



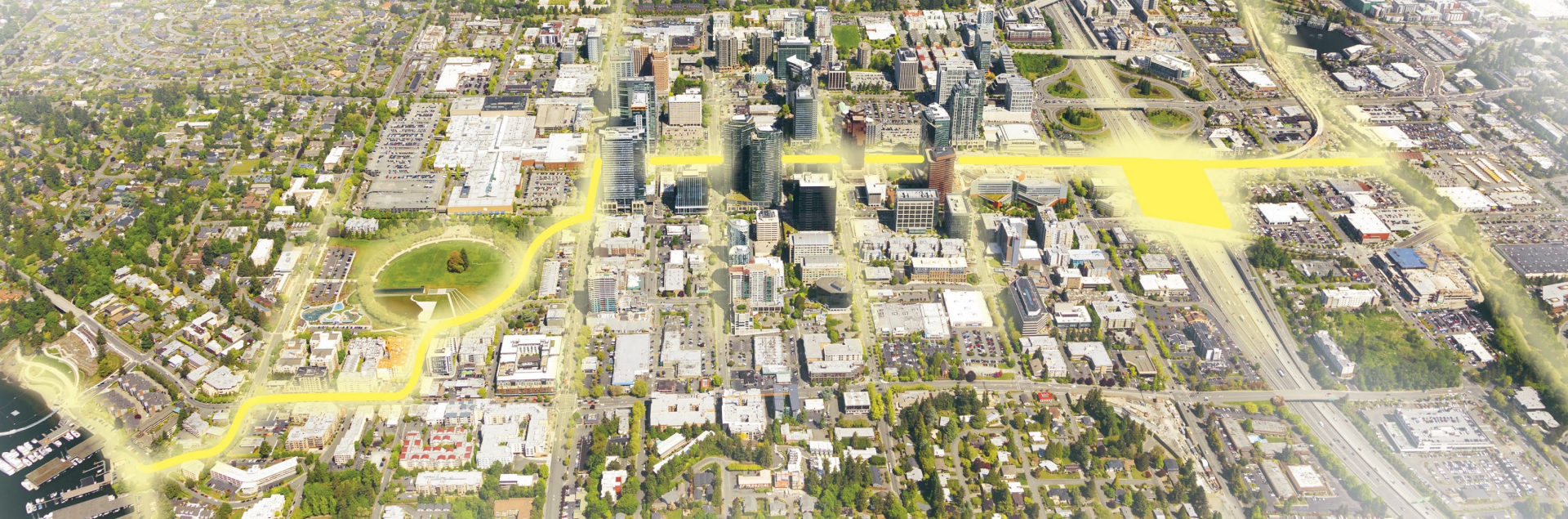
# Bellevue Grand Connection

## Program Updates, Funding Proposal

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July 22, 2025





# Direction

Consider directing staff to move forward with the application for state approval of alternative delivery design and construction method of project delivery, and with steps necessary to prepare to fund the next phase of the Grand Connection program.



# Agenda

1. Program updates
2. Funding proposal
3. Next steps
4. Direction







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# Program updates

# Office of the Grand Connection

- Led by Nathan Torgelson, Director
- Coalesces a core team of staff who are currently in multiple departments into a centralized model, facilitating clear decision-making, project oversight, and stakeholder communication.





