



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Sri Krishnan, Interim Financial Planning Manager
Kyle Butler, Financial Planning Supervisor
Robby Perkins-High, Senior Financial Analyst
Andrea Peterman, Budget Analyst

Date: June 3, 2020

Subject: **PRELIMINARY 2021-2026 CAPITAL IMPROVEMENT PROGRAM**

Recommendation:

City Council reviews the Preliminary 2021-2026 Capital Improvement Program (CIP) and related emerging issues and provides direction regarding the changes to be brought forward to a second CIP check-in on September 1, 2020. Final Council adoption of the CIP will occur on December 8, 2020.

Background:

At its February 7th retreat, the City Council received a staff presentation of policy priorities, many of which had a capital component, framed in a pre-COVID-19 economic environment. On May 5th, the City Council received an update on the financial impacts to Kirkland from the COVID-19 pandemic, and initial budget and Capital Improvement Program strategies which were then further detailed at the May 29 City Council financial retreat.

The May 5th presentation included the 2021-2026 Capital Improvement Program (CIP) prioritization framework that had been discussed on February 7th and introduced strategies that were being considered as a result of COVID-19.

Under normal circumstances, staff would have proposed a resolution for Council adoption based on the capital projects prioritization framework which would guide CIP development. In recognition of the disruption to economic activity caused by COVID-19, staff recommended that Council not formally adopt a resolution this year in order to give the Council flexibility to adjust the CIP as necessary to respond to current events.

Staff is providing a draft narrative and highlights memo at this time in lieu of a Preliminary CIP book, reflecting the fact that COVID-19 has increased the level of economic uncertainty with the potential for significant changes in the coming months as staff develops the 2021-2022 budget.

CAPITAL PROJECTS PRIORITIZATION FRAMEWORK

The capital projects prioritization framework, originally developed in 2018, is based on eight policy principles. Each principle is listed below along with a short explanation of the purpose of each principle.

a. Complete capital projects from the 2019-2020 City Work Plan.

Complete construction of the new Station 24, major park improvement projects to preserve and enhance quality of life in Kirkland, including Totem Lake Park and 132nd Square Park, and continue work on the Totem Lake Connector.

b. Complete public safety capital investments that help implement the Police and Fire Strategic Plans.

Improve Fire and Emergency Medical Services by pursuing a potential ballot measure in 2020 to fund fire station modernization and enhanced operations.

c. Complete transportation projects necessary to ensure the success of WSDOT and Sound Transit investments in I-405 and Kirkland.

Sound Transit and WSDOT will be investing hundreds of millions of dollars in these major transportation projects which are scheduled to be completed by 2024. To ensure the maximum benefit and minimum impact of these mega-projects, it is vital that local investments supplemental to the NE 132nd Street and the NE 85th ST/I-405 interchange be completed.

d. Complete projects necessary to ensure adequate transportation concurrency investments keep pace with development.

Major transportation projects are scheduled to be completed in the next six years, to provide multi-modal capacity and concurrency trip credits. Some key projects that will add significant trip credits include Juanita Drive improvements, 100th Avenue NE improvements, 124th Ave NE improvements, and the Totem Lake Connector bridge. Grant funding has been secured for a number of these projects and staff are pursuing further funding opportunities, including debt financing, in order to move towards completion.

e. Invest in parks projects that increase active recreation opportunities throughout the City to meet the needs of a growing population.

Complete major park improvement projects, such as Totem Lake Park and 132nd Square Park, that add recreational amenities and increase capacity. This includes smaller improvement projects such as the expansion or improvement of playgrounds and play courts.

f. Invest in water, sewer, and stormwater projects according to the priorities contained in the adopted utility Master Plans.

Because water, sewer and stormwater projects are funded by rate payers, they do not compete with general fund capital projects for funding. Utility projects are prioritized by the policy and project priorities outlined in the recently adopted master plans for each utility. Some utility projects are also prioritized when major public or private developments occur, as environmental regulations change, or as grant opportunities emerge.

g. Create measurable progress towards achieving the City Council's ten goals.

Any CIP project proposed by staff should demonstrate how it advances the accomplishment of one or more of the City Council's goals. Contingency funding is a vital component of this because unanticipated opportunities may arise that help to further these goals and having sufficient funding available to deploy will help seize these opportunities.

h. Reprioritize funds from existing projects that do not meet these priorities.

There are insufficient revenues to fund all desired projects. The current CIP will be carefully reviewed to defer projects and reallocate funds to complete priority projects.

ADDITIONAL STRATEGIES TO ADDRESS ECONOMIC IMPACT OF COVID-19

The potential financial impacts and the uncertainty of the duration and severity of the disruption caused by the pandemic has necessitated additional strategies for prioritizing capital projects.

1. Finish existing projects and don't add new projects in 2021 or 2022.

To mitigate the impact of potential revenue shortfalls, the 2021-2026 CIP should complete currently funded projects rather than adding new projects that require funding from sources impacted by the pandemic.

2. Potentially defer projects.

Identify projects that are being impacted by permitting delays, construction delays or bids exceeding budgets and determine whether to defer these projects to future years.

3. Complete projects with grant, contractual or regulatory requirements.

Determine the impact of the current situation on grant/externally funded projects and identify options to mitigate potential loss of funding or non-compliance. Review projects that reflect Kirkland's commitments to regional partners to ensure that the City is meeting contractual or other obligations.

4. Identify projects with downstream impacts and develop options.

Identify projects impacted by the pandemic that are predecessors or pre-requisites for future projects and determine options for council consideration.

The February 7th prioritization framework and the additional strategies to address the economic impacts of COVID-19 constituted the Prioritization Criteria, as established by the City Council. Staff utilized the Prioritization Criteria to develop a recommended list of projects that account for the current unique situation.

It is important to note that the preliminary CIP plan is developed while the 2021-2022 operating budget is also being developed. The CIP and the operating budget are intertwined and changes to one document may result in changes to the other. This is particularly true as projections for revenue such as sales tax, REET and one-time monies are identified throughout both processes. Neither document has yet been finalized. There are some CIP projects in these lists that are also being considered as part of the operating budget service package list, and there may be service package proposals that are more appropriately considered capital projects. The preliminary CIP reflects the best information we have as of May, but some of the CIP lists may

change over the coming months in response to Council direction, budget decisions, or new information. A second review of the CIP will occur on September 1, 2020. Any last changes will be clearly highlighted when the Final CIP plan is brought to the Council for approval on December 8, 2020.

Preliminary 2021-2026 Capital Improvement Program:

The City of Kirkland Capital Improvement Program (CIP) is a plan that addresses construction, repair, maintenance, and acquisition of major capital facilities and equipment. The CIP is the City's six-year funding plan for building, maintaining, and improving the roads, sidewalks, public buildings, parks, and other fixed assets. The funding allocations in the first two years of the CIP align with the 2021-2022 operating budget, which will be presented to the Council on October 20th in preparation for discussion at the Council Budget Work Session on October 27th.

In addition to the overarching Prioritization Criteria described above, there are a variety of sources of policy guidance that help to form the CIP.

The City's **adopted fiscal policies** provide general guidance for preparation of the CIP. A capital project is defined as the construction, acquisition or renovation of buildings, infrastructure, land and major equipment with a value greater than \$50,000 (with some limited exceptions below this threshold, such as vehicles). The fiscal policies emphasize the importance of capital investment in existing assets to avoid major costs in the future.

The six-year CIP includes projects that **replace or maintain** existing assets, provide **required capacity** needed to meet growth projections and the adopted level of service, and projects that **enhance capacity or services** to the public. Many of these projects are identified in the subject area strategic and/or master plans, most of which were updated as part of the Kirkland 2035 planning process.

Proper **maintenance** and **replacement** are the most critical elements to the CIP, since it ensures maintenance of the current service level and mitigates the need for more costly repairs in the future. The level of maintenance desired by the Council may exceed minimum requirements and should be in line with best practices and the level of infrastructure repair expected by the community. Although maintenance and replacement are essential, the level of maintenance is a policy choice.

Required capacity relates to projects needed to meet the adopted transportation level of service (LOS). The City has an obligation to maintain the adopted level of service and to provide sufficient future funding for projects needed to match projected growth and meet concurrency requirements as adopted in the City's Comprehensive Plan.

Desired **levels of service** are developed for other areas as reflected in master plans and strategic plans. They include such things as park investment, technology systems and public safety apparatus. They are essential in their own way; however, they are not required by law. From a funding priority perspective, desired service levels are addressed after basic maintenance and concurrency requirements.

The CIP process is intended to identify the funding sources available for projects prioritized in the next six years. The project costs are the **best estimates available** as of the date of the plan and can change as market conditions and project scope evolve. As project timing changes, the impacts of cost escalation can also come into play. The first two years of the CIP are

adopted as part of the biennial budget and therefore represent actual funding commitments. In general terms, the estimates for projects that appear beyond the first two years of the CIP are **preliminary programming estimates**. As a result, when the CIP is developed every other year (and updated in the intervening year), the cost estimates may change and require adjustments to the funding. There are several mechanisms in place to help address this uncertainty:

- In some cases, placeholder projects are used for outer years to recognize funding availability, for example Neighborhood Park Land Acquisition commits funding before specific site availability and costs are known. This approach allows specific project priorities and estimates to be developed based on specific needs as they are identified.
- Preliminary programming estimates generally contain larger contingencies (10% of construction or higher), which can be refined as engineering design progresses.
- Funds are set aside toward capital contingencies. These take the form of reserves in both the general and utilities capital funds. These reserves are intended to be used to supplement project budgets when actual site conditions and market pricing vary from previous assumptions. These reserves provide a planned approach to dealing with the unknowns in capital planning.

As mentioned earlier, the CIP is a **funding plan**, rather than a spending plan. The amounts shown are the funding sources that are being planned for projects, generally preceding detailed design work. For example, projects may show as funded over two years, with the first year reflecting design and the second year showing construction, but in reality, the spending to complete the project may occur over a period of three to five years. This dynamic exists for a variety of reasons, including the ability to demonstrate that funding is available to match potential grants and to allow for coordination of projects across functions (for example, timing utility projects to coincide with resurfacing the roadway). The capital carryover that occurs at the beginning of each biennium is in part the recognition that cash has been set aside for projects, but not yet been spent.

In addition to the projects funded as part of the 2021-2026 CIP, there are a large number of active projects that are currently funded and underway that were approved as part of prior CIP processes. The total remaining budget on these projects is \$134.6 million as of 6/5/2020, as summarized by function in the table below. This table includes all active projects that are in progress and projects that are complete and are candidates for close-out.

Available Balances of Active Projects by Category

Program	Total Budget	Expenses through 6/5/2020	Encumbrances through 6/5/2020	Available Balance
Transportation	127,426,306	47,759,644	8,064,197	71,602,465
Parks	41,832,868	22,596,165	8,838,438	10,398,266
General Government				
Technology	9,901,808	7,133,314	1,269,991	1,498,503
Facilities	61,314,807	48,745,269	135,145	12,434,393
Public Safety	36,572,441	19,016,640	296,480	17,259,321
Utilities				
Surface Water	25,203,507	8,725,453	1,724,015	14,754,039
Water Sewer	31,991,804	17,302,521	8,055,208	6,634,075
Total	\$ 334,243,541	\$ 171,279,006	\$ 28,383,473	\$ 134,581,061

The 2021 to 2026 CIP **inflates** each project by a percentage appropriate for that project category based on recent cost trends during the engineer's estimate process, so that the estimated future costs are taken into consideration. Likewise, some funding sources are indexed to inflation or increased annually based on historical trends, so that a similar methodology is employed on the resource and requirement sides. In many cases project amounts in the CIP are driven by available resources rather than growing costs of materials. For example, the Street Levy Street Preservation funding levels are based on the revenue projections for the 2012 Streets Levy. While inflation does not drive the funding amount, it does impact the work that can be accomplished with a given amount of funding.

For most programs where inflation does apply, the construction inflation projection falls in the 4% to 10% range. As mentioned previously, in many cases project costs are based on engineering estimates, and contingencies and reserves are in place to buffer the impact of market conditions, significant price increases, and scope changes.

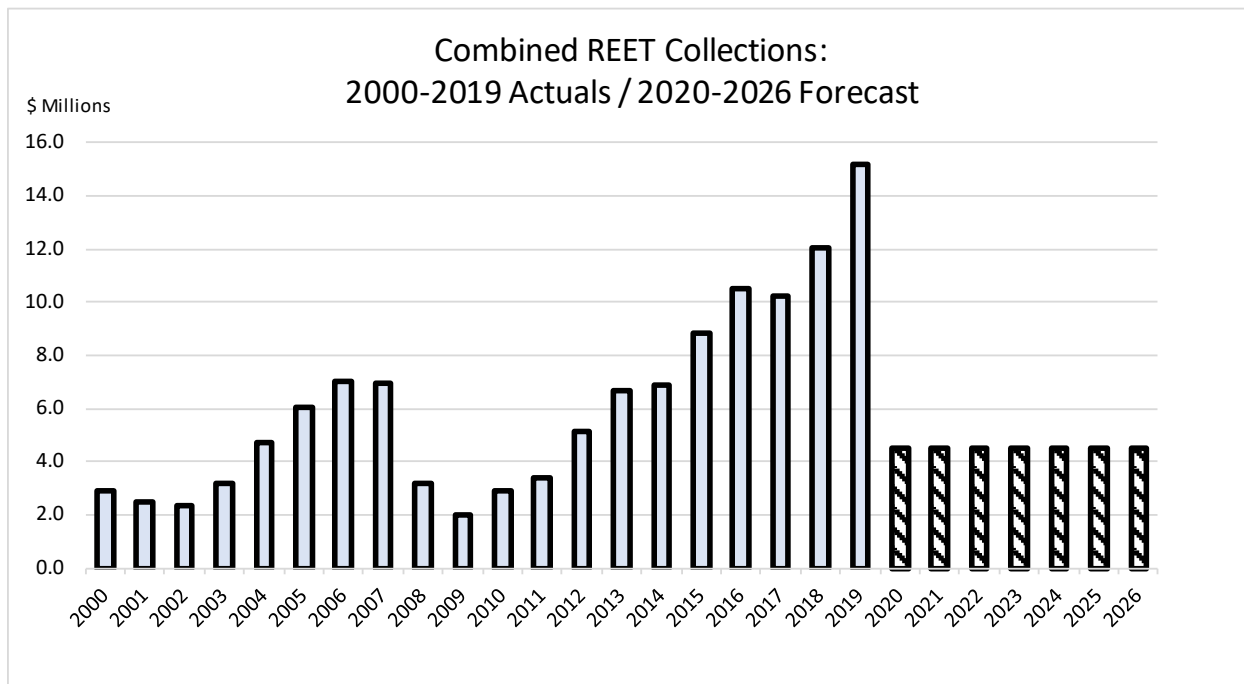
FUNDING

The revenue assumptions used to develop the Preliminary 2021-2026 CIP do not reflect the economic impact of COVID-19 because the funding projection was developed prior to the pandemic. Staff will continue to monitor the factors used to forecast the CIP revenues and modify projected funding levels and funded projects as necessary in the September 1, 2020 CIP review. Staff will include all the impacts of the COVID-19 prior to Council action in December.

