



**CITY OF KIRKLAND**  
**FINANCE AND ADMINISTRATION**  
123 Fifth Avenue, Kirkland, WA 98033  
425-587-3000

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## MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Julie Underwood, Director of Public Works  
Michael Olson, Director of Finance and Administration  
Kevin Pelstring, Financial Planning Manager  
Rob English, Capital Division Manager  
Veronica K. Hill, Financial Planning Supervisor  
Jessica Clem, Senior Financial Analyst - CIP

**Date:** November 17, 2025

**Subject:** **2025-2030 Revised Capital Improvement Program For Council Adoption - Resolution R - 5706**

### RECOMMENDATION:

Staff recommends that the City Council approves the attached Resolution adopting the Revised 2025-2030 Capital Improvement Program (CIP).

### EXECUTIVE SUMMARY:

- Staff recommends that the City Council approves proposed Resolution, R-5706 to adopt the Revised 2025-2030 Capital Improvement Program (CIP).
- The Capital Improvement Program (CIP) is a funding 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 purpose of this CIP update is to acknowledge changes made since the 2025-2030 CIP adoption on December 10, 2024, and to identify any further changes needed to bring the CIP up to date for the City's 6-year capital needs for Transportation, Water, Sewer, Surface Water, Parks, Public Safety, Facilities, and Information Technology.
- This is the last of three meetings where Council will review and approve the CIP Update:
  - September 2, 2025 (Study Session).
  - November 5, 2025 (Study Session).
  - **December 9, 2025 (Adoption).**
- The proposed revisions are primarily related to the following categories: (1) Updates and potential changes related to City work program items; (2) Updates to project timing and cost for prior Council approvals; and (3) Recognizing any major changes in funding sources (new, increases, decreases).
- Revised CIP Summary Tables listed by category reflect both (1) projects that were previously funded but do not require any funding modifications in the current six-year

CIP and (2) revisions, including new projects, modifications, and changes in funding status, which are identified using the key shown below each table in the attachments.

- The total proposed change to Funded projects is an additional \$27,833,386, which is an increase from the second review of the proposed CIP Update, and the proposed change to the Unfunded CIP is a reduction of \$326,639,927, which is a lower reduction from the second review.
- This memorandum provides an overview of the proposed revisions to the 2025-2030 CIP since the December 10, 2024 adoption, the September 2, 2025 first review, and the November 5, 2025 second review, as a result of changing needs and Council feedback.
- All revisions since December 10, 2024, including those described in this memo, are indicated in the CIP Summary Tables included as Exhibit A to the resolution.

## **BACKGROUND:**

Every two years, Public Works and Finance staff work with departments to identify capital needs over the next six years and prepare the preliminary CIP. This involves meeting with departments directly, incorporating departmental strategic planning processes (e.g., Parks Recreation and Open Space Plan), and balancing available capital funding sources with identified priorities across the City. The process begins with the CIP Kick-off in Q1 when Finance provides initial funding projections for the six-year planning horizon. Staff then works with Council to prepare the prioritization framework resolution that affirms the key directions for the process, which was adopted by Council at the April 2, 2024<sup>1</sup> meeting. Once departments have submitted their initial requests for funding, CIP staff works with Finance to prepare the prioritized preliminary CIP by department, which is presented to the City Manager's office for feedback, changes, and additions.

The Preliminary 2025-2030 CIP was presented to Council at the September 3, 2024 Study Session. Subsequent changes were presented at the November 6, 2024 Study Session.<sup>2</sup> The 2025-2030 CIP was then adopted by Council at the December 10, 2024 meeting and were incorporated in the final 2025-2026 Budget.

Based on the adopted 2025-2030 CIP, staff first presented the CIP update to Council on September 2, 2025,<sup>3</sup> and then returned on November 5, 2025, to provide a second review of updates. Following that meeting, staff have worked to finalize the proposed CIP updates and to incorporate changes based on Council feedback. The updates to the 2025-2030 CIP detailed below and in the proposed ordinance reflect changes since its original adoption in December 2024.

