); this debt is offset by other adds during this time period.

** 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.

Cumulative Reserve Subfund (CRF)

This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The subfund is currently divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account. The purposes and uses of these accounts are described below:

The **Capital Projects Account** provides funds for a wide array of capital projects. For the last few years, the vast majority of the expenditures from the Capital Projects Accounts have been devoted to maintaining and rehabilitating existing City facilities.

- ◆ The account is divided into four subaccounts that reflect different revenue sources.
- ◆ The Real Estate Excise Tax I (REET I) Subaccount is funded by a 0.25% tax on real estate transactions. A portion of these proceeds is used to pay debt service on bonds issued in 1992 and refinanced in 1998 for low-income housing and recreation facilities. REET I revenues are also used to defease 1994 bonds and to pay debt service on \$6,751,000 in councilmanic bonds that will be issued in 2003 to pay for Seattle Center roof replacements. The subaccount continues to earn interest on the balance that would have existed without the defeasance. The remaining REET I funds are used for other capital projects.
- ◆ The Real Estate Excise Tax II (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. REET II revenues are used for a variety of capital projects.
- ◆ The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union, investment earnings attributable to the subaccount, and other associated revenues. \$13,759,000 was transferred out of this subaccount in 2002 into the defeasance account established as part of a refinancing plan of outstanding councilmanic debt issued in 1994. The City will issue councilmanic debt in the future to pay for projects that would have been funded otherwise from the subaccount. The subaccount continues to earn interest on the balance that would have existed without the defeasance.
- ◆ The Unrestricted Subaccount receives funding from a variety of sources, including street vacation revenues, transfers of General Fund balances, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount), and other unrestricted contributions to the Cumulative Reserve Subfund. The Unrestricted Subaccount includes the Street Vacation Compensation Fund which dedicates a portion of revenues earned from street vacations to transportation and open space capital improvements.
- ◆ The **Revenue Stabilization Account**, created in the 2000 Adopted Budget through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government's ability to maintain services. The account is limited by ordinance to 2.5% of the prior tax year revenues. The entire account fund balance was used to balance the 2002 budget through the adopted 2002 budget and subsequent supplemental legislation.

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2003 Adopted Cumulative Reserve Subfund Appropriations

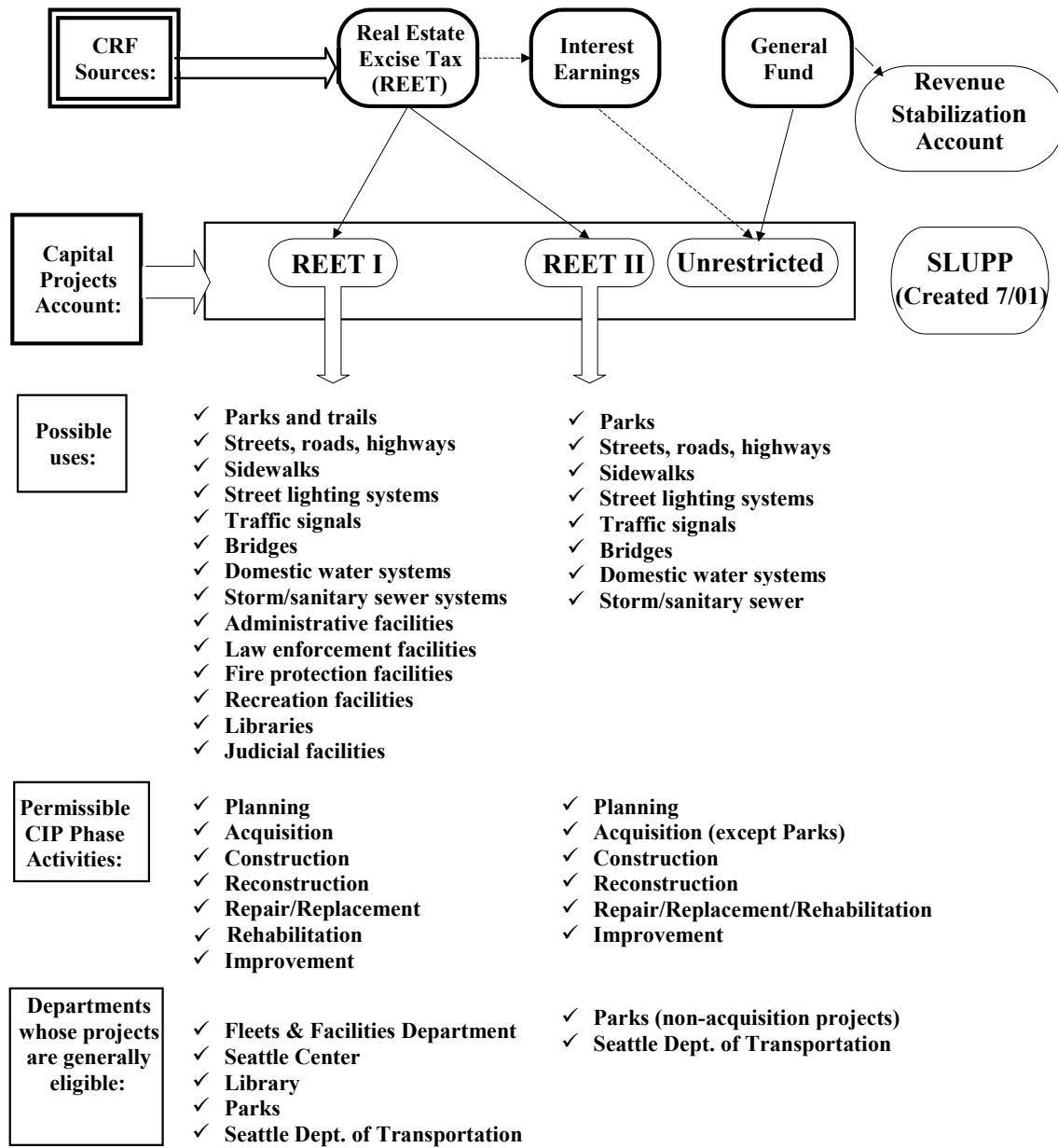
Appropriations shown below from the Cumulative Reserve Subfund (CRF) are for special purposes such as debt service payments and the City's Tenant Relocation Assistance Program. Department CRF and Street Vacation Compensation Subfund summaries are shown for informational purposes only. Actual appropriations for capital projects funded by the CRF are made in the appropriate department's section of the budget book. Department capital projects are fully described in the project sections of this document.

