

CITY OF REDMOND

CAPITAL IMPROVEMENT PROGRAM (CIP) OVERVIEW

The 2011-2016 CIP serves to advance the City's vision and provide a longer term outlook into Redmond's financial planning for capital needs. Alignment of CIP projects with the Comprehensive Plan vision is especially important in the two urban centers of Downtown and Overlake, as the City seeks to direct its public infrastructure investment in ways that will facilitate continued private redevelopment of these priority areas. By focusing public projects in its urban centers, the City is taking tangible steps towards realizing its vision for these areas, signaling its commitment to private developers and thereby encouraging them to continue to invest in the City long-term. Beyond the urban centers, Redmond will continue to use available resources on maintenance and safety projects to preserve existing investments in public infrastructure.

The City will continue to direct its limited resources, as well as federal and state funding requests, to those areas which are key to its future. The City of Redmond CIP is broken down into three sections – Downtown, Overlake and Established Neighborhoods which outline the long range plan for addressing capital needs. The purposes and the goals of the CIP are to:

- Provide capital facilities and infrastructure that are needed by the community for civic purposes and support the vision of Redmond's future as articulated in the Comprehensive Plan, the Transportation Master Plan, and the Parks, Arts, Recreation, Culture, Conservation (PARCC) Plan.
- Support the provision of city services consistent with the expectations of the community, as expressed in the City's level of service standards.
- Preserve levels of service as growth and development add new demands on City government.
- Provide facilities that meet the unique needs of the community.
- Rehabilitate and/or replace the City's facilities and infrastructure to extend useful life and assure continued efficiency.

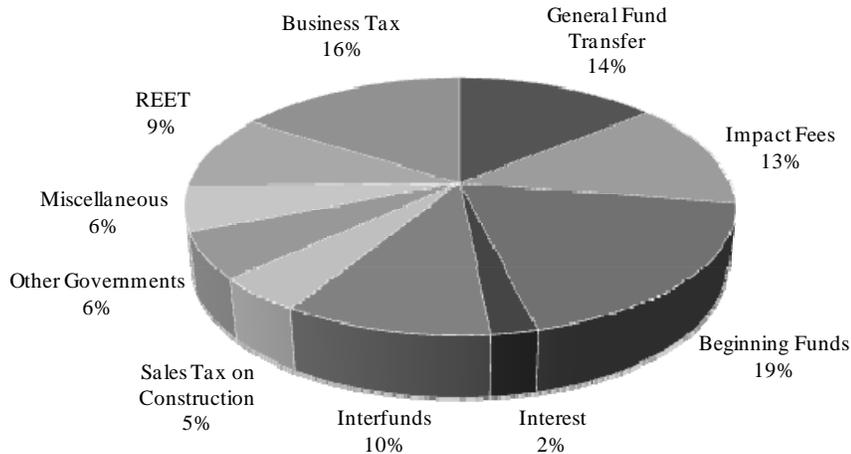
The City defines a CIP project as costing \$25,000 or more with a useful life of 5 years or more. Redmond's CIP is divided into general and utility capital investments. Within the General CIP there are three functional areas: Parks, Transportation and General Government which includes Fire, Police and Council CIP projects. Water, Wastewater, Stormwater and Novelty Hill Service Area (UPD) Water and Wastewater Construction make up the five components of the Utility CIP.

GENERAL CAPITAL IMPROVEMENT PROGRAM

Revenues in the General Capital Improvement Program are projected to equal approximately \$157 million between 2011-2016, including beginning fund balance. This is approximately 33%

below the 2009-2014 projections primarily due to declines in impact fees and REET caused by the economic recession, elimination of one-time grant and private contributions for the 36th Street Bridge project and reduction of private contributions for the Downtown Park. The General CIP receives funds from a variety of sources as illustrated below.

Total 2011-2016 CIP Revenues



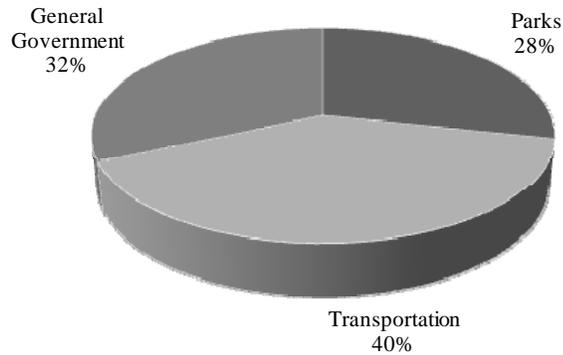
Some of the more significant projects programmed into the CIP in the near term include:

