
CAPITAL PROGRAM

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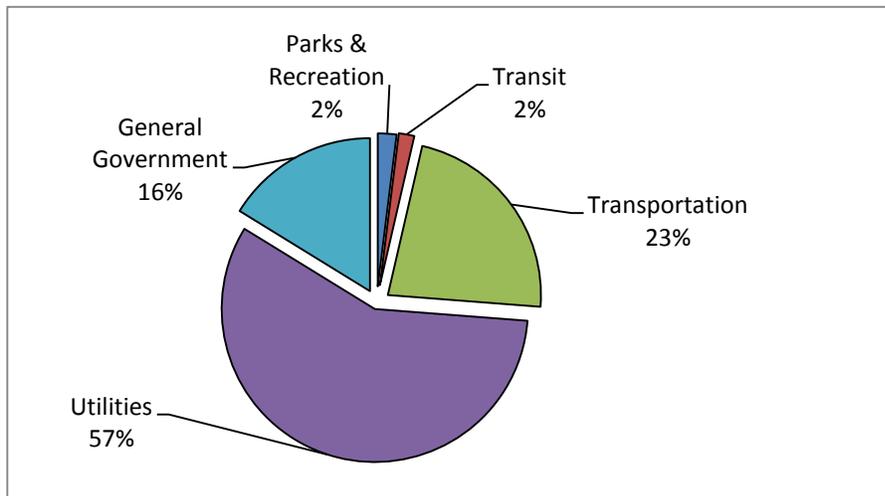
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SUMMARY OF 2017 CAPITAL EXPENDITURES

The total budgeted capital expenditures by major category for 2017 are listed below. Please see page 4-3 for an explanation of how expenditures are budgeted (through the operating budget or a separate capital budget) and pages 4-6 thru 4-10 for a detailed list of capital expenditures.

2017 Budgeted Capital Expenditures

| Category | Included in Operating Budget | Included in Capital Budget | Total |
|--------------------|---|---------------------------------------|----------------------|
| General Government | \$ 6,752,841 | \$ 4,516,954 | \$ 11,269,795 |
| Transit | 1,139,654 | - | 1,139,654 |
| Parks & Recreation | 1,115,752 | 264,947 | 1,380,699 |
| Transportation | 4,882,954 | 10,827,903 | 15,710,857 |
| Utilities | 2,269,000 | 37,721,000 | 39,990,000 |
| TOTAL | \$ 16,160,201 | \$ 53,330,804 | \$ 69,491,005 |



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) implements the City’s policy to preserve physical assets, minimize future maintenance and replacements costs, and plan for future capital investments. Capital assets are essential to the support and delivery of many of the City’s core services.

The CIP attempts to set funding strategies not only for the current year, but also to project future needs for major construction, land acquisition, and equipment needs that support and enhance the City’s infrastructure, cultural environment, and recreational opportunities. Capital projects are viewed not only in the context of how much the new project will cost, but also what impact the project will have on the City’s current and future operating budgets.

The Capital Improvement Program includes both capital expenditures and capital projects, defined as follows:

Capital Expenditure - Charges for the acquisition of equipment, land, building, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of more than one year.

Capital Project – Project that has a specific objective, is easily distinguishable from other work being performed, has a definite beginning and end, does not occur annually (nonroutine), and typically has a total cost in excess of \$100,000.

While the CIP does not cover routine maintenance, it does include renovation, major repair, or reconstruction of damaged or deteriorated facilities. It also may include items not usually found in a CIP such as furniture and equipment. These items may be included in a capital project's overall cost if they are clearly associated with a newly constructed or renovated facility.

IMPACTS OF GROWTH MANAGEMENT

Capital facilities planning and financing are subject to the State of Washington Growth Management Act (GMA). The GMA requires that communities adopt comprehensive plans designed to guide the orderly development of growth over the next twenty years.

To comply with the GMA, the City updates its comprehensive Capital Facilities Plan (CFP) annually. The CFP provides long-range policy guidance for the development of capital improvements. The purpose of a CFP is to identify and coordinate those capital improvements deemed necessary to accommodate orderly growth, set policy direction for capital improvements, and ensure that needed capital facilities are provided in a timely manner.

The GMA requires that the CFP contain the following elements:

1. An inventory of existing public-owned capital facilities showing locations and capacities;
2. A forecast of the future needs for such capital facilities;
3. The proposed locations and capacities of expanded or new capital facilities;
4. A minimum six-year plan that will finance such capital facilities within projected funding capacities and clearly identify sources of public money for such purposes; and
5. A requirement to reassess the land use element if projected funding falls short of meeting existing needs.

The GMA defines capital facilities and utilities as mandatory elements for inclusion in the comprehensive plan. Capital facilities and utilities represent the infrastructure, or foundation, of a community and are integral to accommodating growth.

The CFP must include the full range of public services: water, sanitary sewer and storm water, police and fire, solid waste/recycling, parks and recreation, transportation, libraries and public housing. However, all facilities are not required to be in place (financed) when the impacts of that new development occur.

CAPITAL BUDGETING PROCESS

The CFP provides a framework from which the individual departments, Administration and Council work when determining which projects to move forward with. Identifying the capital asset needs of the city is the first step in developing an overall capital improvement program. When identifying capital asset needs, the City looks at current and estimated future service levels, whether existing assets need repair or replacement, and improvements that would support growth and development.

After needs are identified, projects are proposed and analyzed for benefits and costs including their impact on future operating budgets. Requirements are prioritized and available resources and/or funding strategies are identified. Part of the planning process is to ensure that available capital resources are allocated to the City's highest priority projects. Once the capital assets/projects are selected, the expenditures can be authorized.

Capital expenditures can be authorized in one of two ways. First, capital expenditures can be authorized as part of the current operating budget if the capital project can be completed within the budget year. Second, capital expenditures can be authorized via the creation of a Capital Project Fund.

A Capital Project Fund is created through a Plans and Systems Ordinance that is adopted by the City Council and typically has a project life in excess of one year. The process of creating a separate capital project fund for each major capital project was established to improve management control and planning for these projects. Funding sources and expenditures are segregated from current operating expenditures and placed in the separate capital project fund. The capital project fund projects are budgeted for project length; therefore, funds not spent in the current year will automatically be carried over to the next year until completion of the project.

The steps for authorizing capital expenditures under each method are detailed below.

Capital expenditures approved as part of the current operating budget:

Step 1 - The department includes capital expenditure requests in their annual department budget.

Step 2 - The department submits their proposed department budget to the Budget Department and Administration as part of the annual budget process.

Please refer to the Budget Process section of the budget for steps in adopting the annual operating budget.