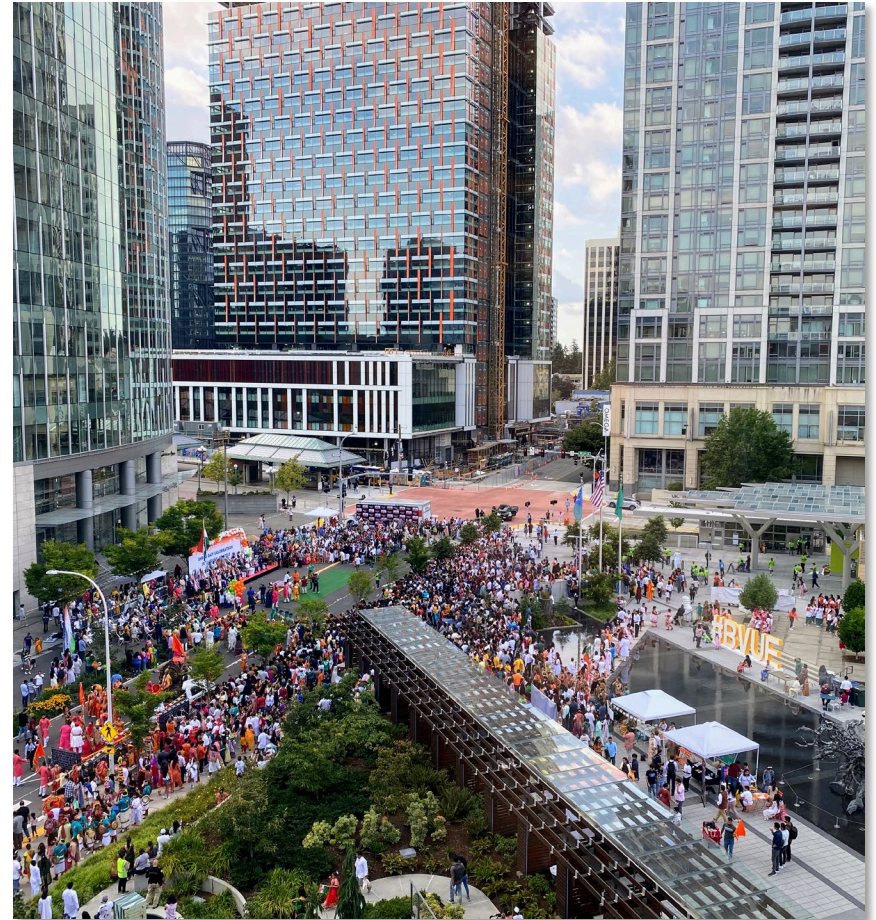
# Tax Increment Financing (TIF)

- Grand Connection was a 2025 legislative priority
- Requested:
  - \$900K for City Hall Plaza
  - Up to \$50M in a state transportation package
- Received:
  - \$250K for City Hall Plaza
  - Time-limited special authority to use TIF to fund the Grand Connection



# Community Programming Fund

- Call for programming launched in late March to support small-/medium-sized programs and activations.
- \$2,500 - \$10,000 grants available on first-come, first-served basis.
- Demand and enthusiasm far exceeded available funds
- All funds have been awarded





# Interactive Engagement Pilot

- Interactive nodes placed throughout the corridor to facilitate two-way information sharing about the Grand Connection, as well as basic transit information and wayfinding.
- Highly accessible: available in nine translated languages
- Generating excitement for the Grand Connection program and crossing vision.