Appropriations	Summit Number	CRF Subaccount	2002 Adopted	2003 Adopted	2004 Endorsed
<i>Special Projects</i>					
1998B Capital Facilities Refunding	CC3002	REET I	3,024,000	3,013,000	3,004,000
Tenant Relocation Assistance Program	TRANEW	Unrestricted	179,000	179,000	179,000
Office of Housing - Tower Records	TBD	Unrestricted	-	519,000	-
Special Projects Total			\$3,203,000	\$3,711,000	\$3,183,000
<i>Department Summaries</i>					
Department of Parks and Recreation			12,189,000	11,023,000	9,968,000
Fleets and Facilities Department			4,918,000	2,835,000	1,136,000
Office of Arts and Culture			120,000	120,000	120,000
Seattle Center			2,900,000	1,164,000	1,788,000
Seattle Public Library			3,150,000	156,000	371,000
Seattle Transportation(1)			4,515,000	3,339,000	1,400,000
Department Summaries Total			\$27,792,000	\$18,637,000	\$14,783,000
Grand Total			\$30,995,000	\$22,348,000	\$17,966,000

(1) Includes Street Vacation Compensation Subfund allocations.

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

**CUMULATIVE RESERVE SUBFUND
(CRF) ACCOUNTS
AND RESTRICTIONS**



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 towards debt service costs of Councilmanic debt 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 Fleets & Facilities Department CIP.)

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 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:

Transportation Bond Fund (31600) – Established to account for LTGO-funded transportation projects. Subfunds include the West Seattle Swing Bridge Subfund (31640) and the University Ave TIP L&S Subfund (31650).

Seattle Center/Community Centers Levy Fund (33800) – Established to account for projects funded by the Seattle Center/Community Centers Levy, the fund was expanded to track LTGO-funded components through the addition of the Seattle Center McCaw Hall Subfund (33825).

Municipal Civic Center Fund (342000) – Established to account for the planning, design, and construction of the new Civic Center facilities. Subfunds include the Justice Center Subfund (34212), the City Hall Subfund (34223), the Key Tower Subfund (34224), the Open Space/Arctic Subfund (34240), the SPU Tenant Improvement Subfund (342500), and the Park 90/5 Subfund (34231).

South Police Stations Fund (34300) – Established to account for police precinct construction projects in the Southern portion of the City, the fund includes the South West Precinct Subfund (34330).

Public Safety Information Technology Fund (34400) – Established to account for the planning and implementation of various information technology projects that support Public Safety. Subfunds include the Public Safety IT subfund (34430) and the Safety and Justice Information Technology Project Subfund (34410).

2001 Capital Facilities Bond Fund (34500) – Established to account for projects that were funded through the 2002 issuance that did not previously have an established bond fund for tracking purposes. Subfunds include the Ballard Neighborhood Center Subfund (34510), the Miscellaneous Information Technology Subfund (34530), the Police Training Facilities Subfund (34540), and the Interbay Golf Facilities Subfund (34560).

2002 Capital Facilities Bond Fund (34600) – Established to account for projects that were funded through the 2002 issuance that did not previously have an established bond fund for tracking purposes. One subfund was created within the 2002 Capital Facilities Bond fund to track expenditures related to the Roy Street Shops replacement project of the Department of Parks and Recreation - the Parks Roy Street L&S Subfund (34610).

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% 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 (Proposition One), approved by voters in November 1998, 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). In September 2002, \$94.8 million of UTGO bonds for LFA projects were sold.

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

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 Fisher Pavilion (S9705) and Marion Oliver McCaw Hall (S0001).

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 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 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.

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 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

1% for Art Program

The 2003-2008 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 2003 is \$1,226,396 and is shown in the Office of Arts and Cultural Affairs’ (formerly Seattle Arts

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Commission) 2003-2008 Adopted CIP introductory section. If the expected allocations for a project change in future years (either in the budget or through a separate ordinance), then the anticipated 1% for Art allocations changes 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 for property acquisition.

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 Seattle citizens 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.

Eligible projects 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 which are regularly visible to the public. Projects reviewed by the Commission must be financed in whole or in part with City funds, or subject to approval by the City. Funding for the Design Commission comes from the projects being reviewed. Generally, individual projects are assessed a fee, built in to the project budget, of .33% of the eligible portion of the project. 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.

Small Business Development Fee

In 2002, Ordinance 120888 authorized the development of a "small economically disadvantaged business assistance program". This program provides assistance to small construction firms including minority and women-owned businesses, and provides a bridge to resources available in the community for professional, managerial, and technical development. To fund this program, departments with CIPs are responsible for a total of \$500,000 in both 2003 and 2004. This amount was allocated proportionally across departments, according to each department's appropriated CIP amount. Some departments (e.g. Parks project K732235) show this allocation as a separate project; most departments have allocated the money across individual projects.