
CAPITAL AND DEBT

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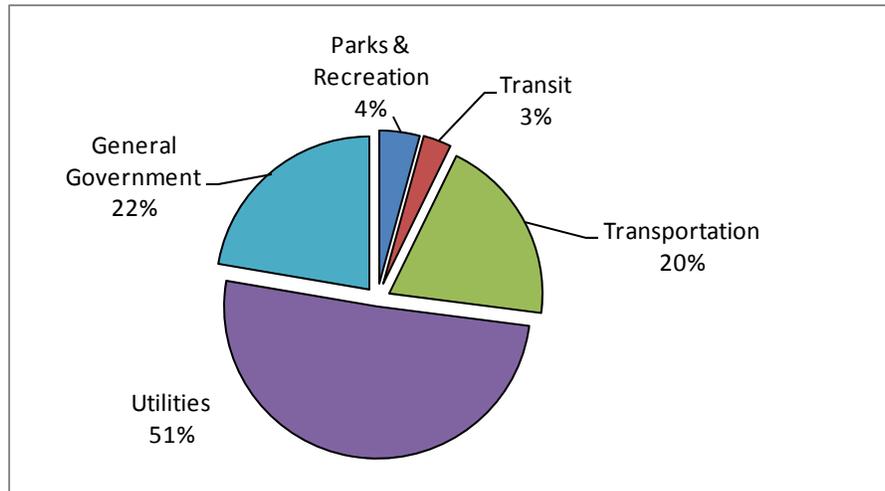
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SUMMARY OF 2012 CAPITAL EXPENDITURES

The total budgeted capital expenditures by major category for 2012 are listed below. Please see page 5-3 for an explanation of how expenditures are budgeted (through the operating budget or a separate capital budget) and pages 5-6 thru 5-10 for a detailed list of capital expenditures.

2012 Budgeted Capital Expenditures

Category	Included in Operating Budget	Included in Capital Budget	Total
General Government	\$ 7,235,738	\$ 10,743,802	\$ 17,979,540
Transit	2,382,532	-	2,382,532
Parks & Recreation	1,125,000	2,310,037	3,435,037
Transportation	5,317,089	10,912,808	16,229,897
Utilities	758,500	40,046,500	40,805,000
TOTAL	\$ 16,818,859	\$ 64,013,147	\$ 80,832,006



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

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

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

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

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

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

While the CIP does not cover routine maintenance, it does include renovation, major repair, or reconstruction of damaged or deteriorated facilities. It also may include items not usually included 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 is subject to the State of Washington Growth Management Act (GMA). The GMA requires that communities adopt comprehensive plans designed to guide the orderly development of growth over the next twenty years.

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

The GMA requires that the CFP contain the following elements:

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

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

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

CAPITAL BUDGETING PROCESS

The CFP provides a framework from which the individual departments, Administration and Council work when determining which projects to move forward with. It is part of the first step in developing an overall capital improvement program: identifying the capital asset needs of the city. Some of the areas the City pays particular attention to when identifying capital asset needs are 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 available capital resources, especially for general government departments, are allocated to the City's highest priority projects. Once the capital assets/projects are selected, the expenditures can be authorized.

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

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

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

Capital expenditures approved as part of the current operating budget:

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

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

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

Capital expenditures approved via creation of a capital project fund:

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

Step 2 - Other affected departments review and approve.

Step 3 - The Mayor, Chief Administrative Assistant, and legal review and approve.

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

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

CAPITAL IMPROVEMENT PROGRAM CATEGORIES

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

General Government

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

Parks & Recreation

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

Transportation

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

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

Transit

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

Utilities

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

2012 CAPITAL EXPENDITURE DETAIL

The tables on pages 5-6 thru 5-10 present detail of the city's 2012 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 note the estimated impact the capital expenditure will have on the City's operating budget. Maintenance for a minimum of 10 years is taken into account when determining the long-range cost of a capital project. The amount of the impact on the yearly operating budget is defined by the following terms:

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

An asterisk (*) in the "M&O Impact" column indicates the project is described in more detail on pages 5-11 thru 5-20.

GENERAL GOVERNMENT**Routine Capital Expenditures**

Fund/Project Description	2012 Budget
Fund 002 - General Government	
Misc. equipment - Engineering	17,102
Misc. equipment - Fire	13,760
Misc. equipment - All other gen gov departments	7,500
Fund 110 - Library	
Books/Periodicals/Non-Print Material	670,150
Fund 112 - Community Theater	
Misc. furniture and equipment	16,000
Fund 126 - Motor Vehicle & Equipment Reserve	
Vehicle replacements - Police	320,000
Fund 144 - Downtown Improvement Fund	
Downtown streetscape improvements	706,626
Fund 146 - Property Management Fund	
Police parking lot resurface	50,000
Wall Street Bldg repairs	115,800
Senior Center upgrades	12,400
South Library roof replacement/HVAC upgrades	99,700
Service Center #5 roof coating	30,400
Service Center #1 roof coating	77,500
ADA compliance and fall protection projects	186,000
Fund 152 - Cumulative Reserve Fund for Library	
Miscellaneous	20,000
Fund 156 - Criminal Justice Fund	
Video court equipment	100,000
Fund 501 - Transportation Services	
Unidentified equipment	10,000
Fund 505 - Computer Reserve Fund	
Upgrade communications infrastructure at remote locations	51,500
Upgrade city email system	18,500
Upgrade file backup software	27,000
Router, switch, and server upgrades	131,000
TOTAL GENERAL GOVERNMENT - Routine Capital Expenditures	2,680,938

GENERAL GOVERNMENT (Continued)