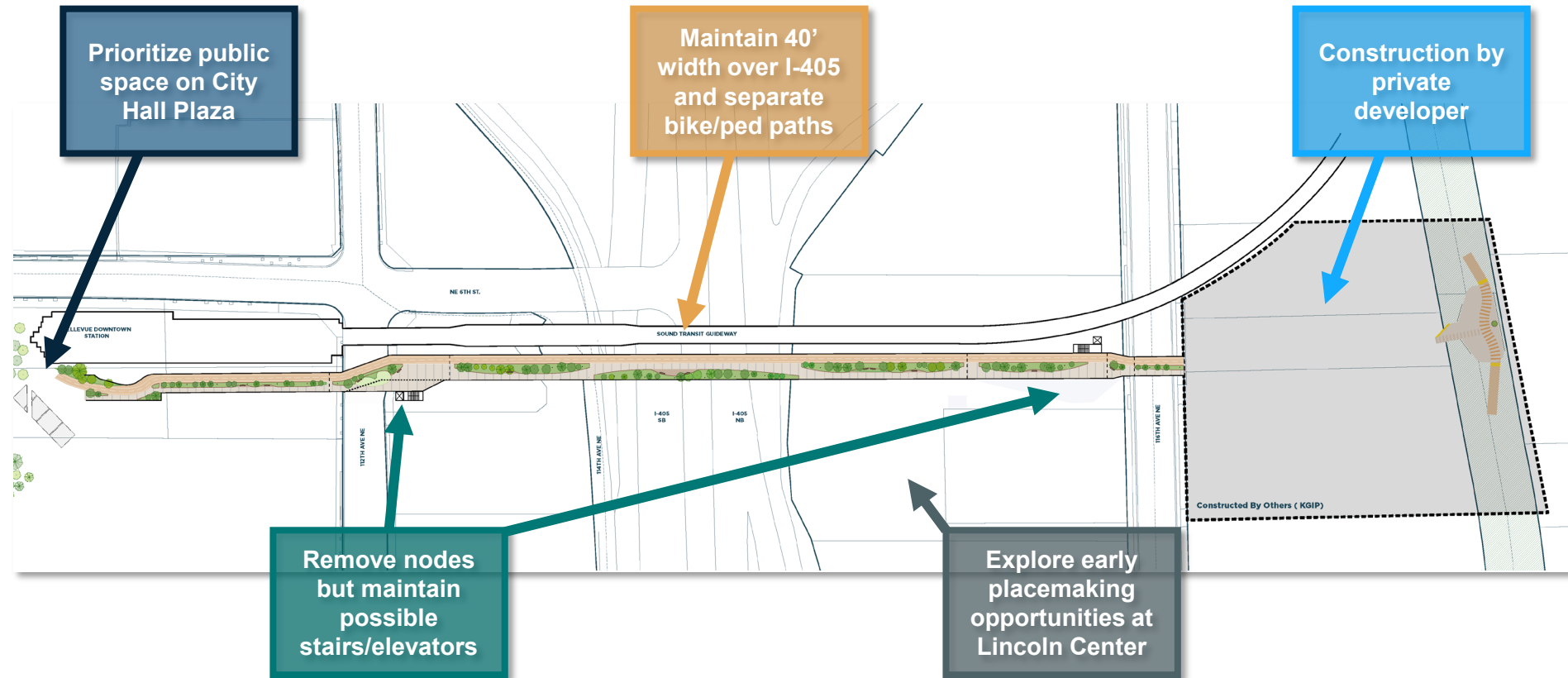


# Owner Advisor/Project Manager

- The Owner Advisor/Project Manager role is key preparing for use of general contractor/construction manager (GC/CM) delivery method approval from the state
- HNTB will help prepare the application to the state agency as well as develop contracts to establish the GC/CM to go beyond 30% design



# Value Engineering, Design Refinements







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# Funding proposal

# Funding Proposal: Summary



## **Tier 1 Funding Tools:** *Most likely candidates*

Tax Increment Financing (TIF)

- Dedicated property tax

Transportation Benefit District (TBD)

- Sales tax
- Vehicle fees



## **Tier 2 Funding Tools:** *Would offset City obligations*

Philanthropic & private funds  
Dedicated or specific use funds

Federal grants

State grants

Local Improvement District (LID)



## **Tier 3 Funding Tools:** *Could utilize if necessary*

Business & Occupation (B&O) tax

Banked property tax





# Tier 1 Funding Tools:

## *Most likely candidates*



### Tax Increment Financing (TIF)

2025 state legislature special authority:

- One increment area with a maximum property current assessed valuation of \$500 million.
- Establish a TIF area no later than June 2026.
- Growth in existing property tax based on current rate and growth in value.
- Revenue estimates range from between \$55.9 million to \$93.3 million over the lifetime of the TIF area.

### Transportation Benefit District (TBD)

Bellevue TBD (est. 2023)

- Councilmatic options include a 10-year 0.1% sales tax and a vehicle fee.
  - \$20 annual vehicle fee could generate ~\$2M, which could be bonded for ~\$60M for a 25-30 year term.
  - The 0.1% sales tax is historically estimated to generate ~\$10M/year, which would raise up to \$100M for the 10-year adoption period.
- Other voter-approved TBD options are available.



