

2023-2029 Capital Investment Program (CIP) Early Look

Background

The CIP provides for major public facility improvements for items such as park development, transportation roadways, signals, and sidewalks, among many other projects. The CIP is primarily supported by sales tax and B&O tax, real estate excise tax, grants, transportation impact fees, voted levies, intergovernmental contributions, motor vehicle fuel taxes, and the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.

2023-2029 Early Look CIP

As with historical practice and policy, the early look 2023-2029 CIP:

- extends the years to include 2028 and 2029 resources to the 2021-2027 Amended CIP;
- adjusts revenue streams to align with the General Fund forecast;
- includes estimating debt service and the estimated debt service for the TIFIA loan starting in 2024; all assumptions include the 2021 refinancing of the TIFIA loan and the refunding of the 2012 and 2013 bonds resulting in approximately \$2 million in reduced debt service by 2024 annually compared to the 2021-2027 adopted CIP;
- brings forward to 2029 ongoing programs that maintain existing infrastructure in accordance with Comprehensive Finance and Asset Management Policy XI.I; -
- continues all voted levies (Fire, Neighborhood, and Parks) in accordance with voted ballot measure language;
- does not include any additional debt beyond current issuances;
- maintains all discrete projects within the 2021-2027 Amended CIP and does not increase those projects for re-costing or re-scoping; and,
- maintains all ongoing projects that build new within the 2021-2027 Amended CIP, but does not automatically increase projects that build new.

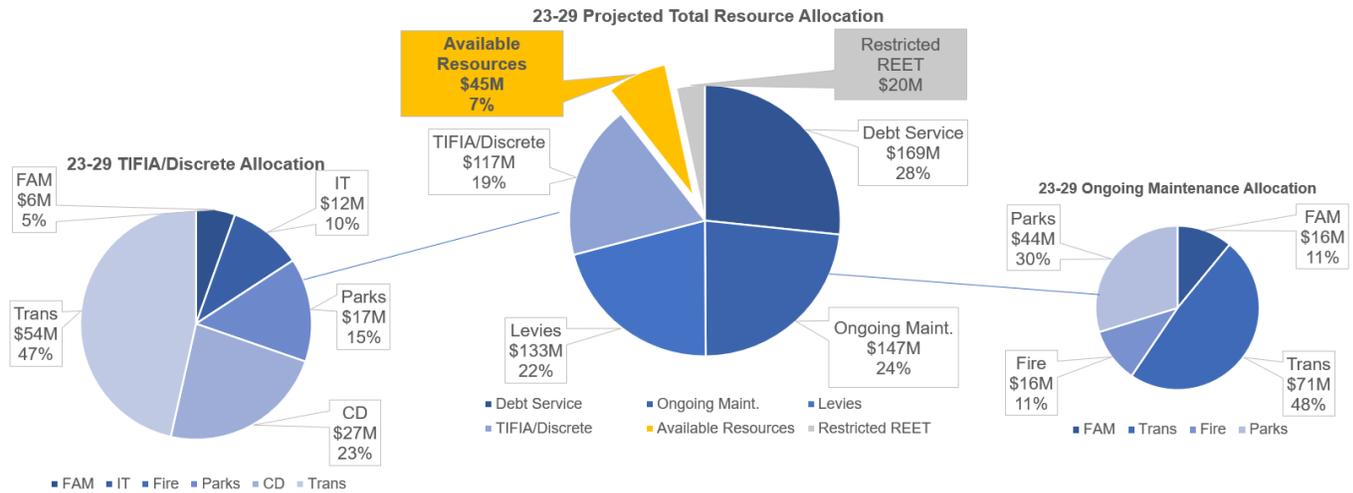
With the addition of 2028 and 2029, and applying the historical practice noted above, the 2023-2029 available resources for allocation is projected to be approximately \$45 million, with roughly half of those funds not available until 2028 and 2029.

