

DRAFT REPORT

City of Covington

**Town Center Economic Impact
and
Infrastructure Cost Study**

June 30, 2014

Contact Information

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TOWN CENTER ECONOMIC IMPACT AND INFRASTRUCTURE COST STUDY

Executive Summary

1.0 INTRODUCTION

The City of Covington invested considerable time and resources to partner with the community and local land/business owners to craft a long-range vision and plan for a new “Town Center” in its downtown area. The vision and regulatory tools adopted out of a multiyear process envision a pedestrian friendly, well connected, and amenity-rich area centered around a “main street” concept. The Town Center is intended to have a mix of uses to provide a complete and balanced urban experience capable of supporting a range of employment and retail/entertainment activities for city residents and the broader Southeast King County area.

The City is well aware that the effort of creating quality experiences for residents, employees, and visitors will require the commitment of significant public resources needed to create the “infrastructure ecosystem” capable of supporting this type of intense land development and human activity. Regardless of market and economic conditions, the need for upgraded transportation, parks, and other public infrastructure is likely a challenge for near term redevelopment in the area.

As part of this study, the City would like to better understand:

- What are the key transportation and park projects that support growth in the Town Center and grow the local economy?
- What is the cost to acquire land, design facilities, and construct them?
- What are the fiscal benefits resulting from growth of the Town Center?
- How might the City think about positioning these projects for different types of infrastructure funding?

The following summary presents the key findings of the study.

2.0 KEY FINDINGS

What is the current land use in Town Center?

The City of Covington has established the Downtown area to implement the policies of the Downtown Element of its Comprehensive Plan, which is designed to promote the creation of a vibrant town center that serves as a commercial, residential, and civic gathering place that is safe and pedestrian-friendly. The Town Center District is designed to serve as the heart of the Downtown area, with a focus on mixed-use development, blending commercial, residential, office, and public uses, including pedestrian-friendly streetscapes and inviting public spaces.

The Town Center District currently contains a variety of land uses. The northern portion of the district, near SE 272nd Street, is characterized by retail and service uses, while the southern end of the district is mostly residential in nature. The central portion of the Town Center is characterized by the newly developed Valley Medical Clinic building and a site occupied by Covington Elementary School

How much new development might be possible in Town Center?

The Town Center District encompasses 39 parcels. Based on allowed residential densities and floor area ratios for the Town Center District, residential and commercial development capacities were calculated for each parcel in the study area. Because the Town Center district is a mixed-use zone area that allows developers to combine residential and commercial uses within each building, the residential and commercial capacity for each parcel are presented independently. In total, the flexibility in the zoning for different uses in the Town Center district has capacity for up to approximately 1,074 new residential units or 2.1 million square feet of commercial space.

How much economic investment would development bring?

Development in Covington's Town Center will generate economic and community benefit associated with the construction of housing, office, and retail space. Based on the development capacity described in the previous section, new development in Town Center could represent in the range of \$500 million of new, direct investment in buildings and inject new dollars into the local economy.

While it is impossible to predict exactly how Town Center will build out, this analysis applied knowledge of existing market orientation and planned projects to provide an estimate of what might develop in Town Center.

Once the development of Town Center is complete, it could provide:

- Up to 1,000 new housing units
- Shops, eating and beverage establishments, and restaurants in 250,000 square feet of retail space
- Businesses occupying up to 600,000 square feet of office space

The professional and technical businesses occupying those offices spaces could generate nearly \$200 million in annual revenue. This amount of business spending could support approximately 2,000 jobs in the area. Full build out of the retail space could attract nearly \$60 million annually in consumer spending to the area while supporting nearly 500 jobs in retail and other personal and consumer services.

The Town Center developments will add a significant amount of housing to the city. Adding this critical component will contribute significantly to the goal of providing for mix of land use and places for people to live, work, and play that will ultimately improve the quality of the experience in the area.

What level of tax revenues might Town Center bring to the City?

The future development and subsequent occupation of buildings in Town Center will lead to increases to the City's tax base. The City has accrued benefits from development in the Town Center. The fiscal impact to the City of Covington from development is estimated to be in the range of \$16 million. This is equated to the net present value of a 25-year stream of tax revenues discounted to 2014 dollars. As with many cities in Washington State, the three largest revenues sources for the City of Covington are Sales Tax, Property Tax, and Utility Taxes, making up about 75% of the City's General, Street, and Parks Fund revenues.

What infrastructure projects are necessary to support Town Center and how much do they cost?

The infrastructure study identified 11 transportation projects and three parks projects. The total cost of the identified projects is \$94.4 million. Specifically:

- Parks projects cost a total \$20.5 million

- Transportation projects cost a total \$73.9 million

The cost estimates cover elements of design, engineering, and administration; environmental mitigation; land and right-of-way acquisition; construction; and general project contingencies. The cost estimates do not include any cost to preserve, maintain, or operate these facilities.

A summary of the costs for the proposed park system for Town Center is shown in Exhibit 1. The total cost of projects is \$73.9 million.

Exhibit 1: Town Center Street Grid System Costs

Roadway Segment	Road Type	Construction	Engineering & Admin	Environmental	Right-of-Way Acquisition	Total Cost
Main Street/171st	I	\$4,466,000	\$1,474,000	\$313,000	\$3,678,000	\$9,930,000
SE 276th Street	II	\$3,560,000	\$1,175,000	\$249,000	\$2,751,000	\$7,735,000
SE 274th Street	I	\$2,935,000	\$968,000	\$205,000	\$2,589,000	\$6,698,000
172nd Ave SE	I	\$1,769,000	\$584,000	\$124,000	\$1,068,000	\$3,545,000
SE 277th Street	II	\$3,175,000	\$1,048,000	\$222,000	\$2,853,000	\$7,299,000
SE 275th Street	II	\$2,811,000	\$928,000	\$197,000	\$2,169,000	\$6,105,000
SE 273rd Street	I	\$1,152,000	\$380,000	\$81,000	\$807,000	\$2,421,000
172nd Place SE	I	\$2,696,000	\$890,000	\$189,000	\$1,995,000	\$5,770,000
170th Ave SE	I	\$1,152,000	\$380,000	\$81,000	\$807,000	\$2,421,000
169th Ave SE	I	\$1,152,000	\$380,000	\$81,000	\$807,000	\$2,421,000
SE Wax Road	III	\$10,582,000	\$3,704,000	\$1,270,000	\$3,994,000	\$19,549,000
		\$35,452,000	\$11,911,000	\$3,011,000	\$23,518,000	\$73,892,000

Source: DEA, 2014.

A summary of the costs for the proposed street system for Town Center is shown in Exhibit 2. The total cost of projects is \$20.5 million. The breakout costs for construction, design, and right-of-way are located in Technical Appendix B.

Exhibit 2: Town Center Park System Costs

Park Project	Construction	Engineering & Admin	Land Acquisition	Contingency	Total Cost
Covington Town Center Park	\$2,520,000	\$1,008,000	\$2,221,560	\$1,058,400	\$6,807,960
South Covington Park* **	\$3,828,000	\$1,531,200		\$1,607,760	\$6,966,960
Jenkins Creek Trail	\$3,696,000	\$1,478,400		\$1,552,320	\$6,726,720
	\$10,044,000	\$4,017,600	\$2,221,560	\$4,218,480	\$20,501,640

*Property acquisition funding support was requested from King County CFT and WWRP-LP in 2013

** Acquisition cost estimate to be determined based on appraisals in 2014

Source: SvR, 2014.

How should the City think about local funding sources?

The policy issue confronted by many local jurisdictions is whether some level of public funding support can be contributed to help offset the financial cost for constructing local infrastructure projects; or, in areas where development is not happening, whether public investment is needed to improve or complete needed projects before development occurs.

The provision of more local funding for projects will be necessary for three main reasons. First, the pursuit of competitive funding sources will be enhanced (if not required) with local match funding. Second, providing local funding allows the City to fund projects sooner than it might otherwise be able

to through its CIP process. Third, local funding provides more control and flexibility for public-private partnership in redevelopment negotiations.

Broadly, there are two ways Covington can create more local funding capacity for infrastructure construction.

- **Enhance existing capital funding tools.** The City already uses a variety of capital restricted funding mechanisms. City policy-makers have some discretion on the rates and fees charged and how these funds are spent.
- **Create New Local Area Funding Options.** The City can take measures to put into place (often with voter or property owner consent) new funding mechanisms. These mechanisms are typically new forms of taxes, fees, and special assessments.

Local sources are not the biggest part of a funding strategy for the Covington Town Center capital projects, yet at the same time the City has more discretion over *local sources* of revenue (how they are raised and how they are spent). As a result, they are a critical component of any funding strategy. For example, local funding as a match may be what moves a project up on funding priorities of an award list. **The success of implementing the Town Center transportation and parks projects will depend largely on steps the City can take to raise, administer, and leverage revenue from local sources.**

What's a framework for evaluating local funding options?

This study provides a list of local funding options for the City to consider; however, these options are very different in nature. A simple framework for comparing different local sources of funding would contrast the “feasibility”, or ease/difficulty of implementing a specific action against its “impact”, in this case the, the amount of funding it might provide.

A mostly qualitative assessment of these local funding tools was created in this study to roughly evaluate the feasibility of implementation relative to potential maximum funding impact. This approach to screening is represented in the 2x2 matrix diagram that follows and is described below.

- Low Hanging Fruit: High funding impact and easily implementable
- Small Advancements: Easily implemented but small funding impact
- Expensive Wins: High funding impact but difficult to implement
- Not a Priority: Small funding impact and difficult to implement

Generally, the city will want to evaluate the pros/cons in those categories – moving from Low Hanging Fruit to Small Advancements to Expensive Wins.

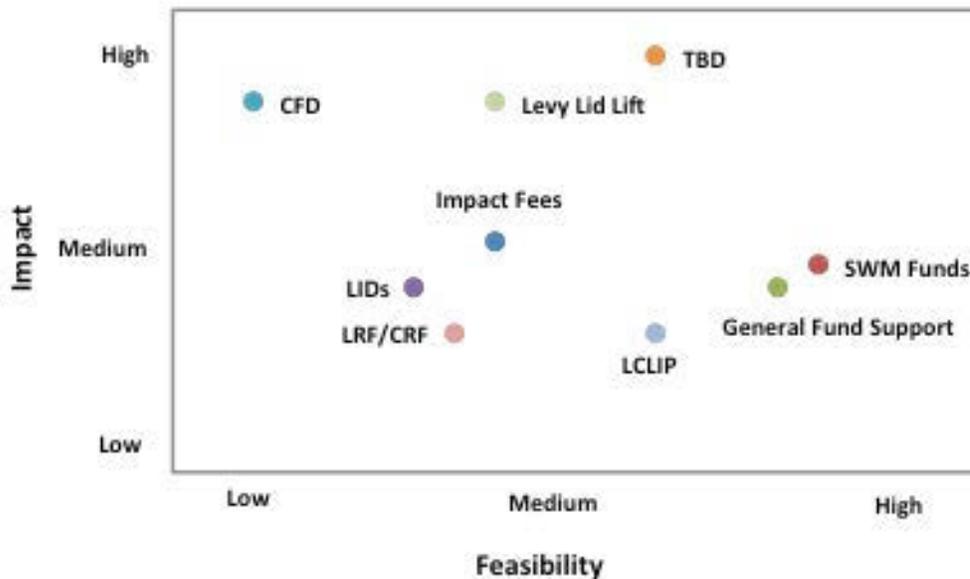
Exhibit 3: Screening Matrix



Source: ECONW, 2014.

This analysis of the feasibility and impact of options is meant to identify those tools that the City may want to consider along some prioritization matrix. Because some feasibility characteristics and some impact characteristics were more important than others, this assessment applied relative weights to each characteristic to arrive at feasibility and impact assessments. City staff also used their best judgment to decide whether tools might be ranked as low or high impact and low or high feasibility.

Exhibit 4: Assessment of Local Funding Options



Source: ECONW, 2014.

Note: CFD – Community Facility District; LID – Local Improvement District; LRF, CRF, LCLIP – various forms of tax increment financing; TBD – Transportation Benefit District; SWM – Surface Water Management funds.

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TOWN CENTER ECONOMIC IMPACT AND INFRASTRUCTURE COST STUDY

City of Covington

1.0 PROJECT CONTEXT AND PURPOSE

1.1 Project Context

The City of Covington invested considerable time and resources to partner with the community and local land/business owners to craft a long-range vision and plan for a new “Town Center” in its downtown area. The vision and regulatory tools adopted out of a multiyear process envision a pedestrian friendly, well connected, and amenity-rich area centered around a “main street” concept. The Town Center is intended to have a mix of uses to provide a complete and balanced urban experience capable of supporting a range of employment and retail/entertainment activities for city residents and the broader Southeast King County area.

The City is well aware that the effort of creating quality experience for residents, employees, and visitors will require the commitment of significant public resources needed to create the “infrastructure ecosystem” capable of supporting this type of intense land development and human activity. Regardless of market and economic conditions, the need for upgraded transportation, parks, and other public infrastructure is likely a challenge for near term redevelopment in the area.

1.2 Purpose and Key Questions

The City has entered into a partnership with a development team to work with the City to plan and develop the city’s future core. As part of that project, the City has signaled a willingness to partner on a range of development incentives and infrastructure funding efforts in order to see Town Center projects move forward.

As part of this study, the City would like to better understand:

- What are the key transportation and park projects that support growth in the Town Center and grow the local economy?
- What is the cost to acquire land, design facilities, and construct them?
- What are the fiscal benefits resulting from growth of the Town Center?
- How might the City think about positioning these projects for different types of infrastructure funding?