Nonroutine Capital Expenditures

Fund/Project Description	Project Budget	Prior to 2012 Estimate	2012 Budget	After 2012 Projected	M&O Impact
Fund 145 - Cumulative Reserve Fund - Real Prop					
Unidentified property purchases			1,857,488		U
Fund 146 - Property Management Fund					
Police HQ window replacement			774,800		P
Culmback Bldg upgrades			439,000		N
EPAC roof replacement			251,500		P
Main Library garage seal coat			284,700		P
Fire Admin Bldg upgrades			462,312		N
Fire/EMS Bldg. upgrades			222,500		N
Fire Station roof replacements			262,500		P
Fund 308 - Riverfront Development (Gen Gov)					
Prg 001 - Project Management	2,138,000	510,693	300,000	1,327,307	N
Prg 002 - 41st St Exit & Roundabout	13,704,481	9,096,558	1,400,000	3,207,923	N
Prg 003 - Public Amenities/Wetland Enhancements	3,294,635	2,253,877	800,000	240,758	M
Prg 005 - Parcel C - Road & Intersection	1,100,000	88,163	720,000	291,837	N
Fund 342 - Facilities Construction Fund					
Prg 012 - Key Bank Shell Improvement Project	1,900,000	1,312,929	5,000	-	N
Prg 015 - West Marine View Dr. Parking Lot	80,000	22,000	58,000	-	N
Prg 016 - Municipal Court Building Replacement	8,357,000	1,970,000	5,312,000	1,075,000	N*
Prg 017 - Allen Buick Redevelopment Project	450,000	200,000	250,000		N
Prg 018 - Fire Admin Seismic Retrofits	2,544,296	196,600	1,898,802	448,894	N*
TOTAL GENERAL GOVERNMENT - Nonroutine Capital Expenditures			15,298,602		

TOTAL GENERAL GOVERNMENT CAPITAL EXPENDITURES			17,979,540		
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TRANSIT

Routine Capital Expenditures

Fund/Project Description	2012 Budget
Fund 425 - Transportation Services/Transit Fund	
Fixed route heavy duty bus replacement	919,532
Paratransit van replacement	750,000
Bus stop improvements	63,000
Radio replacements	250,000
TOTAL TRANSIT - Routine capital expenditures	1,982,532

Nonroutine Capital Expenditures

Fund/Project Description	Project Budget	Prior to 2012 Estimate	2012 Budget	After 2012 Projected	M&O Impact
Fund 425 - Transportation Services/Transit Fund					
Parking Garage PE	455,000	5,000	400,000	50,000	P
TOTAL TRANSIT - Nonroutine capital expenditures			400,000		

TOTAL TRANSIT CAPITAL EXPENDITURES			2,382,532		
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PARKS & RECREATION**Routine Capital Expenditures**

Fund/Project Description	2012 Budget
Fund 101 - Parks and Recreation	
ADA facility improvements	15,000
Asphalt paving, striping and repair	50,750
Ball field lighting replacements	40,000
Endangered Species Act compliance	95,000
Exterior building painting, siding and repairs	30,000
Fence repairs and installation	10,000
Graffiti and vandalism repairs	5,000
Interior building repairs	35,000
Landscape rejuvenation	10,000
Roof repairs and replacement	33,000
Mainsaver maintenance	10,000
Park amenity improvements	16,250
Fund 148 - Cumulative Reserve Fund for Parks	
Everett TV studio/control room upgrades	600,000
Clark Park initial renovation/ rehabilitation	50,000
Playground equipment replacement	25,000
Floral Hall roof replacement	60,000
Lowell Riverfront Trail/Rotary Park path improvements	40,000
TOTAL PARKS & RECREATION - Routine capital expenditures	1,125,000

Nonroutine Capital Expenditures

Fund/Project Description	Project Budget	Prior to 2012 Estimate	2012 Budget	After 2012 Projected	M&O Impact
Fund 354 - Parks CIP3 Construction					
Prg 016 - Thornton A Sullivan Park CapCons	500,000	354,090	110,000	35,910	N
Prg 020 - Morrow House Tenant Improv	128,720	115,167	13,553	-	N
Prg 027 - Downtown Area Sustainable Maint Renov	153,000	120,329	29,671	3,000	N
Prg 028 - Gateways Sustainable Maint Renovation	150,000	79,715	28,285	42,000	N
Prg 030 - Jackson Park Renovations	447,209	347,209	100,000	-	N*
Prg 031 - Bayside Pk Phase 2 Improvements	315,000	253,584	61,416	-	N
Prg 036 - Evt Performing Arts Center Dwntrwn Plaza	2,746,132	529,020	1,817,112	400,000	M*
Prg 037 - WEH Park Playground	250,000	-	150,000	100,000	N
TOTAL PARKS & RECREATION - Nonroutine capital expenditures			2,310,037		

TOTAL PARKS & RECREATION CAPITAL EXPENDITURES	3,435,037
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TRANSPORTATION**Routine Capital Expenditures**

Fund/Project Description	2012 Budget
Fund 119 - Street Improvements	
Street improvement projects - primarily overlay	1,450,000
Various street projects - not yet assigned	866,209
Fund 157 - Traffic Mitigation	
Various street projects - not yet assigned	3,000,880
TOTAL TRANSPORTATION - Routine capital expenditures	5,317,089

Nonroutine Capital Expenditures

Fund/Project Description	Project Budget	Prior to 2012 Estimate	2012 Budget	After 2012 Projected	M&O Impact
Fund 303 - Public Works Improvement Projects					
Prg 016 - E. Everett Pedestrian Walkway	903,803	634,132	269,671	-	N
Prg 031 - Snohomish Riverfront Trail	865,000	864,915	85	-	N
Prg 040 - E. Marine View Dr/N. Broadway to I-5	12,193,864	12,457,440	10,000	-	N
Prg 056 - Bond Street RR Crossing	255,000	86,140	15,500	153,360	N
Prg 057 - Snohomish River Pedestrian Bridge	449,426	448,585	841	-	N
Prg 060 - 112th St SE/3rd Av SE to I-5	8,145,501	7,891,928	253,573	-	N
Prg 064 - Railroad Track Relocation	8,820,526	8,275,409	-	-	N
Prg 069 - 41st Street / Broadway Arterial Improves	4,854,247	4,967,016	20,000	-	N
Prg 071 - 36th St RR Crossing Closure	52,000	35,000	17,000	-	N
Prg 074 - Holly Dr Non-Motorized Improves	979,034	1,072,932	-	-	N
Prg 075 - W Marine View Dr Non-Motor Improves	1,430,823	939,597	204,243	286,983	N
Prg 076 - 112th St SE - Silver Lk Road to SR 527	5,359,128	1,075,678	2,283,450	2,000,000	N*
Prg 077 - 7th Ave SE - 92nd St SE to 112th St SE	500,000	710,594	-	-	N
Prg 078 - 36th St/ BNSF Non-Motorized Crossing	100,000	144,985	1,000	-	N
Prg 080 - Pigeon Creek/BNSF Ped Overcrossing	81,777	27,885	25,000	28,892	N
Prg 081 - SR99/Evergreen Way BRT Project	2,170,000	177,768	1,992,223	-	N
Prg 082 - W. Marine View Drive	1,900,000	1,300,452	599,548	-	N
Prg 083 - Evt Mall Way Signal Safety	30,000	1,542	28,458	-	N
Prg 084 - 112th St Pedestrian Improvements	100,000	63,981	36,019	-	N
Prg 085 - City Center Safety Improvements	400,000	420	365,000	34,580	N
Prg 086 - Pedestrian Signals at Casino&Rucker	540,000	30,634	509,366	-	N
Prg 087 - Horizon Elementary Safety Improvements	415,000	8,916	406,084	-	N
Prg 088 - 2010 ARRA Overlay Program	975,000	655,759	319,241	319,241	N
Prg 089 - Broadway Bridge Replacement Project	2,649,280	513,554	2,135,726	-	N*
Prg 090 - Rucker/Hoyt Streetscape Project	2,528,655	2,579,330	25,000	-	N*
Prg 091 - 41st St. to W. Marine View Dr. Project	1,676,300	-	1,005,780	670,520	N
Prg 092 - Airport Rd to 112th Pedestrian Project	390,000	-	390,000	-	N
TOTAL TRANSPORTATION - Nonroutine capital expenditures			10,912,808		