Funding is established by project category that reflects legally dedicated revenue streams and Council-dedicated revenue sources. The CIP utilizes four main categories of funding sources – **current revenue, reserves, debt, and external sources**. The revenue sources that comprise these categories are described below.

Current Revenue represents estimates of annual ongoing revenue that will be received from anticipated sources. These include excise and property tax revenues, impact fees charged to new development, and utility rates and charges for existing and new customers. These are largely distinguished by the fact that they are derived from the current year's economic, development, or usage activity. Notable assumptions for major current revenue sources are highlighted below.

- **Real Estate Excise Tax (REET)** consists of two 0.25% excise taxes levied by the City against real estate sales (referred to as REET 1 and REET 2, for a total of 0.5%). Collections have been strong, consistent with the economic and real estate market strength observed in recent years. Recent REET collections have exceeded their previous high point reached in 2006, though it is worth noting that collections now include sales activity in annexed neighborhoods. Any discussion of strength in REET must also acknowledge its inherent volatility; its peak to trough drop after the collapse of the housing bubble in the mid-2000s was 71%. This is best shown by the following graph showing the trend since 2000.



A strong economy resulted in REET revenue exceeding budgeted amounts in 2017, 2018 and 2019, providing additional resources for projects. The revised 2019-2020 budget for REET assumed revenue of \$9.6 million in 2019 and \$2.5 million in 2020. The actual collections in 2019 was \$15.2 million. Staff has reserved this \$5.6 million of 2019 REET revenues above budget for two Council Work Program priorities. \$1.14 million has been reserved for Affordable Housing as allowed by the new state REET flexibility for housing championed by Kirkland. The remaining \$4.46 million has been set aside to help pay back the interfund loan used to purchase of the Fire Station 27 property if the proposed fire levy measure does not pass. Should a ballot measure pass, staff will return to the Council in the first quarter of 2021 with proposals to reinvest the REET in priority projects or to reduce proposed councilmanic debt issuance.

The strong growth has continued into the current year; through May 2020, REET collections are \$2.3 million, \$0.2 million below the budget for the year and on track to surpass budget targets. Although REET collections have been higher than budget, no additional adjustments are being proposed at this point as a conservative measure against the economic uncertainty in the post-COVID world.

To reflect the better economic growth recently experienced, the REET revenue forecast for 2021-2026 assumes an increase in the annual level from \$2.5 million (2020 budget) to \$4.5 million. In 2020 through 2026, the CIP funding plan relies on an annual amount of \$2.5 million, excluding the \$1.2 million set aside for debt service for Transportation projects. Traditionally, the Kirkland budgeting philosophy for REET has relied on conservative projections; revenue above budget has been deployed to complete projects, match grants, and fund new and/or emergent needs in successive capital plans. Retaining this conservative approach mitigates the need to defund projects if more aggressive REET projections are used and economic circumstances change.

A total of approximately \$14.4 million of new REET revenue is budgeted in the six-year CIP, including \$11.4 million for Transportation projects and \$3 million for Parks projects.

While not part of the CIP, it is worth noting that approximately \$263,500 per year has been included in past budgets to pay approved maintenance expenses in the operating budget as allowed by state law, with \$90,000 used for Transportation O&M, \$110,000 for Parks Maintenance, and \$63,500 per year for enhanced maintenance on the Cross Kirkland Corridor (CKC). The funding plan assumes that these maintenance uses will continue during the six-year CIP, though the formal continuation of these uses and the funding amounts will be reviewed as part of the 2021-2022 Biennial Budget process.

The REET forecast is deliberately conservative given the historically high level of collections and past experience of volatility in the real estate market. Any difference between the budgeted REET revenue and actual receipts is placed in the REET 1 and REET 2 reserves for use as grant matches and to supplement current revenue to fund high priority projects and facility needs. Beginning in 2021 REET revenues will be utilized for debt service payments following Council authorization and issuance of previously approved debt for transportation capital projects. The REET forecast developed as part of the 2021-2022 Budget process will include the use of REET for the debt service payments. As noted earlier, to acknowledge the growth in the last three years (2017-2019) the forecast for 2021-2026 assumes an increase in the annual level from \$2.5 million (2020 budget) to \$4.5 million. Staff will update Council on the REET assumptions used in the Final 2021-2026 CIP at the September 1, 2020 Study Session.

The following table shows the projected REET revenues available for programming and the planned uses. The data is presented in a cash flow format in order to include the estimated beginning balance in 2021, which acknowledges the receipt of REET revenues higher than budgeted in 2017, 2018, and 2019; and the expectation that 2020 revenues are also likely to be higher than budgeted. The planned increase of \$2 million annually in REET revenue, \$1 million each from REET 1 and REET 2, is highlighted below. The fund balance remains positive and grows over the 6-year planning period after accounting for the planned uses.

REET 1 Sources & Uses Table						
Sources	2021	2022	2023	2024	2025	2026
REET 1 - Estimated Starting Balance (PY Balance + Reserves)	\$ 4,734,775	\$ 1,181,429	\$ 2,327,679	\$ 2,352,929	\$ 2,713,179	\$ 2,769,429
REET 1 - Current Revenues (Budget)	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
REET 1 - Current Revenues (Estimate for budget revision)*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
REET 1 - Interest Earnings (Estimate)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total REET 1 Sources	\$ 7,084,775	\$ 3,531,429	\$ 4,677,679	\$ 4,702,929	\$ 5,063,179	\$ 5,119,429
Uses						
REET 1: Debt Service	\$ (600,000)	\$ (780,250)	\$ (780,250)	\$ (780,250)	\$ (780,250)	\$ (780,250)
REET 1: Maintenance REET Flexibility	\$ (263,500)	\$ (263,500)	\$ (263,500)	\$ (263,500)	\$ (263,500)	\$ (263,500)
REET 1: Parks CIP	\$ (160,000)	\$ (160,000)	\$ (833,000)	\$ (833,000)	\$ (500,000)	\$ (500,000)
REET 1: Public Works Transportation CIP	\$ (422,000)	\$ -	\$ (448,000)	\$ (113,000)	\$ (750,000)	\$ (750,000)
REET 1: Set Aside for FS 27	\$ (4,457,846)	\$ -	\$ -	\$ -	\$ -	\$ -
REET 1: Minimum Reserves (Policy)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Total REET 1 Uses	\$ (6,903,346)	\$ (2,203,750)	\$ (3,324,750)	\$ (2,989,750)	\$ (3,293,750)	\$ (3,293,750)
REET 1 Balance	\$ 181,429	\$ 1,327,679	\$ 1,352,929	\$ 1,713,179	\$ 1,769,429	\$ 1,825,679

REET 2 Sources & Uses Table						
Sources	2021	2022	2023	2024	2025	2026
REET 2 - Estimated Starting Balance (PY Balance + Reserves)	\$ 4,566,131	\$ 3,542,131	\$ 3,238,131	\$ 3,524,131	\$ 3,999,131	\$ 4,499,131
REET 2 - Current Revenues (Budget)	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
REET 2 - Current Revenues (Estimate for budget revision)*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
REET 2 - Interest Earnings (Estimate)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total REET 2 Sources	\$ 6,916,131	\$ 5,892,131	\$ 5,588,131	\$ 5,874,131	\$ 6,349,131	\$ 6,849,131
Uses						
REET 2: Debt Service	\$ (600,000)	\$ (600,000)	\$ (600,000)	\$ (600,000)	\$ (600,000)	\$ (600,000)
REET 2: Public Works Transportation CIP REET 2	\$ (1,633,000)	\$ (2,054,000)	\$ (1,464,000)	\$ (1,275,000)	\$ (1,250,000)	\$ (1,250,000)
REET 2: Affordable Housing Set-Aside	\$ (1,141,000)	\$ -	\$ -	\$ -	\$ -	\$ -
REET 2: Minimum Reserves (Policy)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Total REET 2 Uses	\$ (4,374,000)	\$ (3,654,000)	\$ (3,064,000)	\$ (2,875,000)	\$ (2,850,000)	\$ (2,850,000)
REET 2 Balance	\$ 2,542,131	\$ 2,238,131	\$ 2,524,131	\$ 2,999,131	\$ 3,499,131	\$ 3,999,131

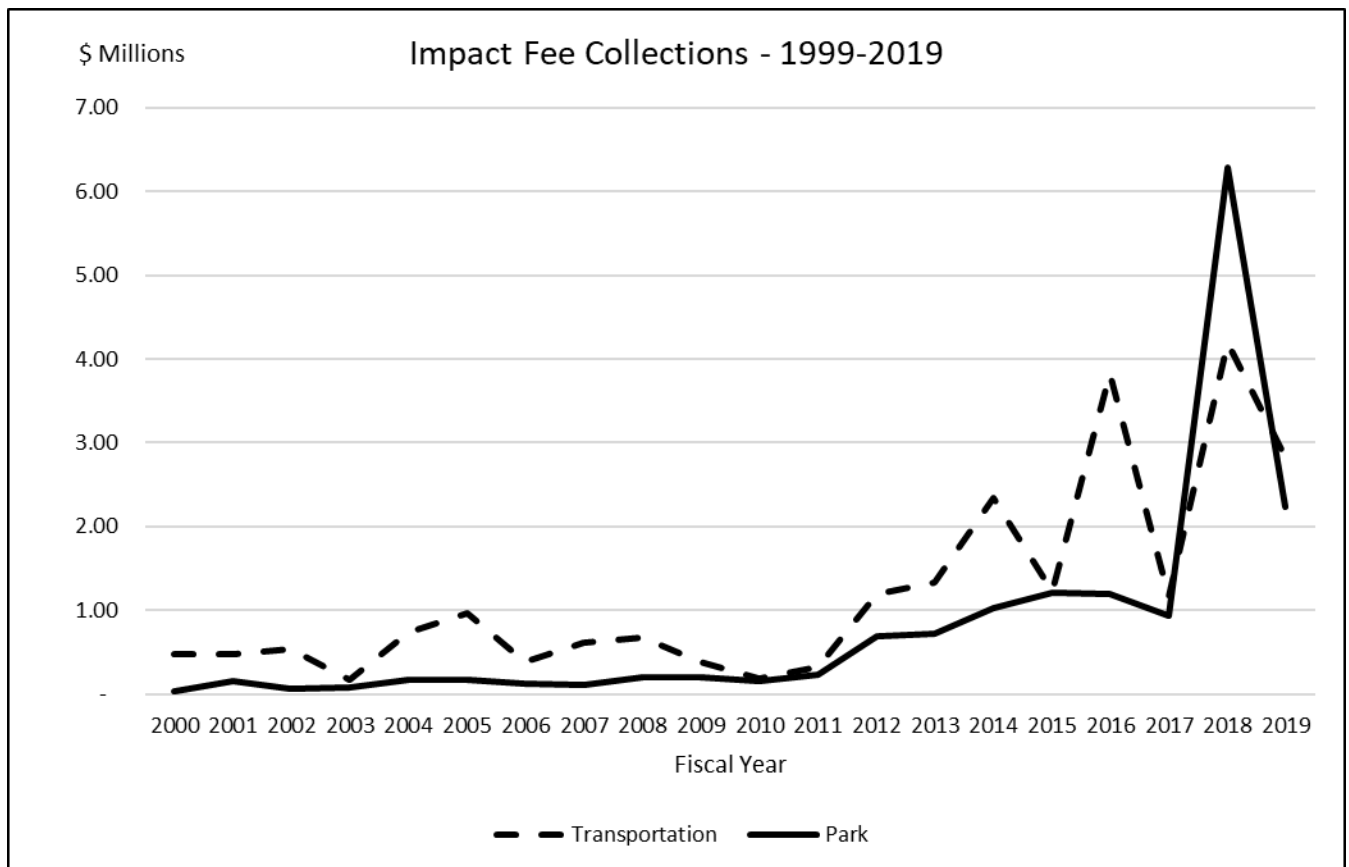
*Updates total current year REET revenues to \$4.5 million per year which is 43% of revenues from 2017 (2 year lag) - the worst single year decline in the Great Recession was 54%. Peak to trough decline (2006 to 2009) was 71%. Staff will evaluate REET revenue budget in 2021-2022 Budget Process.

- Property Tax Levy Lid Lifts** – On November 6, 2012, Kirkland voters approved two new property tax levies to support street maintenance and pedestrian safety, and parks maintenance, restoration and enhancement. In 2021 these levies are expected to generate \$3,508,200 and \$2,751,500 for these purposes, respectively. Revenues from the two levies are deposited in the Street Operating and Parks Levy Funds, and a set amount is transferred into the CIP for specific capital uses. The table below shows the projected allocation of the levy revenues between capital and operating uses in the 2021-2022 budget.

Park and Street Levy Budget Allocations		
	2021	2022
<i>2012 Street & Pedestrian Safety Levy</i>		
Total Revenue	3,508,200	3,578,400
Operating Budget	775,200	818,400
Capital Improvements Program	2,733,000	2,760,000
<i>2012 Park Levy</i>		
Total Revenue	2,751,500	2,806,600
Net Available for Operating Budget	2,501,500	2,556,600
Capital Improvement Program	250,000	250,000

Property tax growth (absent new voter-approved levies) is limited by state law to 1 percent plus the growth in value from new construction, which is assumed to be 1 percent per year through 2026. Projected growth in the Road Levy is allocated to the operating uses. For the Park Levy, in prior years revenues have been allocated such that a fixed \$1.25 million per year was allocated to capital, with the balance, including any growth, allocated to the operating budget. The 2012 ballot question for the Park Levy included a list of projects that would be completed using the new revenues from the levy. It was assumed that after these projects were completed, future revenue from the levy could be directed to operating and maintenance costs, as needed, with any residual available for capital projects. For 2020 and beyond, most of the revenue that had been allocated to capital is being made available for operating and maintenance purposes in the Parks and Community Services operating budget.

- **Impact Fees** – Impact fees are charged to new development projects to provide revenue to build infrastructure to service the population growth attributed to the new development. The CIP includes funding from impact fees to build Park and Transportation projects. Like REET, Impact Fee collections have been strong in recent years, as shown in the graph on the following page.



The Preliminary 2021-2026 CIP includes \$9.16 million from Transportation Impact Fees and \$9.2 million from Park Impact Fees, based on a conservative forecast of future collections of \$1 million per year from Transportation Impact Fees and an annual average of \$1.53 million from Park Impact Fees; plus accumulated prior year revenues above expenses.