1.3 Organization of the Report

This study examines the needs and costs of transportation and park facilities in the area in order for the City to take another step towards realizing the vision of the Town Center. The main elements of this study include:

- **Section 2.0:** Town Center Development Potential and Impacts. A summary of current land use, development capacity, and potential community and economic impacts of future growth.
- **Section 3.0:** Infrastructure Needs and Costs. A summary of identified infrastructure projects and their associated costs.

- **Section 4.0:** Approach to Funding Infrastructure. A summary of the approaches and framework for evaluation transportation funding options.
- **Section 5.0: Grant and Local Funding Assessment.** A high-level assessment of key project level award sources.

In addition to this main report there are a series of five technical appendices where more detailed information is located. These technical appendices are the basis of much of the technical materials contained in this study.

- Appendix A: Transportation Cost Estimates
- Appendix B: Parks Cost Estimates
- Appendix C: Town Center Development
- Appendix D: Fiscal Impact and TIF Tools
- Appendix E: Inventory of Award Sources

2.0 TOWN CENTER DEVELOPMENT POTENTIAL AND IMPACTS

2.1 Current Land Use in Town Center

The City of Covington has established the Downtown area to implement the policies of the Downtown Element of its Comprehensive Plan, which is designed to promote the creation of a vibrant town center that serves as a commercial, residential, and civic gathering place that is safe and pedestrian-friendly. The Town Center District is designed to serve as the heart of the Downtown area, with a focus on mixed-use development, blending commercial, residential, office, and public uses, including pedestrian-friendly streetscapes and inviting public spaces.

The Town Center District currently contains a variety of land uses. The northern portion of the district, near SE 272nd Street, is characterized by retail and service uses, while the southern end of the district is mostly residential in nature. The central portion of the Town Center is characterized by the newly developed Valley Medical Clinic building and a site occupied by Covington Elementary School. Existing land uses are illustrated in Exhibit 1.

medical offices are not subject to a ground-floor programming requirement, nor are medical offices not located adjacent 171st Avenue SE.

To summarize, the ultimate capacity of any property in the Town Center will depend on what combination of uses is chosen and how many FAR incentive features are incorporated into the project. Exhibit 2 details the amount of development capacity available in the Town Center after pending development projects are taken into account. The exhibit also estimates the amount of developable square footage that must be devoted to retail or service uses. The remaining capacity may be devoted to commercial or residential uses, at the developer's choice.

Exhibit 2: Development Capacity Summary

	Square Footage
Total Capacity	2,110,355
Pending Projects	633,563
Ground Floor Retail/Service	236,287
Capacity for Housing or Commercial	1,240,505

Source: BERK, 2014.

Further information on the current land use and development capacity is located in Technical Appendix C.

2.3 Community and Economic Development Value of Covington Town Center

Development in Covington's Town Center will generate economic and community benefit associated with the construction of housing, office, and retail space. Based on the development capacity described in the previous section, new development in Town Center could represent in the range of \$500 million of new, direct investment in buildings and inject new dollars into the local economy. While it is impossible to predict exactly how Town Center will build out, this analysis applied knowledge of existing market orientation and planned projects to provide an estimate of what might develop in Town Center.

Once the development of Town Center is complete, it could provide:

- Up to 1,000 new housing units
- Shops, eating and beverage establishments, and restaurants in 250,000 square feet of retail space
- Businesses occupying up to 600,000 square feet of office space

The professional and technical businesses occupying those offices spaces could generate nearly \$200 million in annual revenue. This amount of business spending could support approximately 2,000 jobs in the area. Full build out of the retail space could attract nearly \$60 million annually in consumer spending to the area while supporting nearly 500 jobs in retail and other personal and consumer services.

The Town Center developments will add a significant amount of housing to the city that will ultimately improve the quality of the experience in the area. Currently, the area has very little housing – adding this critical component to the area will contribute significantly to the goal of providing for mix of land use and places for people to live, work, and play.

The growth in Town Center will benefit not only those who live and work in the neighborhood but residents and workers in surrounding neighborhoods and communities. Ultimately, the public benefits to the neighborhood and City include improved infrastructure and additional amenities, more housing choice, economic growth and job creation, and increased tax revenues to the City and other taxing jurisdictions.

More broadly, for a suburban city like Covington, the impact of creating and sustaining an urban place is difficult to overstate. Places in the Puget Sound region can serve as home to diverse households and offer a mix of places to work and play. As Covington grows, offering residents and visitors a set of experiences that are can be collectively referred to as “quality of life,” goes a long ways toward helping the local community and broader region succeed.

2.4 Town Center Growth in City Tax Revenue

The future development and subsequent occupation of buildings in Town Center will lead to increases to the City’s tax base. The City has accrued benefits from development in the Town Center. Development such as major retail investments, came on the heels of the Great Recession, a period where the City faced a challenging budget situation. Future tax revenues from these developments were estimated based on the characteristics of the development; with the assumption that the Town Center would reach its full build out. These estimated tax revenues are broken into two categories:

- **One-time Revenues.** These General Fund revenues are tied to the construction of housing and commercial products. Specifically, they include the retail sales tax on construction (material and services).
- **Recurring Revenues.** These revenues are derived from the occupation of residential and commercial structures by residents, businesses, and employees. Specific revenues include the property tax, retail sales tax (resulting from new sales tax sourcing rules), and utility taxes.

The fiscal impact to the City of Covington from development is estimated to be in the range of \$16 million. This is equated to the net present value of a 25-year stream of tax revenues discounted to 2014 dollars. As with many cities in Washington State, the three largest revenues sources for the City of Covington are Sales Tax, Property Tax, and Utility Taxes, making up about 75% of the City’s General, Street, and Parks Fund revenues.

3.0 INFRASTRUCTURE NEEDS AND COSTS

3.1 Summary of Needs and Costs

The infrastructure study identified 11 transportation projects and three parks projects. The total cost of the identified projects is \$94.4 million. Specifically:

- Parks costs total \$20.5 million
- Transportation costs total \$73.9 million

The cost estimates cover elements design, engineering, and administration; environmental mitigation; land and right-of-way acquisition; construction; and general project contingencies. The cost estimates do not include any cost to preserve, maintain, or operate these facilities.

3.2 Transportation Summary

Planning Context

First, it should be noted that there are other variations of the Town Center street grid system illustrated within other City documents. The project team worked with City staff to define projects that met the categorization of street typologies and alignments for the street grid. There are some differences between the street dimensions included in adopted City documents. Where there was discrepancy in the City documents reviewed, City staff provided direction on the specific street type, and corresponding roadway section dimensions, that should be used for the particular segment.

There are three primary groups of new streets which make up the Town Center street grid system. These include:

- Type I Streets – Pedestrian-oriented streets. Vehicular traffic is not excluded, however its movement is intended to be slowed and “calmed” through devices such as curb bulbs, on-street parking, and frequent crossings.
- Type II Streets – Pedestrian and vehicular-oriented streets. Segments that support pedestrian, transit, and bicycle circulation while fully accommodating vehicles.
- Type III Streets – Landscaped boulevard streets. Street type is used along key zone boundary transitions and may include a bike lane, meandering walk, and amenity zone.

Exhibit 3 illustrates the layout of the proposed Town Center street grid system. The layout of this Town Center street grid system was used to estimate development costs.

Exhibit 3: Town Center Street Grid System Concept



Source: City of Covington, 2014.

Description of Projects

Type I Streets

- **Town Center Main Street (ID #1)** is a new north-south road along the alignment of 171st Avenue SE between SE 272nd Street (SR 516) and SE 277th Street (new grid street) and is intended to be a pedestrian-oriented corridor. The Downtown Design Guidelines and Standard (DDGS) identifies the corridor as within 66-feet of new right-of-way and provides specific dimensions for the roadway, which were used in the cost estimate. The length of Main Street/171st Avenue SE is approximately 1,850 feet.
- **SE 274th Street (ID #3)** is a new east-west corridor between the existing roundabout at 168th Place SE and SE Wax Road. Its alignment is along an existing private access road that would be replaced with a public street. The length of SE 274th Street is approximately 1,300 feet.
- **172nd Avenue SE (ID #4)** improves the existing north-south corridor between SE 272nd Street (SR 516) and SE 275th Street and extends it to SE 276th Street (new grid street). The total length of 172nd Avenue SE is approximately 1,350 feet, which includes the extended length of approximately 400 feet. For purposes of estimating the costs of improving the entire road segment of 700 feet was used.

- **SE 273rd Street (ID # 7)** is a new east-west corridor between Main Street (new) and 172nd Avenue SE and is approximately 400 feet long.
- **172nd Place SE (ID # 8)** is a new north-south corridor between SE 272nd Street (SR 516) and SE 275th Street and is approximately 1,000 feet long.
- **170th SE Avenue (ID # 9)** is a new north-south corridor between SE 276th Street and SE 277th Street (new) and is approximately 400 feet long.
- **169th Avenue SE (ID # 10)** is a new north-south corridor between SE 276th Street and SE 277th Street (new) and is approximately 400 feet long.

Type II Streets

- **SE 276th Street (ID #2)** is a new east-west corridor between the existing roundabout at 168th Place SE and SE Wax Road. The DDGS identifies the corridor as within 86-feet of new right-of-way and provides specific dimensions for the roadway, which were used in the cost estimate. The length of SE 276th Street is approximately 1,400 feet.
- **SE 277th Street (ID #5)** is a new east-west corridor extending from 168th Avenue SE to the new intersection with Main Street/171st Avenue SE and SE Wax Road. The length of SE 277th Street is approximately 1,100 feet.
- **SE 275th Street (ID #6)** is a new east-west corridor between 168th Place SE and 172nd Avenue SE. The length of SE 275th Street is approximately 1,100 feet.

Type III Streets

- **SE Wax Road (ID #11)** is a proposed reconstruction between a point 200 feet south of SE 272nd Street (SR 516) and Covington Way SE. During the development of the Town Center street grid concept, SE Wax Road was once considered for realignment easterly of its existing alignment to increase development opportunities within Town Center and to eliminate driveways on the south/east side of the road. This realignment option is not under consideration as part of this study.

For this study, as shown in Exhibit 3, SE Wax Road is proposed as a Type III street that is landscaped boulevard within 90 feet of right-of-way, A new roundabout is proposed for the intersection of SE Wax Road and Covington Way, which is situated approximately 400 feet northwest of the existing intersection. The length of improvements associated with the reconstructed SE Wax Road is approximately 4,000 feet.

Summary of Costs

Planning level project cost estimates were prepared for each of the streets in the proposed grid system. These estimates include elements such as design, permitting, and environmental work, right-of-way acquisition, and construction of the Town Center street grid infrastructure. A summary of the costs for the proposed street system for Town Center is shown in Exhibit 4. The total cost of projects is \$73.9 million. The breakout costs for construction, design, and right-of-way are located in Technical Appendix A.

Exhibit 4: Town Center Street Grid System Costs

Roadway Segment	Road Type	Construction	Engineering & Admin	Environmental	Right-of-Way Acquisition	Total Cost
Main Street/171st	I	\$4,466,000	\$1,474,000	\$313,000	\$3,678,000	\$9,930,000
SE 276th Street	II	\$3,560,000	\$1,175,000	\$249,000	\$2,751,000	\$7,735,000
SE 274th Street	I	\$2,935,000	\$968,000	\$205,000	\$2,589,000	\$6,698,000
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170th Ave SE	I	\$1,152,000	\$380,000	\$81,000	\$807,000	\$2,421,000
169th Ave SE	I	\$1,152,000	\$380,000	\$81,000	\$807,000	\$2,421,000
SE Wax Road	III	\$10,582,000	\$3,704,000	\$1,270,000	\$3,994,000	\$19,549,000
		\$35,452,000	\$11,911,000	\$3,011,000	\$23,518,000	\$73,892,000

Source: DEA, 2014.

3.3 Parks and Recreation Summary

Planning Context

The following parks are identified in the Covington Downtown Plan and Zoning Study (2009), the Covington PROS Plan (2010) and the Covington Comprehensive Plan Downtown Element (2012). The following downtown parks include:

- Town Center Park
- South Covington Park (linking Town Center Park plaza to Jenkins Creek)
- Jenkins Creek Trail (from SR516 to Covington Way SE)

The baseline descriptions for the parks are very high-level based on information provided in the Covington Downtown Plan, the Zoning Study, and in conversations with City of Covington staff. Based on the limited information provided, a summary of the park elements at each location is provided below.

Description of Projects

Town Center Park

This park is meant to be more of an urban plaza that will provide a public gathering space in the "heart" of the Town Center. Based on preliminary planning information provided by Covington, the Town Center Park or Civic Plaza is anticipated to be 1.7 acres located adjacent to the proposed Civic Buildings shown in the Covington Comprehensive Plan Figure 4.2. It is meant to be a destination and a focal point for the Town Center.

South Covington (SoCo) Park

This 5.65-acre park consists of three adjacent parcels. SoCo Park will provide a key connection between the Town Center Park and the Jenkins Creek Trail. This park is a neighborhood park and is meant to provide a more natural park setting for the Town Center. This site is located across Wax Road from the town center and will provide space for community events such as holiday tree lighting, play equipment, restrooms, lawn, trails, tables, picnic shelter, benches, interpretative signs, and creek access. There may

be opportunities on this site for restoration of native plantings, wetland and/or creek buffer restoration and/or enhancement and tree canopy.

Jenkins Creek Trail

The Jenkins Creek Trail is a piece of a larger non-motorized and recreation facility through Covington. This 4260 LF portion of the larger trail network will provide a key connection between the SR 516 underpass and Covington Way SE. This trail will provide off-street, non-motorized connections to the Town Center between SR 516 underpass and Covington Way SE. This trail is not only shown in the Covington Downtown Plan and Zoning Study, but also shown on the Covington PROS Plan Capital Improvements Plan Map.