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<sup>1</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/2/city-council/agenda-documents/2024/april-2-2024/9a\\_business.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/2/city-council/agenda-documents/2024/april-2-2024/9a_business.pdf)

<sup>2</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2024/november-6-2024/3a\\_study-session.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2024/november-6-2024/3a_study-session.pdf)

<sup>3</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/september-2-2025/3b\\_study-session.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/september-2-2025/3b_study-session.pdf)

## DISCUSSION/ANALYSIS:

### PROJECT UPDATE HIGHLIGHTS

Finance and Public Works staff recommend the following revisions to the 2025-2030 CIP from the November 5, 2025 Study Session as a result of changing needs and Council feedback.

### PROJECT CHANGES

#### Modified and New Funded Projects

- *GGC 05700 - KJC Door Security Replacement*
  - Increase funding by \$104.9K to recognize PD Prop 1.
  - Additional funding required to complete project work.
- *GGC 17000 – KPC Bldg. System Upgrades (Fire/Light)*
  - Increase funding by \$401K for system upgrade work.
  - Funded by Facilities Sinking Fund, \$309K, and GF Cash Capital Reserves of \$92K.
- *GGC 18000 – Houghton Park & Ride Purchase*
  - Increase funding by \$350K for site prep work.
  - Recognize additional Parks Impact Fees over budget.
- *PKC 11300 – Spinney Homestead Park Renovation Plan and Development*
  - Recognize Department of Ecology (DOE) grant of \$100K.
  - Provides for estimated 10% of Design work.
  - Partially removes project from Unfunded Program.
- *NMC 00620 – Street Levy – Neighborhood Safety Program Improvements*
  - Recognize \$61.5K of School Zone Safety Camera fines transfer from June fiscal note.
  - Provides for funding of additional project scopes.
- *NMC 11300 – Stores to Shores*
  - Recognize \$250K of interest earned on the 2021 transportation bond issuance.
  - Additional funding approved at the November 18, 2025<sup>4</sup> Council meeting.

#### Removed Project

- *GGC 30200 – Emergency Management Event Safety Monitoring*
  - Project paused. As discussed in the mid-biennial budget memo, funding for this project has been placed in the Fire Department public safety reserve instead. A plan and fiscal note to allocate this funding to the CIP will be brought to Council for approval before any purchases are made.

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<sup>4</sup> [https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/november-18-2025/9d\\_business.pdf](https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2025/november-18-2025/9d_business.pdf)

## Unfunded Project

- *PKC 20900 – Community Center Capacity Enhancements (New Project)*
  - Add new unfunded project for future enhancements to community center capacity in the city at an estimated cost of \$2 million. Adding this project to the CIP also includes it in the Capital Facilities Plan (CFP), which makes the project eligible for REET funds and Park impact fees should Council allocate those funds to the project in the future.

## 2025-2030 CIP Summary by Program

The tables that follow summarize the proposed Revised 2025-2030 CIP. Compared to the update presented at the November 5, 2025 Study Session, the Funded CIP total has increased by \$1,167,310 and the Unfunded program increased by \$1,900,000. Compared to the Adopted 2025-2030 CIP, the Funded CIP total has increased by \$27,833,386 and the Unfunded total has decreased by \$326,639,927.

Table 1 – 2025-2030 Capital Improvement Program Summary by Program

2025-30 Capital Improvement Program						
	Funded CIP			Unfunded CIP		
Program	Adopted	December Update	Change	Adopted	December Update	Change
Transportation	105,355,620	109,603,071	4,247,451	471,216,300	143,191,373	(328,024,927)
Surface Water	26,700,990	27,014,990	314,000	69,930,386	69,930,386	-
Water/Sewer	48,490,614	61,418,614	12,928,000	80,086,643	80,086,643	-
Parks	24,713,464	30,224,435	5,510,971	412,414,000	413,799,000	1,385,000
Public Safety	4,956,900	5,516,676	559,776	-	-	-
General Government	48,497,072	52,770,260	4,273,188	3,600,000	3,600,000	-
<i>Facilities</i>	<i>36,543,022</i>	<i>40,816,210</i>	<i>4,273,188</i>	<i>3,600,000</i>	<i>3,600,000</i>	-
<i>Technology</i>	<i>11,954,050</i>	<i>11,954,050</i>	-	-	-	-
<b>Total</b>	<b>258,714,660</b>	<b>286,548,046</b>	<b>27,833,386</b>	<b>1,037,247,329</b>	<b>710,607,402</b>	<b>(326,639,927)</b>

## Capital Funding Sources Summary

Table 2 on the following page provides an updated summary of funding sources by program.

