
CAPITAL IMPROVEMENT

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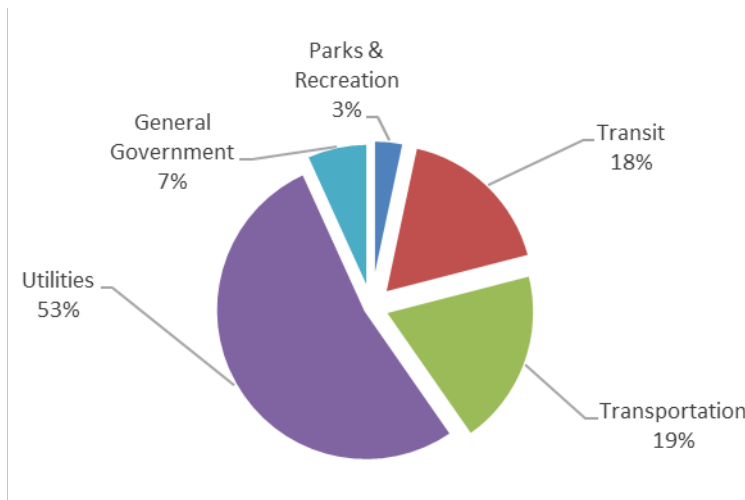
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2023 CAPITAL EXPENDITURES

The total budgeted capital expenditures by major category for 2023 are listed below. Please see page 4-3 for an explanation of how expenditures are budgeted (through the operating budget or a separate capital budget) and pages 4-6 through 4-11 for a detailed list of capital expenditures.

2023 Budgeted Capital Expenditures

Category	Included in Operating Budget	Included in Capital Budget	Total	Percent of Total
General Government	\$ 5,326,631	\$ 1,953,581	\$ 7,280,212	6.8%
Transit	16,642,189	2,262,116	18,904,305	17.6%
Parks & Recreation	295,625	3,301,623	3,597,248	3.4%
Transportation	4,469,200	16,265,044	20,734,244	19.3%
Utilities	5,996,500	50,707,250	56,703,750	52.9%
TOTAL	\$ 32,730,145	\$ 74,489,614	\$ 107,219,759	



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

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

The CIP identifies funding strategies for the current year, and projects future needs for major construction, land acquisition, and equipment that support and enhance the City’s infrastructure, cultural environment, and recreational opportunities. Capital projects are viewed both in the context of how much the new project will cost and the impact the project will have on the City’s current and future operating budgets.

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

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

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

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

IMPACTS OF GROWTH MANAGEMENT

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

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

The GMA requires that the CFP contain the following elements:

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

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

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

CAPITAL BUDGETING PROCESS

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

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

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

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

Steps for authorizing capital expenditures under each method are detailed below.

Capital expenditures approved as part of the current operating budget:

- Step 1 - The department includes capital expenditure requests in their annual department budget.
- Step 2 - The capital expenditures are reviewed by Budget and Administration as part of the annual budget process.

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

Capital expenditures approved via creation of a capital project fund:

- Step 1 - The department prepares a proposed Plans and Systems Ordinance. Key elements of the ordinance include the scope of the capital project and a complete and balanced budget for the entire project, including a breakout of revenues and expenditures.
- Step 2 - Other affected departments review and approve
- Step 3 - The Mayor, Administration, and the Legal department review and approve
- Step 4 - The proposed project is presented to City Council at a City Council meeting. The public can comment on the project at this time.
- Step 5 - City Council adopts the proposed Plans and System Ordinance. Three readings are required to adopt a Plans and Systems Ordinance. The public has additional opportunity to comment on the project at each of the three readings.

CAPITAL IMPROVEMENT PROGRAM CATEGORIES

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

GENERAL GOVERNMENT

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

PARKS & RECREATION

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

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

TRANSPORTATION

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

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

TRANSIT

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

UTILITIES

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

2023 CAPITAL EXPENDITURE DETAIL

The tables on the following pages present detail of the City’s 2023 capital expenditures. The tables are broken out first by major categories as described in the previous section and then by routine versus nonroutine capital expenditures as defined below.