- Utility Rates, Charges, and Fees** – The utilities capital program funds equipment and infrastructure requirements of the City's water/sewer and surface water utilities. Funding for the program comes from rates, fees, and charges assessed on current and new utility customers. The fees and rates are determined based on rate studies performed for each utility. The Preliminary 2021-2026 CIP assumes that the originally planned rate increases in 2021 will not be implemented and this might require the use of available fund balance. Staff are working with the utility rate study consultant to evaluate the impact of not having rate increases in 2021. The result of that analysis will be presented to Council later this year as part of the 2021-2022 budget development process.

Reserves are used in a variety of ways in the CIP. Reserves used in the 2021-2026 CIP have been accumulated over time for specific purposes (e.g., water/sewer capital replacement reserve and accumulated REET and impact fee balances). The CIP recommendation incorporates the use of reserves to fund matching contributions for some grant-funded transportation projects, and to fund the portion of impact fee funded projects that are not capacity related. Dedicated sinking fund reserves are also used to fund routine building repairs, vehicle replacements, and equipment purchases for public safety and information technology.

Debt represents a commitment to repay borrowed funds over an extended period of time. While the City has a relatively large legal debt capacity, the main constraint is the ability to repay the debt. Councilmanic bonded debt is supported from existing revenues, while voter approved debt comes with a new revenue stream to support debt service. An additional constraint is the time period for which the debt can be issued (limited to the life of the asset and a maximum of 30 years by current City fiscal policy). The Preliminary 2021-2026 CIP does not rely on any new debt. The revenue sources table on the following page includes the use of previously authorized debt totaling \$1.569 million, which has not been issued as of this writing.

Potential issuance of debt backed by REET – At the January 7, 2020 Study Session, staff shared that there are six projects from recent CIP processes approved by the Council with a total of \$23.6 million in debt identified as one of the funding sources, as listed in the table below. As part of the ongoing 2021-2026 CIP development process, staff will be reviewing capital revenues sources such as REET 1 and REET 2, and sales taxes above projections, to identify whether debt requirements could be reduced. Staff will also review projected REET revenues and uses to identify the amount available for repaying the debt issued for the projects listed below. At the September 1, 2020 Study Session, staff will provide updated information on revenue sources and the need for debt issuance.

Project	Project Total	Potential Debt Needed
NE 124th St/124th Ave NE Ped Bridge Design and Construction	\$ 18,290,700	\$ 10,000,000
Juanita Drive Intersection and Safety Improvements	\$ 6,805,200	\$ 4,755,200
100th Avenue NE Roadway Improvements (Mid-North Section)	\$ 5,569,300	\$ 571,100
100th Avenue NE Roadway Improvements (North Section)	\$ 3,730,500	\$ 296,000
NE 132nd St/108th Avenue NE Intersection Improvements	\$ 1,287,100	\$ 500,000
Totem Lake Public Improvements Phase II	\$ 15,000,000	\$ 7,500,000
TOTAL	\$ 50,682,800	\$23,622,300

External sources are primarily grants but can also take the form of contributions from other governments (shared projects) or from private sources (such as developers). The CIP includes

both secured funding, as well as funding that has not yet been secured, assuming a percentage consistent with successful grant receipts of prior years.

Potential New Sources include other funding mechanisms that are currently being explored as opportunities to expand the set of projects that can be constructed in the next six years. These options include:

- The potential **levy lid lift** measure if placed on the 2020 ballot would fund Fire Station modernization improvements and enhanced fire services operations, which could also include construction of a new Fire Station 27 in the Totem Lake Urban Center.

The 2021-2026 CIP is based on the recommended funding matrix shown on the following page and incorporates the aforementioned current revenue assumptions as well as existing reserves and external revenues.

The **King County Park Levy** exists to fund maintenance and operations of King County parks; acquisition, conservation and stewardship of open space, natural areas and ecological lands; acquisition and development of regional trails; major maintenance, repair, replacement and improvement of parks system infrastructure; development of trailhead facilities to increase access to parks and trails; and to support local parks system projects through a variety of programs including direct funding and community partnership and grant programs. King County directs 8% of the levy funds to assist local parks system projects and are allocated on a formula basis; 50% on population and 50% on assessed value. This is often referred to as the "pass through" portion. Kirkland was projected to receive \$353,000 annually from the levy beginning in 2020.

The King County levy funds specific projects for park infrastructure and regional trails. Motion 15378 was introduced and passed by the Metropolitan King County Council in April 2019 that provides guidelines for the use of parks levy proceeds for capital project. Attachment C of Motion 15378 specifies \$2,500,000 to the Kirkland Green Loop Trail under the Regional and Other Public Trails System projects.

In 2011, a \$300,000 **Solid Waste Street Preservation** fee was incorporated in the solid waste rates to mitigate the damage heavy solid waste collection vehicles do to Kirkland's streets. The funding is provided annually to the Public Works Capital Improvement Program (CIP) and is used for the asphalt overlay program. The initial funding amount was borrowed from the City of Bothell's prior solid waste contract and has acted as a reasonable approximation of the pavement damage. The \$300,000 in funding had not changed since 2011 nor been subject to annual inflationary increases. Based on Council action on October 2, 2018, starting with the 2019-2020 biennium, the street preservation fee was increased from \$300,000 annually to \$365,000 and \$378,000, respectively, to reflect inflation over time, thereby increasing the fee by \$143,000 over the two-year period.

The City enacted the **School Safety Zone Camera Program** in September of 2019. Per the ordinance, any fines collected in excess of program expenses are required to be used to fund traffic safety programs, personnel and projects in the Transportation Capital Improvement Plan, Neighborhood Safety Program, and Safer Routes to School Action Plans that improve school safety and pedestrian and bicycle safety. The following table shows net revenue estimates based on analysis completed in June of 2019, as well as updated figures based on the program to date. There is a high degree of variance due to the program's recent implementation as well as unknowns with the impacts of the COVID-19 virus.

Cost Estimate	2021	2022	2023	2024	2025	2026	TOTAL
Original Analysis	706,012	706,012	706,012	706,012	706,012	706,012	4,236,072
Updated Estimate	607,835	930,470	1,431,493	1,431,493	1,431,493	1,431,493	7,264,275

Updated estimate assumes actual net revenues from 2020 inputted into the original model. Additional modifications include three months of school closures in 2021, and a 35% decrease in car traffic in 2021 and 2022.

2021-2026 Revised Capital Improvement Program Revenue Sources (in thousands)							
Dedicated Revenue	2021	2022	2023	2024	2025	2026	6-Year Total
Transportation							
Gas Tax	860	873	886	847	900	900	5,266
Business License Fees	270	270	270	270	270	270	1,620
Real Estate Excise Tax (REET) 1	422	-	448	113	750	750	2,483
Real Estate Excise Tax (REET) 2	1,633	2,054	1,464	1,275	1,250	1,250	8,926
Street & Pedestrian Safety Levy	2,733	2,760	2,788	2,816	2,816	2,816	16,729
Transportation Impact Fees	1,000	702	1,298	472	1,000	1,000	5,472
Utility Rates	500	191	486	60	500	500	2,237
Solid Waste Street Preservation	386	393	401	409	417	426	2,432
REET 2 Reserve	480	1,893	215	695	-	-	3,283
Use of Previously Authorized Debt	658	911	-	-	-	-	1,569
School Zone Cameras	300	300	250	100	250	100	1,300
Secured External	3,001	3,657	1,738	-	-	-	8,396
Unsecured External - Sound Transit	1,300	13,000	2,700	-	-	-	17,000
Unsecured External Sources	706	-	2,790	4,042	603	1,676	9,817
Subtotal Transportation	13,862	27,004	15,734	11,099	8,756	9,688	86,529
Parks							
Real Estate Excise Tax 1	160	160	833	833	500	500	2,986
Park Impact Fees	1,050	1,150	1,750	1,750	1,750	1,750	9,200
Parks Levy	150	150	150	150	150	150	900
King County Park Levy	353	513	993	913	913	913	4,598
Park Facilities Sinking Fund	162	169	146	160	150	243	1,031
Subtotal Parks	1,875	2,142	3,872	3,806	3,463	3,556	18,715
General Government: Technology, Facilities & Public Safety							
General Fund Contributions for:							
Public Sfty. Equip. Sinking Fund	316	126	963	1,067	391	281	3,144
Technology Equip. Sinking Fund	200	363	130	454	180	135	1,462
Utility Rates	21	30	21	41	21	30	164
Facilities Life Cycle Reserve	629	150	947	922	385	387	3,421
General Fund	49	70	49	95	49	70	382
Subtotal General Government	1,215	739	2,110	2,579	1,026	904	8,572
Utilities							
Utility Connection Charges	865	865	865	865	865	865	5,190
Utility Rates - Surface Water	2,139	2,204	2,270	2,338	2,338	2,338	13,627
Utility Rates - Water/Sewer	5,165	5,329	5,583	5,850	5,850	5,850	33,627
Reserves	1,450	50	1,450	50	1,450	50	4,500
External Sources	1,399	1,309	-	-	-	-	2,708
Subtotal Utilities	11,018	9,757	10,168	9,103	10,503	9,103	59,652
Total Revenues	27,969	39,642	31,884	26,587	23,748	23,250	173,468

PROGRAM HIGHLIGHTS

The CIP is organized into seven major programs:

Transportation includes improvements to streets, intersections, pedestrian safety, public transit and non-motorized facilities.

Parks projects include renovation, replacement and construction of park and recreational facilities, and acquisition of park and open space lands.

General Government projects include two areas – technology system acquisition and replacement, and general government facility construction and renovation (excluding public safety facilities, as described above).

Public Safety projects address fire and police needs including the acquisition of major new equipment with a value greater than \$50,000 and the construction of facilities associated with public safety.

Water and Sewer Utility projects include replacement and enhancement of the City's water conveyance and sanitary sewer systems.

Surface Water Management Utility projects include improvements to the City's natural and constructed storm drain systems, as well as water quality and fish habitat improvements, including streambank restoration on private property.

This structure assists City staff with tracking and managing the projects by funding source and function. The project summaries are presented in these categories as **Attachment A**. The following narrative will provide project highlights to emphasize how the major recommendations fit within the Prioritization Criteria established by the City Council.

Attachment A includes a summary of **funded projects** expected to take place with available funding within the 6-year window of the 2021-2026 CIP. The CIP is balanced over the six-year period in that anticipated funding matches cash flow. The **unfunded projects** in Attachment A represent capital needs that could not be funded within the six-year period or that are not sufficiently well defined to be included in the funded portion of the CIP.

The term "unfunded" should not be interpreted to mean a project will not be funded. It simply means that a project is not funded with resources available in the six-year CIP window. Recognizing that the master plans that form the basis for the CIP identify projects that span a twenty-year horizon (or more), it makes sense that the unfunded component far exceeds the funded amount. The unfunded projects in the summary tables in Attachment A include those projects that would be candidates for funding from revenue sources after 2026 and those that are not likely to be funded without substantial external and/or new revenues. An example of the latter would be the Community Recreation Facility Construction, a \$75 million project in the Parks program which is only likely to proceed with a new ballot-approved revenue source and/or significant regional coordination.

Transportation

The proposed Transportation CIP is based on the following guidelines:

- Fit within the existing adopted funding for 2021-2024 and using conservative funding assumptions for 2025 and 2026. This assumed no new debt funding and no new revenues from Puget Sound Regional Council (PSRC) for the Totem Lake Connector Bridge (TLC) or 100th Ave NE.
 - Since the development of this proposal Kirkland was notified that the TLC (NMC0861000) has been awarded \$1.525M in federal funding through PSRC in 2020. As of this writing, staff is evaluating options for updating the proposed 2021-2026 CIP to reflect this change.
- Complete existing high priority projects – the “stars”:
 - Totem Lake Connector (TLC)
 - 100th Ave NE
 - 124th Ave NE
 - Juanita Drive
 - Railroad Bridge Warning Signage
 - Willows Road
- Complete the backlog of previously funded projects with project balances totaling \$80.2 million.
- Take care of the City’s existing assets by continuing to invest in major maintenance programs.
- Establish new local road maintenance fund. This new project will be included in the September 1 CIP update.
- Establish new “general contingency” project to set aside funds in 2023 as a placeholder for unknown cost growth.

The following table summarizes the funding sources and planned uses. The table includes the use of previously authorized debt totaling \$1.569 million, which has not been issued.

Preliminary 2021-26 Transportation CIP Balancing Table							
Dedicated Revenue (thousands)	2021	2022	2023	2024	2025	2026	6 year total
Gas Tax	860	873	886	847	900	900	5,266
RGRL	270	270	270	270	270	270	1,620
REET 1	422	-	448	113	750	750	2,483
REET 2	1,633	2,054	1,464	1,275	1,250	1,250	8,926
REET 2 Reserves*	480	1,893	215	695	-	-	3,283
Street Levy	2,733	2,760	2,788	2,816	2,816	2,816	16,729
Solid Waste	386	393	401	409	417	426	2,432
Transportation Impact Fees	1,000	702	1,298	472	1,000	1,000	5,472
Surface Water Contribution	500	191	486	60	500	500	2,237
Previously Authorized Debt	658	911	-	-	-	-	1,569
School Zone Cameras	300	300	250	100	250	100	1,300
Secured External (current CIP)	1,531	-	-	-	-	-	1,531
Unsecured External (current CIP)	706	-	2,790	4,042	-	-	7,538
Subtotal Revenue	11,478	10,347	11,296	11,099	8,153	8,012	60,385
Secured External (NEW)	1,470	3,657	1,738	-	-	-	6,865
Unsecured External - Sound Transit (NEW)	1,300	13,000	2,700	-	-	-	17,000
Unsecured External (NEW)	-	-	-	-	603	1,676	2,279
Total Revenue	14,248	27,004	15,734	11,099	8,756	9,688	86,529
Project Funding (expenses)	2021	2022	2023	2024	2025	2026	6 year total
PW Proposed CIP Projects	14,248	27,004	15,734	11,099	8,756	9,688	86,529
Balance	-	-	-	-	-	-	-

* *Planned use of available balance - Assuming no new uses of REET 2 reserves, current balances and projected current year revenues are forecasted to be enough to fund planned uses of REET 2 reserves in 6-year CIP.*

The other highlights from this CIP development process include:

- Total funded program decreased by \$33,056,000 compared to the adopted 2019-2024 CIP because those years included several large-scale projects that are related to regional growth and with significant external funding. Many of these projects are still active and either in construction or the late stages of design. The bulk of the funding for active projects including the Totem Lake Connector, 100th Ave NE Roadway Improvements and 124th Ave NE was approved and scheduled for 2020 or earlier.
- Projects with funding and/or timing changes
 - **STC 0591300** – 124th Ave NE Roadway Improvements NE 116th Street to NE 124th Street (North Section) Construction
 - Added funding in 2021 – 2023, totaling \$150,000
 - **STC 0831300** – 100th Avenue NE Roadway Improvements (North Section)
 - Added \$1.05 million of funding in 2022
 - **STC 0831400** – 100th Avenue NE Roadway Improvements (Mid-North Section)
 - Added \$1.575 million of funding in 2022
 - **NMC 0861000** – NE 124th St/124th Ave NE ped Bridge Design & Construction (TLC)
 - Added funding in 2021 and 2022, totaling \$2.597 million
 - **TRC 1200000** – Kirkland Intelligent Transportation System Phase 3
 - Shifted timing from 2021-2024 to 2023 – 2026
 - Added \$660,000 in net new funding
 - **PTC 0040000** – 108th Avenue NE Transit Queue Jump Phase I