TOTAL TRANSPORTATION CAPITAL EXPENDITURES	16,229,897
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UTILITIES

Routine Capital Expenditures

Fund/Project Description	2012 Budget
Fund 401 - Water/Sewer Utility Fund & Fund 336 - Water/Sewer System Imp Projects	
WATER	
Water distribution system improvements	3,850,000
Pipeline Repair and Replacements	7,000,000
Cathodic protection - bonding pipelines	2,000,000
SEWER	
Sewer system capacity improvements	550,000
Sewer system replacements	2,970,000
Lift station improvements	1,450,000
WPCF Smith Island dike improvements	1,180,000
Sewer Comprehensive Plan	600,000
STORM	
Surface water comp plan	300,000
TOTAL UTILITIES - Routine capital expenditures	19,900,000

Nonroutine Capital Expenditures

Fund/Project Description	2010-2016 ^a Project Budget	2010-2012 Prior to 2012 Estimate	2012 Budget	2013-2016 After 2012 Projected	M&O Impact
Fund 401 - Water/Sewer Utility Fund & Fund 338 - Solid Waste Improvement Fund & Fund 336 - Water/Sewer System Imp Projects					
WATER					
WFP Filter Expansion	15,890,000	-	-	15,890,000	N
WFP Improvements	4,780,000	50,000	1,830,000	2,900,000	N
Kimberly-Clark Pipeline Rehab	2,450,000	250,000	-	2,200,000	N
Evergreen Way Pump Station Improvement	4,100,000	1,250,000	-	2,850,000	N
Pipeline #5 Cross Dike and Replacement	7,000,000	300,000	300,000	6,400,000	N
Pipeline #5 Replacement at Pilchuck River	5,450,000	750,000	2,700,000	2,000,000	N
Pipeline #5 Pile Replacement	1,100,000	-	1,100,000	-	N
Diversion Dam Improvements	1,140,000	-	-	1,140,000	N
Groundwater Supply 2 MGD	200,000	-	-	200,000	N
Cross-Tie Transmission Line	350,000	-	-	350,000	N
Public Works Building Upgrade - Water	5,300,000	-	300,000	5,000,000	N
Water Tanks/Reservoirs - Rehabilitation	4,250,000	-	550,000	3,700,000	N
Chaplain South Dam Tunnel Fill	500,000	-	500,000	-	N
Valve House No. 2 Replacement	70,000	-	-	70,000	N
SEWER					
WPCF Capacity Expansion - Phase B & C	63,090,000	7,400,000	3,870,000	51,820,000	H*
Public Works Building Upgrade - Sewer	5,300,000	-	300,000	5,000,000	N
WPCF I & C Upgrade	2,020,000	20,000	1,000,000	1,000,000	N
Bond Street CSO - Control Facilities and Retention Treatment Basin	14,660,000	2,160,000	1,000,000	11,500,000	H*
STORM					
Bigelow Creek Storm Improvements	900,000	50,000	100,000	750,000	N
Shore Avenue Outfall	1,190,000	190,000	600,000	400,000	N
Fund 402 - Solid Waste Management Fund					
Methane Recovery System	760,000	85,000	675,000	-	N
Leachate Collection System	7,920,000	1,930,000	5,990,000	-	N
Fund 450 - Snohomish River Reg. Wtr Auth	1,735,000	1,245,000	90,000	400,000	N
TOTAL UTILITIES - Nonroutine Capital Expenditures			20,905,000		

^a Water & Sewer Utility project budgets represents only years specified (not total project budget).

TOTAL UTILITIES CAPITAL EXPENDITURES	40,805,000
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DETAILS OF SELECTED CAPITAL PROJECTS

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

Each project form is divided into three main sections:

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

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

Project Name: Municipal Court Building Replacement**Project Description**

Budget: \$8,357,000 Project Mgr: Chris Lark

Location: Corner of Wetmore Avenue and Pacific Avenue

Description: Design and construct a replacement building for the Municipal Court

Justification: To meet citizens and staff needs for increased space

Remarks: The design team is under contract and work has begun. Project construction started September 2011.

Start Date: May 2010 Completion Date: March 2013

Capital Funding**Sources of Funding**

CIP 4	8,316,000
Fund 146 - Propert management	41,000
Total	8,357,000

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	800,000	179,940	75,000				1,054,940
Construction Costs	1,070,000	4,799,060	800,000				6,669,060
Project Costs	100,000	333,000	200,000				633,000
Total Cost	1,970,000	5,312,000	1,075,000	-	-	-	8,357,000

Estimated Impact on Future Operating Budgets

The impact on the operating budget will be *negligible to moderate*. Although the square footage of the new building will be almost double the size of the existing building, the new building will be designed and laid out to be more efficient. Utility costs are the largest expected increase. Custodial services will also increase slightly. No new FTEs are being added.

	2012	2013	2014	2015	2016
Other Operating Costs	-	8,400	10,712	10,710	10,710
Total Operating Costs	-	8,400	10,712	10,710	10,710

Project Name: Fire Administration Seismic Upgrade Project**Project Description**

Budget: \$2,544,296 Project Mgr: Carlton Gipson

Location: Oakes Street and California Avenue

Description: Design and construct a seismic upgrade to both the Fire Administration and Fire Training buildings

Justification: To provide facilities that will allow the City's first responders to survive a seismic event

Remarks: Project construction is expected to begin spring 2012 with an estimated cost of \$2,544,296. The project is funded through federal grants and local matching funds.