Summary of Costs

Planning level project cost estimates were prepared for each of the parks cited above. These estimates include elements such as design, permitting, environmental work, land acquisition, and construction of the Town Center park projects. A summary of the costs for the proposed street system for Town Center is shown in Exhibit 5. The total cost of projects is \$20.5 million. The breakout costs for construction, design, and right-of-way are located in Technical Appendix B.

Exhibit 5: Town Center Park System Costs

Park Project	Construction	Engineering & Admin	Land Acquisition	Contingency	Total Cost
Covington Town Center Park	\$2,520,000	\$1,008,000	\$2,221,560	\$1,058,400	\$6,807,960
South Covington Park* **	\$3,828,000	\$1,531,200		\$1,607,760	\$6,966,960
Jenkins Creek Trail	\$3,696,000	\$1,478,400		\$1,552,320	\$6,726,720
	\$10,044,000	\$4,017,600	\$2,221,560	\$4,218,480	\$20,501,640

*Property acquisition funding support was requested from King County CFT and WWRP-LP in 2013

** Acquisition cost estimate to be determined based on appraisals in 2014

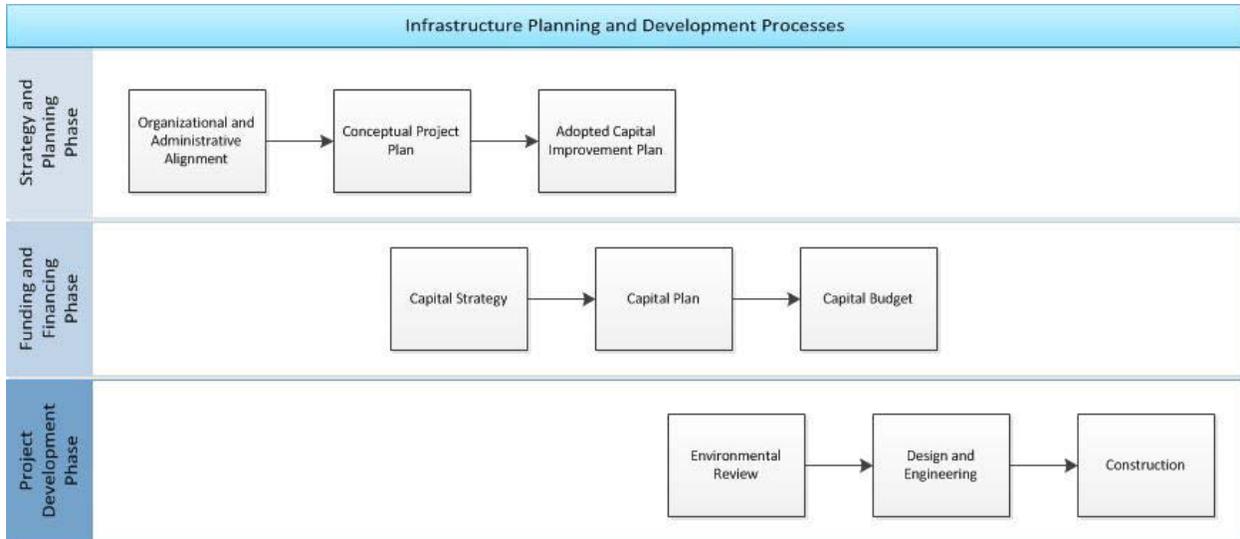
Source: SvR, 2014.

4.0 APPROACH TO FUNDING INFRASTRUCTURE

4.1 Overview of Developing a Funding Approach

Planning and constructing infrastructure has three different phases: strategy and planning, funding and financing, and project development. Exhibit 6 shows the sequence of steps in these phases. The City can accomplish a number of the early steps, such as inclusion of a project into the City’s Capital Improvement Program and updating its concurrency program, now that the projects for the Town Center have been identified.

Exhibit 6: Infrastructure Planning and Development Process



Source: ECONW, 2014

This study is ultimately about funding, and consideration of funding at this point provides some realism for what otherwise could become a wonderful but unconstrained plan. As Exhibit 6 shows, the project funding and financing phase consists of three sequential elements.

- **Capital Strategy:** A capital strategy includes creating high-level costs estimates, outlining long-term objectives, and identifying potential funding sources for a 10-year planning horizon.
- **Capital Plan:** A capital plan is a shorter-term plan to set priorities to meet the long-term objectives of the capital strategy, and confirms cost estimates and funding sources for specific projects.
- **Capital Budget:** A capital budget is needed, as a project is ready to move forward within the next year. The capital budget allocates funds approved from specific sources to the project(s) identified.

Once a jurisdiction has some clear notion of where it plans to get funding; it can develop a strategy within the constraints of the potential funding. After that, a jurisdiction can move on to the details of implementation and financing. This study assesses and identifies potential sources to inform a capital funding strategy for the Town Center development.

4.2 Definition of Funding

It is important to make a distinction between the terms “funding” and “financing,” which often are used interchangeably. Funding is the ultimate source of revenue for infrastructure costs. Funding comes from households and businesses that pay taxes and fees that give the various levels of government money to build capital projects. Examples of funding mechanisms are tolls on road facilities, sales taxes, impact fees, etc.

When the funds for capital projects are borrowed and paid back over time, these costs have to be financed. Public agencies finance costs for the same reasons that households and businesses do—to reduce the current out-of-pocket costs by spreading out payments over time (e.g., financing a housing purchase with a home mortgage; the funding to pay the mortgage over time typically comes from the homebuyer from income received from a job). The ultimate source of funding for financed costs is not the financing instrument itself—e.g., bonds—but rather the revenue sources used to repay the borrowed funds.

Since financed costs must be paid back over time, financing the costs actually decreases the level of future funding available for capital projects by adding the cost of interest over a long-term planning period. However, the upside is that financing makes future funding available earlier, at the cost of the interest charged to borrow the money.

4.3 Overview of Types of Funding Sources

Funding comes from households, businesses, and development that pay taxes and fees that give the various levels of government money to build capital projects. Examples of funding mechanisms are tolls, sales taxes, and impact fees. Funding for capital projects in the Covington Town Center can come directly from private sources, such as development, or from different levels of public sources, such as taxes and fees.

Private Sources

Washington State law has a few mechanisms for requiring land development to fund needed infrastructure. These mechanisms are described below.

- RCW 58.17 is a long-standing planning tool that ensures new areas have a full range of services, by regulating subdivision of land to promote the public health, safety and general welfare. These laws require developers to install, at their own expense, improvements necessary for full range of services at time of subdivision or development. However, they are typically limited to on-site or adjacent improvements.
- The State Environmental Policy Act (SEPA) provides an additional mechanism for the mitigation of development impacts. The primary purpose of the SEPA process is to provide a venue for state and local governments to disclose and consider environmental impacts when making decisions. Through the substantive SEPA review process, local government can approve, condition, or deny development applications if significant impacts are disclosed and the appropriate mitigation measure are put in place.
- Impact fees through the Growth Management Act, Local Transportation Act, and Transportation Benefit Districts provide another means of collecting funds from new development to pay for infrastructure. Generally, local governments cannot fully recover the cost of improvements from new development. Impact fees must be balanced by other sources of public funds. More so, impact fees can only be imposed for the proportionate share of the costs of system improvements reasonably related to and reasonably beneficial to the new development.

Public Sources

Public sources come from three levels of government: (1) federal, (2) state, and (3) local. The funding mechanisms for all of these levels government come in some form of income, consumption, and business taxes or user fees. From the point of view of local policymakers, federal and state funding sources are the most desirable sources of funding, but also the most difficult to control. These sources are desirable because the taxes and fees are collected at a broader geographic level for local benefits. They bring new money into the community for local facilities that provide local benefits and lower the costs for local stakeholders. In contrast, local stakeholders often view local funding sources as a burden in the form of an increased tax or fee.

4.4 Project Specific Mechanisms vs. Non-project Approaches

There is an important difference between project level funding mechanisms and general funding sources that that are used for projects. In general, project specific funding sources are usually tied to a development project itself via some part of the permitting and entitlement process (discussed above) or through the pursuit of project-specific competitive grant awards. Conversely, non-project sources come

mostly public sources of dollars that are either restricted to capital purposes or are derived from general purpose funding sources and decision-makers have discretion on where and how much to spend. For these non-project specific funding sources, the approach is to prioritize projects for funding via a capital improvement program since funding is fairly fixed. The ultimate funding package for a project may mix both public and private sources as well as project and non-project specific sources.

4.5 Covington's Current Approach to Funding Projects

Covington's approach to funding local infrastructure is like many cities across the nation. Put simply, that "growth should pay for growth" approach seeks to leverage private funding sources (principally through the land development process) with forms of public funding, especially from the Federal and State level. The priority of the public funding is to seek out earmarks, grants, and other competitive awards as a first source before moving to more locally based funding sources.

While federal and state funding sources are more desirable, they are difficult for local policymakers to control, or even to predict. Federal programs that exist today may not exist in a few years, and allocation formulas and competitive processes may change. The list of local needed projects may not align with eligibility and project scoring criteria.

While local stakeholders can always lobby federal and state governments for increased funding, they have no direct authority over allocations, which mean state and federal sources that are not specifically authorized are always somewhat speculative. Ultimately, how much funding can be obtained from these non-local public sources is part political (getting necessary support for a project) and part administrative (dedicating effort towards the preparation of grant awards).

4.6 Key Strategic Implications of this Approach

The approach of requiring "growth pay for growth" has been very effective in funding infrastructure improvements across Washington. However, this approach requires that project value is sufficient to cover both the cost of the project and associated infrastructure improvements. The same is true of infill redevelopment, but redevelopment projects need relatively higher project values because of the pre-existing income producing structures already on the land (e.g. a developer would have pay more for the land than if it were a greenfield development). Accordingly, the more productive the current use, the higher the project value needs to be to cover the cost of new construction and required infrastructure.

For the Town Center infrastructure projects, the area has both vacant and existing uses. The area is predominantly characterized by existing land uses (some which have redevelopment opportunities), while at the same time there are also a substantial number of vacant parcels of varying size. An interesting thing to note is that the City and its community partners are working on redeveloping the elementary school, with the plan to have it surplus for redevelopment. The implication for infrastructure development is that the needed projects will only be constructed when development is financially feasible and constructed. On large, vacant sites, the entire infrastructure projects can typically be constructed when development occurs. For infill sites, only a portion of an improvement is typically made when development occurs, which leads to patchwork stages of completion for the entire infrastructure project.

The policy issue confronted by many local jurisdictions is whether some level of public funding support can be contributed to help offset the financial cost for constructing entire local infrastructure projects; or, in areas where development is not happening, whether public investment is needed to improve or complete needed projects before development occurs.

Local sources are not the biggest part of a funding strategy for Covington Town Center capital projects, yet at the same time the City has more discretion over *local sources* of revenue (how they are raised and

how they are spent). As a result, they are a critical component of any funding strategy. For example, local funding as a match may be what moves a project up on funding priorities of an award list. **The success of implementing the Town Center transportation and parks projects will depend largely on steps the City can take to raise and administer revenue from local sources.**

5.0 GRANTS AND LOCAL FUNDING ASSESSMENT

5.1 Project Level Assessments: Transportation Projects

The following sections present a high-level and preliminary assessment of key project level award sources that are available to the City and may be used to secure public funding to support transportation projects. A detailed assessment of the funding sources available is beyond the resources and scope of the study. The number of grants and awards available for the Town Center projects are limited – specifically they are mostly derived from federal and state transportation funds that have been allocated to specific agencies and transportation planning organizations to distribute:

- State – Transportation Improvement Board: Urban Arterial Program
- State – Transportation Improvement Board: Arterial Preservation Program
- State – Transportation Improvement Board: Arterial Sidewalk Program
- PSRC – Federal Highway Administration Funds (FHWA)
- PSRC - Congestion Mitigation and Air Quality Funds (CMAQ)
- PSRC - Countywide Process for FHWA and CMAQ Funds

These sources are discussed in detail in Technical Appendix E.

Type I Streets

Town Center Main Street (ID #1)

- **Project cost:** \$9,930,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** Project cost may impact development feasibility. Long roadway segment that runs through existing land use would be built later when infill is more feasible - raising "patchwork" infrastructure issues.
- **Candidate award sources:**
 - Transportation Improvement Board – Urban Arterial Program. The project could score well in most of the scoring “bands” – particularly the Growth and Development band. However, this is very competitive award program with fund requests exceeding available resources by approximately five times. Grant amounts typically range from \$1 million to \$4 million. There is a 15 percent local match requirement for Covington.
 - PSRC – Countywide Process: Larger Jurisdiction Program. The Main Street’s best scoring opportunity is in the connection of its local center (Town Center). This also a competitive process, however the program does have some geographic equity structure so that Covington is not competing with incomparable peers. In 2014, \$30 million was available in the Larger Jurisdiction Program.

SE 274th Street (ID #3)

- **Project cost:** \$6,698,000

- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along site that is developed. Redevelopment feasibility is uncertain and may be ways off.
- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

172nd Avenue SE (ID #4)

- **Project cost:** \$3,545,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along sites that are developed. Redevelopment feasibility is uncertain and may be ways off.
- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

SE 273rd Street (ID # 7)

- **Project cost:** \$2,421,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along sites that are developed. Redevelopment feasibility is uncertain and may be ways off.
- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

172nd Place SE (ID # 8)

- **Project cost:** \$5,770,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along sites that are developed. Redevelopment feasibility is uncertain and may be ways off.
- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

170th Avenue SE (ID # 9)

- **Project cost:** \$2,421,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along sites that are developed. Redevelopment feasibility is uncertain and may be ways off.
- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

169th Avenue SE (ID # 10)

- **Project cost:** \$2,421,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** The road runs along sites that are developed. Redevelopment feasibility is uncertain and may be ways off.

- **Candidate award sources:** The project is eligible for many of the sources but might not be as competitive for funding as other projects in Town Center.