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

The nonroutine capital expenditure tables identify the estimated impact the capital expenditure will have on the City’s operating budget. Maintenance for a minimum of 10 years is considered when determining the long-range cost of a capital project. The level of impact on the annual operating budget is defined in the table below.

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

An asterisk (*) in the “M&O Impact” column indicates the project is described in more detail. **DETAIL PROJECT NARRATIVES ARE NOT INCLUDED IN THE PROPOSED BUDGET DOCUMENT. THEY WILL BE INCLUDED IN THE FINAL BUDGET DOCUMENT.**

GENERAL GOVERNMENT

Routine Capital Expenditures	
Fund/Project Description	2023 Budget
Fund 026 - Animal Services	
Heavy-duty, commercial washer and dryer	\$ 20,000
Fund 032 - Fire	
Air compressor to refill SCBAs	\$ 24,605
Fund 110 - Library	
Books/periodicals/non-print material	700,819
Fund 126 - Motor Vehicle & Equipment Reserve	
Vehicle replacements - Engineering	170,000
Vehicle replacements - Police	830,000
Vehicle replacements - Fire	2,081,342
Vehicle replacements - Facilities	45,000
Vehicle replacements - Parks	220,000
Fund 146 - Property Management	
South Precinct HVAC Renovation	167,000
South Precinct Modernize Control System	250,000
Fire Warehouse Shop Apron & New Oil Separator	90,000
Fire Station #1 Driveway/Apron Repairs	125,000
Fire Station #1 Front Entry Column Repairs	80,000
Emergency Lighting Repairs	50,000
Fire Alarm Repairs	30,000
Security System Repairs	15,000
Miscellaneous Emergency Repairs	200,000
Fund 152 - Cumulative Reserve Fund for Library	
Books/periodicals	13,729
Fund 153 - Emergency Medical Services	
Cardiac monitors and defibrillators	130,000
Fund 155 - Gen Gov Special Projects	
Various Public, Educational, and Governmental (PEG) fee projects - not yet assigned	135,000
Fund 156 - Criminal Justice Fund	
Police Boathouse	124,964
New motors for the Marine 1 vessel	42,000
Fund 501 - Motor Vehicle Division	
Shop equipment replacement	10,000

GENERAL GOVERNMENT – CONTINUED

Routine Capital Expenditures	
Fund/Project Description	2023 Budget
Fund 505 - Information Technology Reserve	
IT Devices, Server, Storage, and Network Infrastructure	\$ 478,172
Fuel Force and Gasboy Replacement	59,000
Cayenta v9 Upgrade	17,000
TOTAL GENERAL GOVERNMENT - Routine Capital Expenditures	\$ 6,108,631

Nonroutine Capital Expenditures					
Fund/Project Description	Project Budget	Prior to 2023 Estimate	2023 Budget	After 2023 Projected	M&O Impact
Fund 342 - Facilities Construction Fund					
Prg 028 - Fire Admin. Building Masonry Restoration	\$ 20,000	\$ 7,515	\$ 12,485	\$ -	P
Prg 029 - Fire Station 2 & 6 Additions & Alteration	1,025,000	592,765	432,235	-	M
Prg 032 S. Precinct Locker Room	400,000	5,065	394,935	-	M
Prg 033 - Police Impound Yard Additions & Alterations	380,000	361,074	18,926	-	M
Prg 034 - Main Library HVAC	88,000	-	88,000	-	P
Fund 501 - Motor Vehicle Division					
Automotive in-ground lift replacement	75,000	-	75,000	-	N
Fund 507 - Telecommunications Fund					
Phone system modernization project	505,000	355,000	150,000	-	N
TOTAL GENERAL GOVERNMENT - Nonroutine Capital Expenditures			\$ 1,171,581		