Table 2 – 2025-2030 CIP Update by Revenue Source

2025-2030 Capital Improvement Program Proposed Update Revenue Sources (in thousands)							
Dedicated Revenue (in thousands)	2025	2026	2027	2028	2029	2030	Sum of 6-YEAR TOTAL
<b>General Government - Facilities Funding</b>	<b>31,291</b>	<b>2,707</b>	<b>1,428</b>	<b>1,639</b>	<b>1,903</b>	<b>1,849</b>	<b>40,816</b>
FACILITIES SINKING FUND	2,958	1,315	1,428	1,639	1,903	1,849	11,092
GENERAL FUND	388						388
GENERAL GOV DEBT	14,674						14,674
SURFACE WATER RATES	185	185					370
TRANSPORTATION SECURED GRANTS	145						145
WATER/SEWER RATES	370	370					740
REET 2 RESERVES	550						550
REET 2	3,549						3,549
REET 1	3,794	426					4,221
PARKS PROJECT TRANSFER	350						350
GENERAL GOV PROJECT TRANSFER	4,328	306					4,634
POLICE PROP 1 LEVY		104					104
<b>General Government - IT Funding</b>	<b>2,957</b>	<b>3,291</b>	<b>1,845</b>	<b>95</b>	<b>150</b>	<b>3,618</b>	<b>11,954</b>
GENERAL FUND	56	35	81	35	56	35	298
SURFACE WATER RATES	8	5	12	5	8	5	43
TECHNOLOGY SINKING FUND	2,119	741	1,730	45	70	2,518	7,222
WATER/SEWER RATES	16	10	23	10	16	10	85
DEVELOPMENT SERVICES RESERVES	758	2,500				1,049	4,307
<b>Parks Funding</b>	<b>6,758</b>	<b>10,548</b>	<b>3,025</b>	<b>3,273</b>	<b>3,267</b>	<b>3,354</b>	<b>30,224</b>
KING COUNTY PARK LEVY	578	550					1,128
KIRKLAND PARK LEVY	400	400	250	250	250	250	1,800
PARK FACILITIES SINKING FUND	172	129	214	114	108	195	931
PARK IMPACT FEES	3,120	3,550	1,152	1,500	1,500	1,500	12,322
PARKS REET 1	1,409	1,409	1,409	1,409	1,409	1,409	8,454
PARKS SECURED EXTERNAL	603	2,780					3,383
PARKS UNSECURED EXTERNAL		500					500
PARKS PROJECT TRANSFER	476	1,230					1,706
<b>Public Safety Funding</b>	<b>1,680</b>	<b>535</b>	<b>327</b>	<b>899</b>	<b>1,052</b>	<b>1,023</b>	<b>5,517</b>
FIRE SINKING FUND	387	321	208	572	734	872	3,093
GENERAL FUND	663						663
POLICE SINKING FUND	131	215	119	327	318	151	1,261
FIRE IMPACT FEES	500						500
<b>Transportation Funding</b>	<b>17,610</b>	<b>14,422</b>	<b>14,262</b>	<b>16,361</b>	<b>13,045</b>	<b>13,948</b>	<b>89,648</b>
BUSINESS LICENSE FEES (RGRL)	270	270	270	270	270	270	1,620
GAS TAX	531	531	531	531	531	531	3,186
GAS TAX (TRANSPORTATION PACKAGE)	225	225	225	225	225	225	1,350
GENERAL FUND	250						250
SOLID WASTE RATES			461	477	494	511	1,943
STREET LEVY	1,929	2,002	3,077	3,154	3,233	3,314	16,709
SURFACE WATER RATES	500	500	500	500	500	500	3,000
TRANSPORTATION IMPACT FEES	2,005	2,000	2,000	2,000	2,000	2,000	12,005
TRANSPORTATION REET 1	366	1,664	2,785	2,516	1,891	2,433	11,655
TRANSPORTATION REET 2	3,611	5,391	4,213	3,402	3,701	3,964	24,281
TRANSPORTATION REET 2 RESERVES	53	572					625
TRANSPORTATION SECURED GRANTS	3,515	986		2,429			6,930
SCHOOL ZONE SAFETY CAMERA RESERVE	262	200	200	200	200	200	1,262
TRANSPORTATION PROJECT TRANSFER	3,932			657			4,589
TAX INCREMENT FINANCING	162	81					244
<b>SAP Mechanism Funding</b>			<b>2,100</b>	<b>5,745</b>	<b>5,000</b>	<b>7,110</b>	<b>19,955</b>
FUNDED THROUGH SAP MECHANISMS			2,100	5,745	5,000	7,110	19,955
<b>Utilities Funding</b>	<b>21,898</b>	<b>22,034</b>	<b>13,330</b>	<b>12,010</b>	<b>9,597</b>	<b>9,564</b>	<b>88,434</b>
CONNECTION FEES	907		918	924	1,842	935	5,526
SURFACE WATER RATES	2,767	3,017	3,118	2,998	2,081	3,166	17,147
SURFACE WATER UNSECURED EXTERNAL		3,700	482	936			5,118
WATER/SEWER PROJECT TRANSFER	1,436						1,436
WATER/SEWER RATES	2,138	7,252	8,591	5,115	5,674	5,463	34,234
WATER/SEWER RESERVES	1,340	4,133	221	2,037			7,730
WATER/SEWER SECURED EXTERNAL	12,360	318					12,678
SURFACE WATER SECURED EXTERNAL	700						700
SURFACE WATER PROJECT TRANSFER	250						250
SURFACE WATER DEBT		3,614					3,614
<b>Total Revenues</b>	<b>82,194</b>	<b>53,537</b>	<b>36,316</b>	<b>40,021</b>	<b>34,014</b>	<b>40,465</b>	<b>286,548</b>