Capital expenditures approved via creation of a capital project fund:

Step 1 - The department prepares a proposed Plans and Systems Ordinance. Key elements of the ordinance include the scope of the capital project and a complete and balanced budget for the entire project, including a breakout of revenues and expenditures.

Step 2 - Other affected departments review and approve.

Step 3 - The Mayor, Chief Administrative Assistant, and the Legal department review and approve.

Step 4 - The proposed project is presented to City Council Members at a City Council meeting. Citizens are able to comment on the project at this time.

Step 5 - City Council adopts the proposed Plans and System Ordinance. Three readings are required to adopt a Plans and Systems Ordinance. Citizens have additional opportunity to comment on the project at this time.

CAPITAL IMPROVEMENT PROGRAM CATEGORIES

The City has divided its capital improvement program into five categories based on the primary funding sources available to each and the related restrictions on the usage of those resources. The five categories are described below.

General Government

This category includes capital facilities and equipment associated with the general government including police precincts, fire stations, maintenance yards, shop facilities, and general government office facilities throughout the city. This category also includes all general government vehicles and equipment. Primary funding sources for these facilities are general tax allocations and general obligation bonds.

Parks & Recreation

The parks system includes regional, community, neighborhood, and mini parks, as well as trails and cultural and recreational facilities. The Park Department's portion of the City's Comprehensive Plan identifies goals and priorities for capital development and maintenance. The major resources used to fund capital projects include a portion of the second quarter real estate excise tax and general fund contributions.

The City's two golf courses are also maintained by the Parks Department and are included in the Park's section of the Comprehensive Plan. The primary funding sources for golf capital projects are user fees and debt issuance.

Transportation

This category includes all transportation infrastructure within the City limits with the exception of most elements related to state or federal highways. This infrastructure includes roads, bridges, traffic signals, street lights, trails and other pedestrian walkways. The City's Six-Year Transportation Improvement Plan (TIP) sets the priorities for specific transportation capital projects. Major funding sources include the City's share of the state-shared gas tax, a portion of the second quarter real estate excise tax, federal and state transportation grants, mitigation fees, and public works trust fund loans.

This category also includes capital expenditures associated with the City's parking garage, which are funded primarily by user fees.

Transit

This category includes all transit capital facilities, including Everett Station and other transit centers, transit amenities such as bus stops and shelters, and fixed route and paratransit vehicles. Transit capital projects are prioritized in the City's Six-Year TIP. Major funding sources include Federal Transit Administration (FTA) discretionary and formula grants, Washington State Department of Transportation grants for paratransit services, and a local six-tenths of one percent sales tax revenue dedicated to Everett Transit.

Utilities

This category includes all water and sewer infrastructure including water stations, sewer treatment facilities, water and sewer transmission systems, and storm water retention facilities. The Utility division maintains its own capital improvement plan, which is prepared in conjunction with the City's Comprehensive Plan, to prioritize and plan for future capital needs. The primary funding source for utility capital projects are user fees. Other significant resources are developer contributions, public works trust fund loans and revenue bonds.

2017 CAPITAL EXPENDITURE DETAIL

The tables on pages 4-6 thru 4-10 present detail of the city's 2017 capital expenditures. The tables are broken out first by major categories as described in the previous section and then by routine versus nonroutine capital expenditures as defined below.

Routine capital expenditures are those that are included in almost every budget and will not have a significant impact on the operating budget. Nonroutine capital expenditures are expenditures for significant capital projects that typically have a total project cost of over \$100,000 and that do not occur on an annual basis. Nonroutine significant capital projects may or may not have an impact on the operating budget.

The nonroutine capital expenditure tables identify the estimated impact the capital expenditure will have on the City's operating budget. Maintenance for a minimum of 10 years is taken into account when determining the long-range cost of a capital project. The amount of the impact on the yearly operating budget is defined by the following terms:

| | |
|--------------------|--|
| Positive (P) – | The project is expected to reduce operating costs or generate income to offset any additional expense. |
| Negligible (N) – | The impact on the operating budget will be minimal. M & O expenses are estimated to increase by \$10,000 or less. |
| Moderate (M) – | M & O expenses are estimated to increase between \$10,001 and \$50,000. |
| High (H) – | M & O expenses are estimated to increase by \$50,001 or more. |
| Undetermined (U) – | Not yet calculated because a specific capital expenditure/project has not yet been identified. For practicality, the City budgets for some unidentified capital expenditures (unanticipated expenditures or project overages). |

An asterisk (*) in the "M&O Impact" column indicates the project is described in more detail on pages 4-11 thru 4-21.

GENERAL GOVERNMENT**Routine Capital Expenditures**

| Fund/ Project Description | 2017 Budget |
|--|--------------------|
| Fund 002 - General Government | |
| Misc. equipment - Finance/Purchasing/Clerk | 6,000 |
| Misc. equipment - Fire | 34,966 |
| Fund 110 - Library | |
| Circulation office remodel | 30,000 |
| Books/periodicals/non-print material | 694,119 |
| Fund 126 - Motor Vehicle & Equipment Reserve | |
| Vehicle replacements - Engineering | 390,000 |
| Vehicle replacements - Police | 744,000 |
| Vehicle replacements - Fire | 44,000 |
| Vehicle replacements - Parks | 340,000 |
| Vehicle replacements - Streets | 437,500 |
| Fund 146 - Property Management Fund | |
| Main Library - landscape rework | 58,320 |
| Culmback Building - recarpet common areas | 18,226 |
| Wall Street Building - parking lot maintenance | 5,513 |
| Main Library - recirculation area remodel | 84,000 |
| Main Library - fire alarm system replacement | 60,000 |
| Miscellaneous small projects and contingency | 308,901 |
| Fund 152 - Cumulative Reserve Fund for Library | |
| Circulation office remodel | 30,000 |
| Books/periodicals | 26,970 |
| Fund 153 - Emergency Medical Services Fund | |
| Medic unit and associated equipment replacement | 259,312 |
| Fund 156 - Criminal Justice Fund | |
| Recording equipment for court rooms and scanning equipment | 30,000 |
| Fund 505 - Computer Reserve Fund | |
| Purpose built servers | 62,768 |
| Shared servers | 199,830 |
| Network appliances | 35,235 |
| Network switches | 132,534 |
| Data center equipment | 30,973 |
| Email and data archiving | 25,200 |
| Cayenta upgrade (core financial system) | 12,913 |
| TOTAL GENERAL GOVERNMENT - Routine Capital Expenditures | 4,101,280 |

GENERAL GOVERNMENT (Continued)