TOTAL GENERAL GOVERNMENT CAPITAL EXPENDITURES	\$ 7,280,212
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TRANSIT

Routine Capital Expenditures	
Fund/Project Description	2023 Budget
Fund 425 - Transportation Services/Transit Fund	
Ford Transit or E-Transit Cargo Van	\$ 65,000
ORCA Next Generation	11,200
Bus Shelters/Passenger Amenities	146,166
Everett Station Lighting Upgrades	69,865
Everett Station Elevators	350,000
Everett Station Major Repairs	161,000
Everett Station ADA Enhancements	126,861
TOTAL TRANSIT - Routine Capital Expenditures	\$ 930,092

Nonroutine Capital Expenditures					
Fund/Project Description	Project Budget	Prior to 2023 Estimate	2023 Budget	After 2023 Projected	M&O Impact
Fund 425 - Transportation Services/Transit Fund					
Inductive Electric Bus Charging	\$ 2,400,000		\$ 2,400,000		P
Electric Busses and Infrastructure	9,826,950		9,826,950		P
Charging Infrastructure (DOE VW settlement grant)	259,000		259,000		P
Additional Electric Bus and Cabinet Charger	1,619,513		1,619,513		P
Fixed-Route Integrated Technology System (ITS) replacement	1,000,000		1,000,000		P
Electronic Charging Generator	275,000		275,000		P
Bus Stop Improvements - Rucker	1,000,000		1,000,000		P
Everett Station Great Hall	1,750,000	250,000	1,500,000		P
Zero Emissions Planning	93,750		93,750		P
TOTAL TRANSIT - Nonroutine Capital Expenditures			\$ 17,974,213		
TOTAL TRANSIT CAPITAL EXPENDITURES			\$ 18,904,305		

PARKS & RECREATION

Routine Capital Expenditures	
Fund/Project Description	2023 Budget
Fund 101 - Parks & Recreation	
Parks capital projects:	\$ 225,625
Exterior/interior building upgrades	
Park amenity improvements	
Park landscape rejuvenation	
Fund 440 - Golf	
Capital machinery and equipment	70,000
TOTAL PARKS & RECREATION - Routine capital expenditures	\$ 295,625

Nonroutine Capital Expenditures					
Fund/Project Description	Project Budget	Prior to 2023 Estimate	2023 Budget	After 2023 Projected	M&O Impact
Fund 354 - Parks CIP3 Construction					
Prg 059 - Small Capital Projects	300,000	172,652	127,348	-	N
Prg 063 - Madison Morgan Park Improvement	315,000	169,838	145,162	-	N *
Prg 073 - Eclipse Mill Riverfront Trail	600,000	200,000	400,000	-	N
Prg 075 - Silver Lake Trail	1,330,000	30,772	1,299,228	-	N *
Prg 077 - TA Sullivan Playground Replacement	1,200,000	115	1,199,885	-	N *
Prg 079 - Forest Park Spray Pad Recirculation Design	60,000	30,000	30,000	-	N
Prg 080 - Lowell Riverfront Park Renovation	250,000	150,000	100,000	-	N
TOTAL PARKS & RECREATION - Nonroutine capital expenditures			\$ 3,301,623		

TOTAL PARKS & RECREATION CAPITAL EXPENDITURES	\$ 3,597,248
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TRANSPORTATION

Routine Capital Expenditures	
Fund/Project Description	2023 Budget
Fund 119 - Street Improvements	
Street improvement projects - overlay and other projects	\$ 3,194,150
Various street projects - not yet assigned	775,050
TOTAL TRANSPORTATION - Routine capital expenditures	\$ 3,969,200