Start Date: December 2010 Completion Date: July 2013

Capital Funding**Sources of Funding**

Federal Grant	1,908,222
CIP 4	496,074
City In-Kind Labor	140,000
Total	2,544,296

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	136,000	263,902	75,000	-	-	-	474,902
Construction Costs	-	1,504,900	319,000	-	-	-	1,823,900
Project Cost	600	70,000	34,894	-	-	-	105,494
In-Kind Labor	60,000	60,000	20,000	-	-	-	140,000
Total Cost	196,600	1,898,802	448,894	-	-	-	2,544,296

Estimated Impact on Future Operating Budgets

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

Project Name: Jackson Park Renovations**Project Description**

Budget: \$447,029 Project Mgr: Mark Harrison

Location: Jackson Park

Description: Community Park renovation and improvements. A consultant is assisting with the master plan development; the plan will be updated with community and stakeholder involvement. Follow-on work after master plan completion will include design/engineering and then renovation with dates TBD.

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

Remarks: The picnic shelter was installed in 2007. Parks is pursuing a partnership to improve the athletic fields.

Start Date: July, 2006 Master Plan Completion: May 2012

Capital Funding**Sources of Funds**

Fund 154 - CIP 3	447,209
Total	447,209

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	184,336	45,405	-	-	-	-	229,741
Construction Costs	162,873	54,595	-	-	-	-	217,468
Total Cost	347,209	100,000	-	-	-	-	447,209

Estimated Impact on Future Operating Budgets

The near-term impact on the yearly operating budget will be *negligible*. However, once construction is complete, the impact is expected to be positive. The current Jackson Park playground, restrooms and fields require frequent repairs.

Project Name: Everett Performing Arts Center Downtown Plaza**Project Description**

Budget: \$2,746,132 Project Mgr: Mark Harrison

Location: Everett Performing Arts Center

Description: Develop downtown plaza at Performing Arts Center. Project includes a water feature and seating areas to form a plaza for community enjoyment.

Justification: Population in the downtown area is expected to increase. Development of a performing arts plaza will provide an outdoor gathering area for downtown.

Start Date: February 2007 Completion Date: December 2012

Capital Funding**Sources of Funding**

Fund 154 - CIP 3	2,746,132
Total	2,746,132

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	178,795	67,337	-	-	-	-	246,132
Construction Costs	350,225	1,749,775	400,000	-	-	-	2,500,000
Total Cost	529,020	1,817,112	400,000	-	-	-	2,746,132

Estimated Impact on Future Operating Budgets

The impact on the operating budget will be *moderate*. This is a new urban plaza that will require maintenance and also increase the need for trash collection and removal.

	2012	2013	2014	2015	2016
Other Operating Costs	-	6,600	13,200	13,900	-
Total Operating Costs	-	6,600	13,200	13,900	-

Project Name: 112th Street SE – Silver Lake Road to SR 527**Project Information**

Budget:	\$5,359,128	Project Mgr: Dave Davis
Location:	112 th Street S.E. – Silver Lake Road to SR 527	
Description:	This project involves the improvement of 112 th Street S.E. between Silver Lake Road and SR 527, from the existing four lanes to a full five-lane configuration. The project will add bike lanes in both directions, a new westbound general-purpose lane, and associated storm drainage and traffic signal improvements.	
Justification:	The intent of the five-lane improvement is to address problems related to safety, capacity, mobility, transit and HOV efficiency, economic growth, non-motorized transportation, connectivity, energy efficiency, and air quality.	
Remarks:	The improvement of the 112 th Street corridor is a vital part of a comprehensive system of improvements needed to adequately serve Snohomish County's largest employment center and will provide access to Sound Transit's I-5 median park-and-ride lot.	
Start Date:	2007	Completion Date: 2013

Capital Funding**Sources of Funding**

Federal Grant	1,962,370
State Grant - TIB	2,943,558
Fund 157 - Traffic Mitigation	303,200
Fund 158 - Boeing Mitigation	150,000
Total	5,359,128

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	605,475	580,157	-	-	-	-	1,185,632
Land	470,203	-	-	-	-	-	470,203
Construction Costs	-	1,703,293	2,000,000	-	-	-	3,703,293
Total Cost	1,075,678	2,283,450	2,000,000	-	-	-	5,359,128

Estimated Impact on Future Operating Budgets

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

Project Name: Broadway Bridge Replacement Project**Project Information**

Budget: \$2,649,280 Project Mgr: Ryan Sass

Location: Broadway Bridge over Burlington Northern Santa Fe mainline railroad tracks

Description: Replacement of the Broadway Bridge over the BNSF mainline tracks. This section of Broadway is a five lane principal arterial carrying vehicular volumes in excess of 30,000 ADT (average daily traffic). The proposed scope of the improvements includes demolition of the existing structure, traffic control, utility coordination, bridge structure replacement (including curbs, sidewalks, illumination), associated roadway improvements, utility improvements (drainage, water, sewer), utility coordination, non-motorized transportation improvements, landscaping and irrigation.

Justification: The Broadway Bridge was constructed in 1912 and is in need of replacement. Load restrictions were imposed on the bridge in 2008, following a bridge inspection.

Remarks: The City has received additional federal funds for the design phase and has been approved for Bridge Replacement Grant Funds through the Bridge Replacement Advisory Committee (BRAC). The estimated cost of replacement is roughly \$9,100,000.

Start Date: 2010 Completion Date: 2014

Capital Funding**Sources of Funding**

Federal Grant	2,649,280
Total	2,649,280

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	513,554	906,631	-	-	-	-	1,420,185
Construction Costs	-	1,229,095	-	-	-	-	1,229,095
Total Cost	513,554	2,135,726	-	-	-	-	2,649,280

Estimated Impact on Future Operating Budgets

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

Project Name: Hoyt Streetscape Project**Project Information**

Budget: \$2,528,655 Project Mgr: Ryan Sass

Location: Hoyt Avenue between Wall Street, Pacific Avenue and Everett Avenue

Description: The Hoyt Streetscape Project consists of street improvements, sidewalk replacement, curb extensions, street trees, decorative lighting, bike and pedestrian improvements, and urban street amenities on Hoyt Avenue.

Justification: This project conforms to the Downtown Everett Plan and Downtown Everett Streetscape Plan. The project directly implements improvements called for by the Downtown Everett Streetscape Plan.