- Shifted timing from 2022 – 2024 to 2023 – 2025
 - **PTC 0050000** – 108th Avenue NE Transit Queue Jump Phase II
 - Shifted timing from 2022 – 2024 to 2023 – 2025
- Projects maintained as adopted in the 2019-2024 CIP:
 - **STC 0591200** - 124th Ave NE Roadway Improvements NE 116th Street to NE 124th Street (North Section) ROW
 - **STC 0890000** - Juanita Drive Intersection and Safety Improvements NE 112th St to NE 132nd St
 - **TRC 1240000** – 116th Avenue NE/NE 124th Street Intersection Improvements
 - Annual funding projects maintained at current levels:
 - **STC 0060000** – Annual Street Preservation Program – incorporating local street preservation program
 - **STC 0060300** – Street Levy Street Preservation
 - **STC 0800000** – Annual Striping Program
 - **TRC 1170300** – Neighborhood Traffic Control
 - **NMC 0061000** – Street Levy-Safe School Walk Routes
 - **NMC 0062000** – Street Levy – Pedestrian Safety
 - **NMC 0870000** – Citywide School Walk Route Enhancements – This project will be maintained at current levels with the use of \$1.3 million in School Zone Safety Camera revenues over the six-year period.
- In order to meet priority guidance to finish projects that are in progress, several annual funding programs have allocated funding to those commitments. This has resulted in the following proposed level of service reductions and deferrals for several annual programs –totaling \$4.332 million
 - **STC 9999000** – Regional Inter-Agency Coordination – Normal annual funding of \$82,000 per year is not funded in 2021
 - **NMC 0570000** – Annual Sidewalk Maintenance Program – Normal annual funding of \$200,000 per year reduced to \$100,000 per year
 - **NMC 1101000** – Citywide Accessibility Improvements – Normal annual funding of \$100,000 is not funded in 2021; funded at \$50,000 in 2023 and 2025; and funded at \$100,000 per year in 2024 and 2026. A total reduction of \$300k
 - **NMC 1130000** – Citywide Greenways Networks – Normal annual funding of \$250,000 is unfunded for four years (2021-2024); is restored to \$250,000 of funding in 2025 and 2026
 - **TRC 1160000** – Annual Signal Maintenance Program – Normal annual funding of \$200,000 per year is reduced to \$100,000 per year
 - **TRC 1170000** – Citywide Traffic Management Safety Improvements – Normal annual funding of \$100,000 per year is unfunded for four years (2021, 2022, 2024, and 2026); and is restored to \$100,000 of funding in 2023 and 2025
 - **TRC 1170300** – Vision Zero Safety Improvement – Normal annual funding of \$50,000 per year is not funded in 2021 and is funded at the normal level the other four years

The primary impact of the proposed deferrals is a delay in achieving the City's level of service in these categories. Staff will continue to monitor community needs and bring forward for Council action any life safety issues that need funding.

- **TRC 1390000** – NE 85th St/132nd Ave NE Dual Left Turn Lanes scheduled for 2020 is moved to the unfunded list resulting in a savings of \$1,258,700. This project was added to the funded list because of a neighborhood request and is not a SEPA requirement. This change is the majority of the Post-Bid funding identified for the Totem Lake

Connector Bridge at the June 2, 2020 Study Session where staff proposed the rejection of bids received and rebidding the project. Alternatives to this reduction are still being explored and options for restoration will be brought to the September 1 Council meeting.

- **NMC 0980000** – Kirkland Ave Sidewalk Improvements was moved to the unfunded list resulting in a savings of \$600,000.
- The proposed Transportation CIP is funded by:
 - Closing out completed projects and utilizing available funding from the closed projects. The capital projects close outs will be brought forward for Council action later this year.
 - Leveraging grants where possible

Parks

The Preliminary 2021-2026 Parks CIP is based on the following guidelines:

- Complete current projects.
- Deliver on promises for active amenities.
- Position the program for the future.

The Parks capital projects were prioritized using a rating scale (**Attachment B**) in order to meet the above guidelines.

The table below summarizes the funding sources and planned uses.

Preliminary 2021-2026 Parks CIP Balancing Table							
Dedicated Revenue (in thousands)	2021	2022	2023	2024	2025	2026	6-Year Total
REET 1	160	160	833	833	500	500	2,986
Kirkland Park Levy	150	150	150	150	150	150	900
Impact Fees	1,050	1,150	1,750	1,750	1,750	1,750	9,200
King Co. Park Levy	353	513	993	913	913	913	4,598
Parks Fac. Sinking Fund	162	169	146	160	150	243	1,031
Total Revenue	1,875	2,142	3,872	3,806	3,463	3,556	18,715
Project Funding (Expenses)	2021	2022	2023	2024	2025	2026	6 year total
PK Proposed CIP Projects	1,862	2,144	3,863	3,792	2,965	3,053	17,678
Balance	13	(2)	10	15	498	503	1,036

Note: funding in 2025 and 2026 exceeds current project proposal list. Staff is developing prioritized project options for those years.

The other highlights from this CIP development process include:

- The following is a list of new projects:
 - **PKC 1590000** – Off Leash Dog Areas – \$1,569,600 added in total from 2024 to 2026
 - **PKC 1610000** – McAuliffe Park Sanitary Sewer – \$325,000 added in 2025
 - **PKC 1620000** – Wayfinding and Park Signage Program Plan – \$150,000 added in 2023
 - **PKC 1630000** – Trail Upgrades – \$120,000 added in 2023

- **PKC 1700000** – ADA Compliance Upgrades – OO Denny – \$120,000 added in 2024
- Total funded program decreased by \$12,723,462 in the Preliminary 2021-2026 CIP compared to the Updated 2019-2024 CIP
- Modifications to funding and timing of projects from the 2019-2024 CIP Update compared to the Preliminary 2021-2026 CIP represent an increase of \$3,627,000
 - **PKC 0660000** – Parks, Play Areas, & Accessibility Enhancements – \$10,000 moved from 2022 to 2023; \$270,000 added in 2025, \$300,000 added in 2026
 - **PKC 1331000** – Dock and Shoreline Renovations – Funding to be used for PKC 1331001 – Brink Park. \$200,000 added in 2021 and \$225,000 added in 2022
 - **PKC 1332000** – City School Playfield Partnership (Kamiakan) – \$200,000 added in 2023; \$100,000 added in 2024 and 2026
 - **PKC 133000** – Neighborhood Park Land Acquisition – \$1 million added in 2025 and 2026
 - **PKC 1520000** – O.O. Denny Park Improvements – Picnic Shelter – \$275,000 added in 2023
 - **PKC 1540000** – Indoor Recreation & Aquatic Facility Study – \$160,000 moved from 2021 to 2023
 - **PKC 1550000** – Green Loop Master Plan & Acquisition – \$2.24 million added over the six years, all funded by King County grant
 - **PKC 1560000** – Parks Restrooms Renovation/Replacement Program – Originally \$1.583 million in 2023 now split between 2023 and 2024
 - **PKC 1570000** – Neighborhood Park Development Program – Funding reduced by \$1.283 million and moved from 2024 to 2025

General Government

This portion of the CIP includes projects related to Facilities and Technology. Both Facilities and Technology CIP use a combination of direct funding of projects and replacement reserves in Sinking Funds. Sinking Funds are used to accumulate funding from annual contributions at a rate, adequate for the replacement of City assets at the end of their useful lives.

General Government – Facilities

The Preliminary 2021-2026 Facilities CIP is based on the following guidelines:

- Close completed projects and use the resulting available balances to offset the projected needs in other projects.
- Update the Facilities Sinking Fund to include new city facilities and update estimated replacement costs and timing for existing Sinking Fund items.
- Identify potential General Fund savings to offset the anticipated shortfall in revenues as a result of the pandemic.

Preliminary CIP and Cash Flow:

The table below summarizes the funding sources and planned uses

Project Title	2021	2022	2023	2024	2025	2026	2021-2026 Total
GCC 00800 - Electrical, Energy Management & Lighting	27,200	96,400	28,400	152,600	23,400		328,000
GCC 00900 - Mechanical/HVAC Systems Replacements	14,600	12,000	406,800	299,400	141,740	51,000	925,540
GCC 01000 - Painting, Ceilings, Partition & Windows	59,900	13,500	151,500	292,232	57,000	178,900	753,032
GCC 01100 - Roofing, Gutter, Siding and Decks	355,100		337,120	20,200	8,000	7,400	727,820
GCC 01200 - Flooring Replacements	172,500	28,400	22,700	157,900	154,700	150,000	686,200
Subtotal	629,300	150,300	946,520	922,332	384,840	387,300	3,420,592

CASHFLOW	2020	2021	2022	2023	2024	2025	2026
Beginning Balance	5,206,717	5,937,643	6,111,535	6,764,427	6,621,099	6,501,959	6,920,311
Sources/Contributions							
Sinking Fund Rates	803,192	803,192	803,192	803,192	803,192	803,192	803,192
310 Reserve	133,791	-	-	-	-	-	-
Project Closure	315,444	-	-	-	-	-	-
Total Sources	6,459,143	6,740,835	6,914,727	7,567,619	7,424,291	7,305,151	7,723,503
Uses	521,500	629,300	150,300	946,520	922,332	384,840	387,300
Ending Balance	5,937,643	6,111,535	6,764,427	6,621,099	6,501,959	6,920,311	7,336,203

The other highlights from this CIP development process include:

- Planned expenditures for the 2021-2026 Sinking Fund projects are \$502,892 higher than in the 2019-2024 Updated CIP.
- The primary additions to the model are a roof replacement for the Peter Kirk Community Center (PKCC) in 2021, and a roof and AC replacement for the Parks Maintenance & Operations (PMO) building in 2024.
- The primary reductions were moving out the replacement of the KJC windows (originally scheduled in 2024) and decreased flooring costs in City Hall (reduced from \$450,000 to \$150,000).

Facilities Sinking Fund:

The current cash balance of the Facilities Sinking Fund reserves after 2020 rate revenue is added and planned project uses are subtracted is \$5,622,199. The current balance of all active sinking fund projects is \$2,627,773. Even with the addition of new projects, the sinking fund shows a positive trend, with the projected balance growing from \$5.62 million in 2020 to \$7.18 million in 2040. The annual contribution to the Facilities Sinking Fund is \$803,192 of which \$661,311 is from the General Fund and the remainder is from the Utility Funds. The contributions to the Facilities Sinking Fund can be deferred in 2020, 2021, and 2022 without adversely affecting the fund's ability to cover the expenses of scheduled replacements. A recalibration of the Facilities Sinking Fund rates is being evaluated as part of the 2021-2022 budget process.

General Government – Technology (IT)

The Preliminary 2021-2026 Technology CIP is based on the following guidelines:

- Close completed projects and use the resulting available balances to offset the projected needs in other active projects.
- Transition the Cloud Computing Services for Servers and Storage project from the CIP to the Operating Budget.
- Review and update replacement reserves and GIS funding.

Project Closures to Offset One-Time Shortfall:

The one-time shortfall in IT's capital budget in 2020 is \$572,000. This shortfall can be closed by re-allocating funds from the following sources.

No.	Funding Source	Amount
1.	2019 ending balance from IT Operating Budget	180,000
2.	2019 ending balance from ITC2000000 GIS capital project	274,154
3.	2020 ITC2000000 GIS capital project	58,000
4.	ITC0030200 Court Customer Service Upgrades project (closed at the end of 2019)	59,846
	Total	572,000

Cloud Computing Services:

The Updated 2019-2024 CIP includes investments to transition many of the City's servers and data storage off-premises as part of the Cloud/Disaster Recovery strategy recommended by the Information Technology Strategic Plan. This is embodied by **ITC 12000 – Cloud Computing Services for Servers & Storage** (\$2.24 million) which is a replacement to the **Network Infrastructure** project included in prior capital budgets. This project provides for the necessary cyclical equipment replacements and upgrades, and contracts with external providers, to transition a portion of the City's data processing and storage requirements to off-premises infrastructure. This project is currently funded through the IT sinking fund, which is an account in the General Capital Projects Fund that receives budgeted annual transfers of \$450,000 from the General Fund.

The Preliminary 2021-2026 CIP does not include any further funding for Cloud Computing-related expenditures because at the end of 2020, the capital project will be closed, and all related expenditures will transition to the Information Technology (IT) operating budget. In recognition of the shift in costs from the CIP to the Operating budget the annual contributions to the IT Sinking Fund will be reduced by 50% and the other 50% will be transferred to the Operating budget starting with 2021. The table below summarizes this change in funding.

Sinking Fund/Cloud Shift Summary				
Funding Sources	Prior Model (through 2020)	New Sinking Fund Contribution (starting in 2021)	Proposed Cloud Operating Contribution	Net Change
Annual General Fund Contribution	450,000	225,000	225,000	-
Annual Utilities Contribution	85,000	42,500	42,500	-
TOTAL	535,000	267,500	267,500	-

The following table summarizes the anticipated allocation of the annual Cloud operating expenses beginning in 2021. Estimated annual Cloud Computing-related operating expenditures of \$476,641 will be offset by the \$267,500 in annual funding shifted from the Sinking Fund to the Operating budget. The Operating budget deficit of \$209,141 will be further offset by a reduction of \$100,000 in ongoing operating expenses by IT. The remaining shortfall of \$109,141 will be allocated between the General Fund and Utilities based on the FTE ratio calculation from the 2014 IT Sinking Fund model, which resulted in Utilities contribution that represents 18.89% of the General Fund contribution. This ratio will be updated as part of the 2021-2022 Budget development process.

Annual Cloud Operating Expenses & Offsetting Revenue	
Estimated Annual Cloud Operating Expense	476,641
Capital Contribution shifted to Operating Budget	267,500
Operating Budget Deficit	209,141
Offset: Ongoing annual operating savings from IT	100,000
Net Operating Budget Shortfall	109,141
Allocation of shortfall:	
General Fund portion	88,525
Utilities portion	20,616

Preliminary CIP and Cash Flow:

As part of the Technology CIP development process staff reviewed and updated project costs, replacement reserve balances (Infrastructure, PC, and Copier), and the beginning balance in the IT Sinking Fund. The table below shows the proposed projects and the total planned uses for the 6-year period of 2021-2026.