Type II Streets

SE 276th Street (ID #2)

- **Project cost:** \$7,735,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** Project cost may impact development feasibility. Long roadway segment that runs along a potential development site.
- **Candidate award sources:**
 - Transportation Improvement Board – Urban Arterial Program. See detail above.
 - PSRC – Countywide Process: Larger Jurisdiction Program. See detail above.

SE 277th Street (ID #5)

- **Project cost:** \$7,299,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** Project cost may impact development feasibility. Long roadway segment that runs along a potential development site.
- **Candidate award sources:**
 - Transportation Improvement Board – Urban Arterial Program. See detail above.
 - PSRC – Countywide Process: Larger Jurisdiction Program. See detail above.

SE 275th Street (ID #6)

- **Project cost:** \$6,105,000
- **Current funding approach:** Developer Contribution
- **Key Issues:** Project cost may impact development feasibility. Long roadway segment that runs along a potential development site.
- **Candidate award sources:**
 - Transportation Improvement Board – Urban Arterial Program. See detail above.
 - PSRC – Countywide Process: Larger Jurisdiction Program. See detail above.

Type III Streets

SE Wax Road (ID #11)

- **Project cost:** \$19,549,000
- **Current funding approach:** Public Funding through Transportation Improvement Program. Developer contributions for frontage improvements.
- **Key Issues:** This is the reconstruction of an existing roadway
- **Candidate award sources:**
 - Transportation Improvement Board – Urban Arterial Program. See detail above.

- PSRC – Countywide Process: Larger Jurisdiction Program. See detail above.
- Transportation Improvement Board – Arterial Preservation Program. More investigation is needed here to fully evaluate how competitive this project could be. Covington does qualify and it would need to provide a match of 15 percent. The target for this program in 2013 was \$7 million.

5.2 Project Level Assessments: Parks and Recreation Projects

The following section present a high-level and preliminary assessment of key project level award sources that are available to the City and may be used to secure public funding to support parks and recreation projects. A detailed assessment of the funding sources available is beyond the resources and scope of the study. The number of grants and awards available for the Town Center projects are limited – specifically they are mostly derived from federal, state, and county park funds that have been made available to specific agencies to distribute:

- King County – Conservation Futures Trust (CFT) Program
- King County – Youth Sports Facilities Grants (YSFG)
- State – Recreation and Conservation Office (RCO) Grants
 - Washington Wildlife Recreation Program (WWRP)
 - Federal Land & Water Conservation and Water Fund (LCWF)

These sources are discussed in detail in Technical Appendix E.

Town Center Park

- **Project cost:** \$6,807,960
- **Current funding approach:** Full or Partial Developer Contribution. Contingent public funds for acquisition and facility development.
- **Key Issues:** An exact site has not been identified and further planning is necessary to establish a more complete vision for the park. Features that deal with stormwater and ecological function may also enhance award scoring if they are included. These stormwater features may also enhance scoring for TIB Urban Arterial Program awards.
- **Candidate award sources:**
 - RCO – WWRP. This source would provide funding for land acquisition and facility development. Approximately \$55 million is made available per biennium. A 50% funding match is required but may come in the form of non-city funding.
 - RCO – LWCF. This source would provide funding for land acquisition and facility development. Approximately \$1 million is made available per biennium. A 50% funding match is required but at least 10% of the total project cost must be from a non-state, non-federal contribution.
 - King County Parks Levy

South Covington (SoCo) Park

- **Project cost:** \$6,966,960
- **Current funding approach:** Public Funding
- **Key Issues:** n/a

- **Candidate award sources:** City of Covington has applied for the 2014 King County Conservation Futures grant application for \$662,979 and 2014 Washington Wildlife and Recreation Program Local Parks (WWRP-LP) category grant application for \$500,000 for land acquisition. Facility development costs may be pursued through some combination of:
 - RCO – WWRP. See detail above.
 - RCO – LWCF. See detail above.
 - King County Conservation District
 - King County YSFG
 - King County Parks Levy

Jenkins Creek Trail

- **Project cost:** \$6,726,720
- **Current funding approach:** Developer Contribution of Land. Public funding for facility development.
- **Key Issues:** n/a
- **Candidate award sources:**
 - RCO – WWRP. See detail above.
 - RCO – LWCF. See detail above.
 - King County Parks Levy

5.3 Local Funding Options

As stated above, considering the provision of more local funding for projects will be necessary for three main reasons. First, the pursuit of competitive funding sources will be enhanced (if not required) with local match funding. Second, providing local funding allows the City to fund projects sooner than it might otherwise be able to through its CIP process. Third, local funding provides more control and flexibility for public-private partnership in redevelopment negotiations.

Broadly, there are two ways Covington can create more local funding capacity for infrastructure construction.

- **Enhance existing capital funding tools.** The City already uses a variety of capital restricted funding mechanisms. City policy-makers have some discretion on the rates and fees charged and how these funds are spent.
- **Create New Local Area Funding Options.** The City can take measures to put into place (often with voter or property owner consent) new funding mechanisms. These mechanisms are typically new forms of taxes, fees, and special assessments.

These options are described below.

Enhance Existing Capital Funding Tools

- **Transportation and Park Impact Fees.** The City’s current transportation impact fee is assessed citywide. The City could explore raising the fee only within the area or it could do so citywide. Contemplating an increase in either scenario requires the City to balance the need to close the gap on the cost of capital projects with its desire to support economic development within the City. While the City is within its legislative purview to structure a fee that covers these costs, in doing so, it adds costs to land development that could affect economic development in two key ways.

These additional land costs from the impact fee will hit potential developers/tenants in different ways. Those businesses/developments with large markets, high profit margins, and economies of scale are not as likely to be turned away. However, the larger fee will pose a greater challenge to developments/businesses that cater to smaller scale enterprises. Related to the first point, the increase could slow the overall rate and scale of development in the area as developers/businesses consider other attractive competing locations.

Additionally, the City has the policy framework for charging a park impact fee but has not yet to take action on it. Moving forward with fee for parks would provide additional revenues but would also need to consider the issues described above.

- **Surface Water Management Funds (SWM).** The Surface Water Management Fund is established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system such as constructed elements such as pipes and catch basins, and natural resources such as streams and lakes. Funds from the surface water account may be leveraged and committed to both transportation and parks infrastructure projects as local match options.
- **General Fund/Taxes Support.** If the developments and infrastructure investments proceed as assumed in this analysis, the proposed developments in the area are estimated to create additional tax benefits, with preliminary estimates falling around \$16 million. It is likely that these developments would put the City in a fiscally positive position in terms of operations given the opportunity to achieve economies of scale on public service costs. In these situations, City leadership can move to "pledge" a portion of these monies to cover gaps in funding (either on a pay-as-you-go basis or through the issuance of debt). In this situation, the City is engaging in form of TIF financing by pledging a portion of the incremental tax revenues to support the development itself.

The City of Covington has previous experience with this type of arrangement in the innovative economic development activities to rebate impact fees for certain developments if tax revenue performance thresholds have been met.

Create New Local Area Funding Options

- **Local Improvement District (LID).** Local jurisdictions may form a local improvement district (LID) and levy a special assessment on properties within the LID that would benefit from the improvement. These improvements include streets, parking facilities, park boulevards, and other public places along with local transportation systems, such as buses and railways, and the facilities necessitated by these systems. LIDs are a means of assisting benefitting properties in financing needed capital improvements through the formation of special assessment districts.

A LID may provide the local area a mechanism of private funding needed to move certain projects forward. Based on the assessment above, a LID may be an appropriate mechanism for contributing funds toward road projects where development feasibility may be a ways off in the future. LIDs are administratively complex, especially as the district expands in scope and size.

- **Community Facility District (CFD).** Community Facility Districts (CFD) is a financing tool created by the Legislature that allows cities and counties to finance infrastructure improvements through establishing a special assessment district. A CFD may finance a variety of improvements including water, sewer, roads, storm drainage, sidewalks, and other forms of infrastructure. CFDs have the ability to issue bonds, but must also provide security for payment of the bond.

The formation of a district requires every single property owner within the district to sign a petition to form the district. The petition establishes the boundaries of the district, specific projects to be funded, and the proposed method of assessment. A CFD gives property owners more control over the district than other options such as a local improvement district (LID). A CFD also allows for more flexibility in the types of improvements funded compared to LIDs.

Creating a CFD in the Town Center will be challenging given the small area and multiple property interests.

- **Transportation Benefit District (TBD).** The City may also want to revisit the TBD after it was narrowly defeated last year. TBDs are quasi-municipal corporations and independent taxing districts formed solely for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district's boundaries. TBDs can be funded through a number of ways, one of them being an additional sales tax up to 0.2%. A TBD sales tax option spreads the tax burden to a much larger base of tax payers (all people shopping in the area regardless of where they live) and may be a desirable option given the retail nature of the developments and the needed supporting transportation projects.

Using a TBD to fund capital projects would be different from the City's previous approach of using revenues to fund operations. Obviously, the City would still need to solve its maintenance and operations funding challenge.

- **Tax Increment Financing – Landscape Conservation and Local Infrastructure Program (LCLIP).** Landscape Conservation and Local Infrastructure Program (LCLIP) financing program was created by the Engrossed Substitute Senate bill 5253 to allow local government to finance infrastructure investments in exchange for the placement of development rights in the Central Puget Sound. The program allows cities to create a LCLIP and allows some increases in local property tax revenues generated from the LCLIP.

This program permits the transfer of development rights (TDRs) from forest and rural farmlands to cities to be used within LCLIP. The incremental local property taxes for LCLIP financing are calculated based on the "city ratio" multiplied by 75 percent of the increases in assessed value as a result of improvements to property or new construction within the LCLIP. The city ratio takes account several factors related to a city TDRs. Participating in the sharing of incremental local property taxes is mandatory for both the sponsoring county and city. Counties and cities must allow the use of all local property tax revenues unless they are excluded through an interlocal agreement.

The City of Covington is eligible and an estimate of \$2.8 million of funding from King County would be available based on growth in the Town Center (however, the City could take measures to expand the scope of the program that would increase revenues. It would require the placement of 92 development rights over 20 years as part of the regional TDR program.

- **Tax Increment Financing – Local Revitalization Financing (LRF).** The LRF program authorizes cities, towns, counties and port districts to create a "revitalization area" (RA). The LRF program allows certain increases in local sales and use tax revenues and local property tax revenues generated from within the "revitalization area", additional funds from other local public sources, and a state contribution to be used for payment of bonds issues for financing local public improvements within the revitalization area.

The incremental local property taxes under this program are calculated on 75 percent of increases in assessed value as a result of improvements and new construction to property within the revitalization area. It is voluntary to participate in the sharing of incremental revenues for this program, but opting out of participation requires action. To receive the state contribution, the local government imposes local sales and use tax that is credited against the state sales and use tax.

This local tax diverts the state sales and use tax to the local government. The local government receives a limited amount of distributions from this local tax each state fiscal year up to the lesser of: the amount of the award approved by the Department of Revenue; the amount of local matching funds dedicated to the payment of the public improvements or bonds in the previous year, and identified in an annual report submitted by the local government.

An estimate of \$7.2 million in new funding from the State would be available pending funding reauthorization of the program. Currently, there is not movement to refund the program.

- **Tax Increment Financing – Community Revitalization Financing (CRF).** Community Revitalization Financing (CRF) is a form of tax increment financing created in 2001. The program authorized cities, towns, counties and port districts to create a tax “increment area”. By using revenues from local property taxes generated within the area, these local governments can finance public improvements within the area.

CRF increment areas are created and administered at the local level and they do not include a state contribution. State approval is not required to use CRF. Local governments must approve imposing at least 75 percent of the regular property taxes within the area. The incremental local property taxes under the CRF program are calculated as 75 percent of any increase in assessed value of new construction in the increment area. Any fire protection district with geographic borders in the “increment area” must agree to participate.

The program is available for local government only, currently there are five increment areas located within Spokane County. Cities, counties, and ports are free to partner via ILA on the dedication of their respective tax increment funds. An estimate of \$2.9 million in new funding from King County pending an inter-local agreement might be available. The existence of LCLIP makes the likelihood of CRF with the county, since LCLIP offers the county additional land conservation benefits for the same dedication of funding.

- **Levy Lid Lift.** Taxing jurisdictions with a tax rate that is less than their statutory maximum rate may ask the voters to “lift” the levy lid by increasing the tax rate to some amount equal to or less than their statutory maximum rate. There are two types of “lifts”. A one-time bump can be made to exceed the 1% levy limit or a multi-year lift can be made for up to six years. Both lifts can be for either operational or capital purposes; however, the second type requires a defined purpose. However, since simple majority approval rate is needed to pass levy lid lift measures, the city will need to clearly articulate the benefits and costs of any levy increase program.

Cities have used to these property tax measures to propose a suite of project improvements for park, recreation, and transportation facilities that have been financed through general obligation bonds. These types of funding arrangements are commonly referred to as a “road bonds” or “park bond”.

5.4 Summary of Local Funding Options to Consider

Characterizing Local Funding Options

The list of local funding options described above serve as a “menu” for the City’s funding strategy; however, they are very different in nature. A simple framework for comparing different local sources of

funding would contrast the “feasibility”, or ease/difficulty of implementing a specific action against its “impact”, in this case the amount of funding it might provide.

Feasibility

The technical and institutional feasibility of successfully implementing each local funding option can be screened against measures that relate to the complexity and number of steps required for full implementation, the political process, the resources required, and the need for public-public or public-private coordination. These measures could include:

Political Measures

- Legislative: Requires City Council approval
- External Legislative: Requires voter approval
- Political Capital or Timeline: Requires significant political capital
- City-wide Policy: Can be feasibly implemented as a one-time, broad-based policy (e.g., city-wide policy passed by council)

City Resource Measures

- Staff Time: Requires Significant staff time allocation
- Additional Funds Required: Requires new funding source (beyond funding for staff time) for other studies or support services to achieve impact (i.e. feasibility study, bond counsel, etc.)
- Additional Land Use Planning: requires additional land use planning and changes to the code
- Additional Administrative Expense: Requires new administrative rules and/or oversight

Funding Impact

The impact of the local funding options has been assessed where possible, but since some tools may be deployed on a citywide basis and there is some discretion on the amount of funding it might yield (i.e. levy lid lift), a more general assessment of funding impact is considered.