Remarks: This project includes water and sewer infrastructure improvements which are funded separately by Utilities Funds.

Start Date: 2009 Completion Date: 2012

Capital Funding**Sources of Funding**

Fund 144 - Downtown Improvements	2,248,000
Fund 157 - Traffic Mitigation	28,655
Fund 430 - Everpark Garage	252,000
Total	2,528,655

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Construction Costs	2,503,655	25,000					2,528,655
Total Cost	2,503,655	25,000	-	-	-	-	2,528,655

Estimated Impact on Future Operating Budgets

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

Project Name: Water Pollution Control Facility (WPCF) Capacity Expansion – Phase B and C

Project Description

Budget: \$63,090,000 Project Mgr: Jim Miller

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

Description: This project is located at the Everett WPCF. The WPCF is currently exceeding 85% capacity based on permitted BOD loading. This requires that the City evaluate the plant and initiate a design to expand the plant capacity. The Facilities Plan published in April 2003 and revised November 2004 planned for a solids handling addition in 2007 and an additional trickling filter added on line by 2011.

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

Start Date: 2007 Completion Date: 2019

Capital Funding

Sources of Funding

User Fees/ Bonds	14,510,000
Wholesale Customers	48,580,000
Total	63,090,000

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	2,470,000	2,500,000	-	-	-	-	4,970,000
Construction Costs	4,930,000	1,370,000	12,360,000	19,730,000	19,730,000	-	58,120,000
Total Cost	7,400,000	3,870,000	12,360,000	19,730,000	19,730,000	-	63,090,000

Estimated Impact on Future Operating Budgets

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

	2012	2013	2014	2015	2016
New Personnel (FTEs)	1.0	2.0	2.0	2.0	2.0
Personnel	56,760	119,196	125,156	131,414	137,984
Other Operating Costs	3,594	7,547	7,925	8,321	8,737
Total Operating Costs	60,354	126,743	133,081	139,735	146,721

Project Name: Bond Street CSO Control Facilities and Retention Treatment Basin

Project Description

Budget: \$14,660,000 Project Mgr: Heather Griffin

Location: Terminus of Bond Street

Description: The City of Everett is required to reduce combined sewer overflows (CSOs) in accordance with State of Washington law (WAC 173-245). There are four remaining CSO outfalls that discharge into Port Gardner Bay for which improvements have not yet been constructed. These four outfall sites were originally identified in the City of Everett's CSO Control Plan as Puget Sound Outfalls No. 4 – 7 (PS04, PS05, PS06, and PS07).

This project will construct a one million gallon retention treatment basin on City-owned property at the terminus of Bond Street. In addition, conveyance pipeline improvements would divert current combined sewer overflows from the outfalls to the retention treatment basin. If the full capacity of the retention treatment basin is exceeded then excess flows would be discharged to an existing deepwater marine outfall.

Justification: The project will reduce combined sewer overflows in accordance with State laws.

Start Date: 2008 Completion Date: 2017

Capital Funding

Sources of Funding

User Fees/ Bonds	12,256,855
State Dept. of Ecology	2,403,145
Total	14,660,000

Capital Costs

	Thru 2011	Five-year Plan					Total Cost
		2012	2013	2014	2015	2016	
Design/Engineering	409,200	-	-	-	-	-	409,200
Construction Costs	1,750,800	1,000,000	-	-	-	11,500,000	14,250,800
Total Cost	2,160,000	1,000,000	-	-	-	11,500,000	14,660,000

Estimated Impact on Future Operating Budgets

There are five separate components to the overall CSO Facilities project. These projects will be completed between 2009 and 2017 with the individual projects coming on-line at different times depending upon the availability of funding and the challenges of fitting the projects into the capital project schedule. Because there are so many variables with this project, the impact on the operating budget is currently unknown and has not been detailed here. However, the overall impact is expected to be *high*.

Capital Improvement Program Funds

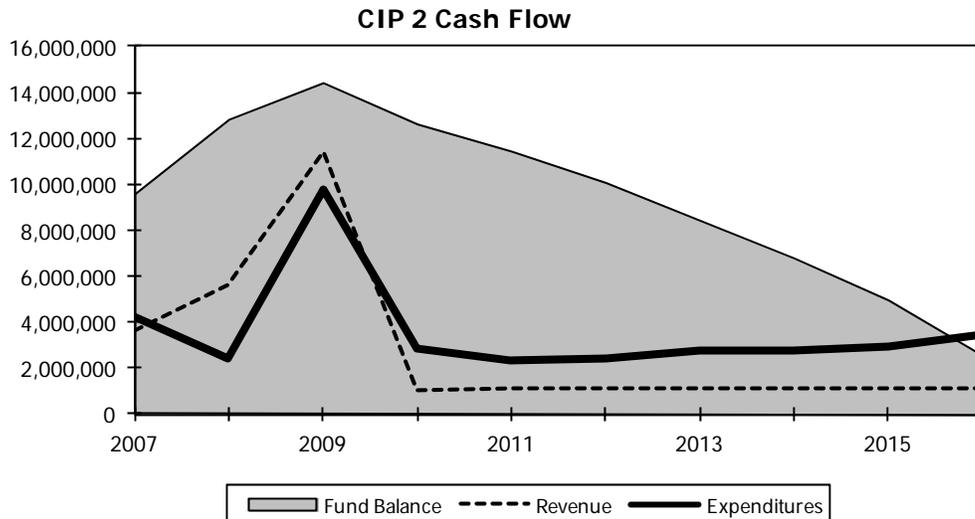
The Capital Improvement Program Funds listed in this section provide details of the resources and related expenditures related to **General Government** capital projects.

To provide for the segregation of financial resources dedicated for general government capital projects, the City of Everett has established separate funds in the operating budget. While the City refers to these funds as Capital Improvement Programs (CIPs), it should be noted these funds are not considered *the capital improvement program* but rather are considered tools to better manage the general government resources available to fund capital projects.

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

Capital Improvement Program 2

CIP 2 was established in 1989. Revenue sources for this program include the first 1/4% Real Estate Excise Tax and General Fund contributions. In 2001, CIP 2 financed \$13,000,000 in bonds that were used to purchase property for the site of the Everett Events Center. CIP 2 also provides the funds required for debt service payments for the \$15,000,000 bonds issued in 2003 for the Edward D. Hansen Conference Center. Additionally, CIP 2 provides \$500,000 each year to the Everett Public Facilities District for debt support. Current CIP2 activity is the repayment of debt on completed projects.