Nonroutine Capital Expenditures

| Fund/Project Description | Project Budget | Prior to 2017 Estimate | 2017 Budget | After 2017 Projected | M&O Impact |
|--|-----------------------|-------------------------------|--------------------|-----------------------------|-----------------------|
| Fund 145 - Cumulative Reserve Fund - Real Property Unidentified property purchases | | | 1,835,896 | | U |
| Fund 146 - Property Management Fund Senior Center carpet replacement | | | 184,000 | | N |
| Main Library 2nd floor carpet replacement | | | 168,540 | | N |
| Wall Street Building windows replacement | | | 112,500 | | N |
| Fund 308 - Riverfront Development (Gen Gov) Prg 003 - Public Amenities/Wetland Enhancement | 4,576,148 | 4,047,692 | 528,456 | - | N |
| Prg 006 - Three Acre Park - Phase 1 | 2,500,000 | 290,000 | 1,930,000 | 280,000 | M* |
| Fund 342 - Facilities Construction Fund Prg 019 - Main Library Window Replacement | 325,000 | 8,150 | 316,850 | - | P |
| Prg 020 - Police Headquarter Masonry Restoration | 515,000 | 777 | 514,223 | - | P |
| Prg 021 - Duplex - Phone & Data Room Remodel Project | 140,000 | - | 140,000 | - | N |
| Prg 022 - S. Precinct Roof Replacement Project | 500,000 | 12,575 | 487,425 | - | N |
| Prg 023 - S. Everett Library Expansion | 600,000 | - | 600,000 | - | N* |
| Fund 501 - Motor Vehicle Division Fueling infrastructure updates | | | 175,000 | | N |
| Fund 505 - Computer Reserve Fund CIS infinity upgrade (Utility Billing System) | | | 95,625 | | N |
| Class registration and scheduling system replacement | | | 80,000 | | N |
| TOTAL GENERAL GOVERNMENT - Nonroutine Capital Expenditures | | | 7,168,515 | | |
| TOTAL GENERAL GOVERNMENT CAPITAL EXPENDITURES | | | 11,269,795 | | |

TRANSIT

Routine Capital Expenditures

| Fund/Project Description | 2017 Budget |
|---|--------------------|
| Fund 425 - Transportation Services/Transit Fund Operations base roof repair | 20,000 |
| TOTAL TRANSIT - Routine Capital Expenditures | 20,000 |

Nonroutine Capital Expenditures

| Fund/Project Description | Project Budget | Prior to 2017 Estimate | 2017 Budget | After 2017 Projected | M&O Impact |
|--|-----------------------|-------------------------------|--------------------|-----------------------------|-----------------------|
| Fund 425 - Transportation Services/Transit Fund Everett Station repairs and rehabilitation | 564,939 | 45,285 | 519,654 | - | P* |
| Everett Station camera equipment upgrade | 300,000 | - | 300,000 | - | N |
| Park & Ride expansion | 250,000 | - | 250,000 | - | P |
| Operations Base design | 50,000 | - | 50,000 | - | N |
| TOTAL TRANSIT - Nonroutine Capital Expenditures | | | 1,119,654 | | |
| TOTAL TRANSIT CAPITAL EXPENDITURES | | | 1,139,654 | | |

PARKS & RECREATION

Routine Capital Expenditures

| Fund/Project Description | 2017 Budget |
|--|------------------|
| Fund 101 - Parks and Recreation | |
| Roof repairs/replacements | 75,000 |
| Park amenity replacements | 100,000 |
| Exterior siding repairs | 40,000 |
| Paving/stripping/parking repairs | 89,000 |
| ADA facility improvements | 32,000 |
| Video security/upgrades | 10,000 |
| Signage | 15,000 |
| ESA/NPDES requirements | 80,000 |
| Greenhouse repairs | 30,000 |
| Contingency | 24,905 |
| Fund 148 - Cumulative Reserve Fund for Parks | |
| Everett TV equipment | 200,000 |
| Path improvements in various parks | 216,204 |
| Fund 440 - Golf | |
| Machinery and equipment | 135,406 |
| TOTAL PARKS & RECREATION - Routine capital expenditures | 1,047,515 |

Nonroutine Capital Expenditures

| Fund/Project Description | Project Budget | Prior to 2017 Estimate | 2017 Budget | After 2017 Projected | M&O Impact |
|---|----------------|------------------------|----------------|----------------------|------------|
| Fund 148 - Cumulative Reserve Fund for parks | | | | | |
| Green Lantern trail renovation | | | 68,237 | | N |
| Fund 354 - Parks CIP3 Construction | | | | | |
| Prg 027 - Downtown Area Sustainable Maint Renovations | 153,000 | 123,329 | 29,671 | - | N |
| Prg 028 - Gateways Sustainable Maint Renovations | 150,000 | 109,649 | 40,351 | - | N |
| Prg 043 - Jackson Park - Phase 1 Renovations | 2,638,795 | 2,463,870 | 174,925 | - | M* |
| Prg 047 - S. Everett Forest Preserve Recreational Improves | 200,000 | 162,000 | 20,000 | - | N |
| TOTAL PARKS & RECREATION - Nonroutine capital expenditures | | | 333,184 | | |

| | |
|--|------------------|
| TOTAL PARKS & RECREATION CAPITAL EXPENDITURES | 1,380,699 |
|--|------------------|

TRANSPORTATION

Routine Capital Expenditures

| Fund/Project Description | 2017 Budget |
|--|------------------|
| Fund 119 - Street Improvements | |
| Street improvement projects - primarily overlay | 3,186,657 |
| Various street projects - not yet assigned | 812,045 |
| Fund 157 - Traffic Mitigation | |
| Various street projects - not yet assigned | 884,252 |
| TOTAL TRANSPORTATION - Routine capital expenditures | 4,882,954 |

