



COUNCIL AGENDA TOPIC

Transportation Needs and Funding Strategy

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EXECUTIVE SUMMARY

INFORMATION ONLY

The Transportation Department will provide an update on capital needs to support growth as we continue the budget process for the Transportation capital plan. This will include information on the transition to a Portfolio Project Management approach to capital project delivery, and the possibility of new revenue to provide infrastructure concurrent with growth. Updates will include public engagement efforts, what to expect with the preliminary budget, and how much of a potential Transportation Benefit District would be dedicated to the Transportation Capital Improvement Program (CIP).

RECOMMENDATION

N/A

BACKGROUND/ANALYSIS

Background

At the February 26 City Council retreat, the council expressed interest in providing the capital necessary to implement new transportation infrastructure to stay ahead of planned city growth in housing, jobs, and population. The 2024 Comprehensive Plan adopted by the council calls for transformative growth over the next 20 years. Infrastructure will need to be concurrent with this growth otherwise it will be playing catch-up for decades to come.

At the April 21 Budget Workshop, the Transportation and Finance and Asset Management departments presented information to the council on capital needs, the new Portfolio Project Management (PPM) approach to capital planning, the funding gap associated with getting ahead of growth, and how a Transportation Benefit District (TBD) could be funded to address capital and growth needs. The council expressed interest in understanding transportation across modes and assurances that traffic safety would be prioritized under the new PPM framework.

Mobility in Bellevue in 2045

To fully understand Bellevue's transportation system, it is helpful to understand the City's strategic location as the central city of east King County. A significant portion of the transportation infrastructure investments in Bellevue are funded and delivered by our state and regional partners. The widening of I-405, new I-405 interchanges and express toll lanes, Light Rail 2 Line, Stride Bus Rapid Transit (starting

in 2028/2029), and Eastrail are examples. Leveraging these investments by safely providing mobility to and from these facilities is critical to the city's growth strategy.

Bellevue's Comprehensive Plan, updated in October 2024, is the state mandated plan to serve as our 20-year guide for growth. The current Comprehensive Plan outlines very significant growth for Bellevue by 2044 in the areas of housing (35,000 new housing units resulting in 77,000 new residents), and jobs (70,000 new jobs). It is against this backdrop that we are planning for the transportation infrastructure needed to support this growth.

The planned growth in Bellevue will result in additional trips coming into, out of, and within the city limits by 2044. Bellevue's traffic model was used to forecast the additional new trips in 2044 that would result from all the growth by mode of transportation. The data below are expressed in "round trips", which is travel that starts and ends at the same location with one or more stops in between.

	2024		2045		2024-2045
Mode	Round trips	share	Round trips	share	Travel Growth
Walk	61,256	8.4%	111,188	11.8%	81.5%
Bike	3,620	0.5%	8,818	0.9%	143.6%
SOV	267,319	36.5%	301,005	32.0%	12.6%
HOV	322,837	44.1%	387,625	41.2%	20.1%
Transit & School Bus	76,704	10.5%	131,128	14.0%	71.0%
Total	731,700	100%	939,800	100%	28%

Travel by all modes of transportation is forecasted to increase to nearly a million round trips on an average weekday in 2044 – an increase of 28% over current conditions. The overall share of walk, bike, and transit trips are forecasted to increase, with share decreases in single occupant vehicle (SOV) and high occupant vehicle (HOV) trips. Although decreasing, SOV vehicular trips will still constitute 32% of overall round trips, with HOV forecasted at 41%.

Transportation Infrastructure Needs to Support Growth

Bellevue's Transportation Improvement Program (TIP) serves as the inventory of projects envisioned for the local transportation systems. Although a six-year plan, it is not revenue constrained and, as such, represents our best inventory of projects to meet growth over the next 20 years as outlined in Bellevue's Comprehensive Plan. Bellevue's TIP consists of projects in the Capital Improvement Program, Transportation Facilities Plan, unfunded local projects identified and scoped through planning or community efforts, and projects led by our regional partners in which the city may choose to participate.