# Tier 2 Funding Tools:

## *Would offset City obligations*



### **Philanthropic & private funds**

- Likely led by *Friends* group

### **Federal grants**

- High levels of uncertainty
- Remaining eligible for now

### **Local improvement district (LID)**

- Special assessment with approval

### **Dedicated or specific use funds**

- Where appropriate

### **State grants**

- Limited opportunities
- Smaller amounts





# Tier 3 Funding Tools:

## *Could utilize if necessary*



### Business & Occupation (B&O) tax

- The B&O tax includes gross receipts and square footage taxes on persons, firms, associations or corporations doing business within city limits.
- Bellevue has ~\$5-\$7 million/year of capacity

### Banked Property Tax

- State law provides that Property tax, unless otherwise authorized, is limited to grow at a rate of 1% over previous year's collections
- Banked capacity is the 1% values, which have previously not been adopted.
- Bellevue has approximately \$7 million/year of general banked property tax capacity





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# Next steps



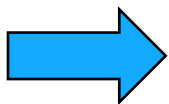
# Next Steps, Looking Forward



- Anticipated Council touchpoints this year:

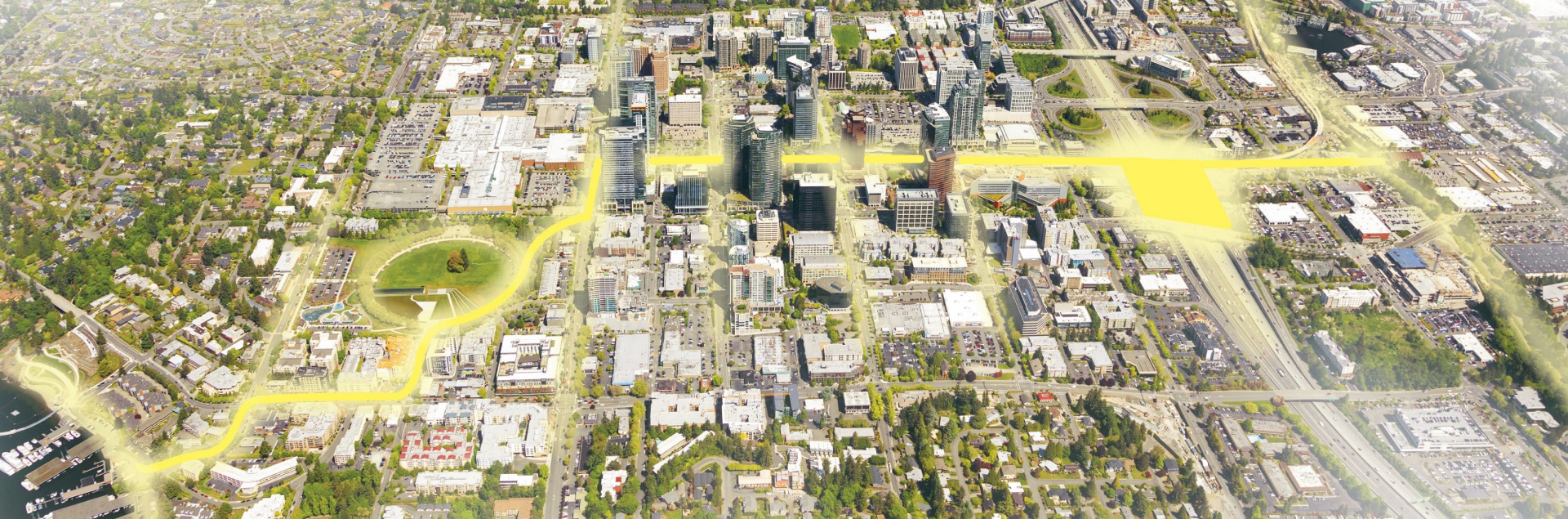


- **Spring:** Contracts for GC/CM owner advisor and continued design work



- **Late spring/summer:** Conceptual project financial plan (info and direction)
- **Fall:** Additional analysis on TIF, Launch final design and engineering (direction)





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