Capital Improvement Program 3

In January 1992, the City of Everett imposed an additional 1/4% Real Estate Excise Tax (REET) on the sale of real property within the City. The imposition of this tax was authorized by the Growth Management Act of 1990. According to this act, the second quarter of one percent Real Estate Excise Tax is to be used solely for projects designated in the Capital Facilities Plan element of an approved comprehensive plan.

The second 1/4% revenues are restricted by state law to "those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of street, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation or improvement of parks."

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

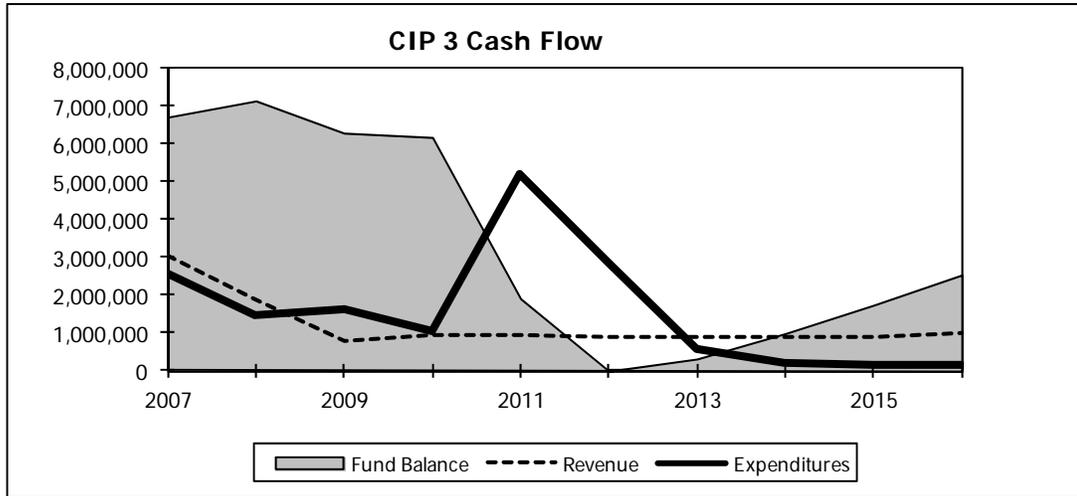
Current CIP 3 Projects in progress, funded in whole or in part by CIP 3, are as follows:

	CIP3 Contribution
Park Projects in Progress	
Jackson Park Renovations	\$ 447,209
Bayside Park Renovations	315,000
Everett Performing Arts Ctr Plaza	2,746,132
WE Hall Playground	150,000
	<u>\$ 3,658,341</u>

	CIP3 Contribution
Street Projects in Progress	
Street Overlay - 2012	\$ 300,000
Pigeon Creek/BNSF Ped Overcrossing	60,000
Riverfront Round About	4,000,000
US 2 Route Development	200,000
	<u>\$ 4,560,000</u>

	Annual Pmt
Public Works Trust Fund Loans	
75th St Improvement	\$ 60,612
Riverfront	57,972
112th: 3rd to I5 and SR527 to I5	58,129
	<u>\$ 176,713</u>

The graph and table below illustrate the cash flow of CIP 3 through 2016.



CIP 3 CASHFLOW

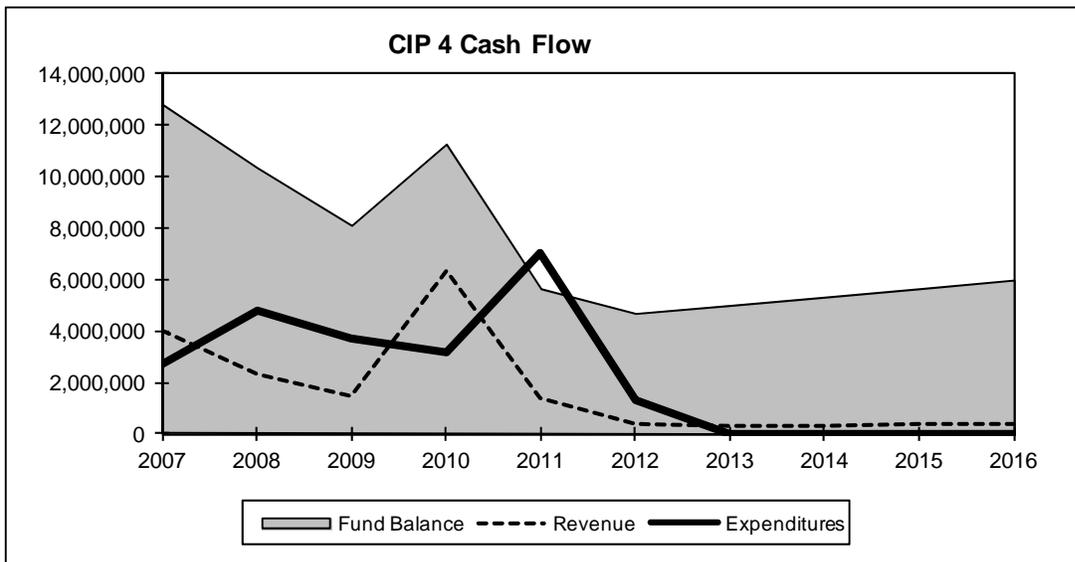
	2012	2013	2014	2015	2016
Balance Forward	\$ 1,920,465	\$ 4,705	\$ 326,642	\$ 1,002,517	\$ 1,750,203
Revenue:					
2nd 1/4% REET	800,000	824,000	848,720	874,181	900,407
Misc					
Interest Return	101,000	93,256	26,080	46,036	74,507
TOTAL Revenue	901,000	917,256	874,800	920,217	974,914
Expenses:					
Park Projects	340,047	420,000	25,000	-	-
Street Projects	2,300,000	-	-	-	-
Public Trust Fund Loans	176,713	175,319	173,925	172,531	171,139
TOTAL CIP 3 Expenses	2,816,760	595,319	198,925	172,531	171,139
ENDING FUND BALANCE	\$ 4,705	\$ 326,642	\$ 1,002,517	\$ 1,750,203	\$ 2,553,978