Project Number	Project Title	2021	2022	2023	2024	2025	2026	2021-2026 Total
ITC 10000	Network Server and Storage Replacements				373,500			373,500
ITC 11000	Network Infrastructure	28,499	28,499	28,499	28,499	83,377	83,377	280,750
ITC 13000	Network Phone Systems	82,000	290,000	12,000	12,000	12,000	12,000	420,000
ITC 14000	Network Security	75,000	30,000	75,000	30,000	75,000	30,000	315,000
ITC 20000	Geographic Information Systems	70,000	100,000	70,000	135,000	70,000	100,000	545,000
ITC 50000	Copier Replacements	15,000	15,000	15,000	10,000	10,000	10,000	75,000
Total Funded General Government Projects - Technology		270,499	463,499	200,499	588,999	250,377	235,377	2,009,250

The following table shows the cash flow beginning in 2020 and through the end of 2026. The result is a balanced CIP across the 6-year period of 2021-2026.

CASHFLOW	2020	2021	2022	2023	2024	2025	2026
Beginning Balance	939,920	42,103	109,105	13,106	150,108	(36,391)	50,733
Sources/Contributions							
GF -- IT Sinking Fund	450,000	225,000	225,000	225,000	225,000	225,000	225,000
GF -- GIS	114,000	49,000	70,000	49,000	94,500	49,000	70,000
Utilities -- IT Sinking Fund	85,000	42,500	42,500	42,500	42,500	42,500	42,500
Utilities -- GIS	171,000	21,000	30,000	21,000	40,500	21,000	30,000
Project Closure	64,383						
Total Sources	1,824,303	379,603	476,605	350,606	552,608	301,109	418,233
Uses	1,782,200	270,499	463,499	200,499	588,999	250,377	235,377
Ending Balance	42,103	109,105	13,106	150,108	(36,391)	50,733	182,856

Unlike the Police, Fire, and Facilities Sinking Funds, the IT Sinking Fund is not in a position to forego annual contributions.

Public Safety

This portion of the CIP includes projects related to Fire and Police. Both Fire and Police CIP are funded through sinking funds.

Public Safety – Fire

The Preliminary 2021-2026 Public Safety - Fire CIP is based on the following guidelines:

- Only scheduled replacements per the Fire Sinking Fund model are included.
- All active projects are fully funded.
- Annual contribution to the Fire Sinking Fund is \$375,000.
 - The annual contribution in both 2020 and 2021 may be deferred if necessary.
 - The deferment of the annual contribution in both 2020 and 2021 would result in all the available balance being used by 2029 if no other changes are made in the future.
- **PSERN Radios.** The sinking fund model will need to be updated to follow the new timeline, which pushes the replacement year out two years to 2032. The replacement cost per radio will not be finalized until PSERN purchases the new radios in 2022. The updated costs may increase or decrease the annual General Fund contribution to the Fire Sinking Fund. This will be evaluated as part of the 2021-2022 Budget process.
- **Emergency Generators.** The previous CIP included General Fund funding of \$60,000 in 2022 for this project. Because the original scope and funding were insufficient to achieve intended outcomes, the department has recommended the project be removed from the CIP and the prior years' project balance and 2022 funding be released to help fill the 2020 funding gap.
- Revenue assumptions based on the Fire Sinking Fund model for the 2019-2024 CIP update.
- Funding from the General Fund for emergency generators will end after 2022.

The table below summarizes the funding sources and planned uses.

Preliminary 2021-26 Public Safety-Fire CIP								
CASHFLOW	2020	2021	2022	2023	2024	2025	2026	6-year Total
Beginning Balance	961,111	946,411	753,511	1,113,311	685,511	153,711	403,711	
Sources/Contributions								
Fire Sinking Fund	-	-	375,000	375,000	375,000	375,000	375,000	1,875,000
Total Sources	961,111	946,411	1,128,511	1,488,311	1,060,511	528,711	778,711	
Uses	14,700	192,900	15,200	802,800	906,800	125,000	120,400	2,163,100
Ending Balance	946,411	753,511	1,113,311	685,511	153,711	403,711	658,311	
CIP Balance: Sources and Uses	(14,700)	(192,900)	359,800	(427,800)	(531,800)	250,000	254,600	(288,100)

The other highlights from this CIP development process include:

- Current active projects:
 - **PSC 0560000** – Disaster Supply Storage Units. Next replacement: 2028 and 2036 (outside date range for 2021-2026 CIP).
 - **PSC 0620000** – Defibrillator Unit Replacement. Project is currently on hold until new units are available. Philips suspended production due to COVID-19 and alternate vendors/models have not yet been approved by King County. Replacement will likely take place in 2021.
 - **PSC 2000000** – Fire Equipment Replacement. Replacement cycle varies depending on equipment.
 - **PSC 0630000** – Air Fill Station Replacement. Next replacement scheduled for 2024 and 2025.
 - **PSC 0660000** – Thermal Imaging Cameras. Replaced two years early in 2019. Expected life span of 10 years is assumed; next replacement will be in 2029.
 - **PSC 0710000** – SCBA Replacement. Next replacement scheduled for 2023.

- **PSC 0760000** – Fire Personal Protective Equipment. Helmets and boots are replaced annually.
- **PSC 0780000** – Fire Power Cots. One aid car is still without one.
- **PSC 0800000** – Emergency Generators. A generator for the women and children’s shelter has been the only purchase of this project. An additional emergency generator is funded in 2022.
- **PSC 0810000** – Fire Station 26 Training Prop. General Fund was used to finance this project in 2019 (Service Package 19FD05).
- **PSC 0820000** – Water Rescue Craft Storage & Lift. Ongoing funding of \$5,000 a year for maintenance (\$10,000 per biennium) was provided by Service Package 19FD09.
- **PSC 2000000** – Fire Equipment Replacement. Helmets/boots (10% of this equipment is replaced each year) and radio batteries.
- Scheduled replacements (2021-2026) – The following projects are fully funded by the Fire Sinking Fund and fall within the 2021-2026 CIP timeframe.
 - **PSC 0620000** – Defibrillator Unit Replacement. *Mandated by King County EMS.* This project was slated for 2020 but is on hold because units are not available and additional vendors/models have not been approved by King County. Replacement will likely take place in 2021 using 2020 funding. King County will provide life expectancy of replacement models once approved and this will impact the Sinking Fund model. The budget of \$143,100 may not be enough to cover costs but there are two potential grants available that could make up the difference.
 - **PSC 0630000** – Air Fill Station Replacement. Necessary when SCBAs are replaced.
 - Mobile Air Fill Station for AU21 in the fleet (\$87,900) - 2024
 - Air Fill Station replacement (\$86,200) - 2025
 - **PSC 0710000** – SCBA replacement. Mandated by National Fire Protection Association (NFPA) standard.
 - Replacement of SCBA packs, testing equipment, spare bottles, and spare masks in 2023 (\$767,100)
 - Replacement of equipment in 2024 (\$115,100) and 2026 (\$35,778)
 - **PSC 0760000** – Fire PPE. Mandated by NFPA standard.
 - Helmets and boots – replaced annually at about \$7,000 per year.
 - Bunker gear – Two sets of jackets and pants per firefighter. Scheduled for replacement in 2024 (\$671,300).
 - **PSC 0800000** – Emergency Generators (EOM). Additional planned in 2022 (\$60,000).
 - **PSC 2000000** – Fire Equipment Replacement.
 - Hoses: 2021 (\$7,857). One ladder’s worth of hose every 12 years. Recommended by NFPA and WSRB.
 - Physical Fitness Equipment:
 - Rowers (\$5,412) and Elliptical (\$2,165), both in 2021
 - Treadmills (\$23,902) and Stepmills (\$28,763), both in 2026
 - Radio batteries: replaced annually at about \$8,200 per year. Recommended by NFPA, based on manufacture’s life span for batteries.
 - Extractor: 2024 (\$18,400)
 - Body Armor: 2026 (\$15,500). 10-year expected lifespan (avoids usual 5-year life span due to materials and infrequent use). Required by WAC.

- The EOC is scheduled to replace laptops in 2021 with funding from the IT Sinking Fund.
- Total funded program for Fire Public Safety (excluding Facilities projects) decreased \$1,082,200 in the Preliminary 2021-2026 CIP compared to the Updated 2019-2024 CIP.
- Fire Facilities Projects in 2019-2024 CIP Update:
 - **PSC 3000000** – General Fire Station Planning
 - **PSC 3001000** – Fire Station 25 Renovation – project completed
 - **PSC 3002000** – Fire Station 24 Property Acquisition (Forrest House) – project completed
 - **PSC 3002100** – Fire Station 24 Property Acquisition (Rite Aid) – project completed
 - **PSC 3002200** – Fire Station 24 Construction
 - **PSC 3003000** – Fire Station 27 Property Acquisition

Public Safety – Police

The Preliminary 2021-2026 Public Safety - Police CIP is based on the following guidelines:

- Only scheduled replacements per the Police Sinking Fund model are included.
- All active projects are fully funded.
- Annual contribution to the Police Sinking Fund is \$125,000.
 - The annual contribution in both 2020 and 2021 may be deferred.
 - The deferment of the annual contribution in both 2020 and 2021 would use all available fund balance by 2030 if no other changes are made in the future.
 - Police will also be receiving PSERN radios in 2022 that will need to be replaced in 2032. The sinking fund impacts of replacing the new radios will be evaluated as part of the 2021-2022 budget process.

The table below summarizes the funding sources and planned uses:

Preliminary 2021-2026 Public Safety-Police CIP								
CASHFLOW	2020	2021	2022	2023	2024	2025	2026	6-year Total
Beginning Balance	1,157,089	970,189	847,489	861,789	826,489	791,189	649,889	
Sources/Contributions								
Police Sinking Fund	-	-	125,000	125,000	125,000	125,000	125,000	625,000
Total Sources	1,157,089	970,189	972,489	986,789	951,489	916,189	774,889	
Uses	186,900	122,700	110,700	160,300	160,300	266,300	160,900	981,200
Ending Balance	970,189	847,489	861,789	826,489	791,189	649,889	613,989	
CIP Balance: Sources and Uses	970,189	(122,700)	14,300	(35,300)	(35,300)	(141,300)	(35,900)	(356,200)

The other highlights from this CIP development process include:

- Updated equipment pricing has driven down costs in most years.
- The replacement of 25 Automated External Defibrillators (AEDs) in 2023 would increase expenditures in that year by \$54,410 compared to the Updated 2019-2024 CIP.
- Current sinking fund balance and rates can absorb the replacement of the AEDs.

Water and Sewer Utility

The proposed Water and Sewer Utility CIP is built based on the following guidelines:

- Only include projects identified in the Comprehensive Plan and the rate study.
- Assume no rate increase in 2021 and use available fund balance as planned in the rate study.
- Stay within existing funding as adopted in the updated 2019-2024 CIP and include any available funding from project closures and external funds.

The following table summarizes the funding sources and planned uses:

City of Kirkland Proposed 2021-26 Water Sewer CIP Balancing Table							
Dedicated Revenue (thousands)	2021	2022	2023	2024	2025	2026	6 year total
Utility rates	5,165	5,329	5,583	5,850	5,850	5,850	33,627
Connection Fees	865	865	865	865	865	865	5,190
Reserves	1,400		1,400		1,400		4,200
Unsecured External (OLD)	1,111	769					1,880
Subtotal Revenue	8,541	6,963	7,848	6,715	8,115	6,715	44,897
Project Close Outs	2,400						2,400
Total Revenue	10,941	6,963	7,848	6,715	8,115	6,715	47,297
Project Funding(expenses)	2021	2022	2023	2024	2025	2026	6 year total
PW Proposed CIP Projects	4,990	10,840	9,822	6,715	8,115	6,715	47,197
Balance	5,951	(3,877)	(1,974)	-	-	-	-

The other highlights from this CIP development process include:

- Three projects totaling \$8,017,600 moved from the unfunded list to the funded list.
 - **WAC 05700** – 116th Ave NE Watermain Replacement (\$3,100,000)
 - **WAC 13700** – NE 73rd Street Watermain Replacement (\$3,100,000)
 - **WAC 14900** – Lake Washington Blvd Watermain Replacement (\$1,817,600)
- Total funded program increased by \$3,876,900 in the Preliminary 2021-2026 CIP compared to the Updated 2019-2024 CIP
- Eight projects, totaling \$11,732,400, represent the 2019 and 2020 funded amounts in the 2019-2024 CIP:
 - **WAC 10200** – 104th Avenue NE Watermain Replacement (\$594,000)
 - **WAC 12910** – South Reservoir Seismic & Recoating Pre-Design (\$52,800)
 - **WAC 13300** – Kirkland Avenue Watermain Replacement (\$1,582,500)
 - **WAC 15300** – 3rd Street Watermain Improvement (\$446,300)
 - **WAC 15800** – NE 112th Street Watermain Improvement (\$177,200)
 - **WAC 15900** – NE 113th Place Watermain Improvement (\$181,500)
 - **SSC 05200** – 108th Avenue NE Sewermain Replacement (\$6,572,300)
 - **SSC 07200** – Kirkland Avenue Sewermain Replacement (\$2,125,800)
- Modifications to funding and timing of projects from the 2019-2024 CIP Update compared to the Preliminary 2021-2026 CIP represent an increase of \$1,876,500.
 - **WAC 12900** - South Reservoir Seismic & Recoating Construction (\$4,000,000). Modification of timing.
 - **WAC 13400** - 5th Avenue S / 8th Street S Watermain Replacement (\$1,750,000). Modification of timing.
 - **WAC 15700** - 8th Avenue W Watermain Improvement (\$1,125,900). Modification of timing.
 - **WAC 16000** - 126th Avenue NE Watermain Improvement (\$1,500,000). Modification of timing.
 - **WAC 16400** - NE 116th Place Watermain Replacement (\$233,400). Modification of timing and increase of \$43,400.
 - **WAC 16700** - 11th Avenue Watermain Replacement (\$460,000). Modification of timing and increase of \$40,000.

- **WAC 16800** - 11th Place Watermain Replacement (\$650,000). Modification of timing and increase of \$45,000.
- **SSC 06200** - NE 108th Street Sewermain Replacement (\$7,774,200). Modification of timing and increase of \$496,900.
- **SSC 00600** - Trend Lift Station Elimination (\$1,748,200). Modification of timing and increase of \$1,251,300.
- Four historical placeholder projects from the 2019-2024 CIP update, with a combined cost of \$2,189,100, are slated to be removed from the 2021-2026 CIP.
 - **WAC 88880** – Annual Watermain Replacement Program (\$269,700)
 - **WAC 99990** – Annual Water Pump Station/System Upgrade Program (\$269,800)
 - **SSC 88880** – Annual Sanitary Pipeline Replacement Program (\$824,800)
 - **SSC 99990** – Annual Sanitary Pump Station/System Upgrade Program (\$824,800)

At the June 2, 2020 Study Session, staff briefed the Council on the need to relocate a watermain because of the planned construction of the WSDOT 405/Kirkland Interchange and Inline Station Project (KIISP) at the NE 85th St (85th) interchange and NE 132nd Street. The interchange construction is scheduled to begin in 2021 and to be completed in 2024. The Revised Code of Washington (RCW) identifies the replacement of the watermain to be the responsibility of the City. Staff presented four (4) options for relocating the watermain at the June 2nd Study Session and is continuing to evaluate options and costs. The list of options being considered includes the installation of earthquake resistant ductile iron pipe to improve resiliency and disaster preparedness. The Preliminary 2021-2026 CIP includes the watermain replacement project in 2021 and 2022 at a cost of \$6.5 million. Staff will provide updated information at the September 1, 2020 Study Session.