Nonroutine Capital Expenditures

| Fund/Project Description | Project Budget | Prior to 2017 Estimate | 2017 Budget | After 2017 Projected | M&O Impact |
|---|----------------|------------------------|-------------------|----------------------|------------|
| Fund 303 - Public Works Improvement Projects | | | | | |
| Prg 056 - Bond Street RR Crossing | 255,000 | 153,243 | 101,757 | - | N |
| Prg 080 - Pigeon Creek/BNSF Ped Overcrossing | 81,777 | 27,885 | 53,892 | - | N |
| Prg 091 - 41st St. to W. Marine View Dr. Project | 4,485,264 | 521,526 | 3,369,177 | 594,561 | N |
| Prg 092 - Airport Rd to 112th Pedestrian Project | 390,000 | 381,710 | 8,290 | - | N |
| Prg 095 - Citywide Safety Improvements | 450,000 | 75,194 | 374,806 | - | N |
| Prg 096 - Broadway Safety Improvements | 780,000 | 344,889 | 435,111 | - | N |
| Prg 097 - Hawthorne Elementary Safe Route | 256,000 | 222,845 | 33,155 | - | N |
| Prg 101 - Downtown Streetscape Phase 2 | 674,520 | 862 | 673,658 | - | N |
| Prg 103 - Grand Avenue Park Pedestrian Bridge | 600,000 | 363,977 | 141,614 | 94,409 | N* |
| Prg 104 - Broadway 10th to 19th Safety Project | 608,987 | - | 426,291 | 182,696 | N |
| Prg 105 - Citywide Intersection Signing | 1,062,122 | 35,436 | 1,026,686 | - | N |
| Prg 106 - Everett Mall Way Intersection | 548,452 | - | 383,916 | 164,536 | N |
| Prg 107 - W. Marine View Drive Safety Project | 440,220 | - | 220,110 | 220,110 | N |
| Prg 108 - Citywide LED Streetlight Conversion | 2,155,720 | 1,246,606 | 909,114 | - | N |
| Prg 109 - Downtown Streetscape Phase 3 | 7,629,502 | - | 2,670,326 | 4,959,176 | N* |
| TOTAL TRANSPORTATION - Nonroutine capital expenditures | | | 10,827,903 | | |
| TOTAL TRANSPORTATION CAPITAL EXPENDITURES | | | 15,710,857 | | |

UTILITIES

Routine Capital Expenditures

| Fund/Project Description | 2017 Budget |
|---|-------------------|
| Fund 401 - Water/Sewer Utility Fund & Fund 336 - Water/Sewer System Imp Projects | |
| WATER | |
| Water distribution system improvements | 2,350,000 |
| Pipeline repair and replacements | 550,000 |
| WFP repair | 580,000 |
| SEWER | |
| Sewer system capacity improvements | 800,000 |
| Sewer system replacements | 2,400,000 |
| Lift station improvements | 3,490,000 |
| WPCF Smith Island dike improvements | 1,140,000 |
| WPCF plant improvements | 460,000 |
| STORM | |
| Stormwater System Improvements | 250,000 |
| TOTAL UTILITIES - Routine Capital Expenditures | 12,020,000 |

Nonroutine Capital Expenditures

| Fund/Project Description | 2015-2021 [^] Project Budget | 2015-2016 [^] Prior to 2017 Estimate | 2017 Budget | 2018-2021 [^] After 2017 Projected | M&O Impact |
|---|--|--|-------------------|--|------------|
| Fund 401 - Water/Sewer Utility Fund & Fund 336 - Water/Sewer System Imp Projects | | | | | |
| WATER | | | | | |
| Cross-Tie Transmission Line | 34,000,000 | - | - | 34,000,000 | N |
| Public Works Building Upgrade - Water | 33,600,000 | 600,000 | 4,800,000 | 28,200,000 | U* |
| Reservoir No. 2 Replacement | 15,000,000 | - | 1,000,000 | 14,000,000 | U |
| Water Supply Risk Mitigation | 11,900,000 | 900,000 | - | 11,000,000 | N |
| Diversion Dam Improvements | 6,640,000 | 60,000 | 400,000 | 6,180,000 | N |
| SEWER | | | | | |
| WPCF Capacity Expansion - Phase C | 62,470,000 | 30,170,000 | - | 32,300,000 | H* |
| Public Works Building Upgrade - Sewer | 21,000,000 | - | 360,000 | 20,640,000 | U* |
| Sewer Project M (Sewer Portion) | 15,380,000 | 14,380,000 | 1,000,000 | - | N* |
| Grand Avenue Park Bridge - Sewer | 7,780,000 | 1,750,000 | 3,450,000 | 2,580,000 | M* |
| WPCF Diversion Structure Zero | 7,800,000 | 500,000 | 3,000,000 | 4,300,000 | N |
| Hayes Street Regulator and CSO Controls | 6,080,000 | 480,000 | 4,500,000 | 1,100,000 | N |
| Sewer Project L (East Grand Sewer) | 5,730,000 | 3,330,000 | 660,000 | 1,740,000 | N* |
| STORM | | | | | |
| Public Works Building Upgrade - Stormwater | 15,400,000 | 240,000 | 1,920,000 | 13,240,000 | U* |
| Port Gardner Wet Weather Storage | 12,000,000 | 7,000,000 | - | 5,000,000 | U |
| Sewer Project L (East Grand Stormwater) | 8,680,000 | 4,230,000 | 1,220,000 | 3,230,000 | N* |
| Northwest Stormwater Separation | 8,160,000 | 560,000 | 2,000,000 | 5,600,000 | N |
| Sewer Project M (Stormwater Portion) | 4,550,000 | 3,030,000 | 1,520,000 | - | N* |
| Grand Avenue Park Bridge - Stormwater | 3,950,000 | 830,000 | 2,140,000 | 980,000 | M* |
| TOTAL UTILITIES - Nonroutine Capital Expenditures | | | 27,970,000 | | |

[^] Water & Sewer Utility project budgets represent only years specified (not total project budget).

| | |
|---|-------------------|
| TOTAL UTILITIES CAPITAL EXPENDITURES | 39,990,000 |
|---|-------------------|

DETAILS OF SELECTED CAPITAL PROJECTS

The next several pages contain individual project forms describing selected nonroutine projects in more detail.

Each project form is divided into three main sections:

- 1 - Project Description – describes the project, including where and why it is being performed.
- 2 - Capital Funding - details the funding sources for the project and how the funds will be spent.
- 3 - Estimated Impact on Future Operating Budgets - details the costs or savings impact of the project on future operating budgets.

This detail should provide the reader with a sense of the types of costs and benefits that are considered by the City when determining how a given capital project will impact future operating budgets.

Project Name: Riverfront Development – Three-Acre Park (Phase 1)**Project Description**

| | |
|----------------|--|
| Budget: | \$2,500,000 |
| Location: | Riverfront Development near east end of 36 th Street |
| Description: | Design and construction of first phase of a new City Park. This phase will construct new parking lot, restroom facilities, trail connection, and playground equipment on City-owned property along the Snohomish River. The proposed scope of improvements includes associated grading, landscaping, stormwater, sanitary sewer, water, and illumination improvements. |
| Justification: | The three-acre park is a City commitment for the Riverfront Development, and is identified in the Public Amenities Master Plan for the Riverfront District. |
| Remarks: | Park design and construction will be managed by Public Works, with ongoing coordination with the Parks Department. |
| Start Date: | 2016 Estimated completion date: 2018 |

Capital Funding**Funding Sources**

| | |
|------------------|-----------|
| Fund 162 - CIP 4 | 2,500,000 |
| Total | 2,500,000 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|---------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 290,000 | 210,000 | - | - | - | - | 500,000 |
| Construction Costs | | 1,720,000 | 280,000 | - | - | - | 2,000,000 |
| Total Cost | 290,000 | 1,930,000 | 280,000 | - | - | - | 2,500,000 |