The 2027 – 2032 TIP was recently adopted by the council and represents an important planning component under the State's Growth Management Act. The TIP is required by state law (RCW 35.77.010), which mandates that local jurisdictions annually adopt and submit to the state a six-year program of transportation improvements. In addition to representing our long term, unconstrained transportation infrastructure needs, projects must be included in the TIP to be eligible for state and federal grants.

The transportation infrastructure needs identified in the TIP are valued at approximately \$1.5 billion, excluding the Grand Connection Crossing.

The Mobility Implementation Plan (MIP) is our foundational planning tool to identify where our system could be improved, and to help prioritize investments to meet the current and future needs across modes. For instance, 17 arterial intersections will exceed their congestion targets as outlined in MIP by 2044.

The MIP also tracks both arterial pedestrian and bicycle system completeness. Per the MIP, present day pedestrian and bicycle conditions in Bellevue are as follows:

Arterial Pedestrian facilities:

- Pedestrian facility present and meets targets = 42%
- Pedestrian facility present and does not meet targets = 30%
- No pedestrian facility at all = 28%

Please note the above data is only for Bellevue's arterial streets. Many more pedestrian facility deficiencies are found on lower volume local/neighborhood streets as well.

Arterial Bicycle facilities:

- Bicycle facility present and meets targets = 24%
- Bicycle facility present and does not meet targets = 12%
- No bicycle facility at all = 64%

How the Proposed Budget Addresses Needs

Bellevue has an opportunity to provide transportation infrastructure to accommodate growth under a Base budget, or a Transportation Benefit District (TBD) scenario. The TBD scenario would fund more infrastructure prior to significant growth, consistent with the Council's interest to date. The Transportation capital budget proposal will also reflect key changes to our capital planning process as outlined below.

1. New capital planning framework – Portfolio Project Management

Bellevue is changing the way it conducts its Transportation Capital Improvement Program (CIP), which is the funded six-year plan to build and deliver projects. The current CIP structure consists of a combination of discreet projects and 17 individual programs. The city has received feedback that the current structure can be difficult for the public and decision makers to understand and follow. With the '27-'32 budget cycle, Transportation will be updating the CIP to be consistent with other city departments, and provide a better, more understandable framework going forward. This structure is known as Portfolio Project Management (PPM), and will simplify the Transportation CIP, provide a consistent approach to programming projects, and more easily show unmet needs.

The Transportation CIP will have a single portfolio named "Transportation Mobility and Safety", that will contain five separate but complementary programs. To address city growth as adopted in the Comprehensive Plan, the five programs will work together to grow transportation infrastructure in a proactive and thoughtful way. The program areas include Pedestrian & Bicycle Mobility; Vehicular Mobility; Major Projects; Neighborhood Mobility; and Preservation and Reconstruction. (See Attachment A for illustrative examples of each program area.) Three of the five programs (Ped/Bike,

Vehicle & Major) will address growth related infrastructure needs directly, while the other two programs (Neighborhood & Preservation) will ensure enhanced livability and preserve prior investments along the way.

2. Addressing long-term needs with the Transportation Benefit District

To accelerate meeting performance targets and addressing performance gaps in our multi-modal transportation system, the council will have the option of assuming and funding a Transportation Benefit District (TBD). A TBD is an independent taxing district and quasi-municipal corporation that is available to Washington state cities and counties with the sole purpose of raising dedicated revenue to fund local transportation improvements. In 2023 the council established a TBD but did not assume (take responsibility for the district and its obligations) or fund it. These additional steps would need to be accomplished with approval of the overall City budget for the TBD to provide additional capital for growth.

The recommended approach, should the council decide to move forward with a TBD, is as follows:

- Raise Bellevue's Sales Tax by 0.1%
- Enact a \$20 vehicle registration fee

Both the 0.1% sales tax increase and the \$20 vehicle registration fee could be added with council action only. The 0.1% sales tax and \$20 vehicle registration fee are estimated to raise approximately \$11 million/year and \$2 million/year, respectively.

TBDs are common in the region. Approximately 19 King County cities have active TBDs, including our neighboring cities of Seattle, Kirkland, Redmond, Renton, and Mercer Island. Four other King County cities, including Bellevue, have established TBDs with no powers assumed. See Attachment B for more information.