Screening and Prioritizing

A mostly qualitative assessment of these local funding tools was created to roughly evaluate the feasibility of implementation relative to potential maximum funding impact. This approach to screening is represented in the 2x2 matrix diagram that follows and described below.

- Low Hanging Fruit: High funding impact and easily implementable
- Small Advancements: Easily implemented but small funding impact
- Expensive Wins: High funding impact but difficult to implement
- Not a Priority: Small funding impact and difficult to implement

Generally, the city will want to evaluate the pros/cons in those categories – moving from Low Hanging Fruit to Small Advancements to Expensive Wins.

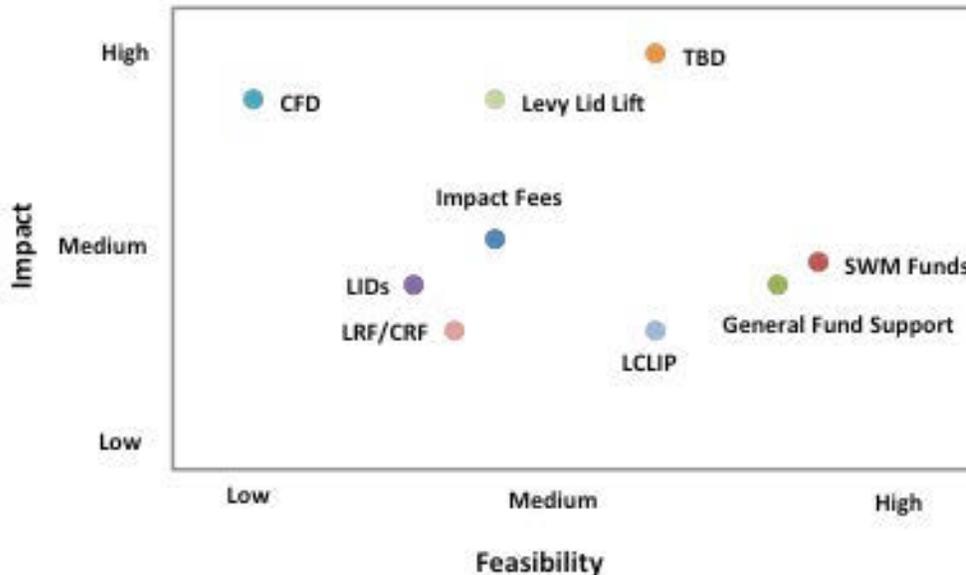
Exhibit 7: Screening Matrix



Source: ECONW, 2014.

This analysis of the feasibility and impact of options is meant to identify those tools that the City may want to consider along some prioritization matrix. Because some feasibility characteristics and some impact characteristics were more important than others, this assessment applied relative weights to each characteristic to arrive at feasibility and impact assessments. City staff also used their best judgment to decide whether tools might be ranked as low or high impact and low or high feasibility.

Exhibit 8: Assessment of Local Funding Options



Source: ECONW, 2014.

The chart above is the result of the feasibility and impact of options analysis, and shows how difficult it is for local jurisdictions to provide significant local infrastructure funding mechanisms in place. No single tool can be considered Low Hanging Fruit, i.e. “high impact and easily implementable,” for the City to pursue. Most of the tools fall into the Small Advancements and Expensive Wins categories. Summary assessments are described below.

Small Advancements

- **General Fund Support:** The fiscal impact analysis showed that full build out of the Town Center would generate \$16 million net present value (NPV) in tax revenues on incremental growth. Given the intense demands placed on general fund revenues for general-purpose city services, allocating a portion of those future revenues to capital is difficult, however not intractable. The City has successfully “rebated” an impact fee collection as a development incentive in the past.
- **SWM Funds:** The use of SWM funds as leverage would provide a modest level of funding but could be easily implemented at the City’s direction.
- **LCLIP:** LCLIP could generate \$2.8 million NPV in funding. However, efforts to retire TDRs would need to be undertaken requiring public-public and/or public-private partnerships. The discretion to put into place the tool would be the City’s.
- **LRF/CRF:** LRF and CRF could both generate about \$2.9 million NPV in funding. Both tools would require a partnering local jurisdiction – namely, King County to voluntarily agree to contribute a portion of incremental property taxes.
- **LIDs:** The LID would need to determine the special benefit derived from the improvement(s) and could levy a property specific improvement. Since the benefit of many of the improvements accrue to users of the facilities, it’s likely that property owners would contribute relatively small amounts of funding. The LID would also need broad support from property owners to be implemented and would require significant staff resources to administer.
- **Impact Fees:** The city has discretion to increase the rate at which new development contributes to funding transportation needs. As mentioned above, increasing the amount new development contributes to funding must balance other considerations.

Expensive Wins

- **TBD:** There are various configurations that a TBD might use as a funding source(s). Most likely, the most robust source would be the 0.2% local option sales tax. On a citywide basis, the additional sales tax over 20 years could generate about \$14 million NPV for improvements. However, such a tax would require a citywide vote and the City narrowly turned down a TBD in 2013 that would have been dedicated for maintenance and operations for 10 years.
- **CFD:** The formation of a district requires every single property owner within the district to sign a petition to form the district. Creating a CFD in the Town Center will be challenging given the small area and multiple property interests. Like and LID, a CFD would also only fund a portion of the needed improvements.
- **Levy Lid Lift:** A levy lid lift would require a simple majority of voters to pass. On the funding side, the City has wide discretion on how much funding they would like to target. However, the lift would have to work within statutory limitations as well as balanced against resident tax burdens. For example, a one-time permanent bump of 6% (as opposed to 1%) growth in the legal levy limit could generate in the range of \$25 million over 20 years. However, such an increase would likely translate into significant increases in property tax burdens for city property owners.

Appendices

Appendix A: Transportation Cost Estimates

Appendix B: Parks Cost Estimates

Appendix C: Town Center Development

Appendix D: Fiscal Impact and TIF Tools

Appendix E: Inventory of Grant Sources

APPENDIX A: TRANSPORTATION COST ESTIMATES

The following technical memorandum provides information associated with planning level costs estimates for design, permitting, and environmental work, right-of-way acquisition, and construction of the Town Center street grid infrastructure for the City of Covington (City). This memo includes the following elements:

- Baseline Description of the Infrastructure Concepts/Projects
- Costs Estimates of the Projects
- Design/Concept Changes that would affect costs
- Design/Concept Aspects that would affect programmatic funding options



DAVID EVANS
AND ASSOCIATES INC.

Memorandum

DATE: May 29, 2014

TO: Covington Team
Morgan Shook, ECONorthwest

FROM: Kirk Harris, P.E., PMP

SUBJECT: Street Grid System Infrastructure Costs

PROJECT: City of Covington Town Center Study

PROJECT NO.: BERCO000-0001

COPIES: File

This memo provides information associated with planning level costs estimates for design, permitting, and environmental work, right-of-way acquisition, and construction of the Town Center street grid infrastructure for the City of Covington (City). This memo includes the following elements:

- Baseline Description of the Infrastructure Concepts/Projects
- Costs Estimates of the Projects
- Design/Concept Changes that would affect costs
- Design/Concept Aspects that would affect programmatic funding options

Baseline Description of the Infrastructure Concepts/Projects

Attached **Exhibit 1** illustrates the layout of the proposed Town Center street grid system which was developed by City staff for this project. The layout of this Town Center street grid system was used to estimate development costs. Attached **Exhibit 2** illustrates the Town Center area in relation to known environmentally sensitive areas, existing public right-of-way, and private parcel limits.

It should be noted that there are other variations of the Town Center street grid system illustrated within other City documents which have been included with this memo for reference only. These include:

- Figure 3.5, Proposed Circulation and Improvements, *Covington Downtown Plan and Zoning Study*, September 30, 2009.
- Figure 4.2, Town Center Concept Plan, *Covington Comprehensive Plan*, October 2009
- Figure 4.5, Downtown Street Types, *Covington Comprehensive Plan*, October 2009
- Page 15, Map of Downtown Street Types, *Downtown Design Guidelines and Standards*, (DDGS), October 6, 2010



- Figure 5.7, 20 Year Capital Improvement Plan 2010 – 2029, *Covington Comprehensive Plan*, October 2009
- Exhibit F, Design Standards: Street Types and Special Standards, *Covington Municipal Code, Chapter 18.31 Downtown Development and Design Standards*, October 2008

Exhibit 1 identifies three primary groups of new streets which make up the Town Center street grid system. These include:

- Type I Streets – Pedestrian-oriented streets. Vehicular traffic is not excluded, however its movement is intended to be slowed and “calmed” through devices such as curb bulbs, on-street parking, and frequent crossings.
- Type II Streets – Pedestrian and vehicular-oriented streets. Segments that support pedestrian, transit, and bicycle circulation while fully accommodating vehicles.
- Type III Streets – Landscaped boulevard streets. Street type is used along key zone boundary transitions and may include a meandering walk and amenity zone.

The proposed grid street system includes new streets oriented in both the north-south and east-west directions. As noted in Section 4.3.4 of the Comprehensive Plan, “For downtown Covington to properly function as a true mixed use, pedestrian-friendly downtown, with a more traditional “Main Street”, its internal circulation, both vehicular and pedestrian must be prioritized and substantially improved. The proposed local street grid would greatly improve internal vehicular circulation in parts of downtown by adding new road segments and making intersection improvements at existing and projected future congestions points.”

The following is a brief description of each of the streets that make up the Town Center Street Grid.

Type I Streets

Town Center Main Street (ID #1) is a new north-south road along the alignment of 171st Avenue SE between SE 272nd Street (SR 516) and SE 277th Street (new grid street) and is intended to be a pedestrian-oriented corridor. The DDGS identifies the corridor as within 66-feet of new right-of-way and provides specific dimensions for the roadway, which were used in the cost estimate. The length of Main Street/171st Avenue SE is approximately 1,850 feet. For estimating purposes, a new traffic signal was assumed as part of the project at the intersection of Main Street and SE 272nd Street (SR 516). The details and feasibility of the new traffic signal will be evaluated during the project design phase.

SE 274th Street (ID #3) is a new east-west corridor between the existing roundabout at 168th Place SE and SE Wax Road. Its alignment is along an existing private access road which would be replaced with a public street. The length of SE 274th Street is approximately 1,300 feet.

172nd Avenue SE (ID #4) improves the existing north-south corridor between SE 272nd Street (SR 516) and SE 275th Street and extends it to SE 276th Street (new grid street). The total length of 172nd Avenue SE is approximately 1,350 feet which includes the new/extended length which is approximately 400 feet. For purposes of estimating the costs of improving the entire road segment was 700 feet.



SE 273rd Street (ID # 7) is a new east-west corridor between Main Street (new) and 172nd Avenue SE and is approximately 400 feet long.

172nd Place SE (ID # 8) is a new north-south corridor between SE 272nd Street (SR 516) and SE 275th Street and is approximately 1,000 feet long. For estimating purposes, a new traffic signal was assumed as part of the project at the intersection of 172nd Place SE and SE Wax Road. The details and feasibility of the new traffic signal will be evaluated during the project design phase.

170th Street SE (ID # 9) is a new north-south corridor between SE 276th Street and SE 277th Street (new) and is approximately 400 feet long.

169th Street SE (ID # 10) is a new north-south corridor between SE 276th Street and SE 277th Street (new) and is approximately 400 feet long.

Type II Streets

SE 276th Street (ID #2) is a new east-west corridor between the existing roundabout at 168th Place SE and SE Wax Road. The DDGS identifies the corridor as within 86-feet of new right-of-way and provides specific dimensions for the roadway, which were used in the cost estimate. The length of SE 276th Street is approximately 1,400 feet.

SE 277th Street (ID #5) is a new east-west corridor extending from 168th Avenue SE to the new intersection with Main Street/171st Avenue SE and SE Wax Road. The length of SE 277th Street is approximately 1,100 feet. For estimating purposes, a new traffic signal was assumed as part of the project at the intersection of SE 277th Street/Main Street/171st Ave SE and SE Wax Road. The details and feasibility of the new traffic signal will be evaluated during the project design phase.

SE 275th Street (ID #6) is a new east-west corridor between 168th Place SE and 172nd Avenue SE. The length of SE 275th Street is approximately 1,100 feet.

Type III Streets

SE Wax Road (ID #11) is proposed to be reconstructed between a point 200 south of SE 272nd Street (SR 516) and Covington Way SE. During the development of the Town Center street grid concept, SE Wax Road was once considered for realignment easterly of its existing alignment to increase development opportunities within Town Center and to eliminate driveways on the south/east side of the road. This realignment option is not under consideration as part of this study.

For this study, as shown in Exhibit 1, SE Wax Road is proposed as a Type III street that is landscaped boulevard within 90 feet of right-of-way. The length of improvements associated with the reconstructed SE Wax Road is approximately 4,000 feet. A new roundabout is proposed for the intersection of SE Wax Road and Covington Way, which is situated approximately 400 feet northwest of the existing intersection. The final location and/or feasibility of the roundabout will be evaluated during the design phase of the project.



Costs Estimates of the Projects

Planning level Project Cost Estimates were prepared for each of the streets in the proposed grid system. These estimates include elements such as design, permitting, and environmental work, right-of-way acquisition, and construction of the Town Center street grid infrastructure.