Capital Improvement Program 4

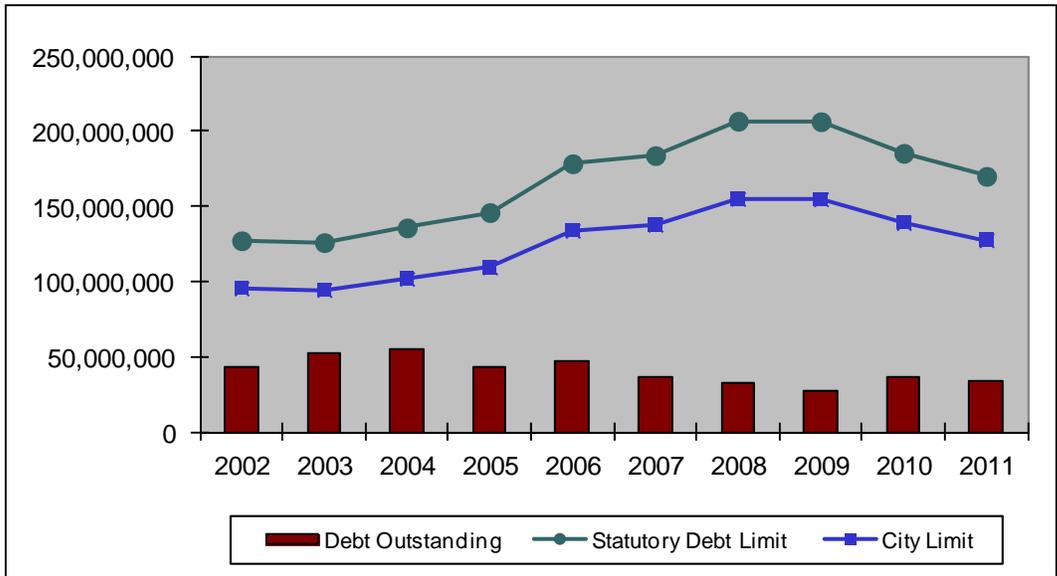
CIP 4 was established in 1995. This capital improvement program is funded from General Fund contributions, rental fees, bond proceeds, interest earnings, and transfers from other operating funds of the City. The City is currently in the process of reviewing its Comprehensive Plan to determine which projects will be funded with CIP 4 resources.

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

Projects in Progress - CIP 4	Estimated Year of Completion	Estimated CIP 4 Contribution
Keybank Shell Improvements	2012	\$ 1,900,000
W. Marine View Dr. Parking Lot	2012	80,000
Muni Court Building Replacement	2012	8,357,000
Riverfront Interim Financing	2014	1,200,000
Downtown Hotel Project	2013	450,000
Fire Admin Seismic Retrofit	2013	496,074
Total Projects in Progress - CIP 4		\$ 12,483,074



As the graph below illustrates, the city's outstanding councilmanic debt has remained well below the statutory debt limit as well as the city's self-imposed debt limit of 75% of the statutory limit.



Voted Debt

The City can incur debt up to an additional one percent (1.0%) of its assessed valuation with a 60 percent vote in favor of the issue by at least 40 percent of the voters voting in the last general election. Property taxes may be increased to support the related debt payments. The City currently has no outstanding voted debt.

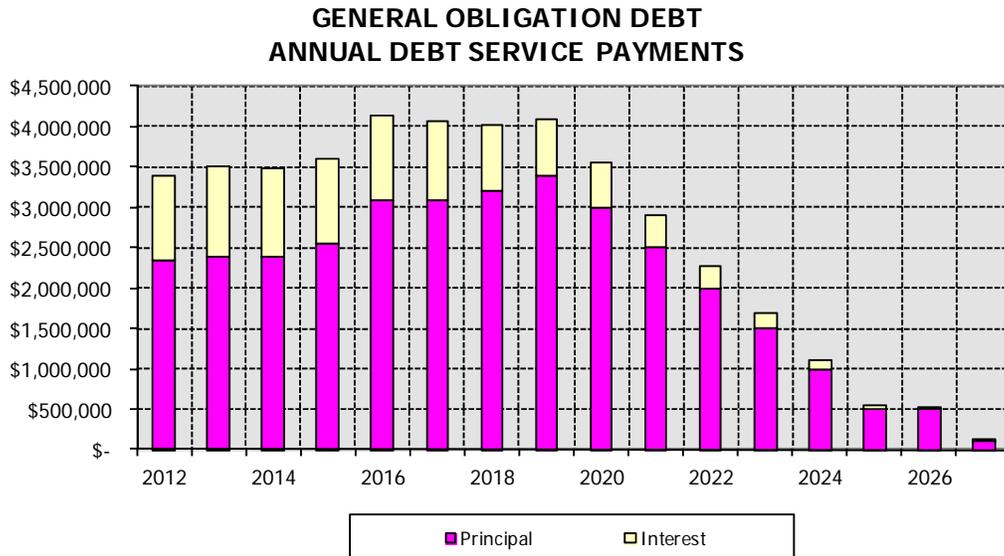
General Obligation Debt

General obligation (GO) debt is backed by the full faith and credit of the City. Councilmanic debt is paid from general revenues. Voted general obligation bonds are paid from excess property tax levies assessed on property within the City as approved by the voters in each case.

The 2012 total debt service requirement for GO debt is \$3,395,817 (principal payments of \$2,350,000 and interest payments of \$1,045,817). \$1,941,817 of this amount will be funded by Fund 162 – Capital Improvement Reserve Fund, a major fund. The remainder, \$1,454,000, will be funded by Fund 402 – Solid Waste, a non-major business-type fund.

Details of the individual GO debt requirements can be found on the following page. As currently configured, the City of Everett's GO debt will be retired in 2027.

The chart below depicts the annual debt service requirements for the GO debt broken out by principal and interest.



The following table presents the annual debt service requirements for each individual GO debt. These are the payments that directly affect the general government’s annual operations budget.