3. Why this time is the right time for new investment

Bellevue has demonstrated growth works best when infrastructure investments are funded and concurrent with growth and development. The most recent example was Council's bold decision to fund the multi-modal arterial street network in the BelRed. A total of \$300 million was invested with the help of the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program. The resulting arterial street network was completed concurrent with development occurring in the area, and ahead of the opening of light rail. This not only provided the infrastructure to support growth in the area, it also provided certainty to developers and future residents that the arterial street network would be funded and constructed.

Public Engagement

Transportation has developed an overall public engagement strategy to inform the public about the City's planned growth, its transportation infrastructure needs, and revenue enhancements (TBD) under consideration by the council. Engagement includes public open houses, tabling at local events, and presenting to community-based organizations upon request. Public engagement also includes a survey that will be open to everyone through mid-August to inform staff and Council on respondent's feelings toward where to invest transportation capital for planned City growth. The survey asks questions such as preferred mode of travel, and the types of investments Bellevue should make if new funding is approved (more sidewalks, reduce speeding, protected bike lanes, improve driving times,

etc.). These responses will be mapped back to the five program areas outlined above to provide the public's feedback on how to allocate funds between the programs. Public input will continue to be received through October.

Look Ahead

Transportation staff are currently focusing on public engagement efforts, as well as outlining Base and TBD scenarios for the Transportation CIP for the City Manager's preliminary budget. Council will receive the preliminary budget, including the proposed Transportation CIP, at the September 15 Council meeting. The preliminary budget will include the Base Transportation CIP (without new revenue from a TBD), as well as an optional TBD enhanced Transportation CIP (including 90% of new funds from a TBD – a change from the 60% outlined at the April Budget Workshop). The Base and TBD scenarios will include the actual projects programmed into the five program areas for the six-year CIP, and a 10-year plan will also be produced so the Council and the public can better understand overall project delivery further into the future. Transportation staff will be available to discuss the preliminary Transportation CIP and public engagement results at the October 6 Study Session. It is anticipated that in 2027, Transportation will update the Transportation Facilities Plan (TFP) with 20 years of projects to meet growth, to be consistent with the new PPM approach to the CIP, and to update projected funding based on the council's decision regarding the TBD.



POLICY & FISCAL IMPACTS

Policy Impact

The Transportation Element of the Bellevue Comprehensive Plan is very relevant regarding transportation infrastructure improvements as our community continues to grow and evolve. Transportation goals from the Comprehensive Plan include improving mobility options so everyone in Bellevue has a safe, comfortable, and efficient experience on their preferred mode of travel, as well as implementing and enhancing a comprehensive multimodal transportation system to serve all members of the community. Specific Policies of note include:

- TR-17 Scope, plan, design, implement, operate and maintain a complete and multimodal transportation network in accordance with the Performance Metrics, Performance Targets and Performance Management Areas as established in the Mobility Implementation Plan.
- TR-18 Ensure that the transportation network infrastructure in Bellevue provides mobility options for all modes and accommodates the mobility needs of everyone, including underserved populations.

- TR-20 Aggressively plan, manage and expand transportation investments to reduce congestion and expand mobility opportunities in a multimodal and comprehensive manner and improve the quality of the travel experience for all users.
- TR-21 Design and develop arterial improvements, including added vehicular capacity, transit facilities and non-motorized active transportation components, to serve citywide travel demand generated by the increases in density in the land use plans, in addition to citywide and regional travel demand.
- TR-22 Incorporate pedestrian and bicycle facility improvements into roadway projects to provide complete and connected active transportation networks.

Fiscal Impact

There is no fiscal impact associated with this informational update. On September 15, the city manager will present her preliminary budget which will include the Base Transportation CIP, without new revenue from a TBD, as well as an optional CIP proposal that includes TBD revenues for the council's consideration. The TBD revenue proposal, currently under development, assumes a 0.1% sales tax and a \$20 vehicle license fee, both of which can be enacted by the council without voter approval. These sources would generate approximately \$11 million and \$2 million respectively, with 90% invested back into the Transportation system. This option would provide funding for the city to be ahead of/concurrent with the significant growth projected in the city's comprehensive plan.

OPTIONS

N/A

ATTACHMENTS

- A. Program Area Examples
- B. Transportation Benefit District Overview

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N/A