Surface Water Management Utility

In response to the current economic situation the proposed Surface Water Management Utility CIP is built based on the following guidelines:

- Only include projects identified in the Comprehensive Plan and the rate study.
- Use available fund balance as planned in the rate study.
- Stay within existing funding as adopted in the updated 2019-2024 CIP and include any available funding from project closures and external funds.

The table below summarizes the funding sources and planned uses:

City of Kirkland Proposed 2021-26 Surface Water CIP Balancing Table							
Dedicated Revenue (thousands)	2021	2022	2023	2024	2025	2026	6 year total
Utility rates	2,139	2,204	2,270	2,338	2,338	2,338	13,627
Reserves	50	50	50	50	50	50	300
Subtotal Revenue	2,189	2,254	2,320	2,388	2,388	2,388	13,927
Secured External (NEW)	288	540					828
Total Revenue	2,477	2,794	2,320	2,388	2,388	2,388	14,755
Project Funding (expenses)	2021	2022	2023	2024	2025	2026	6 year total
PW Proposed CIP Projects	1,598	1,773	2,155	2,089	3,670	2,938	14,223
Balance	879	1,021	165	300	(1,282)	(550)	532

The other highlights from this CIP development process include:

- Total funded program decreased by \$8,779,325 in the Preliminary 2021-2026 CIP compared to the Updated 2019-2024 CIP
- Ten projects, totaling \$14,273,800, represent the 2019 and 2020 funded amounts in the 2019-2024 CIP that will not continue into the 2021-2026 CIP timeframe – because they were funded in previous CIPs. The following projects were previously funded:
 - **SDC 05400** – Forbes Creek / Cross Kirkland Corridor Fish Passage Improvements (\$1,696,500)
 - **SDC 07600** – NE 141st Street / 111th Avenue NE Culvert Headwall Repair (\$905,000)
 - **SDC 08400** – Market Street Storm Main Rehabilitation (\$535,000)
 - **SDC 08800** – Comfort Inn Pond Modifications (\$465,600)
 - **SDC 08900** – NE 142nd Street Surface Water Drainage Improvements (\$588,800)
 - **SDC 09300** – Pleasant Bay Apartments Line Replacement (\$355,000)
 - **SDC 10700** – 132nd Square Park Surface Water Retrofit Facility (\$4,353,000)
 - **SDC 12100** – Kirkland Advanced Mitigation Project (\$1,300,000) - Kirkland Advanced Mitigation Project.
 - **SDC 12200** – Regional Detention Phase I - Study (\$260,000)
 - **SDC 12300** – Lake Street Stormwater Repair (\$284,900)
 - **SDC 12411** – Cedar Creek Fish Passage/Culvert Replacement (100th Ave NE) (\$2,321,000)
 - **SDC 12500** – NE 120th Street Water Quality Treatment (\$738,000)
 - **SDC 12600** – Spinney Homestead Park Regional Stormwater Facility-Design (\$471,000)
- Modifications to funding and timing of projects from the 2019-2024 CIP update to the preliminary 2021-2026 CIP represent an increase of \$63,100.
 - **SDC 05300** - Forbes Creek / Coors Pond Channel Grade Controls (\$1,040,000). Modification of timing.
 - **SDC 09000** - Goat Hill Drainage Ditch Conveyance & Channel Stabilization (\$1,082,000). Increase of \$229,000.
 - **SDC 09200** - Juanita Creek Culvert at NE 137th Street (\$1,339,000). Modification of timing and decrease of \$165,900.
- The following projects were moved from the Funded to the Unfunded list:

- **SDC 05400** - Forbes Creek / Cross Kirkland Corridor Fish Passage Improvements. In the 2019-2024 update, this project had funding of \$880,000 in 2021 and \$500,000 in 2022 that will not be included in the new CIP. A site and scoping review was conducted and determined the project needs to be rescoped and has moved down the priority list.
- **SDC 12100** - Kirkland Advanced Mitigation Project. This project originally included \$300,000 for 2021 in the 2019-2024 CIP Update that will not be included in the new CIP. The project won't need \$1 million in 2020 and can be pushed to at least 2024 because this program was built with NM 7777 in 2019 and has enough credit for at least 5 years.
- There are 19 funded projects in the 2021-2026 CIP totaling \$14,222,500. Nine projects are planned to begin during the 2021-2026 CIP timeframe; they have been identified as the next prioritized projects in the Comprehensive Plan:
 - **SDC 12700** - Storm Rehabilitation at Rose Point Lift Station (\$387,900) – has been moved out to year 2026.
 - **SDC 12800** - Stormwater Improvements at 85th St/122nd Ave, associated with NE 85th St Channelization (\$375,000)
 - **SDC 12900** - NE Juanita Drive Storm Failure Near 86th Ave NE (\$225,000)
 - **SDC 13200** - Water Quality treatment and Infiltration at NE 111th PI / 127th PI NE (\$1,100,000) - tied to Economic Impact Strategy 3 – grant, contractual, or regulatory requirement.
 - **SDC 13300** - Bioretention, Water Quality Treatment, and Storage at 126th Ave NE (\$200,000) - tied to Economic Impact Strategy 3 – grant, contractual, or regulatory requirement.
 - **SDC 13900** - 122th Avenue NE Storm replacement (\$992,500) - Aging and failing infrastructure.
 - **SDC 14000** - Holiday Drive Conveyance Improvement Study (\$350,000) – Conveyance system to take the water off holiday drive, down the steep slope and into Big Finn Hill Park.
 - **SDC 14100** - Storm Line Rehabilitation on NE 136th Street (\$1,050,000) - Aging and failing infrastructure
 - **SDC 14200** - 93rd Avenue NE Hillside Improvements (\$1,158,000) - Kirkland-owned open space property experiencing severe erosion down a steep hillside; project will need to include design options to remedy issue.

OTHER CIP POLICY TOPICS

WATERFRONT PARKS STRATEGY

The City owns, operates, and maintains ten (10) park facilities along the shores of Lake Washington. These waterfront parks have a variety of shoreline and in-water infrastructure including swim beaches, riprap shorelines, concrete bulkheads, boat ramps, and piers. Safe public access to the water, improved environmental and habitat conditions, and stable long-term maintenance are important aspects of stewardship of these public waterfront park facilities. In 2019, a condition and structural assessment was completed that provided a prioritized list of all necessary repairs using several criteria. A cost estimate was also included that was used to project this CIP proposal. Absent from this proposal are repairs at Marina Park which is estimated at \$3,000,000. Funding sources for Marina Park are being evaluated. The Final 2021-2026 CIP will incorporate the progress made on this issue over the next several months.

POTENTIAL FIRE LEVY BALLOT MEASURE

The Preliminary 2021-2026 CIP does not include the revenue from a potential levy measure or the related expenditure of constructing the new Fire Station 27 or seismically renovating other fire stations. This funding option is expected to be on the ballot this fall. If the measure is presented to the voters and passes, the City would use these funds to repay the interfund loan used in 2019 to purchase the land for the new station east of I-405, construct the new station, and seismically renovate existing Stations 21, 22 and 26. The capital project costs for the new Fire Station 27 and station renovations will include the cost of temporary staff required to complete the projects.

The current Station 27, located west of I-405, is 45 years old and fire stations have an expected life of between 35 and 50 years. The current station would require extensive seismic and firefighter health and safety upgrades to continue operating past its expected life. Relocating Fire Station 27 east of I-405 to improve response times for the Kingsgate and Totem Lake neighborhoods would provide continuity of emergency services east of I-405 in the event of a major seismic event, is a major priority of the 2012 Strategic Plan, and is an element that would improve the Fire Department's rating score issued from the Washington Survey & Ratings Bureau (WSRB).

The results of the ongoing Council deliberations regarding the placement of a ballot measure in November and ultimately the voters' decision on the ballot measure will determine the timing of these station projects.

Conclusion:

The Preliminary 2021 to 2026 CIP reflects the Prioritization Criteria established by the City Council and provides infrastructure investments that are important to our residents and enhance quality of life. It was developed to be responsive in an unprecedented and evolving economic environment by applying all available tools to identify where to invest the available funds to best align with public input and Council policy guidance, while supporting redevelopment opportunities and leveraging external funding sources. As previously mentioned, the preliminary CIP may undergo changes in response to Council direction, or as the final operating budget decisions are made. Issues currently under review are:

- Revenue and project cost impacts related to the pandemic
- Voter approved funding for the construction of new Fire Station 27 and seismic renovations of existing stations
- Impacts of not implementing planned utility rate increases

Based on Council direction after their review of the Preliminary 2021-2026 CIP on June 16th staff will make changes and bring back a revised Preliminary 2021-2026 CIP for Council's further consideration to the September 1, 2020 Study Session. The CIP Public Hearing is scheduled for November 4, 2020. The Final 2021-2026 CIP will be brought back to the Council for formal adoption on December 8, 2020 along with the adoption of the 2021-2022 Budget.

**City of Kirkland
2021-2026 Revised Capital Improvement Program**

Attachment A
Revised as of 6-5-2020

TRANSPORTATION PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total	
STC 006 0000	Annual Street Preservation Program		1,836,000	1,843,000	1,851,000	1,859,000	1,867,000	1,876,000	11,132,000	
STC 006 0300	Street Levy Street Preservation		2,433,000	2,460,000	2,488,000	2,516,000	2,500,000	2,500,000	14,897,000	
STC 059 1200	124th Ave NE Roadway Improvements (North Section) ROW	1,414,700	802,000						802,000	
STC 059 1300	124th Ave NE Roadway Improvements (North Section) Construction		860,000	3,655,000	1,035,000				5,550,000	
STC 080 0000	Annual Striping Program		500,000	500,000	500,000	500,000	500,000	500,000	3,000,000	
STC 083 1300	100th Avenue NE Roadway Improvements (North Section)	3,730,500		1,055,000					1,055,000	
STC 083 1400	100th Avenue NE Roadway Improvements (Mid-North Section)	5,569,300		1,575,000					1,575,000	
STC 089 0000	Juanita Drive Intersection and Safety Improvements	3,936,700	1,850,000	1,018,500					2,868,500	
STC 105 0000 +	Kirkland Way Low Clearance Bridge at the CKC Advanced Warning Signage		100,000						100,000	
STC [NEW]	NE 85th Street Ped/Bike Connection 114th Ave NE to 6th St			13,000,000					13,000,000	
STC [NEW]	NE 85th St and 6th St Westbound Transit Queue Jump		1,300,000						1,300,000	
STC [NEW]	NE 85th Street Westbound Third Lane 120th Ave NE to 122nd Ave NE				2,700,000				2,700,000	
STC [NEW]	Transportation General Contingency				1,774,000				1,774,000	
STC 999 9000	Regional Inter-Agency Coordination			82,000		82,000	82,000	82,000	410,000	
NMC 006 1000	Street Levy-Safe School Walk Routes		150,000	150,000	150,000	150,000	150,000	150,000	900,000	
NMC 006 2000	Street Levy-Pedestrian Safety		150,000	150,000	150,000	150,000	150,000	150,000	900,000	
NMC 057 0000	Annual Sidewalk Maintenance Program		100,000	100,000	100,000	100,000	100,000	100,000	600,000	
NMC 086 1000	NE 124th St/124th Ave NE Ped Bridge Design & Construction	19,825,700	1,682,000	915,000					2,597,000	
NMC 087 0000	Citywide School Walk Route Enhancements	4,895,100	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000	
NMC 110 1000	Citywide Accessibility Improvements		311,000		50,000	100,000	50,000	100,000	300,000	
NMC 113 0000	Citywide Greenways Networks		263,800				250,000	250,000	500,000	
NMC [NEW]	CKC Lighting 120th Avenue NE to NE 124th Street		650,000						650,000	
NMC [NEW]	School & Transit Connector Sidewalk		120,000						120,000	
NMC [NEW]	Juanita Drive Nonmotorized Improvements 79th Way NE to NE 120th St		650,000						650,000	
NMC [NEW]	CKC/Eastrail Crossing Study at 132nd Ave NE		100,000						100,000	
TRC 116 0000	Annual Signal Maintenance Program		872,000	100,000	100,000	100,000	100,000	100,000	600,000	
TRC 117 0000	Citywide Traffic Management Safety Improvements		511,000		100,000	100,000	100,000		200,000	
TRC 117 0200	Vision Zero Safety Improvement		305,600	50,000	50,000	50,000	50,000	50,000	250,000	
TRC 117 0300	Neighborhood Traffic Control		152,800	50,000		50,000		50,000	150,000	
TRC 120 0000	Kirkland Intelligent Transportation System Phase 3		924,800		450,000	250,000	582,000	1,128,000	2,410,000	
TRC 124 0000	116th Avenue NE/NE 124th Street Intersection Improvements		1,758,000	565,000					565,000	
TRC [NEW]	NE 100th Street / 132nd Avenue NE Intersection Improvements						206,000	2,352,000	2,558,000	
PTC 004 0000	108th Avenue NE Transit Queue Jump - Phase I				1,717,000	2,298,300	860,000		4,875,300	
PTC 005 0000	108th Avenue NE Transit Queue Jump - Phase II				2,137,300	2,593,800	909,000		5,640,100	
Total Funded Transportation Projects			44,471,000	14,248,000	27,003,500	15,734,300	11,099,100	8,756,000	9,688,000	86,528,900

Notes

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Bold = New projects

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" = Moved from funded status to unfunded status