- **Fire Station #17** – To serve growth in the north, the City has planned since the early 1990s to build the Northeast Education Hill fire station. Fire Station #17 is expected to be completed in 2011 at an estimated project cost of \$11.8 million. Voters approved a property tax levy in 2007 to support staffing of the new station.
- **Burlington Northern/Santa Fe (BNSF) Railroad Right-of-Way** – In 2010, the City acquired the Redmond portion of the BNSF Railroad right-of-way for approximately \$10 million. This land will be used as a multi-modal trail, transit corridor, utility corridor, and a way to reconnect the street grid through downtown. Included in the 2011-2016 Parks CIP is \$3.7 million to develop the 1.1 mile span of the Downtown regional trail from Bear Creek Trail west of SR 520 to the Sammamish River Trail.
- **Downtown Park** – In conjunction with other capital improvements in downtown, such as Bear Creek Parkway and Downtown Stormwater projects, the City plans to acquire land and develop a Downtown Park. In the Parks CIP is \$10 million to acquire land for the new park.
- **Street Extensions** – Programmed into the Transportation CIP is approximately \$9.3 million for continuation of the 161st Avenue extension and initiation of the 164th Avenue extension. 161st Avenue Northeast Extension extends from Bear Creek Parkway to Redmond Way and includes one through-lane in each direction, left turn lanes, bike lanes, parking, sidewalks, street lights, storm drainage, rain gardens, right-of-way, easements and traffic signals at Cleveland Street and Bear Creek Parkway. The 164th Avenue Extension will run from

Northeast 76th Street to Cleveland Street. Improvements include one through lane in each direction, bike lanes, parking, sidewalks, street lights, storm drainage, low impact development techniques, right-of-way and easements.

2011-2012 General CIP Expenditures
(excluding ending fund balances)

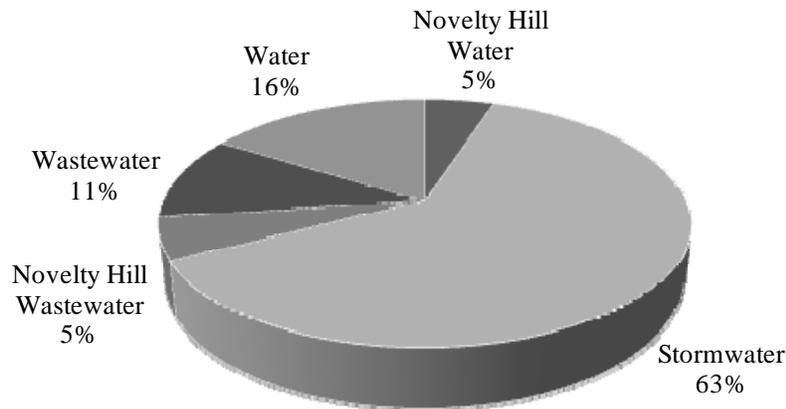
Projected 2011-2012 CIP expenditures total \$62.5 million excluding ending fund balances. Expenditures by functional area for the next biennium are outlined below (please see the cash flow spreadsheets in the Council workbook, for more detailed information on the annual cash flow for each project).



UTILITY CAPITAL IMPROVEMENT PROGRAM

The Utility CIP includes the construction programs for Water, Wastewater, Stormwater, and Novelty Hill Service Area Water and Wastewater. A total of \$157.2 million in revenue (including beginning fund balances) is being proposed in the 2011-2016 utilities CIP. This is approximately 23% above budgeted levels in 2007-2012. The increase is due to potential borrowing in future years for Stormwater facilities in Downtown and Overlake

2011-2016 Revenues by Utility
(includes beginning fund balances)



Total 2011-2016 expenditures in all three Utility CIP programs equal \$49.6 million (excluding ending fund balances), which 11% below budgeted amounts in 2009-2014. The majority of the expenditures are budgeted in Stormwater (\$39.1 million).

The Water, Wastewater and Stormwater CIPs are made up of projects that construct or improve The City's water, wastewater and stormwater infrastructure. In the Water CIP, projects focus on pumping, distribution and storage of the City's water supply. Stormwater projects include detention, water quality, conveyance, flooding, groundwater protection and stream and habitat restoration and enhancement while pump station improvements make up the majority of the Wastewater CIP. Approximately, \$13.6 million over the next two years will be spent on the projects mentioned above.

The Utilities are a key part of realizing the vision for the two urban centers. Most notably the Downtown and Overlake Stormwater regional detention and water quality facilities as described below will allow other infrastructure improvements to move forward in the two neighborhoods.