ANNUAL DEBT SERVICE REQUIREMENTS - GO DEBT (principal and interest)

Issue	2001 VRDB	2003 Refund & Conf Ctr	2010 LTGO Bonds *	
Originally Issued	\$ 13,000,000	\$ 19,200,000	\$ 10,500,000	
Principal Outstanding	\$ 10,600,000	\$ 14,800,000	\$ 8,200,000	Total \$ 33,600,000
2012	877,817	1,064,000	1,454,000	3,395,817
2013	969,050	1,300,000	1,230,000	3,499,050
2014	1,000,250	1,276,000	1,208,750	3,485,000
2015	1,023,450	1,399,000	1,182,500	3,604,950
2016	1,875,650	1,115,250	1,152,500	4,143,400
2017	1,845,050	1,092,125	1,120,000	4,057,175
2018	1,777,450	1,169,000	1,082,500	4,028,950
2019	1,709,850	1,342,000	1,042,500	4,094,350
2020	1,042,250	2,505,000		3,547,250
2021	-	2,905,000		2,905,000
2022		2,280,000		2,280,000
2023		1,680,000		1,680,000
2024		1,105,000		1,105,000
2025		555,000		555,000
2026		530,000		530,000
2027		105,000		105,000
TOTAL	\$ 12,120,817	\$ 21,422,375	\$ 9,472,750	\$ 43,015,942

* Debt service for this general obligation debt is budgeted and paid by the Solid Waste Fund 402.

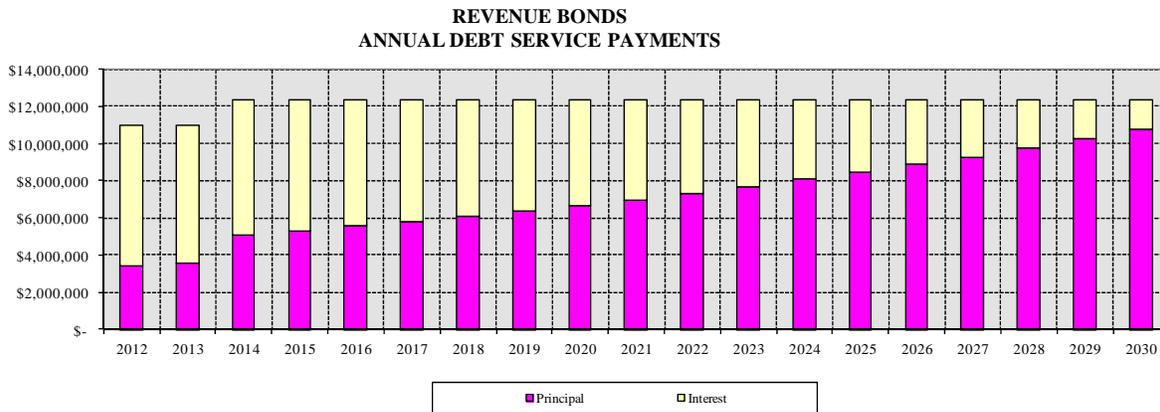
Revenue Debt

Revenue debt is typically composed of bonds where the City pledges income derived from the acquired or constructed assets to pay the debt service.

Currently, all outstanding revenue debt is utility related and is therefore paid from Utility Fund 401, a major fund. The 2012 total debt service requirement for revenue debt is \$11,001,251 (principal payments of \$3,425,000 and interest payments of \$7,576,251).

The table below lists the revenue bonds outstanding as of December 31, 2011. The graph shows the annual debt services requirements broken out by principal and interest. As currently configured, the City's revenue debt will be retired in 2035.

	Originally Issued	Year of Issue	Outstanding as of 12/31/2011
Revenue Bonds:			
2002 Water/Sewer Refunding Bonds	\$ 5,260,000	2002	\$ 625,000
2003 Water/Sewer Refunding Bonds	58,090,000	2003	36,750,000
2005 Water/Sewer Revenue Bonds	35,000,000	2005	34,810,000
2009 Water/Sewer Revenue Bonds	40,000,000	2009	36,295,000
2011 Water/Sewer Revenue Bonds	51,000,000	2011	51,000,000
Total Revenue Bonds:	\$ 189,350,000		\$ 159,480,000



Other Long-Term Debt

In addition to general obligation and revenue debt, the City has obtained several low interest rate government loans to provide for the construction of capital projects.

Governmental Activities:

The 2012 total debt service requirement for the Snohomish County/Everett Memorial Stadium loan is \$52,311 (principal only) and will be paid from the Hotel/Motel Tax Fund 138, a non-major fund. This debt will be retired in 2014.

The 2012 total debt service requirement for the Public Works Trust Fund Loans is \$176,713 (principal payments of \$167,005 and interest payments of \$9,708). This debt will be paid from the Real Estate Excise Tax Fund 154, a non-major fund.

	Originally Issued	Year of Issue	Outstanding as of 12/31/2011
Other Governmental Activity Debt:			
Snohomish County/Everett Memorial Stadium	\$ 1,046,220	1995	\$ 156,933
Public Works Trust Fund Loan - 75th Street	930,880	1996	288,632
Public Works Trust Fund Loan - Riverfront	1,000,000	1999	379,256
Public Works Trust Fund Loan - 112th Street	1,000,000	2002	606,085
Total Other Governmental Activity Debt	\$ 3,977,100		\$ 1,430,906

Business-Type Activities:

The 2012 total debt service requirement on the outstanding business-type activity debt listed below is \$4,549,014 (principal payment of \$4,093,599 and interest payments of \$455,415). This debt will be paid from the Utility Fund 401, a major fund.

Other Business-type Activity Debt:

(Public Work Trust Fund Loans)

PWTF Loan - Sewer Basement Flooding Reduction	\$ 1,881,000	2001	\$ 990,000
PWTF Loan - Transmission Line Upgrades	4,599,000	2001	2,234,874
PWTF Loan - Transmission Line Upgrades	5,215,500	2003	3,477,000
PWTF Loan - Transmission Line Upgrades	631,253	2003	538,963
PWTF Loan - Transmission Line Upgrades	9,500,000	2005	7,388,888
PWTF Loan - Water Pollution Control Facility	7,000,000	2006	5,526,316
State Revolving Fund Loan - Clearwell No. 2	4,134,552	2006	3,116,032
SRF Loan - Transmission Line Upgrades	4,040,000	2007	3,189,473
SRF Loan - Transmission Line Upgrades	3,000,000	2008	2,551,578
SRF Loan - Transmission Line Upgrades	4,040,000	2008	3,626,433
SRF Loan - Transmission Line Upgrades	1,376,473	2009	1,304,097
PWTF Loan - Transmission Line Upgrades	3,352,632	1993	340,793
PWTF Loan - Transmission Line Upgrades	3,500,000	1994	555,702
PWTF Loan - Transmission Line Upgrades	510,300	1995	111,283
SRF Loan - Transmission Line Upgrades	818,398	2010	818,398
Kimberly-Clark Property	4,094,836	2009	1,820,635
Total Other Business-Type Activity Debt	\$ 60,533,943		\$ 37,590,465

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