= Projects to be funded with development-related revenues

TRANSPORTATION PROJECTS

Unfunded Projects in the Capital Facilities Plan Years 7-20

Project Number	Project Title	Total
STC 06300	120th Avenue NE Roadway Improvements	4,500,000
STC 07200	NE 120th Street Roadway Improvements (West Section)	15,780,600
STC 07700	NE 132nd St Rdwy Imprv-Phase I (West Section)	1,739,000
STC 07800	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	408,000
STC 07900	NE 132nd St Rdwy Imprv-Phase III (East Section)	1,444,000
STC 08100	Totem Lake Area Development Opportunity Program	500,000
STC 08315	100th Avenue NE Roadway Improvements (Mid-South Section)	5,530,000
STC 08316	100th Avenue NE Roadway Improvements (South Section)	3,619,000
STC 09400	Holmes Point Dr NE Road Embankment Stabilization Location 1	246,000
STC 09500	Holmes Point Dr NE Road Embankment Stabilization Location 2	412,000
STC 09600	Holmes Point Dr NE Road Embankment Stabilization Location 3	503,000
STC 09700	Holmes Point Dr NE Road Embankment Stabilization Location 4	551,000
STC 09800	Holmes Point Dr NE Road Embankment Stabilization Location 5	232,000
STC 09900	Champaign Pt Road NE Embankment Stabilization	563,000
STC 10000	62nd Ave NE Road Embankment Stabilization	823,000
STC 10100	114th Ave NE Road Reconstruction	1,900,000
STC 10200	90th Ave NE Road Surface Water Drainage Repair	420,000
NMC 01299	Crosswalk Upgrade Program	4,100,000
NMC 08630	CKC Roadway Crossings	3,370,100
NMC 09011	Juanita Drive Bicycle and Pedestrian Improvements	10,650,000
NMC 11100	108th Avenue NE Bicycle Lanes Upgrade	945,000
NMC 11399	Citywide Greenway Network	4,450,000
NMC 11700	On-Street Bicycle Network Phase I	1,120,000
NMC 88881	On-street Bicycle Network	3,280,000
NMC 99991	Sidewalk Completion Program	6,096,800
PTC 00200	Public Transit Speed and Reliability Improvements	500,000
PTC 00300	Public Transit Passenger Environment Improvements	900,000
PTC 00400	108th Avenue NE Transit Queue Jump - Phase I	4,875,000
PTC 00500	108th Avenue NE Transit Queue Jump - Phase II	5,640,000
TRC 09500	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	480,000
TRC 09600	NE 132nd St/124th Ave NE Intersect'n Imp	7,400,000
TRC 09700	NE 132nd St/132nd Ave NE Intersect'n Imp	1,150,000
TRC 12500	Kirkland ITS Implementation Phase 4	2,620,000
TRC 12800	6th Street S/5th Place/CKC Transit Signal Priority	2,600,000
TRC 12900	NE 53rd Street Intersection Improvements	4,345,000
TRC 13000	NE 145th Street/Juanita-Woodinville Way Intersection Imps	2,100,000
TRC 13100	NE 80th Street/120th Avenue NE Intersection Improvements	1,700,000
TRC 13200	100th Avenue NE/132nd Street Intersection Improvements	1,647,000
TRC 13300	100th Avenue NE/Juanita-Woodinville Way Intersection Imps	2,161,000
TRC 13400	100th Avenue NE/137th Street Intersection Improvements	1,475,000
TRC 13800	NE 100th Street/132nd Ave NE Intersection Improvements	1,743,000
Capacity Projects Subtotal		114,018,500
STC 00600	Annual Street Preservation Program	22,750,000
STC 00603	Street Levy Street Preservation	31,107,000
STC 08000	Annual Striping Program	500,000
STC 99990	Regional Inter-Agency Coordination	820,000
NMC 00621	Neighborhood Safety Program Improvements	3,000,000
NMC 05700	Annual Sidewalk Maintenance Program	2,600,000
TRC 11600	Annual Signal Maintenance Program	2,600,000
TRC 11700	Citywide Traffic Management Safety Improvements	1,400,000
TRC 11702	Vision Zero Safety Improvement	650,000
TRC 11703	Neighborhood Traffic Control	325,000
Non-Capacity Projects Subtotal		65,752,000
Total Transportation Master Plan Projects Yrs 7-20		179,770,500

Unfunded Projects in the Capital Facilities Plan Years 7-20 and Transportation Improvement Plan

NMC 02412	Cross Kirkland Corridor Opportunity Fund	500,000
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC08000	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NMC 10600	Citywide CKC Connection	360,000
NMC10700	CKC to Downtown Surface Connection	2,000,000
Capital Facilities Projects Not in TMP Subtotal		9,865,000
Total Capital Facilities Plan Projects Yrs 7-20		189,635,500

Unfunded Transportation Improvement Plan/External Funding Candidates

Project Number	Project Title	Total
STC 05600	132nd Avenue NE Roadway Improvements	25,170,000
STC 06100	119th Avenue NE Roadway Extension	5,640,000
STC 06200	NE 130th Street Roadway Improvements	10,000,000
STC 06400	124th Avenue NE Roadway Extension	30,349,000
STC 07300	120th Avenue NE Roadway Extension	16,392,000
STC 08600	Finn Hill Emergency Vehicle Access Connection	900,000
NMC 03000	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC 03200	93rd Avenue Sidewalk	1,047,900
NMC 04300	NE 126th St Nonmotorized Facilities	4,277,200
NMC 04600	18th Avenue SW Sidewalk	2,255,000
NMC 05000	NE 80th Street Sidewalk	859,700
NMC 05400	13th Avenue Sidewalk	446,700
NMC 05500	122nd Ave NE Sidewalk	866,700
NMC 05800	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NMC 06200	19th Avenue Sidewalk	814,200
NMC 07400	90th Ave NE Sidewalk	353,400
NMC 08000	Juanita-Kingsgate Pedestrian Bridge at I405	4,500,000
NMC 08600	Cross Kirkland Corridor Non-motorized Improvements	65,742,000
NMC 10600	Citywide CKC Connections	360,000
NMC 10700	CKC to Downtown Surface Connection	2,000,000
TRC 06700	Kirkland Way/CKC Bridge Abutment/Intersection Imprv	6,917,000
TRC 11400	Slater Avenue NE Traffic Calming - Phase I	247,000
TRC 11704	NE 68th Street Intersection Improvements/Access Management	4,375,000
TRC 12300	Slater Avenue NE (132nd Avenue NE)/NE 124th Street	2,124,000
Subtotal Unfunded Transportation Improvement Plan/External Funding Candidates		193,882,500
Grand Total Unfunded Transportation Projects		383,518,000

Notes

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= Projects to be funded with development-related revenues

^ = Future, unfunded portion of projects funded in years 1-6

~ = Annual Programs with Candidate projects

Attachment A

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<i>Potential Non-Motorized Projects Under Placeholders; Not Included in Totals</i>		
Project Number	Project Title	Total
NMC 88881 On-Street Bicycle Network Candidate Projects:		
NMC 00100	116th Ave NE (So. Sect.) Non-Motorz' d Facil-Phase II	3,378,000
NMC 03600	NE 100th Street Bike lane	1,644,300
NMC 99991 Sidewalk Completion Program Candidate Projects:		
NMC 01600	NE 90th Street Sidewalk (Phase II)	706,200
NMC 03700	130th Avenue NE Sidewalk	833,600
NMC 04500	NE 95th Street Sidewalk (Highlands)	571,500
NMC 04700	116th Avenue NE Sidewalk (South Rose Hill)	840,000
NMC 04800	NE 60th Street Sidewalk	500,000
NMC 04900	112th Ave NE Sidewalk	527,600
NMC 06100	NE 104th Street Sidewalk	1,085,000
NMC 06300	Kirkland Way Sidewalk	414,500
NMC 07200	NE 132nd Street Sidewalk at Finn Hill Middle School	840,000
NMC 07500	84th Ave NE Sidewalk	4,052,800
NMC 07600	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1	1,131,000
NMC 07700	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N	1,185,000
NMC 07800	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. - S	747,000
NMC 07900	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2	648,000
NMC 08800	NE 124th Street Sidewalk	376,000
NMC 09700	132nd NE Sidewalk	732,000
NMC 10100	7th Avenue Sidewalk	208,000
NMC 10300	120th Avenue NE Sidewalk	556,000
NMC 10400	NE 122nd Place/NE 123rd Street Sidewalk	1,294,000
NMC 10500	120th Avenue NE Sidewalk	812,000

**City of Kirkland
2021-2026 Revised Capital Improvement Program**

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PARK PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total
			<i>PKC 0660 000</i>	<i>Parks, Play Areas & Accessibility Enhancements</i>		150,000	140,000	160,000	150,000
<i>PKC 1331 000</i>	<i>Dock & Shoreline Renovations</i>		500,000	525,000	300,000	300,000			1,625,000
<i>PKC 1332 000</i>	<i>City School Playfield Partnership (Kamiakan)</i>				200,000	100,000		100,000	400,000
<i>PKC 1333 000</i>	<i>Neighborhood Park Land Acquisition</i>		1,050,000	1,150,000	1,000,000	1,000,000	1,000,000	1,000,000	6,200,000
<i>PKC 1510 000</i>	<i>Park Facilities Life Cycle Projects</i>		162,000	169,000	146,000	160,400	150,200	243,200	1,030,800
<i>PKC 1520 000</i>	<i>O.O. Denny Park Improvements - Picnic Shelter</i>				275,000				275,000
<i>PKC 1540 000</i>	<i>Indoor Recreation & Aquatic Facility Study</i>				160,000				160,000
<i>PKC 1550 000</i>	<i>Green Loop Master Plan & Acq</i>			160,000	560,000	560,000	560,000	560,000	2,400,000
<i>PKC 1560 000</i>	<i>Park Restrooms Renovation/Replacement Program</i>				791,500	791,500			1,583,000
<i>PKC 1570 000</i>	<i>Neighborhood Park Development Program</i>						300,000		300,000
PKC 1590 000	Off Leash Dog Areas					609,600	360,000	600,000	1,569,600
PKC 1610 000	McAuliffe Park Sanitary Sewer						325,000		325,000
PKC 1620 000	Wayfinding and Park Signage Program plan				150,000			250,000	400,000
PKC 1630 000	Trail Upgrades				120,000				120,000
PKC 1700 000	ADA Compliance Upgrades - OODenny					120,000			120,000
Total Funded Park Projects			1,862,000	2,144,000	3,862,500	3,791,500	2,965,200	3,053,200	17,678,400

Notes

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Bold = New projects

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PARK PROJECTS**Unfunded Projects:**

Project Number	Project Title	Total
PKC 05610	Forbes Lake Park Trail Improvements Phase II	6,000,000
PKC 09510	Heritage Park Development - Phase III & IV	4,000,000
PKC 09700	Reservoir Park Renovation Plan	50,000
PKC 10800	McAuliffe Park Development	7,000,000
PKC 11300	Spinney Homestead Park Renovation Plan	60,000
PKC 11400	Mark Twain Park Renovation Plan	75,000
PKC 11500	Terrace Park Renovation Plan	60,000
PKC 11600	Lee Johnson Field Artificial Turf Installation	5,000,000
PKC 11902	Juanita Beach Park Development Phase II	10,000,000
PKC 12210	Community Recreation Facility Construction	75,000,000
PKC 12400	Snyder's Corner Park Site Master Plan	100,000
PKC 12600	Watershed Park Master Plan	100,000
PKC 12700	Kiwanis Park Master Plan	75,000
PKC 12800	Yarrow Bay Wetlands Master Plan	200,000
PKC 12900	Heronfield Wetlands Master Planning & Development	125,000
PKC 13100	Park & Open Space Acquisition Program	10,000,000
PKC 13310	Dock & Shoreline Renovations	3,000,000
PKC 13510	Juanita Heights Park Master Plan	150,000
PKC 13600	Kingsgate Park Master Planning and Park Development	150,000
PKC 13800	Everest Park Restroom/Storage Building Replacement	1,800,000
PKC 13903	Totem Lake Park Development Phase II	4,000,000
PKC 13904	Totem Lake Park Development Phase III	3,000,000
PKC 14100	South Norway Hill Park Site Master Plan	150,000
PKC 14300	Marsh Park Restroom Replacement	85,000
PKC 14400	Cedar View Park Improvement Plan	50,000
PKC 14500	Environmental Education Center	200,000
PKC 14800	Forbes House Renovation & Historic Preservation Plan	50,000
PKC 14900	Taylor Playfields-Former Houghton Landfill Site Master Plan	300,000
PKC 15000	North Kirkland Community Center Renovation & Expansion Plan	75,000
PKC 15300	Synthetic Turf Playfields Master Plan	135,000
Total Unfunded Parks Projects		130,990,000

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~ = Partially funded project

**City of Kirkland
2021-2026 Revised Capital Improvement Program**

Attachment A
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GENERAL GOVERNMENT PROJECTS - Technology

Funded Projects:

Project Number	Project Title	Prior Year Funding	2021	2022	2023	2024	2025	2026	2021-2026 Total
ITC 10000	Network Server and Storage Replacements					373,500			373,500
ITC 11000	Network Infrastructure		28,499	28,499	28,499	28,499	83,377	83,377	280,750
ITC 13000	Network Phone Systems		82,000	290,000	12,000	12,000	12,000	12,000	420,000
ITC 14000	Network Security		75,000	30,000	75,000	30,000	75,000	30,000	315,000
ITC 20000	Geographic Information Systems		70,000	100,000	70,000	135,000	70,000	100,000	545,000
ITC 50000	Copier Replacements		15,000	15,000	15,000	10,000	10,000	10,000	75,000
Total Funded General Government Projects - Technology			270,499	463,499	200,499	588,999	250,377	235,377	2,009,250

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Technology Unfunded Projects:

Attachment A
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Project Number	Project Title	Total
ITC 00201	GIS Community Information Portal	100,000
ITC 00305	"Explore Kirkland" Redesign	75,000
ITC 00403	Tyler Content Management in EnerGov Implementation	21,000
ITC 00603	Information Technology Internal Process Improvement	251,200
ITC 00701	Fleet Management Systems Replacement	110,000
ITC 00906	Television Media Equipment Upgrade	210,000
ITC 01001	CodeSmart Court Applications Replacement Evaluation	13,600
ITC 01002	License Plate Reader for Patrol Cars	120,000
ITC 01101	WiFi in the Parks Expansion	400,000
ITC 01301	Parking Improvement Solutions Support	75,000
ITC 01401	New Technology Pilot Programs	78,800
ITC 01501	Enterprise Analytics	977,400
Total Unfunded General Government Projects - Technology		2,432,000

Notes

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**City of Kirkland
2021-2026 Revised Capital Improvement Program**

Attachment A
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GENERAL GOVERNMENT PROJECTS - Facilities

Funded Projects:

Facilities Sinking Fund									
Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total
GGC 00800	Electrical, Energy Management & Lighting Systems		27,200	96,400	28,400	152,600	23,400		328,000
<i>GGC 00900</i>	<i>Mechanical/HVAC Systems Replacements</i>		<i>14,600</i>	<i>12,000</i>	<i>406,800</i>	<i>299,400</i>	<i>141,740</i>	<i>51,000</i>	<i>925,540</i>
<i>GGC 01000</i>	<i>Painting, Ceilings, Partition & Window Replacements</i>		<i>59,900</i>	<i>13,500</i>	<i>151,500</i>	<i>292,232</i>	<i>57,000</i>	<i>178,900</i>	<i>753,032</i>
<i>GGC 01100</i>	<i>Roofing, Gutter, Siding and Deck Replacements</i>		<i>355,100</i>		<i>337,120</i>	<i>20,200</i>	<i>8,000</i>	<i>7,400</i>	<i>727,820</i>
<i>GGC 01200</i>	<i>Flooring Replacements</i>		<i>172,500</i>	<i>28,400</i>	<i>22,700</i>	<i>157,900</i>	<i>154,700</i>	<i>150,000</i>	<i>686,200</i>
Total Funded General Government Projects - Facilities Sinking Fund			629,300	150,300	946,520	922,332	384,840	387,300	3,420,592