- **Redmond Way Storm Trunk and Water Quality Facility** – To serve growth anticipated in Downtown, this project will construct a set of regional stormwater facilities in the Downtown urban center associated with the Redmond Way corridor. The facilities will provide stormwater conveyance and water quality treatment to accommodate existing deficiencies and future growth. These projects include a new conveyance trunk along the Burlington Northern right-of-way and associated conveyance improvements (providing capacity for large storm events in future build-out conditions), a water quality treatment facility at the west end of the trunk line at the outfall to the Sammamish River, and a stormwater treatment wetland at the east end of the trunk line at the outfall to Bear Creek. Combined, these facilities will manage stormwater from approximately 250 acres of the downtown watershed.
- **Overlake Stormwater Facilities** – Beginning in 2011, this project will provide regional stormwater facilities in the Overlake urban center which will include stormwater conveyance, detention, and water quality facilities to accommodate existing deficiencies and future growth.

Please see the Council workbook for more information on the annual cash flow of the utility projects.

Novelty Hill Service Area CIP Expenditures

There are no expenditures programmed into the Novelty Hill Service Area CIPs. The money in this area will continue to be set aside for future maintenance projects.

ESTIMATED MAINTENANCE AND OPERATION COSTS

On the following page is a summary of estimated maintenance and operation costs for the more significant CIP projects currently under discussion. For some of the larger projects (i.e. Downtown Park and the Burlington Northern Right-of-Way) design and amenities are still being determined, therefore estimated maintenance costs are currently unavailable. Descriptions of each of the projects in this table can be found on the project matrix contained in the Downtown, Overlake and Established Neighborhood sections.

Estimated Maintenance and Operation Costs

Proposed CIP Project	Budgeted Project Investment (through 2016)	Estimated Impact of Capital Investments on Operating Budget
<i>Downtown Urban Center</i>		
Downtown Parking Lot	\$550,000	\$10,000 annually for electric, landscaping and safety costs
161st Avenue Northeast Extension and Water Quality	10,095,575	\$26,500 annually including 2 new signals, street lights, street trees, median landscaping and street maintenance
164th Avenue Northeast Extension and Water Quality	3,350,000	\$7,500 annually including median landscaping and street maintenance
Couplet Conversion and Water Quality	500,000	\$3,000 annually including median landscaping the street maintenance
Cleveland Streetscape (161st to 164th)	2,950,000	\$8,000 including new street lights and median maintenance. This is a total cost for the Cleveland Street project at build out
85th Street Water Quality Facility	7,481,164	Actual design and amenities are still being determined
90th Street Water Quality/Groundwater Protection	1,850,017	Actual design and amenities are still being determined
Downtown Park	19,504,196	These costs are for acquisition and debt service. Actual design and amenities are still being determined
Burlington Northern/Santa Fe Right-of-Way	12,730,870	These costs are for acquisition and design. Actual amenities are still being determined
<i>Overlake Urban Center</i>		
Overlake Stormwater Facilities	\$24,900,000	Actual design and amenities are still being determined, however preliminary estimates for maintenance and operations equals \$150,000 over six years for maintenance and monitoring. This number will be refined as the projects reach completion

Proposed CIP Project	Budgeted Project Investment (through 2016)	Estimated Impact of Capital Investments on Operating Budget
<i>Established Neighborhoods</i>		
166th Avenue Northeast Rechannelization	150,000	\$1,500 annually including striping and signage
185th Avenue Northeast Extension Phase II	6,641,568	\$13,000 annually including new signals and streetlights, landscaping and street maintenance
Bear Creek Bridge Rehabilitation	100,000	\$40,000 over six years of maintenance and required monitoring costs
Northeast 116th Street and Roundabout at 172nd Avenue	3,878,169	\$33,000 annually including street lights, landscaping (planters and street trees) and street maintenance
State Route 202/124th Street Intersection Improvements	5,533,780	\$7,000 annually including new street lights, landscaping and street maintenance
Union Hill Road Phase III (188th - 192nd)	850,000	\$7,000 annually including new street lights, landscaping and street maintenance
Education Hill 565 Zone Improvements	2,500,000	\$25,000 over six years for maintenance and monitoring
Reservoir Park Pump Station	4,377,937	\$50,485 over six years for maintenance and monitoring
Southeast Redmond Transmission Main	4,431,220	\$44,321 over six years for maintenance and monitoring
Bear Creek Rehabilitation (at 116th)	10,579,082	\$40,000 over six years of maintenance and monitoring
Evans Creek Relocation	4,955,000	\$55,000 over six years for maintenance and monitoring
Sammamish River Enhancements - 90th to Willows	3,950,000	\$45,000 over six years for maintenance and monitoring
Spiritbrook Design and Construction	1,000,000	The project will not require additional maintenance funding as this is an upgrade to an existing asset
Centennial Trail	550,000	\$2,000 annually which is already supported by the levy funds approved by voters in 2007
Redmond Pool	247,000	A total of \$302,946 is budgeted in operations for operation and maintenance of the pool
Neighborhood Traffic Calming	2,759,164	Approximately \$2,700 annually for potential median and/or street maintenance. These costs are dependent upon the type of calming amenities constructed