Estimated Impact on Future Operating Budgets

The impact on the operating budget will be *moderate*.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|------|--------|--------|--------|--------|
| New Personnel (FTEs) | - | 0.5 | 0.5 | 0.5 | 0.5 |
| Annual Maintenance | - | 33,000 | 34,500 | 36,100 | 37,700 |
| Total Operating Costs | - | 33,000 | 34,500 | 36,100 | 37,700 |

Project Name: Everett Station Major Repairs**Project Description**

Budget: \$564,939

Location: Everett Station

Description: Everett Transit was awarded a federal grant for preventive maintenance and rehabilitation of Everett Station. The grant covers several projects that have been prioritized based on greatest need. Projects include brick restoration and resealing, upgrade and repairs to emergency call stations, bus shelter repair, PA system upgrade and repair, and resurfacing and restriping of the parking lots.

Justification: The work outlined will prevent damage to the exterior of the Station, provide safety and security to the public and protect both the FTA and City of Everett's interest in the property.

Start Date: 2016

Estimated completion date: 2017

Capital Funding**Funding Sources**

| | |
|---------------|---------|
| Federal Grant | 416,083 |
| Local Match | 148,856 |
| Total | 564,939 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 45,285 | - | - | - | - | - | 45,285 |
| Construction Costs | - | 519,654 | - | - | - | - | 519,654 |
| Total Cost | 45,285 | 519,654 | - | - | - | - | 564,939 |

Estimated Impact on Future Operating Budgets

The impact on the operating budget is expected to be *positive*, reducing the annual maintenance cost over ten years.

Project Name: Jackson Park – Phase 1 Renovation**Project Description**

Budget \$2,638,795

Location: Jackson Park

Description: Phase one is the neighborhood park component of the larger master park plan. It will be completed on four acres on the west side of the park. Renovations and improvements include a new playground and tot lot, walking paths, restrooms, a picnic shelter, a community garden, and features depicting Senator Henry M. Jackson's contributions to the nation.

Justification: Jackson Park was last renovated more than 20 years ago and is in need of improvements to better serve the community.

Start Date: December, 2014

Estimated completion date: 2017

Capital Funding**Funding Sources**

| | |
|--------------------------|-----------|
| Fund 154 - CIP 3 | 1,000,000 |
| State Conservation Grant | 500,000 |
| Dept of Commerce Grant | 970,000 |
| Snohomish County Grant | 75,000 |
| Comm. Devel. Block Grant | 93,795 |
| Total | 2,638,795 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 223,863 | - | - | - | - | - | 223,863 |
| Construction Costs | 2,240,007 | 174,925 | - | - | - | - | 2,414,932 |
| Total Cost | 2,463,870 | 174,925 | - | - | - | - | 2,638,795 |

Estimated Impact on Future Operating Budgets

The near-term impact on the yearly operating budget will be *moderate*. The new amenities and community garden, although modern and designed for significant and frequent use, will be far more numerous than those in the current layout of the park, and will require more frequent attention and ongoing maintenance.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|--------|--------|--------|--------|--------|
| New Personnel (FTEs) | | | | | |
| Repairs & Maintenance | 15,000 | 16,000 | 17,000 | 18,000 | 19,000 |
| Total Operating Costs | 15,000 | 16,000 | 17,000 | 18,000 | 19,000 |

Project Name: Grand Avenue Park Utility and Pedestrian Bridge

Project Description

Budget: \$12,330,000

Location: North end of Grand Avenue Park (near 16th Street) over Burlington Northern Santa Fe (BNSF) railroad tracks and West Marine View Drive to Port of Everett property

Description: The Bridge will carry storm drainage and sewer pipelines across a steep slope, BNSF railroad tracks and West Marine View Drive. Deteriorated underground pipelines on the slope will be replaced. The bridge will also provide pedestrian access from Grand Avenue Park to the waterfront.

Justification: It is necessary to replace deteriorated underground pipelines on landslide-prone slopes. Placing the new pipelines on a utility bridge will make them more accessible for inspection and maintenance. There will be space on the bridge for a future water main crossing.

Remarks: This is a combined Transportation (CIP 3) and Utilities project. Estimated project cost is \$15,100,000; an amending plans and system ordinance will be completed in the future to reflect federal funding that has been secured for a portion of the cost of the pedestrian bridge connection from the Grand Avenue Park bluff down to the waterfront.

Start Date: 2014 Estimated completion date: 2018

Capital Funding

Funding Sources

| | |
|---------------------|------------|
| Federal Funding | 2,000,000 |
| Utilities User Fees | 11,730,000 |
| Fund 154 - CIP 3 | 1,070,000 |
| Port of Everett | 300,000 |
| Total | 15,100,000 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|-----------|----------------|-----------|------|------|------|------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 2,044,320 | 155,680 | - | - | - | - | 2,200,000 |
| Construction Costs | 899,657 | 5,670,343 | 6,330,000 | - | - | - | 12,900,000 |
| Total Cost | 2,943,977 | 5,826,023 | 6,330,000 | - | - | - | 15,100,000 |

Estimated Impact on Future Operating Budgets

The impact on the annual operating budget will be *moderate*. The pipelines are replacements - inspection and maintenance costs for the pipelines will likely decrease slightly. The pedestrian bridge is new and will require annual inspection and maintenance.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|------|--------|--------|--------|--------|
| New Personnel (FTEs) | | | | | |
| Inspection/Maintenance | | 30,000 | 31,050 | 32,137 | 33,422 |
| Total Operating Costs | - | 30,000 | 31,050 | 32,137 | 33,422 |

Project Name: Downtown Streetscape Phase 3**Project Description**

Budget: \$7,629,500

Location: Rucker Avenue; from Pacific Avenue to Everett Avenue

Description: The project includes approximately four blocks of roadway improvements and will enhance Rucker Avenue as a future transit and pedestrian oriented street. Project improvements will enhance pedestrian movements and include upgrades to meet ADA accessibility standards. The project work will include curbs, sidewalks, paving, landscaping, street furnishings, and landscaping in accordance with the City's Downtown Streetscape Plan. The project will also include water and stormwater improvements, center medians and turn lanes, pavement rehabilitation, parking improvements, and decorative street lighting.

Justification: This section of Rucker Avenue currently has moderately heavy traffic on three to four lanes of travel with some parallel and some angle parking. Truck and through traffic currently use this section as an arterial link to Everett Avenue (SR 529). This segment of Rucker Avenue is planned for residential mixed use development. This project along with other planned improvements in the area will reduce pass through traffic while upgrading this section of Rucker Avenue with streetscape improvements that are particularly important to achieving redevelopment goals.