There are some differences between the street dimensions included in adopted City documents. Where there was discrepancy in the City documents reviewed, City staff provided direction during a Town Center project coordination meeting on March 17, 2014 on the specific street type, and corresponding roadway section dimensions, that should be used for the particular segment. The following documents were considered as part of that street type (Type I, II, or III) determination by City staff:

- Pages 15 and 16, *Covington Downtown Plan and Zoning Study*, September 30, 2009
- Figure 3.5, Proposed Circulation and Improvements, *Covington Downtown Plan and Zoning Study*, September 30, 2009.
- Figure 4.5, Downtown Street Types, *Covington Comprehensive Plan*, October 2009
- Figure 5.7, 20 Year Capital Improvement Program 2010 – 2029, *Covington Comprehensive Plan*, October 2009
- Exhibit F, Design Standards: Street Types and Special Standards, *Covington Municipal Code, Chapter 18.31 Downtown Development and Design Standards*, October 2008
- Section C. Design Standards: Street Types and Special Standards, *Downtown Design Guidelines and Standards (DDGS)*, October 6, 2010
- Typical Street Sections, Standard Details 200, *Design and Construction Standards*, July 2009

Components within the cost estimates include those normally associated with street projects such as pedestrian and bicycle facilities; curbs, gutters, street lights, and landscaping; water and wastewater conveyance; and stormwater conveyance and detention.

Table 1 - Street Improvement Summary (attached) summarizes the elements of the proposed street system. Table 1 corresponds to **Exhibit 1 – Town Center Street Grid System Concept Layouts** (attached), which illustrates the location, street type, and the project identification number for each proposed street segment. It is likely that minor variations of the street sections and segment lengths will change from what is shown on Table 1 based upon information derived during the design phase of the project.

A summary of the costs for the proposed street system for Town Center is illustrated in **Table 2**. The breakout costs for construction, design, and right-of-way are attached to this memo to provide detailed information with respect to the elements estimated and contingencies applied.



Table 2 – Street Cost Summary

ID	Roadway Segment	Road Type	Construction	Engineering & Admin	Environmental	Right-of-Way	Total Cost
1	Main Street/171st	I	\$4,466,011	\$1,473,810	\$312,640	\$3,678,000	\$9,930,461
2	SE 276th Street	II	\$3,559,952	\$1,174,800	\$249,200	\$2,751,000	\$7,734,952
3	SE 274th Street	I	\$2,934,729	\$968,480	\$205,440	\$2,589,000	\$6,697,649
4	172nd Ave SE	I	\$1,769,287	\$583,880	\$123,860	\$1,068,000	\$3,545,027
5	SE 277th Street	II	\$3,175,490	\$1,047,930	\$222,290	\$2,853,000	\$7,298,710
6	SE 275th Street	II	\$2,811,490	\$927,810	\$196,810	\$2,169,000	\$6,105,110
7	SE 273rd Street	I	\$1,152,484	\$380,340	\$80,680	\$807,000	\$2,420,504
8	172nd Place SE	I	\$2,696,098	\$889,730	\$188,740	\$1,995,000	\$5,769,568
9	170th Ave SE	I	\$1,152,484	\$380,340	\$80,680	\$807,000	\$2,420,504
10	169th Ave SE	I	\$1,152,484	\$380,340	\$80,680	\$807,000	\$2,420,504
11	SE Wax Road	III	\$10,581,913	\$3,703,680	\$1,269,840	\$3,994,000	\$19,549,433
			\$35,452,421	\$11,911,140	\$3,010,860	\$23,518,000	\$73,892,421

Table 3 – Right-of-Way Cost Comparison Summary (attached) was developed following the format of a Project Funding Estimate (PFE) used for right-of-way acquisition on publicly-funded transportation improvement projects. The summary is not a PFE for the Town Center Project. The table provides information about the relationship between land values that would be paid to the seller and the costs of the land to the City once all applicable costs have been considered.

After consideration of the approximate values of land at the Project site and applicable acquisition costs, the cost per square foot (SF) to the project for acquisition of right-of-way from commercial and residential parcels, was estimated at \$30/SF and \$16/SF, respectively. These land acquisition costs were then applied to the detailed project cost estimates which were summarized in Table 2. As a result, the total value for right-of-way identified in Table 2 is similar to, but not exactly the same as, the total value of right-of-way identified in Table 3.

Design/Concept Changes that would affect costs

There are many elements of the Town Center street grid system that may affect project costs. These include:

Changing Street Type Designation for a Segment: One of the three street types identified in the *Covington Downtown Plan and Zoning Study*, dated September 30, 2009, was associated with each of the street segments for this study. The costs will be different if a different street type is desired by the City other than what is indicated in Table 2.

Varied Grid System Layouts: There are multiple sources of information for what constitutes the City’s Town Center grid system. For purposes of this memo, the layout identified in the *Covington Downtown Plan and Zoning Study*, dated September 30, 2009, was used. However, there are at least four (4) other



concept layouts illustrated in documents which have been adopted by the City. Modifications to the number and locations of the street grid segments would affect project costs.

Elimination of Minor Grid Segments: Those street segments which are approximately 400 long are not as valuable to the internal traffic circulation of Town Center as other segments such as Main Street, SE 276th Street and SE 274th Street. These shorter street grid segments are illustrated in Exhibit 1, but are not identified as priority elements in the City's Comprehensive Plan. In lieu of providing these short segment public streets, internal circulation for Town Center may be accomplished through connections via private development access. Elimination of some or all of the minor street grid segments would decrease project costs.

Varied Street Section Dimensions: There are multiple sources of information for what comprises the street section for each segment in the City's street grid infrastructure. Some segments of the grid were not found to have any specific roadway section identified in existing City documents. Modifications to the street section elements used in the cost estimates would affect project costs.

Stormwater Detention and Water Quality Facilities: The approach to addressing stormwater design for Town Center will have a direct impact on project costs and design. There are three primary approaches to stormwater facility design:

- 1) Localized Street Segments;
- 2) Master Plan Public/Private Partnerships;
- 3) Regional Facility.

The individual street segments will likely accommodate a localized approach to stormwater design. Rain gardens and vegetated treatment vaults would be prime candidates to accommodate the water quality requirements followed by detention/infiltration facilities. Rain gardens would need to have an area roughly equivalent to 10-15% of the proposed pollution-generating (roadway, not sidewalk) impervious surface. One challenge associated with rain gardens adjacent to on-street parking comes with providing access between parked cars and the sidewalk. A geotechnical investigation of the soils would be needed to confirm the viability of stormwater infiltration and its effect upon the existing groundwater. A determination of infiltration capacity would also influence whether storage of the 100 year flows is possible, or storage of the 50 year flows with an alternative conveyance path overflow. Generally, underground infiltration galleries with crushed rock offer the most cost effective design solutions where feasible. Costs for the project segments in this memo were included on a street segment basis.

Significant segments of the Town Center Street Grid system would also be prime candidates for a public/private partnership with adjacent development, or in a regional facility or facilities that can accept stormwater from multiple street segments.

The possibility exists to combine stormwater facilities required for individual roadway segments with stormwater facilities required for the proposed park segments. However, the available space within the proposed park areas are at a premium and reducing the space allocated for public recreation to accommodate the stormwater detention and water quality improvement required for the adjacent roadway segment is unlikely unless underground facilities are feasible. The determination for the feasibility of this approach would need to be made with further study for each roadway segment and park facility.



Environmentally Sensitive Areas: At this time it is unknown the extent of environmentally sensitive areas within the footprint of the proposed Town Center street grid system. These environmentally sensitive areas may include, but not be limited to, wetlands and streams, aquifer recharge areas, and hazardous waste sites. Exhibit 2 was prepared from King County's iMap service and illustrates some of the environmentally sensitive areas in proximity to the proposed reconstructed SE Wax Road. Map layers illustrated in Exhibit 2 include wetlands (green hatch) and 100-year floodplain of Jenkins Creek (white hatch). The entire Town Center site lies over an area identified as being susceptible to groundwater contamination. Impacts to any of these environmentally sensitive areas would affect project costs.

Social Justice Issues: At this time it is unknown whether acquisition of right-of-way for the purposes of building the new street grid system will disproportionately impact or displace any specific population groups. Impacts to any of these populations would affect project costs.

Number of Parcels: At this time it is unknown the total number of parcels from which right-of-way for the purposes of building the new street grid system will be required. The greater number of parcels, the additional coordination efforts will be required, thus increasing the costs for the project.

Grade Adjustments: It is anticipated that the vertical grades of the proposed street grid system will closely follow the existing ground surface. For a pedestrian-oriented Town Center it is critical that the sidewalk connections to the adjacent developments be made at or near the same elevation. Significant adjustments to the finished ground profile of the road and sidewalk would affect the project costs.

Roundabout Size and Capacity: The proposed three-legged roundabout at the intersection of SE Wax Road (realigned to the west of the existing intersection) and Covington Way SE is anticipated to be a single lane roundabout with dual lane entries and single lane exits. Significant adjustments to these assumptions would affect project costs.

Utilities: The range and variety of wet (water, sewer) and dry utilities (power, cable, and phone) will affect the project costs significantly. Costs for including these utilities have been included with the estimates.

Design/Concept Aspects that would affect programmatic funding options

There are some programmatic funding options for developing the Town Center Street Grid system. The City has utilized funding sources common to transportation projects in Washington which include:

- Transportation Improvement Board (TIB) – Urban Arterial Program (UAP)
- Puget Sound Regional Council (PSRC) – Surface Transportation Program (STP)
- Local Improvement District (LID)
- Transportation Benefit District (TBD)
- Impact/Mitigation Fees for Transportation Impacts

Table 4 – Alternative Funding Sources (attached) includes a list of sources from which the City may be able to pursue because of the unique nature of redeveloping and creating an entirely new Town Center Street Grid concept.

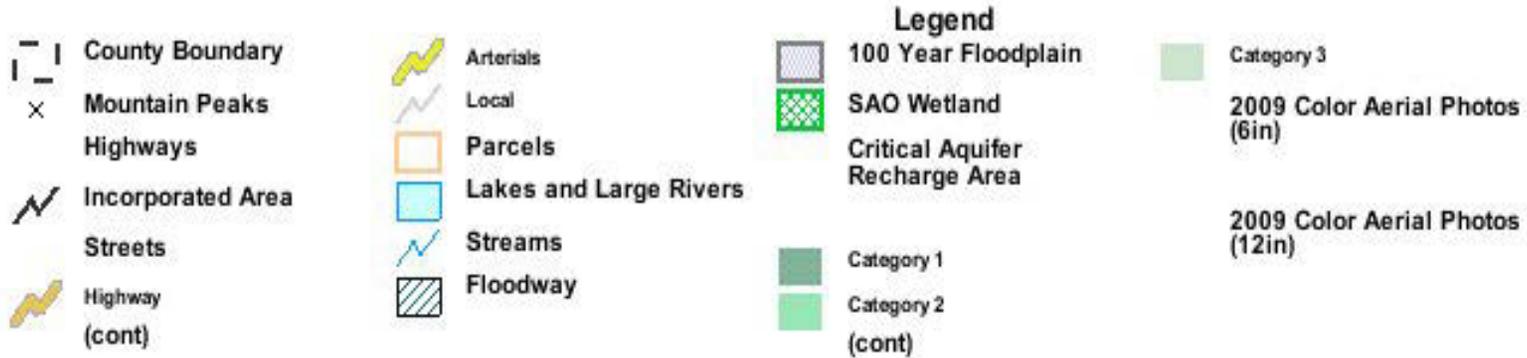


If there are any questions about the content of this memorandum, or the information included in the cost estimate, please contact Kirk Harris at kaha@deainc.com or (425) 586-9782.

Attachments

- Exhibit 1 – Town Center Street Grid System Concept Layout
- Exhibit 2 – Town Center Area with Parcel Limits and Environmentally Sensitive Areas
- Table 1 – Street Improvement Summary
- Table 3 – Right-of-Way Cost Comparison Summary
- Table 4 – Alternative Funding Sources
- Planning Level Construction Cost Estimates
- For Reference Only – Street Sections Used For Estimating (Type I, II, III Streets)
- For Reference Only – Other City Street Concept Maps of Town Center

Exhibit 2 - Town Center with Environmental Areas



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. This document is not intended for use as a survey product. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County.

**City of Covington
Town Center Study
Street Grid System Infrastructure Costs**



Prepared By: KAHA

Checked By: SBS

Date: 5/29/2014

Table 1 - Street Improvement Summary

ID	Street	Orientation	City Street Type (WSTM)	R/W Width	Road	Bike Lanes	On-Street Parking	Median	Landscape Buffer + Curbs	Sidewalk	Roadway Width	Roadway Length
1	Main Street/171st	N-S	I	66	22	0	16	0	10	18	66	1,850
2	SE 276th Street	E-W	II	86	22	10	16	12	10	16	86	1,400
3	SE 274th Street	E-W	I	66	22	0	16	0	10	18	66	1,300
4	172nd Ave SE	N-S	I	66	22	0	16	0	10	18	66	700
5	SE 277th Street	E-W	II	86	22	10	16	12	10	16	86	1,100
6	SE 275th Street	E-W	II	86	22	10	16	12	10	16	86	1,100
7	SE 273rd Street	E-W	I	66	22	0	16	0	10	18	66	400
8	172nd Place SE	N-S	I	66	22	0	16	0	10	18	66	1,000
9	170th Ave SE	N-S	I	66	22	0	16	0	10	18	66	400
10	169th Ave SE	N-S	I	66	22	0	16	0	10	18	66	400
11	SE Wax Road	NE-SW	III	90	22	10	16	12	10	16	86	4,000

13,650

Note:

WSTM = Working Street Type Map (Exhibit 1)

Total Length - Type I Streets	6,050
Total Length - Type II Streets	3,600
Total Length - Type III Streets	4,000
	<u>13,650</u>

**City of Covington
Town Center Study
Street Grid System Infrastructure Cost**

Table 3 - Right-of-Way Cost Comparison Summary

Note: This summary follows the Project Funding Estimate (PFE) format, but it is not a PFE.