The ~\$45 million in available resources is calculated from the following:

Total Resources Estimated for the 2023-2029 Early Look CIP	\$611 million
Less: Existing Debt Service through 2029	\$169 million
Less: Ongoing Projects that maintain current infrastructure	\$147 million
Less: Levy Funded Projects	\$133 million
Less: Projects in existing Amended CIP that the early look assumes will continue (e.g., ongoing build new, and other discrete projects)	\$117 million
Available for recosting and scope changes for discrete projects currently underway and new projects	\$45 million

In addition to the available resources outlined above, real estate excise tax (REET) is anticipated to be higher than budget in 2021 by approximately \$20M. This is about double what the city had budgeted, the reason for the very healthy 2021 is that historically the city sees 5 or so large (over \$50 million) real estate transactions, this year the city saw triple that at about 15 transactions. This is not a common occurrence. REET is restricted by City ordinance (Ords.

3213, 4366, 4549) to be used only for Transportation and Parks projects. These revenues are cyclical, volatile, and heavily impacted by large real estate transactions. The REET forecast is reviewed annually and will be updated during the Preliminary Budget development.



* Real Estate Excise Tax (REET) is restricted to Transportation and Parks

Debt Service

Debt Service makes up 27 percent of the 2023-2029 General CIP (\$169 million). This is consistent with the City’s Comprehensive Finance and Asset Management Policy regarding the use of debt in the CIP (Financial Policy – XI.N).

Ongoing Maintenance

Ongoing maintenance programs are those that implement the Council’s policy to maintain existing infrastructure before building new infrastructure, in accordance with the Comprehensive Finance and Asset Management Policy XI.I and make up an estimated 24 percent of the 2023-2029 CIP (\$146 million). As the City Manager prepares the Preliminary Budget, the estimated 2028 and 2029 ongoing maintenance costs will be revised. Currently in the early look CIP, 49 percent of ongoing maintenance projects are Transportation projects including the Bridge and Pavement Preservation (Overlay) Program, Traffic Operations, Signals and Lighting, Traffic Safety Improvements, Major Maintenance Program, Wetland Monitoring, and the Pedestrian Facilities Compliance program. 30 percent is for the Parks Renovation & Refurbishment Plan; 11 percent is for Fire Facility Maintenance programs and 10 percent are for Finance & Asset Management projects, including the Facilities Services Major Maintenance project.

Levy Funded Activities

Fire Facilities Levy – in November 2016, Bellevue voters passed the Fire Facilities Levy that will raise approximately \$146 million over 20 years to construct a new fire station and warehouse space to store and repair special equipment, and to complete capital needs for the nine existing fire stations. The early look 2023-2029 CIP includes \$53 million (\$7.5 million annually) in accordance with the voted ballot language. Fire facilities levy projects include Fire Station 10, Fire Station 4, Fire Warehouse & Special Projects, and Fire Station 6 Renovation.

Neighborhood Congestion, Safety, and Connectivity Levy – also passed by the voters in November 2016, the Neighborhood Congestion, Safety, and Connectivity Levy will help the City address a backlog of neighborhood safety, connectivity, sidewalk, bicycle, technology, congestion relief, and maintenance projects. The Levy is projected to raise approximately \$175 million over 20 years. The early look 2023-2029 CIP includes \$63 million (\$9 million annually) in accordance with the voted ballot language. Neighborhood Congestion, Safety, and Connectivity Levy funds Neighborhood Congestion Management projects and Neighborhood Safety & Connectivity projects.

Parks Levy – the Parks & Natural Area levy was approved by Bellevue voters in 2008 to fund the \$40 million parks capital program over 20 years. The capital portion of the measure increased the property tax levy by \$3.4 million and will be collected over a total of 20 years, expiring in 2028. The early look 2023-2029 CIP includes \$17 million (\$3.4 million annually through 2027) in accordance with the voted ballot language. Parks levy funds the Bellevue Airfield Park Development and the Park & Open Space Acquisition projects.