Nonroutine Capital Expenditures					
Fund/Project Description	Project Budget	Prior to 2023 Estimate	2023 Budget	After 2023 Projected	M&O Impact
Fund 303 - Public Works Improvement Projects					
Prg 091 - 41st St. to W. Marine View Dr. Project	\$ 4,485,264	\$ 3,947,378	\$ 537,886	\$ -	N
Prg 107 - W Marine View Dr & Alverson Blvd Ped Safety	865,200	124,918	740,282	-	N
Prg 111 - Citywide Innovative Safety Project	711,300	42,367	668,933	-	N
Prg 115 - Edgewater Creek Bridge Replacement	22,000,000	2,113,150	5,886,850	14,000,000	N *
Prg 116 - Citywide Safety Flashing Yellow Arrow Impr.	760,400	5,000	755,400	-	N
Prg 117 - Casino Road & 5th Ave W. Pedestrian Safety	1,126,700	5,000	1,121,700	-	N
Prg 118 - Fund 145 Funded Non-Motorized Improvements	1,190,000	618,700	571,300	-	N
Prg 119 - CA Street Pedestrian/Bike Corridor	1,177,000	522,507	654,493	-	N
Prg 120 - 100th Street SW Improvements	960,000	64,000	896,000	-	N
Prg 121 - I-5 & US-2 Interjurisdictional Planning Study	2,315,000	248,000	2,067,000	-	N
Prg 123 - 41st St. to Rucker Avenue Corridor Phase 2	245,200	-	245,200	-	N
Prg 124 - Fleming St. Bicycle Corridor	705,000	-	705,000	-	N
Prg 125 - Fulton Street Bicycle Pedestrian Corridor	1,350,000	-	1,350,000	-	N
Prg 126 - Citywide Bicycle Wayfinding	473,090	-	65,000	408,090	N
Fund 430 - Everpark Garage					
Restroom Renovation & Elevator Modernization	500,000	-	500,000	-	M
TOTAL TRANSPORTATION - Nonroutine capital expenditures			\$ 16,765,044		

TOTAL TRANSPORTATION CAPITAL EXPENDITURES	\$ 20,734,244
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UTILITIES

Nonroutine Capital Expenditures					
Fund/Project Description	Project Budget	Prior to 2023 Estimate	2023 Budget	After 2023 Projected	M&O Impact
Fund 401 - Water and Sewer Utility Fund					
Fund 336 - Water/Sewer System Imp Projects					
Prg 005 - Lift Station #15 & Shore Avenue Forcemain	2,000,000	360,000	1,640,000	-	N
Prg 006 - Water Filtration Plant Emergency Generator Replacement	10,400,000	3,150,000	7,250,000	-	N
Prg 007 - Evergreen Pump Station Upgrades	6,185,000	880,000	1,305,000	4,000,000	N
Prg 011 - Beverly Lake Sewer Replacement	3,500,000	920	-	3,499,080	N
Prg 015 - EMB - Public Works Tenant Improvements	325,700	198,750	126,950	-	N
Prg 016 - Reservoir 3 Improvements	1,100,000	330,000	770,000	-	N
Prg 017 - Reservoir 2 Replacement	22,100,000	13,840,000	8,260,000	-	N
Prg 018 - Portal 4 Improvements	7,400,000	500,000	6,900,000	-	N
Prg 019 - Port Gardner Bay Outfalls Water Quality Treatment Retrofit	1,400,000	-	1,400,000	-	N
Prg 020 - 17th Street Interceptor Upgrades	550,000	200,000	350,000	-	N
Prg 021 - WFP Phase 2 Capital Upgrades	\$ 4,085,000	\$ 150,000	\$ 3,935,000	\$ -	N
Prg 022 - 36th Street CSO Storage & Regulator Modifications	3,200,000	387,700	2,812,300	-	N
Prg 023 - Water Main "W"	2,000,000	100,000	1,900,000	-	N
Prg 024 - Port Gardner Storage Facility	39,600,000	960,000	5,929,500	32,710,500	H *
Prg 026 - Sewer O Phase 2	7,580,000	100,000	3,000,000	4,480,000	N
Prg 027 - WPCF Bar Screens Upgrades	2,000,000	125,000	1,875,000	-	N
Prg 028 - Everett Smelter Drainage	1,325,000	-	1,325,000	-	N
Prg 029 - 3rd Avenue WQ Treatment	1,365,000	-	1,365,000	-	N
Prg 030 - Lexington Drainage	1,800,000	-	360,000	1,440,000	N
Prg 031 - Water Main Replacement "X"	4,200,000	-	4,200,000	-	N
Prg 032 - WPCF Combined Conveyance Improvements	2,000,000	-	2,000,000	-	N
TOTAL UTILITIES CAPITAL EXPENDITURES			\$ 56,703,750		

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