No.	Project Parcel No.	Assessor's Parcel Number	Owner Name	Land Acquisition Area A	Land Unit Value B	Land Price for R/W C	Improvements and Damages Cost D	Temporary Construction Easement E	Land Unit Value F	Land Price for TCE G	1	2	3	4	5	6	7	8	9	10	11	Approx. Land Cost Combined I	Price Factor Over Initial Land Value J
											Just Compen. (Offer) H	Appraisal Fee Costs (See Note 2)	Appraisal Review Fee Costs (See Note 3)	Negotiation Fee Costs (See Note 4)	Title, Escrow Costs (See Note 5)	Prop. Mgmt. Service Costs	Relocation Service Costs	Relocation Payments	Condemn. Incidental Costs (See Note 1)	Statutory Evaluation Allowance	Total Parcel Costs		
Ex	Example	Example - Commercial		50,000	\$20.00/SF	\$1,000,000	\$50,000	16,667	\$2.00	\$33,333	\$1,083,333	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$331,900	\$1,000	\$1,439,233	\$28.78	1.44
Ex	Example	Example - Commercial		20,000	\$20.00/SF	\$400,000	\$5,000	6,667	\$2.00	\$13,333	\$418,333	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$132,400	\$1,000	\$574,733	\$28.74	1.44
Ex	Example	Example - Commercial		1,000	\$20.00/SF	\$20,000	\$1,000	333	\$2.00	\$667	\$21,667	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$7,100	\$1,000	\$31,767	\$31.77	1.59
Ex	Example	Example - Commercial		500	\$20.00/SF	\$10,000	\$1,000	167	\$2.00	\$333	\$11,333	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$4,000	\$1,000	\$18,333	\$36.67	1.83
																							1.57 Average
Ex	Example	Example - Residential		50,000	\$10.00/SF	\$500,000	\$20,000	16,667	\$1.00	\$16,667	\$536,667	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$167,900	\$1,000	\$728,567	\$14.57	1.46
Ex	Example	Example - Residential		20,000	\$10.00/SF	\$200,000	\$5,000	6,667	\$1.00	\$6,667	\$211,667	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$70,400	\$1,000	\$306,067	\$15.30	1.53
Ex	Example	Example - Residential		1,000	\$10.00/SF	\$10,000	\$1,000	333	\$1.00	\$333	\$11,333	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$4,000	\$1,000	\$18,333	\$18.33	1.83
Ex	Example	Example - Residential		500	\$10.00/SF	\$5,000	\$1,000	167	\$1.00	\$167	\$6,167	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$2,450	\$1,000	\$11,617	\$23.23	2.32
																							1.61 Average
																							1.79 Average
		Covington Town Center Grid - FOR REFERENCE ONLY - THIS IS NOT A PFE																					
1	1	Area for Main Street/171st		122,100	\$20.00/SF	\$2,442,000	\$1,000,000	40,700	\$2.00	\$81,400	\$3,523,400	\$10,000	\$2,000	\$30,000	\$2,000	\$0	\$200,000	\$0	\$1,130,220	\$1,000	\$4,898,620	\$40.12	2.01
2	2	Area for SE 276th Street		91,200	\$20.00/SF	\$1,824,000	\$10,000	30,400	\$2.00	\$60,800	\$1,894,800	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$575,340	\$1,000	\$2,494,140	\$27.35	1.37
3	3	Area for SE 274th Street		85,800	\$20.00/SF	\$1,716,000	\$100,000	28,600	\$2.00	\$57,200	\$1,873,200	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$568,860	\$1,000	\$2,466,060	\$28.74	1.44
4	4	Area for 172nd Ave SE		35,100	\$20.00/SF	\$702,000	\$50,000	11,700	\$2.00	\$23,400	\$775,400	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$239,520	\$1,000	\$1,038,920	\$29.60	1.48
5	5	Area for SE 277th Street		94,600	\$20.00/SF	\$1,892,000	\$5,000	31,533	\$2.00	\$63,067	\$1,960,100	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$594,930	\$1,000	\$2,579,030	\$27.26	1.36
6	6	Area for SE 275th Street		71,800	\$20.00/SF	\$1,436,000	\$50,000	23,933	\$2.00	\$47,867	\$1,533,900	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$467,070	\$1,000	\$2,024,970	\$28.20	1.41
7	7	Area for SE 273rd Street		26,400	\$20.00/SF	\$528,000	\$25,000	8,800	\$2.00	\$17,600	\$570,600	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$178,080	\$1,000	\$772,680	\$29.27	1.46
8	8	Area for 172nd Place SE		66,000	\$20.00/SF	\$1,320,000	\$20,000	22,000	\$2.00	\$44,000	\$1,384,000	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$422,100	\$1,000	\$1,830,100	\$27.73	1.39
9	9	Area for 170th Ave SE		26,400	\$20.00/SF	\$528,000	\$5,000	8,800	\$2.00	\$17,600	\$550,600	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$172,080	\$1,000	\$746,680	\$28.28	1.41
10	10	Area for 169th Ave SE		26,400	\$20.00/SF	\$528,000	\$5,000	8,800	\$2.00	\$17,600	\$550,600	\$5,000	\$1,000	\$15,000	\$2,000	\$0	\$0	\$0	\$172,080	\$1,000	\$746,680	\$28.28	1.41
11	11	Area for SE Wax Road *		168,000	\$15.00/SF	\$2,520,000	\$130,000	28,000	\$1.50	\$42,000	\$2,692,000	\$65,000	\$12,500	\$195,000	\$50,000	\$0	\$0	\$0	\$904,350	\$1,000	\$3,919,850	\$23.33	1.56
				813,800							THIS SUM IS FOR REFERENCE AND COMPARISON TO THE TOWN CENTER GRID PROJECT COST ESTIMATES ONLY - THIS IS NOT A PFE										\$23,517,730	\$28.90	1.48 Average

Notes:

- Column 9 (Condemnation & Incidental Costs) calculated as follows: (30% of column 1) + (30% of columns 2-5).
 - Subject to City approval, Administrative Offer Summary (AOS) worksheets may be prepared in lieu of appraisals for those parcels with estimated just compensation less than \$25K, and if the acquisition is uncomplicated, known as the Appraisal Waiver process. Owner is entitled to an appraisal if they request one.
 - AOS worksheets, in lieu of Appraisals, do not require Appraisal Review.
 - Column 4 - includes negotiations with property owners together with allocated administrative fees such as: PFE coordination and input, subconsultant management, meeting attendance, progress reporting, parcel file closeout / escrow, plan reviews, coordination with design team, etc.
 - Title / Escrow costs may not be required subject to the City's current title clearing policy & title insurance needs.
 - Preparation of AOS worksheets are included in the PFE cost.
- * SE Wax Road Land Unit Value used a 50/50 split of Commercial and Residential values to account for the difference in land use types on each side of the existing R/W

Assumptions:

- A** Acquisition area calculated for new roadway right-of-way
- B** Approximate land value
- C** Acquisition Area x Land Unit Value for new R/W
- D** Improvements and Damages may include compensation for items such as business signs, driveways, landscaping improvements, and loss of parking
- E** Temporary construction easement area is estimated at 1/3 of the acquisition area (e.g. 10-feet for TCE on both sides of a 60-foot R/W); except Wax Road which was estimated at 1/6 for one side only
- F** Estimated at 10% of Land Unit Value
- G** TCE Area x Land Unit Value for TCE
- H** Combination of R/W, Improvements, and TCE
- I** Approximate Land Cost to the City after all other factors included
- J** Price Factor between Land Cost (to City) and Land Value (to Seller)

TABLE 4 – Alternative Funding Sources

Program	Eligible Projects	Eligible Applicants	Funding Available
<p>CDBG-GP</p> <p>Community Development Block Grant – General Purpose Grant Program</p>	<p>Final design and construction of domestic wastewater, drinking water, side connections, stormwater, streets, bridge, community facility, economic development, and housing rehabilitation projects.</p>	<p>Projects must principally benefit low- to moderate-income people in non-entitlement cities and counties.</p> <ul style="list-style-type: none"> • Cities or towns with fewer than 50,000 people • Counties with fewer than 200,000 people 	<p>Grant</p> <ul style="list-style-type: none"> • Up to \$250,000 - \$700,000, depending on project type and financial need • No match required, but local contribution and gap financing preferred
<p>PWTF</p> <p>Public Works Trust Fund – Construction Program</p>	<p>New construction, replacement, and repair of existing infrastructure for domestic water, sanitary sewer, stormwater, solid waste, road or bridge projects, and reasonable growth</p>	<p>Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements (contact a Client Service Representative for more information). No school or port districts.</p> <p>(*) NEW:</p> <ul style="list-style-type: none"> • <u>Affordability Index</u>: Affordability Index (AI) is a measure of the consumers' financial ability to pay for utility services. Applicants that qualify for AI terms can receive lower cost loan terms • <u>Performance based incentives</u>: Projects that meet contract incentives can qualify for slightly lower interest rate or longer repayment term 	<p>Loan</p> <ul style="list-style-type: none"> • \$15 million per jurisdiction for the 2014 funding year • Must complete work within 60 months • Rates and terms vary based on an affordability index (which assesses a utility's ability to sustain the utility) • Interest rates: 0.25-2%; Standard interest rate is 1%, but can vary • Repayment Term: Up to 30 years. Standard repayment term is 20 years. The repayment term cannot exceed the life of the improvement.
<p>CERB</p> <p>Community Economic Revitalization Board - Construction Program</p>	<p>Projects must support significant job creation or significant private investment in the state.</p> <ul style="list-style-type: none"> • Bridges, roads and railroad spurs, domestic and industrial water, sanitary and storm sewers • Electricity, natural gas and telecommunications • General purpose industrial buildings, port facilities • Acquisition, construction, repair, reconstruction, replacement, rehabilitation 	<ul style="list-style-type: none"> • Counties, cities, towns, port districts, special districts • Federally-recognized tribes • Municipal and quasi-municipal corporations with economic development purposes. 	<p>Loans; grants in unique cases</p> <ul style="list-style-type: none"> • Public facility projects required by private sector expansion and job creation • Projects without a committed business allowed for rural areas • \$1 million maximum per project, per policy • Interest rates: 3% for non- distressed and 2.5% for distressed counties • 20-year term maximum • Requires 10% minimum match

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Project: Main Street/171st (Project ID #1) Date: 5/29/14
 Location: SE 272nd St. to Wax Road Prepared by: KAHA
 Checked by: SBS

Description: Type I Street: widen to two 11-foot wide travel lanes, two 8-foot wide parking lanes. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 9-foot sidewalk. All dimensions from Table 1 - Street Summary

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included. New signal at Main/SE 272nd (SR 516).

Roadway Length: 1,850 feet Walls (Y/N) No Traffic Signal (Y/N) Yes Dry Utilities UG = Underground
 Proposed Widths: Pavement 38 Sidewalk 18 Landscape Buffer 10 ROW 66
 Working Days 120

Preparation		
1	Mobilization	\$215,400
2-4	Preparation Items	\$62,100
5-12	Removal Items	\$10,000
	<i>Preparation Subtotal</i>	<u>\$287,500</u>

Structures		
48-51	Retaining Walls	\$0
52	Bridge Structure	\$0
	<i>Structure Subtotal</i>	<u>\$0</u>

Grading		
13-14	Roadway Grading	\$144,267
15-18	Roadway Foundation	\$173,771
19-24	Utility Excavation	\$18,400
	<i>Grading Subtotal</i>	<u>\$336,438</u>

TESC and Landscaping		
53-55	TESC	\$63,500
56-60	Plantings	\$188,120
61-62	Irrigation	\$55,800
	<i>TESC and Landscaping Subtotal</i>	<u>\$307,420</u>

Storm Drainage		
25-36	Conveyance System	\$198,900
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$277,500
	<i>Storm Drainage Subtotal</i>	<u>\$476,400</u>

Traffic		
63-71	Markings and Signing	\$15,117
72-75	Guardrail/Handrail	\$0
76-80	Traffic Signal System	\$250,000
81-83	Illumination System	\$76,000
84-89	Traffic Control	\$155,600
	<i>Traffic Subtotal</i>	<u>\$496,717</u>

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$280,200
	<i>ACP Subtotal</i>	<u>\$280,200</u>

Utilities and Other Items		
90-91	Utility Relocates	\$462,500
92-93	Waterline	\$262,750
94-95	Sanitary Sewer	\$142,500
96-98	Misc. Construction	\$12,967
	<i>Utilities and Other Items Subtotal</i>	<u>\$880,717</u>

Concrete		
43-44	Sidewalks and Driveways	\$259,000
45-46	Curbs and Ramps	\$111,000
47	Concrete Roadway	\$0
	<i>Concrete Subtotal</i>	<u>\$370,000</u>

CONSTRUCTION SUBTOTAL		\$3,435,391
CONTINGENCY	30%	\$1,030,620
CONSTRUCTION SUBTOTAL		\$4,466,011
DESIGN ENGINEERING	17%	\$759,230
CONSTRUCTION ENGINEERING	11%	\$491,270
PROJECT ADMINISTRATION	5%	\$223,310
ENGR. AND ADMIN. SUBTOTAL		\$1,473,810
ENVIRONMENTAL ENGINEERING	2%	\$89,330
ENVIRONMENTAL MITIGATION	5%	\$223,310
ENVIRONMENTAL SUBTOTAL		\$312,640
RIGHT-OF-WAY SUBTOTAL		\$3,678,000
TOTAL PROJECT COST (Year 2014)		\$9,930,461

City of Covington
Town Center Study
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Project: SE 276th Street (Project ID #2) **Date:** 5/29/14
Location: 168th Place SE to SE Wax Road **Prepared by:** KAHA
Checked by: SBS

Description: Type II Street: widen to two 11-foot wide travel lanes, two 5-foot bike lanes, two 8-foot wide parking lanes and one 12-median. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 8-foot sidewalk.