## **OTHER POLICY UPDATES**

### **Options to Fund Kamiakin Gym Expansion**

Staff continue to explore funding options in support of the Kamiakin Gym Expansion from 2026-2029 in addition to the \$515K secured State funding. Two options have been identified for Council consideration:

- 1) Utilize \$4.6M of REET 1 funding previously set-aside in the CIP in years 2025-2029 for debt service on bonds to repay the Houghton Village purchase, to instead fund the gym expansion. This assumes proceeds from the sale of Houghton Village would be used for repayment of the interfund loan and relieve REET funds to be used for other priorities like the Kamiakin Gym Expansion.
- 2) Issuance of 20-year bonds for \$15M, originally intended for Houghton Village purchase interfund loan repayment, to fund the Kamiakin Gym Expansion (\$4.5M) with the remainder available for Peter Kirk Pool renovations (\$10.5M). Debt service provisioned through the REET funds would be made available if the interfund loan is repaid by the sale of Houghton Village.

The REET for both options is already in the budget and REET financial plan so no budget or CIP action is needed on December 9. Staff will be proposing options for both the Kamiakin Gym expansion and the Peter Kirk Pool renovations to the Council in the first quarter of 2026.

### **New Parks Reserve**

During the November 5, 2025 Study Session, Council requested the creation of a new reserve project to support parks system expansions, providing for separate and distinct pooled park impact fee funding for expanding service offerings at parks. Staff will determine the specific actions required to establish the reserve and include in the 2027-2032 CIP.

### **New TIB Grant**

The City received notification from the Washington State Transportation Improvement Board (TIB) that a new \$1.5 million dollar grant, in support of the currently Unfunded Central Way Bike Lane Improvements project, has been awarded. During discussion of the project, the Council directed staff to return to the Council with options if grant funding was secured, since at least the equivalent amount in local funding would be required and is not currently budgeted. Staff will be bringing options for Council consideration and direction in early 2026.

## **NEXT STEPS:**

Once City Council approves proposed Resolution R-5706 adopting the Revised 2025-2030 Capital Improvement Program (CIP), staff will take necessary actions to implement new and modified programs as appropriate.

## **ATTACHMENTS:**

Resolution R-5706, Adopting Updates to the 2025-2030 Six-Year Capital Improvement Program for the City of Kirkland  
Exhibit A – 2025-2030 CIP Summary Tables