Remarks: The City has been awarded \$4,103,982 in Transportation Improvement Board (TIB) funds for the project. Because the project design was completed in 2011, the City was able to move quickly to construction once funding was available.

Start Date: 2017

Estimated completion date: 2018

Capital Funding**Funding Sources**

| | |
|------------------|-----------|
| State TIB Grants | 4,103,982 |
| Fund 162 - CIP4 | 3,525,520 |
| Total | 7,629,502 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|-----------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | - | 242,625 | 80,877 | - | - | - | 323,502 |
| Right of Way (ROW) | - | 20,000 | - | - | - | - | 20,000 |
| Construction Costs | - | 2,407,701 | 4,878,299 | | | | 7,286,000 |
| Total Cost | - | 2,670,326 | 4,959,176 | - | - | - | 7,629,502 |

Estimated Impact on Future Operating Budgets

The impact on the operating budget will be *negligible* and will involve routine street, median, and landscape maintenance by Public Works and Parks.

Project Name: Public Works Building Upgrade

Project Description

Budget: \$70,000,000

Location: The City of Everett Public Works Service Center is a site in central Everett that is the operational hub for the Public Works, Facilities, and Transit & Motor Vehicles departments.

Description: New construction will include an office building for City administrative functions, maintenance shops, a consolidated warehouse, street-level parking for employees and public vehicles, covered parking for maintenance vehicles, and enclosed parking for the City’s vactor trucks, and potentially other structures or buildings depending on site selection.

Justification: Several of the Service Center buildings have reached the end of their usable life and are not safe. Structural engineers have seismically evaluated the buildings and determined that they are structurally unfit. The Public Works Department performs critical functions in disaster recovery, and its services are considered essential. In order to protect the lives of the people who work within the Service Center and the community they serve, new, structurally sound facilities are needed.

Remarks: The City is conducting extensive research to ensure that the selected path forward is the most cost-effective and provides for the highest uninterrupted service to our customers. A thorough evaluation of relocation options, seismic upgrade alternatives, and building retrofits is being conducted.

Start Date: 2016 **Completion Date:** 2018

Capital Funding

Sources of Funding

Pending City Council review and approval, the Department expects to use a combination of utilities rate fees and proceeds from the sale of property to fund the redevelopment.

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|---------------------------|----------------|------------------|-------------------|----------|----------|----------|-------------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Construction Costs | 840,000 | 7,080,000 | 62,080,000 | - | - | - | 70,000,000 |
| Total Cost | 840,000 | 7,080,000 | 62,080,000 | - | - | - | 70,000,000 |

Estimated Impact on Future Operating Budgets

The impact on the operating budget is being evaluated as site and structure selection is conducted.

**Project Name: Water Pollution Control Facility (WPCF) Capacity Expansion,
Phase C – 2 & 3**

Project Description

Budget: \$62,470,000

Location: Water Pollution Control Facility (WPCF) on Smith Island

Description: In 2009 Carollo Engineers prepared an Engineering report that identified the improvements at the Water Pollution Control Facility (WPCF) that are necessary to maintain compliance with the Department of Ecology NPDES permit requirements. WPCF Phase C expansion includes; a new trickling filter with a feed pump, an additional contract basin with aeration, an additional secondary clarifier, an additional pump at the south effluent pump station, a waste secondary sludge thickening facility, two anaerobic digesters, a digester control building, and a co-generation facility to utilize methane generated in the digesters.

Justification: Increase the WPCF's efficiency, expand capacity, and control odor.

Start Date: 2007 Estimated completion date: 2022

Capital Funding

Funding Sources

| | |
|---------------------|------------|
| User Fees/ Bonds | 37,849,600 |
| Wholesale Customers | 14,620,400 |
| State Loans | 10,000,000 |
| Total | 62,470,000 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|------|-----------|------------|------------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 7,145,900 | - | - | 3,500,000 | - | - | 10,645,900 |
| Construction Costs | 23,024,100 | - | - | - | 14,400,000 | 14,400,000 | 51,824,100 |
| Total Cost | 30,170,000 | - | - | 3,500,000 | 14,400,000 | 14,400,000 | 62,470,000 |

Estimated Impact on Future Operating Budgets

The impact on the operating budget will be *high*; however the facility's operational efficiency will increase as will the capacity. And, as the efficiency of the system increases, odor problems will decrease.

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|------|------|-----------|-----------|-----------|
| New Personnel (FTEs) | - | - | 6.0 | 6.0 | 6.0 |
| Personnel | - | - | 670,592 | 697,416 | 725,313 |
| Other Operating Costs | - | - | 403,142 | 415,236 | 427,693 |
| Total Operating Costs | - | - | 1,073,734 | 1,112,652 | 1,153,006 |

Project Name: Sewer Project L - East Grand Sewer & Stormwater Replacement

Project Description

Budget: \$14,410,000

Location: Area bounded by E Grand Ave, I-5, Everett Ave, and 23rd St

Description: Sewer system replacement will address the oldest and most deteriorated pipes in the City's system. Work will involve approximately 12,000 linear feet of sewer main ranging from 8" to 18" diameter, 40 manholes, and 200 side sewers.

Justification: The existing sewer lines are old and deteriorated and need to be replaced.

Start Date: 2013 Estimated completion date: 2018

Capital Funding

Funding Sources

| | |
|------------------------|------------|
| User Fees/ Bonds | 13,410,000 |
| State Dept. of Ecology | 1,000,000 |
| Total | 14,410,000 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|-----------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 2,817,155 | 497,145 | - | - | - | - | 3,314,300 |
| Construction Costs | 4,742,845 | 1,382,855 | 4,970,000 | - | - | - | 11,095,700 |
| Total Cost | 7,560,000 | 1,880,000 | 4,970,000 | - | - | - | 14,410,000 |

Estimated Impact on Future Operating Budgets

Once ground-disturbing activities are completed, and roadways and alleyways are resurfaced, there will be a *negligible* impact to future operating budgets.

