Vision Blueprint

Progress Report

Redmond’s Capital Investment Strategy 2013-2030

August 2014
Vision Blueprint - Redmond’s Capital Investment Strategy

Over the last two years, Redmond has completed 27 capital projects at a value of $73.8M, which is a high rate of output in comparison to previous two-year periods. The City is steadily accomplishing near-term goals, by coordinating across functional areas, leveraging grants and partnerships, assessing maintenance needs comprehensively, strategically prioritizing investments, spending dollars responsibly, and enjoying a strengthening local economy. City Council adoption of major plans such as the Transportation Master Plan, Watershed Management Plan, and Police Department Functional Plan is informing the capital program at all stages, helping identify, prioritize and coordinate needed infrastructure investments. And, these plans help leverage grant funding. The City secured $15,250,000 in federal and state grants to support implementation of the Transportation Facilities Plan (TFP) in 2012 and 2013. This amount is already a significant portion of the total grant funding the City projected it would receive over the full 2030 planning horizon.

In 2011 projected revenues were $591M, with a cost-to-revenue funding gap of $410M, whereas the updated projection shows revenues at $660M, with a funding gap of $364M. Gaps in the near and long term are $141M and $225M respectively, whereas the mid-term now shows a balance of nearly $3M.

With the 2014 Budget-by-Priorities process currently underway, it is expected that the near term will become balanced, and some costs will then shift to the mid-term. The overall funding gap is now $46M lower than in 2011, partly as a result of project completion and strategic accomplishments noted above, and partly as a result of updating long-term revenue projections, which fluctuate over time in response to external economic conditions.

Given the funding gap, the City will need to continually prioritize and sequence capital projects to most effectively achieve Redmond’s vision. Support for capital investments should also involve consideration of alternative financing approaches to ensure projects are aligned with the vision, coordination is achieved, and taxpayers get the best value for investment.

Internal process improvements and brighter revenue projections are helping ensure Vision Blueprint’s success over the long term, however challenges still remain. The City will continue to look for efficiencies and innovation in delivering its capital program, however significant unknowns such as major asset maintenance and replacement, potential new recreation buildings and community centers, and unfunded parks and other infrastructure in Overlake, are possibly a sign of structural deficiencies in the City’s revenue system, and process improvements alone may not be enough to deliver Redmond’s future vision.

### 2030 revenue forecast and cost estimates
(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Near Term 2015-2020</th>
<th>Mid Term 2021-2025</th>
<th>Long Term 2026-2030</th>
<th>Total</th>
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<tbody>
<tr>
<td>Total Forecasted Revenues</td>
<td>$298.88</td>
<td>$173.79</td>
<td>$188.23</td>
<td>$660.90</td>
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<tr>
<td>Total Project Cost Estimates</td>
<td>$439.90</td>
<td>$170.90</td>
<td>$414.00</td>
<td>$1,025.00</td>
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<td>Difference</td>
<td>($141.02)</td>
<td>$2.89</td>
<td>($225.77)</td>
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Projects & cost summary

Data on pages 1-5 reflect accomplishments and project adjustments since Vision Blueprint was initially developed in 2011, and summarize the impact of the CIS in terms of time, geography, and function. The charts provide summary information in terms of dollars and total number of projects. Ninety-four projects have been removed from the 2011 list, bringing the total number of projects down to 305. This reduction resulted from a combination of project completion, consolidation, or removing future planned projects in order to make funding available for higher-priority items. However, as anticipated, projects have also been added, such as eight additional long-term transportation projects identified as part of the 2013 Transportation Master Plan Update, the Facilities Condition Assessment, and the Recreation Buildings Master Plan. The net change in total cost of Vision Blueprint through 2030 is a slight decrease over the last two years, from $1.053B to $1.025B.