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Note: No Unfunded Facilities Projects

**City of Kirkland
2021-2026 Revised Capital Improvement Program**

Attachment A
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PUBLIC SAFETY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total
FIRE									
<i>PSC 06200</i>	<i>Defibrillator Unit Replacement</i>		143,100						143,100
PSC 06300	Air Fill Station Replacement					86,200	87,900		174,100
<i>PSC 07100</i>	<i>Self Contained Breathing Apparatus (SCBA)</i>	135,400			767,100	115,100		35,800	918,000
PSC 07600	Personal Protective Equipment		6,800	6,900	7,100	678,500	7,300	7,500	714,100
PSC 20000	Fire Equipment Replacement		43,000	8,300	28,600	27,000	29,800	77,100	213,800
POLICE									
<i>PSC 10000</i>	<i>Police Equipment Replacement</i>		122,700	110,700	160,300	160,300	266,300	160,900	981,200
Total Funded Public Safety Projects		135,400	315,600	125,900	963,100	1,067,100	391,300	281,300	3,144,300

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Public Safety Unfunded Projects:

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Project Number	Project Title	Total
FIRE		
	No Unfunded Projects	
POLICE		
	No Unfunded Projects	
FACILITIES		
PSC 30040	Fire Station 21 Expansion & Remodel	4,562,000
PSC 30050	Fire Station 22 Expansion & Remodel	7,452,000
PSC 30060	Fire Station 26 Expansion & Remodel	8,040,000
PSC 30070	Fire Station 27 Replacement	15,100,000
Total Unfunded Public Safety Projects		35,154,000

Notes

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**City of Kirkland
2021-2026 Revised Capital Improvement Program**

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WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total
WAC 05200	108th Avenue NE Watermain Replacement	1,023,800	809,600						809,600
WAC 05700	116th Ave NE Watermain Replacement						400,000	2,700,000	3,100,000
WAC 12900	South Reservoir Seismic & Recoating Construction		1,200,000	2,800,000					4,000,000
WAC 13400	5th Avenue S / 8th Street S Watermain Replacement		565,400	725,000	459,600				1,750,000
WAC 13700	NE 73rd Street Watermain Replacement				1,877,400	1,222,600			3,100,000
WAC 14900	Lake Washington Blvd Watermain Replacement						500,000	1,317,600	1,817,600
WAC 15700	8th Avenue W Watermain Improvement			200,000	925,900				1,125,900
WAC 16000	126th Avenue NE Watermain Improvement			1,027,500	472,500				1,500,000
WAC 16400	NE 116th Place Watermain Replacement							233,400	233,400
WAC 16700	11th Avenue Watermain Replacement							460,000	460,000
WAC 16800	11th Place Watermain Replacement							650,000	650,000
WAC [NEW]	NE 85th St and I-405 Watermain Relocation		2,415,000	4,095,000					6,510,000
SSC 00600	Trend Lift Station Elimination	496,900					394,000	1,354,000	1,748,000
SSC 06200	NE 108th Street Sewermain Replacement				1,343,400	3,067,400	3,363,400		7,774,200
SSC 07710	West of Market Sewermain Replacement Phase I			1,092,600	3,225,000	2,425,000	3,457,400		10,200,000
SSC [NEW]	West of Market Sewermain Replacement Study			500,000					500,000
SSC [NEW]	8th Avenue W Watermain Improvement			400,000	1,518,000				1,918,000
Total Funded Water/Sewer Utility Projects		1,520,700	4,990,000	10,840,100	9,821,800	6,715,000	8,114,800	6,715,000	47,196,700

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WATER/SEWER UTILITY PROJECTSAttachment A
Revised as of 6-5-2020**Unfunded Projects:**

Project Number	Project Title	Total
WAC 06700	North Reservoir Pump Replacement	644,000
WAC 09600	NE 83rd Street Watermain Replacement	477,000
WAC 09800	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,261,000
WAC 10300	NE 113th Place/106th Ave NE Watermain Replacement	885,000
WAC 10400	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,571,000
WAC 10800	109th Ave NE/NE 58th St Watermain Replacement	532,000
WAC 10900	112th Ave NE Watermain Replacement	1,242,000
WAC 11100	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,371,000
WAC 11300	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,336,000
WAC 11800	112th-114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,531,000
WAC 11900	109th Ave NE/111th Way NE Watermain Replacement	2,421,000
WAC 12000	111th Avenue Watermain Replacement	195,000
WAC 12200	116th Avenue NE/NE 100th Street Watermain Replacement	1,584,000
WAC 12300	NE 91st Street Watermain Replacement	479,000
WAC 12400	NE 97th Street Watermain Replacement	722,000
WAC 12600	North Reservoir Outlet Meter Addition	80,000
WAC 12700	650 Booster Pump Station	1,686,000
WAC 12800	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,422,000
WAC 13000	11th Place Watermain Replacement	359,000
WAC 13100	Supply Station #1 Improvements	68,000
WAC 13200	7th Avenue/Central Avenue Watermain Replacement	955,000
WAC 13500	NE 75th Street Watermain Replacement	750,000
WAC 13600	NE 74th Street Watermain Replacement	206,000
WAC 13800	NE 72nd St/130th Ave NE Watermain Replacement	1,553,000
WAC 14500	6th Street South Watermain Replacement	618,000
WAC 14600	6th Street/Kirkland Way Watermain Replacement	731,000
WAC 14700	106th Avenue NE Watermain Replacement	697,000
WAC 16500	3rd Street Watermain Replacement - Phase 2	541,000
SSC 06800	124th Avenue NE Sewermain Replacement	1,384,000
SSC 07799	West Of Market Sewermain Replacement Phase 2	10,861,000
SSC 08000	20th Avenue Sewermain Replacement	855,000
SSC 08300	111th Avenue NE Sewer Main Rehabilitation	764,000
SSC 08400	Reclaimed Water (Purple Pipe) Opportunity Fund	5,252,000
Subtotal Unfunded Water/Sewer Utility Projects		49,033,000

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**City of Kirkland
2021-2026 Revised Capital Improvement Program**

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SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2021	2022	2023	2024	2025	2026	2021-2026 Total
SDC 04700	Annual Replacement of Aging/Failing Infrastructure		200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
SDC 04900	Forbes Creek / 108th Avenue NE Fish Passage Improvements						595,100	728,000	1,323,100
<i>SDC 05300</i>	<i>Forbes Creek / Coors Pond Channel Grade Controls</i>	<i>260,200</i>					<i>307,900</i>	<i>732,100</i>	<i>1,040,000</i>
SDC 06300	Everest Creek - Slater Avenue at Alexander Street				430,000	520,000			950,000
SDC 08100	Neighborhood Drainage Assistance Program (NDA)	177,800	50,000		50,000		50,000		150,000
<i>SDC 09000</i>	<i>Goat Hill Drainage Ditch Conveyance & Channel Stabilization</i>		<i>359,000</i>	<i>723,000</i>					<i>1,082,000</i>
<i>SDC 09200</i>	<i>Juanita Creek Culvert at NE 137th Street</i>	<i>685,100</i>	<i>139,000</i>		<i>850,000</i>	<i>350,000</i>			<i>1,339,000</i>
SDC 10000	Brookhaven Pond Modifications						410,000	290,000	700,000
SDC 10500	Property Acquisition Opportunity Fund	389,225	50,000	50,000	50,000	50,000	50,000	50,000	300,000
SDC 10800	Maintenance Center Storm Water Pollution Prevention	1,040,000	300,000						300,000
SDC 12700	Storm Rehabilitation at Rose Point Lift Station							387,900	387,900
SDC 12800	NE 85th Street/122nd Avenue NE Stormwater Improvements					275,000	100,000		375,000
SDC 12900	NE Juanita Drive Storm Failure Near 86th Ave NE				225,000				225,000
SDC 13200	Water Quality treatment and Infiltration at NE 111th Pl / 127th Pl NE		300,000	800,000					1,100,000
SDC 13300	Bioretention, Water Quality Treatment, and Storage at 126th Ave NE		200,000						200,000
SDC 13900	122th Avenue NE Storm replacement					303,500	689,000		992,500
SDC 14000	Holiday Drive Conveyance Improvement Study				350,000				350,000
SDC 14100	Storm Line Rehabilitation on NE 136th Street					390,000	660,000		1,050,000
SDC 14200	93rd Avenue NE Hillside Improvements						608,000	550,000	1,158,000
Total Funded Surface Water Management Utility Projects		2,552,325	1,598,000	1,773,000	2,155,000	2,088,500	3,670,000	2,938,000	14,222,500

Notes

Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)

Bold = New projects

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Unfunded Projects:

Attachment A
Revised as of 6-5-2020

Project Number	Project Title	Total
SDC 04500	Carillon Woods Erosion Control Measures	600,000
SDC 04610	Regional Detention in Forbes Creek Basin Phase I	2,000,000
SDC 04699	Regional Detention in Forbes and Juanita Creek Basins	8,600,000
SDC 05100	Forbes Creek/King County Metro Access Road Culvert Enhancement	1,400,000
SDC 06100	Everest Park Stream Channel/Riparian Enhancements	1,200,000
SDC 08501	Cross Kirkland Corridor Water Quality Retrofit	1,000,000
SDC 09400	NE 114th Place Stormline Replacement	405,000
SDC 09700	Champagne Creek Stabilization	890,000
SDC 10100	Holmes Point Pipe Replacement at Champagne Creek Basin	260,000
SDC 10200	Juanita Drive Culvert Replacement	750,000
SDC 10300	Lakeview Drive Conveyance Modification	2,800,000
SDC 11200	112th Avenue NE Pipe Repair	60,000
SDC 11300	113th Avenue NE Pipe Repair	120,000
SDC 11400	124th Avenue NE Pipe Repair	160,000
SDC 11500	Weaver's Pond Pipe Replacement	180,000
SDC 11600	NE 140th Street Pipe Replacement	100,000
SDC 11700	111th Avenue NE Pipe Repair	400,000
SDC 11800	Champagne Point Drive NE Pipe Repair	270,000
SDC 11900	NE 58th Street Pipe Repair	280,000
SDC 12000	Kingsgate Park Pipe Outfall Improvements	80,000
Total Unfunded Surface Water Management Utility Projects		21,555,000
<i>Funding Available from Annual Programs for Candidate Projects</i>		<i>1,200,000</i>
Net Unfunded Surface Water Management Utility Projects		20,355,000

Notes

Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)

Bold = New projects

" = Moved from funded status to unfunded status

CRITERIA FOR RANKING PARKS CIP PROJECT

	Criteria	None 0 Points	Low 1 Point	Moderate 2 Points	High 3 Points
1	Responds to an Urgent Need or Opportunity, Conforms to Legal, Contractual or Government Mandate	<ul style="list-style-type: none"> No need or urgency 	<ul style="list-style-type: none"> Suspected need with no substantiation 	<ul style="list-style-type: none"> Suspected need based upon visual inspection, public comment Suspected threat of development 	<ul style="list-style-type: none"> Report or other documentation has been prepared Confirmed threat of development Fills important gap in park system Significant public comment: survey, petition, public hearing Legal, contractual, gov't mandate
2	Health and Safety Issues	<ul style="list-style-type: none"> No known issues 	<ul style="list-style-type: none"> Suspected health or safety issue with no substantiation 	<ul style="list-style-type: none"> Suspected need based upon visual inspection, or public comment visible deterioration 	<ul style="list-style-type: none"> Documented evidence of unsanitary condition, health and safety code violations, injury
3	Fiscal Values	<ul style="list-style-type: none"> Leveraging of funds through partnerships, grants, bonds or volunteers is unlikely 	<ul style="list-style-type: none"> Leveraging of funds somewhat likely through partnerships, grants, bonds and volunteers 	<ul style="list-style-type: none"> Leveraging of at <u>least</u> 1/2 project funding available from other sources; 	<ul style="list-style-type: none"> Leveraging of <u>more</u> than 50 percent of project costs from other sources
4	Conforms to PROS Plan or Other Adopted Plan	<ul style="list-style-type: none"> Not in any plan document 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Identified in Comprehensive or Functional plan 	<ul style="list-style-type: none"> Helps meet level of service objectives
5	Feasibility, including Public Support and Project Readiness	<ul style="list-style-type: none"> Project simply an idea No public input No other supporting information 	<ul style="list-style-type: none"> Some public involvement such as letters, workshops Professional report 	<ul style="list-style-type: none"> Schematic or conceptual level approval Property identified High public support Completed appraisal 	<ul style="list-style-type: none"> Construction documents complete Option or right of first refusal, willing seller
6	Implications of Deferring Project	<ul style="list-style-type: none"> No impact No imminent threat of development; 	<ul style="list-style-type: none"> Temporary repair measures available without significant liability or added future cost Indications of possible development Program quality limited or reduced 	<ul style="list-style-type: none"> Evidence of possible structural failure Confirmed private development sale possible Program participation limited or reduced 	<ul style="list-style-type: none"> Imminent possible structural failure, facility closure, or other similar factor Program cancellation Unable to meet level of service Imminent sale for private development

ATTACHMENT B

7	Non-Recreation Benefit such as Economic, Environmental, Health and Well-Being, or Community Character and Identity	<ul style="list-style-type: none"> No identified non-recreation benefit 	<ul style="list-style-type: none"> Minimal non-recreation benefit 	<ul style="list-style-type: none"> Moderate non-recreation benefit 	<ul style="list-style-type: none"> Significant non-recreation benefit
8	Number of City Residents Served	<ul style="list-style-type: none"> No residents served 	<ul style="list-style-type: none"> Only one neighborhood served 	<ul style="list-style-type: none"> More than one City neighborhood served 	<ul style="list-style-type: none"> Project will serve a City-wide population
9	Maintenance and Operations Impact	<ul style="list-style-type: none"> Requires substantial new M & O, no current budgetary commitment 	<ul style="list-style-type: none"> Resources/capacity available without additional budget commitment Requires new resources which are available or likely available in budget 	<ul style="list-style-type: none"> Has minimal or no impact on existing M & O resources Resources already allocated or planned for project in budget M & O requirements absorbed with existing resources 	<ul style="list-style-type: none"> Substantial reduction in M & O.
10	Geographic Distribution	<ul style="list-style-type: none"> Duplicates service, significant number of resources available in area, level of service overlap 	<ul style="list-style-type: none"> Adequate number of Parks are nearby, minimal level of service overlap 	<ul style="list-style-type: none"> Parks nearby, no level of service overlap, and gaps in service identified 	<ul style="list-style-type: none"> Underserved area. No facilities within service area.