Projects currently underway in the amended 2021-2027 CIP Plan

The early look CIP assumes that existing projects that are currently underway in the Amended 2021-2027 CIP would continue. However, it does not assume that these projects would receive additional funding. The list includes ongoing build new projects, which are not assumed to automatically receive additional funding in 2028 and 2029 as these projects build new items and are not maintenance projects. As the City Manager prepares the Preliminary Budget, these estimates are subject to change. This section includes existing projects through 2027 (\$117 million), of which \$14 million is related to the TIFIA loan. These existing projects are broken down by department in the following manner:

- Transportation projects account for approximately \$54 million or 46 percent of this category, including the following projects:
 - Neighborhood Traffic Safety Program
 - ITS Master Plan Implementation Program
 - East Link Analysis and Development
 - 124th Ave NE - NE Spring Boulevard to Ichigo Way (18th St)
 - 124th Ave NE - NE 12th to NE Spring Boulevard
 - 130th Ave NE - Bel-Red Rd to NE 20th St
 - NE Spring Blvd (Zone 1) - 116th to 120th Avenues NE
 - NE Spring Boulevard (Zone2) - 120th to 124th Aves N
 - NE Spring Boulevard - 130th to 132nd Ave NE
 - Downtown Transportation Plan/NE 6th Street Station Access
 - West Lake Sammamish Parkway, Phase 2
 - Bellevue Way SE HOV Lane - 112th Ave SE 'Y' to I-90
 - 120th Ave NE Stage 4 Design - NE 16th St to Northup Way
 - 124th Avenue NE – NE 8th to NE 12th Street
 - 124th Avenue NE/Ichigo Way (NE 18th St) to Northup Way
 - West Lake Sammamish Parkway Phase 3
 - Neighborhood Congestion Management Project Implementation
 - Bellevue College Connection
 - 150th Avenue SE at SE Newport Way
 - South Downtown Bellevue I-405 Access

- Mobility Implementation Plan
- Vision Zero Rapid Build Data Driven Safety Program
- Transportation Grant Match Program
- 114th Avenue SE and SE 8th Street
- 112th Avenue NE at McCormick Park
- 130th TOD Paving Parking Lot
- Pedestrian and Bicycle Access Improvements
- Neighborhood Sidewalks
- Mountains to Sound Greenway Trail
- Mountains to Sound Greenway Trail – I-405 to 132nd Avenue SE
- Mountains to Sound Greenway Trail – 132nd Ave SE to 142nd PI SE
- Growth Corridor High Comfort Bicycle Network Implementation
- Community Development accounts for \$27 million or 23 percent, including the following projects:
 - Affordable Housing Contingency
 - Public Art Program
 - Enhanced Right of Way and Urban Boulevards (ERUB)
 - Civic Center Plan
 - Grand Connection - Early Implementation
 - Public-Private Partnership – Pilot BelRed TOD
 - Arts and Culture Fund
 - Downtown Community/Livability
 - Economic Development Plan Implementation
 - Mini City Hall Expansion
 - ESI Implementation
 - NEP-2.0 Neighborhood Enhancement Program
 - Neighborhood Partnerships
 - Station Area Planning Implementation
- Parks projects account for \$17 million or 15 percent, including the following projects:
 - Park Planning & Design
 - Meydenbauer Bay Phase 1 Park Development
 - Mercer Slough East Link Mitigation
 - Bridle Trails/140th Street Park Development
 - Newport Hills Park Development
 - Bel-Red Parks & Streams
 - Meydenbauer Bay Park Phase 2
 - 2020-2025 King County Parks Levy
 - Enterprise Facility Improvements
- The rest of the projects in this category are made up of Information Technology (IT), and Finance & Asset Management (FAM) projects of \$18 million or 15 percent, including the following projects:
 - Smart City Connectivity
 - Enterprise Application Replacement Reserve
 - JDE System Upgrade and Enhancements
 - Citywide Security Improvements
 - COB Fuel System Replacement
 - City Fleet In-Ground Lift Replacement

- Space Planning to Support Change at City Hall and BSC