In the near term, the City continues to focus on completing foundational investments such as Downtown Park and Cleveland Streetscape and Couplet Conversion. In addition, two additional years have been added to the near-term, pulling in items that were previously in the mid-term in the initial CIS in 2011, such as continued work on Overlake stormwater vaults. Consequently, the mid-term now has fewer projects, though at somewhat higher cost, due to major investments such as recreational buildings, and improvements to City-owned buildings. In the long term, some lower-priority items have been removed, and items that appeared in 2011 as discrete actions, like trail construction, are now included in programs. This reduces the number of long-term projects, though the net cost has increased slightly through the addition of eight transportation projects, as noted above.
Similar to the arrangement of the six-year Capital Investment Program (CIP) within the City’s biennial budget, the chart below shows investments in Downtown, Overlake, Neighborhoods and Citywide Programs. Strong emphasis continues in Downtown during the near term in completing Downtown Park and the Cleveland Streetscape and Couplet conversion.

Then, emphasis shifts to Overlake and Neighborhoods in the mid and long-term, reflecting investments such as the third stormwater vault, a new main street on 152nd Avenue NE, and new SR 520 off-ramp in Overlake Village, and new parks, stormwater and transportation improvements in neighborhoods.

Revenue

Preliminary revenue estimates to support Vision Blueprint are shown in the chart at right, and as highlighted in the table on page 1, this represents a gap between costs and revenues over the 2030 planning horizon. Estimates are based on the current economic climate and are intended to convey the magnitude of revenues that could be available to the capital plan through 2030, rather than an accounting of specific revenue sources that the City will collect over the next 20 years. The estimates are consistent with revenue policies established by City Council.
Accomplishments

Redmond continues to invest in its two urban centers and neighborhoods in support of its future vision and to accommodate a population of 78,000 people and an employment base of 119,000 jobs by 2030.

The chart below shows progress in delivering capital projects since Vision Blueprint was developed 2011. Data is provided for each year since 2005 for context.

**Note:** The chart below is not intended to provide a complete representation of the City’s capital program capacity. Factors such as construction impacts, coordination across functional areas, and timing with respect to private development projects can also influence capacity.

### Construction activity by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposed projects</th>
<th>Completed projects</th>
<th>Completed Cost (millions)</th>
<th>Active projects</th>
<th>Staffing level</th>
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<tr>
<td></td>
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<td></td>
<td></td>
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<td>Project managers</td>
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<tr>
<td>2005</td>
<td>16</td>
<td>15</td>
<td>$30.90</td>
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<tr>
<td>2006</td>
<td>20</td>
<td>13</td>
<td>$16.70</td>
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<td>11</td>
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<td>7</td>
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<td>2013</td>
<td>23</td>
<td>12</td>
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<td>46</td>
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</table>

**Notes:**
- Includes projects over $20,000 and 50 hours
- Costs exclude right-of-way acquisition
- 2012 costs include NE 36th ST bridge
Delivering the capital program

Redmond’s quality infrastructure is a result of implementing current functional plans and prior investments needed to maintain service standards and advance the City’s vision.

Examples of Transportation actions include studies and plans, preliminary design work, and construction projects that provide greater transportation choices and improve safety. Park actions include acquisition, master planning and design, park development, park redevelopment and maintenance, trail development and recreational facilities to provide high quality park space and enhanced community facilities. The City’s general government facilities include those used by multiple City departments, and specific facilities for Redmond Police and Fire.

City-managed utilities include water, sewer, and stormwater. The emphasis of the Sewer Utility for the next several years will be rehabilitation of many of the sewer pump stations. These projects will include new pumps, piping, controls, electrical equipment, generators, and replacement or rehabilitation of the structures. The City’s water infrastructure continues to meet growth demands through extensions and replacements via development projects and transportation projects. The emphasis over the next few years by the Water Utility will be on refurbishment of older facilities.

The Stormwater utility builds on past efforts to minimize flooding in the City and replace and retrofit aging infrastructure. Goals of the stormwater capital program are to provide clean water and quality riparian habitats that are aesthetically pleasing, safe for human contact, healthy for fish and wildlife, and in compliance with environmental regulations. Recent accomplishments include regional facilities in Downtown to control stormwater flow and improve water quality.

Highlights around the City

Downtown

In Redmond’s Downtown Urban Center, work is underway on Cleveland Streetscape improvements, followed by the two-way Couplet Conversion on Cleveland Street and Redmond Way. Phase 1 of the Redmond Central Connector Trail is complete, as well as demolition and interim improvements for Downtown Park, and initial consultant work on a park master plan. Progress has been made towards implementing the regional stormwater facilities, which will manage the majority of stormwater requirements for new development in the basins, as well as retrofit existing development to improve flow control and water quality.