Project Name: Sewer Project M – Sewer and Stormwater Project**Project Description**

| | |
|----------------|--|
| Budget: | \$19,930,000 |
| Location: | West and South of Providence Everett Medical Center |
| Description: | Implement the recommendations presented in the "North Everett Combined Sewer Evaluation (Basin D) – Post June 9, 2010 Flood Event," March 2011, Otak, Inc. report. Alternative #9 outlines specific system modifications to address chronic basement flooding problems in the vicinity of Colby, Hoyt, and 15 th Street. Approximately seven 125 linear feet of combined sewer and storm water drainage pipe will be constructed as capacity improvements. Work will be open-cut pipe installation. |
| Justification: | Many existing sewers, manholes, storm drain structures and side sewers in this area are very old and deteriorated, are undersized and/or have flat slopes, and should be replaced. |
| Start Date: | 2014 |
| | Estimated completion date: 2017 |

Capital Funding**Funding Sources**

| | |
|------------------|------------|
| User Fees/ Bonds | 19,930,000 |
| Total | 19,930,000 |

Capital Costs

| | Thru 2016 | Five-year Plan | | | | | Total Cost |
|--------------------|--------------|----------------|------|------|------|------|---------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Design/Engineering | 4,700,000 | - | - | - | - | - | 4,700,000 |
| Construction Costs | 12,710,000 | 2,520,000 | - | - | - | - | 15,230,000 |
| Total Cost | 17,410,000 | 2,520,000 | - | - | - | - | 19,930,000 |

Estimated Impact on Future Operating Budgets

Once ground-disturbing activities are completed, and roadways and alleyways are resurfaced, there should be a *negligible* impact to future operating budgets.

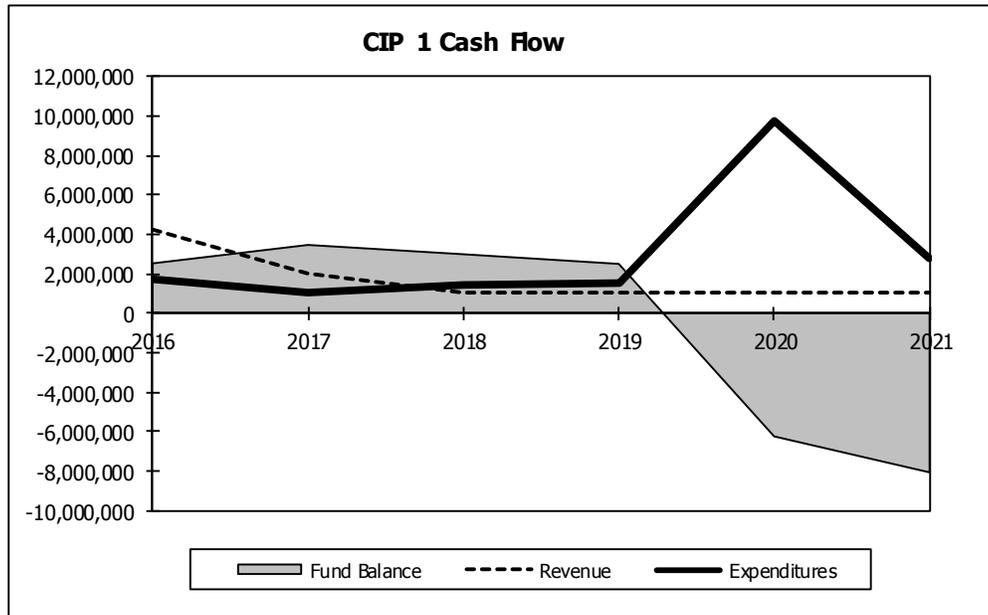
Capital Improvement Program Funds

To provide segregation of financial resources dedicated for General Government capital projects, the City has established separate funds in the operating budget. While the City refers to these funds as Capital Improvement Program (CIP) funds, these funds do not represent *the capital improvement program* but rather are considered tools to better manage the general government resources available to fund capital projects.

The operating budgets for the CIPs can be found in the Special Revenue section of this budget document. CIP1, CIP2 and CIP4 are accounted for in Fund 162. CIP3 is accounted for in Fund 154.

Capital Improvement Program 1

CIP 1 was established in 2016 as a source of funding for major repairs, renovations, and replacements of *existing* general government structures. Revenue for this program consists of General Fund contributions. The project list is reviewed and updated at least annually. As the graph below shows, the funding and timing of projects will need to be revised to ensure the program does not go negative.



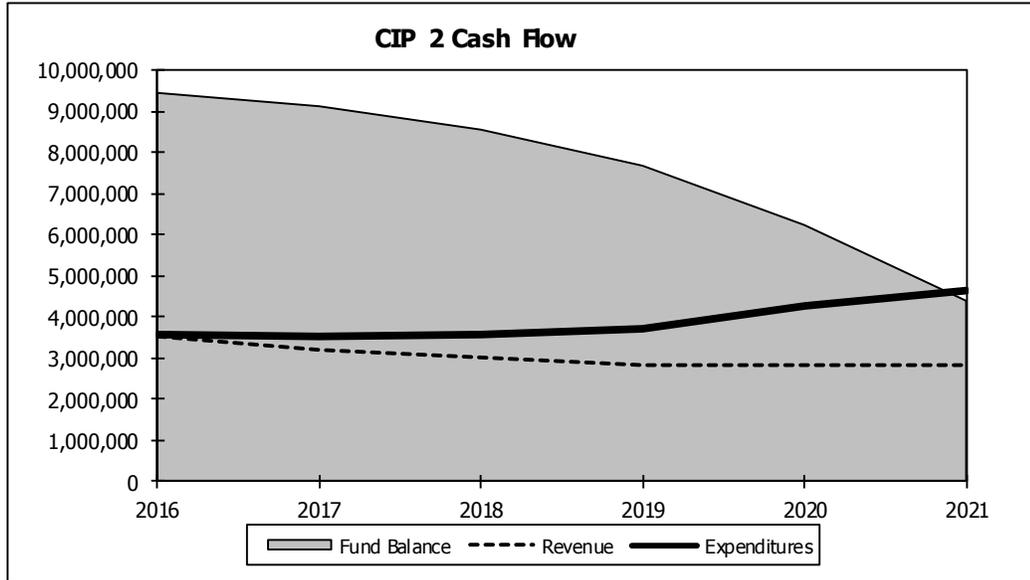
Capital Improvement Program 2

CIP 2 was established in 1989. Revenue sources for this program include the first quarter of one percent Real Estate Excise Tax and General Fund contributions. CIP 2 currently provides debt service support for the City's 2014 floating rate LTGO refunding bonds and 2012 LTGO refunding bonds. It also provides \$500,000 each year to the Everett Public Facilities District (PFD) for debt support.

The 2014 floating rate LTGO refunding bonds were issued to refinance the outstanding balance of the City's 2001 variable rate demand bonds (VRDBs) and the PFD's 2007 variable rate demand bonds. The 2001 VRDBs were used to purchase property for the site of the Everett Events Center. The PFD's 2007 VRDBs were used to finance a portion of the construction of the Events Center.

The 2012 LTGO refunding bonds were issued to refinance the balance remaining of the bonds issued in 2003 for the Edward D. Hansen Conference Center.