Progress was also made on housing infrastructure. The City Council selected the development team of Shelter Resources/Providence Health and Services, through a Request for Proposals process, to construct 74 units of affordable housing for seniors on 160th Avenue NE. The development will also include medical and other services for seniors.

Overlake

Accomplishments in Overlake include starting construction of the south stormwater detention vault, which will help provide critical flow control for future development in the village. Preliminary design of a second facility - to be co-located with the plaza street at the Sound Transit light rail station in Overlake Village - is underway, with anticipated construction in 2016-2017. A final regional facility is anticipated to be complete by 2030. In partnership with Capstone Partners, community input has been sought in planning and design for a 2.67 acre park at Esterra Park, a major mixed use development currently under Phase 1 construction.

Neighborhoods

In Redmond’s neighborhoods, a range of large and small projects have been accomplished to improve mobility connections, the environment, and overall quality of life. In Transportation, improvements to 166th Avenue Northeast in North Redmond has moved into its second phase. Completed stormwater projects include four areas on the Sammamish River designed to improve aquatic habitat. The first phase of the Lower Bear Creek rehabilitation is also complete, with overall project completion anticipated in 2014-15. Design is underway for the relocation of Evans Creek in SE Redmond, with construction anticipated in 2016-17.
What’s new in Vision Blueprint?

CIS project data was updated in 2013 to reflect recent accomplishments in capital project delivery, and new project planning and financial forecast information. The update revises project information, revenue projections, and follow-up actions. Updates are based on new information such as the City’s adopted 2013-14 budget, and new studies and plans such as:

- **Facilities Condition Assessment for City-owned buildings**, which identifies structural deficiencies,
- **Recreation Building Master Plan**, which evaluates options for a new indoor recreational facility,
- **Transportation Facilities Plan portion of the Transportation Master Plan**, which updates the transportation portion of Vision Blueprint, and
- **Police Department Functional Plan**, which addresses operational strategies and capital facility needs through 2030.

This information and associated project updates ensure Vision Blueprint reflects recent progress toward advancing Redmond’s future vision and helps position the City strategically for further implementation. The highlights below are key project planning adjustments by location.

**Downtown**

Cleveland streetscape improvements and couplet conversion continues to be a near-term priority, and was awarded a $5M grant. Four projects were added to the long-term with development of the Transportation Facilities Plan: 1) Redmond Town Center improvements; 2) 158th Avenue NE extension; and 160th Avenue NE extension; 4) Redmond Central Connector Phase III. Also, Downtown Park continues to be a priority. And planned improvements to Sammamish River habitat from 90th to Willows Road were shifted to the mid-term in order to secure funding and coordinate with construction on the Evans Creek project.

**Overlake**

The SR 520 Trail Grade Separation NE 40th Street/Overlake project was removed from the project list as it is a candidate for state funding. Three projects moved from near-term to long-term to accommodate higher-priority projects: 1) Phase II of 152nd Avenue NE Main Street improvements between NE 24th Street and NE 31st Street; 2) 520 Trail Grade Separation at NE 51st Street; and, 3) 148th corridor improvements from NE 20th Street to SR 520. Planning and development of Overlake parks are now reflected in the CIS, consistent with the future vision for Overlake Village, though a sufficient funding mechanism is not currently available.

**Financial impact and follow-through**

The cost of needed infrastructure over the CIS time horizon continues to exceed expected revenues. Given the need to maintain a balanced City budget, the near term through 2020 emphasizes completion of major initiatives in Downtown, while also furthering critical infrastructure projects in Overlake that will help lay the groundwork for future growth in the urban center. Strengthening neighborhood connections, increasing mobility, and providing high quality services continues to be a priority.

Development of a Fire Department Functional Plan and Stormwater Functional Plan, and extending Water and Sewer functional plans through 2030 will aid with prioritization and could lead to efficiencies in delivering critical projects and services. Also the CIS now includes updating PARCC plan in 2015-16, which is required by state law and ensures the City will remain competitive in securing grant funding. In addition, the City continues to explore an asset management system for tracking maintenance needs, as well as process improvements for project management and cost estimating.