As the graph below indicates, expenditures continue to exceed revenue. Adjustments will be made as needed to ensure the fund does not go negative in future years.



Capital Improvement Program 3

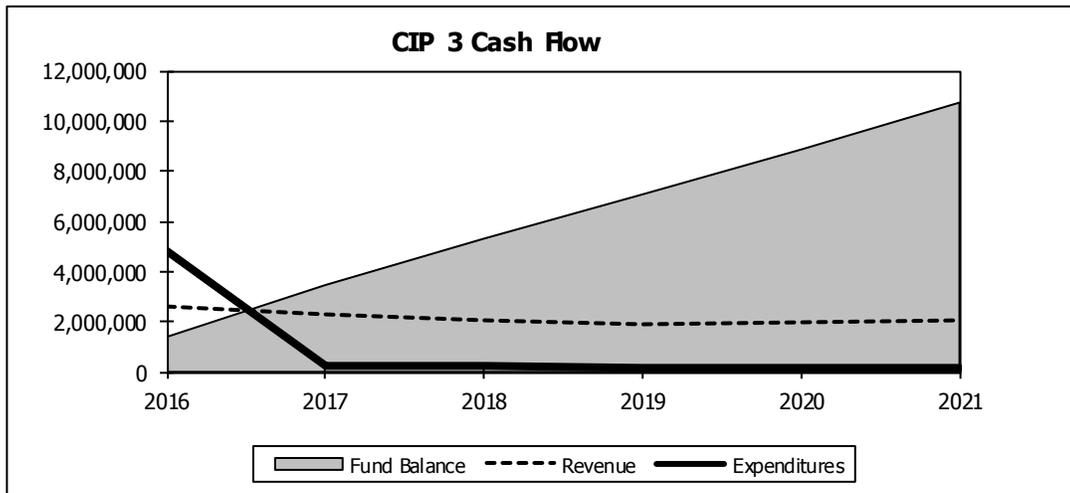
In January 1992, the City of Everett imposed an additional one quarter of one percent Real Estate Excise Tax (REET) on the sale of real property within the City. The imposition of this tax was authorized by the Growth Management Act of 1990. These REET revenues are restricted by state law to “those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of street, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation or improvement of parks.”

In 1997, City Council adopted ordinances establishing Fund 354 Park Project Construction Fund and Fund 303 Public Works Improvement Projects. The process approved multiple projects eligible for CIP 3 funding. Additional projects continue to be approved on a project-by-project basis.

Current CIP 3 Projects in progress, funded in whole or in part by CIP 3, are as follows:

| | CIP3 Contribution |
|--|------------------------------|
| Park Projects in Progress | |
| Gateways Sustainable Maint Renov | \$ 150,000 |
| Jackson Park Improvements | 1,000,000 |
| Howarth Park Pedestrian Bridge Repair | 400,000 |
| Wiggums Hollow Restroom | 300,000 |
| South Everett Forest Preserve | 200,000 |
| Kasch Park Renovation | 2,700,000 |
| Street Projects in Progress | |
| Street Overlay - 2017 | 300,000 |
| Grand Avenue Pedestrian Bridge | 600,000 |
| US 2 Route Development | 200,000 |
| Annual Loan Repayments | |
| PWTF Loan - Riverfront | 55,263 |
| PWTF Loan - 112th: 3rd to I-5 and SR527 to I-5 | 56,752 |
| Tax Exempt Loan - LED Street Lighting | 113,142 |

The graph below illustrates the cash flow of CIP 3 through 2021. Only projects already approved by City Council are included in the expenditure amounts. Department requests for additional projects exceed available resources. Administration and City Council will need to prioritize and select projects to move forward.



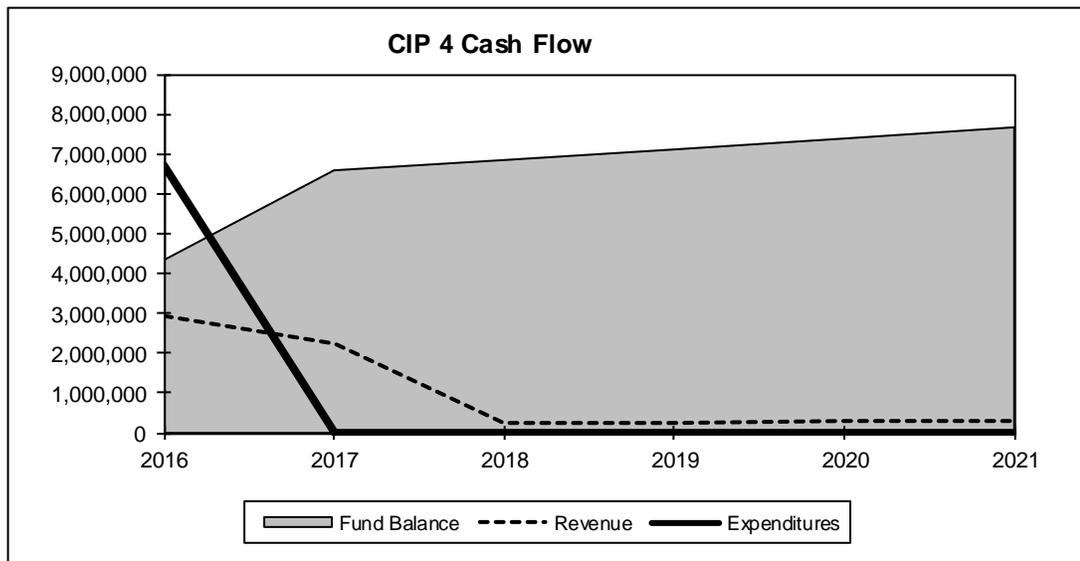
Capital Improvement Program 4

CIP 4 was established in 1995. Starting in 2016, this program’s focus is on funding general government major renovations, expansions, or new facilities. This capital improvement program is funded from General Fund contributions, rental fees, and transfers from other operating funds of the City. The City is currently in the process of reviewing its Comprehensive Plan to determine which projects will be funded with CIP 4 resources.

Current CIP 4 Projects in progress, funded in whole or in part by CIP 4, are as follows

| Projects in Progress - CIP 4 | Estimated CIP 4 Contribution |
|---|---|
| Riverfront Wetland Enhancements | 700,000 |
| Riverfront - Three Acre Park | 2,500,000 |
| Downtown Streetscape - Phase 3 | 3,525,520 |
| South Library Expansion - design/pre-construction | 600,000 |

The chart below shows the CIP 4 cash flow through 2021. Only projects already approved by City Council are included in the expenditure amounts. Department requests for new projects far exceed available resources. Administration and Council will need to prioritize and select projects to move forward.



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