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included.

Roadway Length: 1,400 feet **Walls (Y/N)** No **Traffic Signal (Y/N)** No **Dry Utilities** UG = Underground
Proposed Widths: **Pavement** 60 **Sidewalk** 16 **Landscape Buffer** 10 **ROW** 86
Working Days 120

Preparation		
1	Mobilization	\$173,600
2-4	Preparation Items	\$51,800
5-12	Removal Items	\$10,000
<i>Preparation Subtotal</i>		<u>\$235,400</u>

Structures		
48-51	Retaining Walls	\$0
52	Bridge Structure	\$0
<i>Structure Subtotal</i>		<u>\$0</u>

Grading		
13-14	Roadway Grading	\$172,396
15-18	Roadway Foundation	\$195,723
19-24	Utility Excavation	\$15,200
<i>Grading Subtotal</i>		<u>\$383,319</u>

TESC and Landscaping		
53-55	TESC	\$60,300
56-60	Plantings	\$166,800
61-62	Irrigation	\$42,300
<i>TESC and Landscaping Subtotal</i>		<u>\$269,400</u>

Storm Drainage		
25-36	Conveyance System	\$164,700
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$210,000
<i>Storm Drainage Subtotal</i>		<u>\$374,700</u>

Traffic		
63-71	Markings and Signing	\$12,307
72-75	Guardrail/Handrail	\$0
76-80	Traffic Signal System	\$0
81-83	Illumination System	\$56,000
84-89	Traffic Control	\$155,600
<i>Traffic Subtotal</i>		<u>\$223,907</u>

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$328,600
<i>ACP Subtotal</i>		<u>\$328,600</u>

Utilities and Other Items		
90-91	Utility Relocates	\$350,000
92-93	Waterline	\$197,500
94-95	Sanitary Sewer	\$105,000
96-98	Misc. Construction	\$12,367
<i>Utilities and Other Items Subtotal</i>		<u>\$664,867</u>

Concrete		
43-44	Sidewalks and Driveways	\$174,230
45-46	Curbs and Ramps	\$84,000
47	Concrete Roadway	\$0
<i>Concrete Subtotal</i>		<u>\$258,230</u>

CONSTRUCTION SUBTOTAL		\$2,738,422
CONTINGENCY	30%	\$821,530
CONSTRUCTION SUBTOTAL		\$3,559,952
DESIGN ENGINEERING	17%	\$605,200
CONSTRUCTION ENGINEERING	11%	\$391,600
PROJECT ADMINISTRATION	5%	\$178,000
ENGR. AND ADMIN. SUBTOTAL		\$1,174,800
ENVIRONMENTAL ENGINEERING	2%	\$71,200
ENVIRONMENTAL MITIGATION	5%	\$178,000
ENVIRONMENTAL SUBTOTAL		\$249,200
RIGHT-OF-WAY SUBTOTAL		\$2,751,000
TOTAL PROJECT COST (Year 2014)		\$7,734,952

City of Covington
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Project: SE 277th Street (Project ID #5)
 Location: 168th Place SE to SE Wax Road

Date: 5/29/14
 Prepared by: KAHA
 Checked by: SBS

Description: Type II Street: widen to two 11-foot wide travel lanes, two 5-foot bike lanes, two 8-foot wide parking lanes and one 12-median. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 8-foot sidewalk.

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included. New signal at 277th/Main (171st)/Wax Rd.

Roadway Length: 1,100 feet Walls (Y/N) No Traffic Signal (Y/N) Yes Dry Utilities UG = Underground
 Proposed Widths: Pavement 60 Sidewalk 16 Landscape Buffer 10 ROW 86
 Working Days 60

Preparation		
1	Mobilization	\$160,200
2-4	Preparation Items	\$46,100
5-12	Removal Items	\$10,000
Preparation Subtotal		\$216,300

Structures		
48-51	Retaining Walls	\$0
52	Bridge Structure	\$0
Structure Subtotal		\$0

Grading		
13-14	Roadway Grading	\$135,428
15-18	Roadway Foundation	\$153,789
19-24	Utility Excavation	\$12,000
Grading Subtotal		\$301,217

TESC and Landscaping		
53-55	TESC	\$58,200
56-60	Plantings	\$152,560
61-62	Irrigation	\$33,300
TESC and Landscaping Subtotal		\$244,060

Storm Drainage		
25-36	Conveyance System	\$134,650
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$165,000
Storm Drainage Subtotal		\$299,650

Traffic		
63-71	Markings and Signing	\$9,867
72-75	Guardrail/Handrail	\$0
76-80	Traffic Signal System	\$250,000
81-83	Illumination System	\$44,000
84-89	Traffic Control	\$87,800
Traffic Subtotal		\$391,667

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$259,400
ACP Subtotal		\$259,400

Utilities and Other Items		
90-91	Utility Relocates	\$275,000
92-93	Waterline	\$155,500
94-95	Sanitary Sewer	\$85,000
96-98	Misc. Construction	\$11,967
Utilities and Other Items Subtotal		\$527,467

Concrete		
43-44	Sidewalks and Driveways	\$136,920
45-46	Curbs and Ramps	\$66,000
47	Concrete Roadway	\$0
Concrete Subtotal		\$202,920

CONSTRUCTION SUBTOTAL		\$2,442,680
CONTINGENCY	30%	\$732,810
CONSTRUCTION SUBTOTAL		\$3,175,490
DESIGN ENGINEERING	17%	\$539,840
CONSTRUCTION ENGINEERING	11%	\$349,310
PROJECT ADMINISTRATION	5%	\$158,780
ENGR. AND ADMIN. SUBTOTAL		\$1,047,930
ENVIRONMENTAL ENGINEERING	2%	\$63,510
ENVIRONMENTAL MITIGATION	5%	\$158,780
ENVIRONMENTAL SUBTOTAL		\$222,290
RIGHT-OF-WAY SUBTOTAL		\$2,853,000
TOTAL PROJECT COST (Year 2014)		\$7,298,710

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Project: SE 275th Street (Project ID #6)
 Location: 168th Place SE to SE Wax Road

Date: 5/29/14
 Prepared by: KAHA
 Checked by: SBS

Description: Type II Street: widen to two 11-foot wide travel lanes, two 5-foot bike lanes, two 8-foot wide parking lanes and one 12-median. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 8-foot sidewalk.

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included.

Roadway Length: 1,100 feet Walls (Y/N) No Traffic Signal (Y/N) No Dry Utilities UG = Underground
 Proposed Widths: Pavement 60 Sidewalk 16 Landscape Buffer 10 ROW 86
 Working Days 60

Preparation		
1	Mobilization	\$135,200
2-4	Preparation Items	\$41,100
5-12	Removal Items	\$10,000
	<i>Preparation Subtotal</i>	<u>\$186,300</u>

Structures		
48-51	Retaining Walls	\$0
52	Bridge Structure	\$0
	<i>Structure Subtotal</i>	<u>\$0</u>

Grading		
13-14	Roadway Grading	\$135,428
15-18	Roadway Foundation	\$153,789
19-24	Utility Excavation	\$12,000
	<i>Grading Subtotal</i>	<u>\$301,217</u>

TESC and Landscaping		
53-55	TESC	\$58,200
56-60	Plantings	\$152,560
61-62	Irrigation	\$33,300
	<i>TESC and Landscaping Subtotal</i>	<u>\$244,060</u>

Storm Drainage		
25-36	Conveyance System	\$134,650
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$165,000
	<i>Storm Drainage Subtotal</i>	<u>\$299,650</u>

Traffic		
63-71	Markings and Signing	\$9,867
72-75	Guardrail/Handrail	\$0
76-80	Traffic Signal System	\$0
81-83	Illumination System	\$44,000
84-89	Traffic Control	\$87,800
	<i>Traffic Subtotal</i>	<u>\$141,667</u>

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$259,400
	<i>ACP Subtotal</i>	<u>\$259,400</u>

Utilities and Other Items		
90-91	Utility Relocates	\$275,000
92-93	Waterline	\$155,500
94-95	Sanitary Sewer	\$85,000
96-98	Misc. Construction	\$11,967
	<i>Utilities and Other Items Subtotal</i>	<u>\$527,467</u>

Concrete		
43-44	Sidewalks and Driveways	\$136,920
45-46	Curbs and Ramps	\$66,000
47	Concrete Roadway	\$0
	<i>Concrete Subtotal</i>	<u>\$202,920</u>

CONSTRUCTION SUBTOTAL		\$2,162,680
CONTINGENCY	30%	\$648,810
CONSTRUCTION SUBTOTAL		\$2,811,490
DESIGN ENGINEERING	17%	\$477,960
CONSTRUCTION ENGINEERING	11%	\$309,270
PROJECT ADMINISTRATION	5%	\$140,580
ENGR. AND ADMIN. SUBTOTAL		\$927,810
ENVIRONMENTAL ENGINEERING	2%	\$56,230
ENVIRONMENTAL MITIGATION	5%	\$140,580
ENVIRONMENTAL SUBTOTAL		\$196,810
RIGHT-OF-WAY SUBTOTAL		\$2,169,000
TOTAL PROJECT COST (Year 2014)		\$6,105,110

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Project: SE 273rd Street (Project ID #7) Date: 5/29/14
 Location: Main St (171st) to 172nd Place SE Prepared by: KAHA
 Checked by: SBS

Description: Type I Street: widen to two 11-foot wide travel lanes, two 8-foot wide parking lanes. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 9-foot sidewalk. All dimensions from Table 1 - Street Summary

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included.

Roadway Length: 400 feet Walls (Y/N) No Traffic Signal (Y/N) No Dry Utilities UG = Underground
 Proposed Widths: Pavement 38 Sidewalk 18 Landscape Buffer 10 ROW 66
 Working Days 40

Preparation		
1	Mobilization	\$52,300
2-4	Preparation Items	\$16,500
5-12	Removal Items	\$10,000
	<i>Preparation Subtotal</i>	<u>\$78,800</u>

Structures		
48-51	Retaining Walls	\$0
52	Bridge Structure	\$0
	<i>Structure Subtotal</i>	<u>\$0</u>

Grading		
13-14	Roadway Grading	\$31,201
15-18	Roadway Foundation	\$37,616
19-24	Utility Excavation	\$4,000
	<i>Grading Subtotal</i>	<u>\$72,817</u>

TESC and Landscaping		
53-55	TESC	\$53,200
56-60	Plantings	\$119,200
61-62	Irrigation	\$12,150
	<i>TESC and Landscaping Subtotal</i>	<u>\$184,550</u>

Storm Drainage		
25-36	Conveyance System	\$62,000
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$60,000
	<i>Storm Drainage Subtotal</i>	<u>\$122,000</u>

Traffic		
63-71	Markings and Signing	\$5,523
72-75	Guardrail/Handrail	\$0
76-80	Traffic Signal System	\$0
81-83	Illumination System	\$16,000
84-89	Traffic Control	\$65,200
	<i>Traffic Subtotal</i>	<u>\$86,723</u>

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$61,600
	<i>ACP Subtotal</i>	<u>\$61,600</u>

Utilities and Other Items		
90-91	Utility Relocates	\$100,000
92-93	Waterline	\$59,000
94-95	Sanitary Sewer	\$30,000
96-98	Misc. Construction	\$11,033
	<i>Utilities and Other Items Subtotal</i>	<u>\$200,033</u>

Concrete		
43-44	Sidewalks and Driveways	\$56,000
45-46	Curbs and Ramps	\$24,000
47	Concrete Roadway	\$0
	<i>Concrete Subtotal</i>	<u>\$80,000</u>

CONSTRUCTION SUBTOTAL		\$886,524
CONTINGENCY	30%	\$265,960
CONSTRUCTION SUBTOTAL		\$1,152,484
DESIGN ENGINEERING	17%	\$195,930
CONSTRUCTION ENGINEERING	11%	\$126,780
PROJECT ADMINISTRATION	5%	\$57,630
ENGR. AND ADMIN. SUBTOTAL		\$380,340
ENVIRONMENTAL ENGINEERING	2%	\$23,050
ENVIRONMENTAL MITIGATION	5%	\$57,630
ENVIRONMENTAL SUBTOTAL		\$80,680
RIGHT-OF-WAY SUBTOTAL		\$807,000
TOTAL PROJECT COST (Year 2014)		\$2,420,504

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Project: SE Wax Road (Project ID #11) Date: 5/29/14
 Location: SE 272nd St. to Covington Way Prepared by: KAHA
 Checked by: SBS

Description: Type III Street: widen to two 11-foot wide travel lanes, two 8-foot wide parking lanes. Each side of the roadway also includes a curb, gutter, 5-foot landscape buffer, and 8-foot sidewalk. All dimensions from Table 1 - Street Summary

Assumptions: Dimensions exhibited in Table 1 are correct. R/W acquisition will be required of entire corridor. Vertical alignment will closely match existing topography. Undergrounding utility lines, utility relocations are included. New roundabout at Wax/Covington Way.

Roadway Length: 4,000 feet Walls (Y/N) Yes Roundabout (Y/N) Yes Dry Utilities UG = Underground
 Proposed Widths: Pavement 60 Sidewalk 16 Landscape Buffer 10 ROW 90
 Working Days 180

Preparation		
1	Mobilization	\$540,800
2-4	Preparation Items	\$156,200
5-12	Removal Items	\$10,000
	<i>Preparation Subtotal</i>	<u>\$707,000</u>

Structures		
48-51	Retaining Walls	\$455,000
52	Bridge Structure	\$0
	<i>Structure Subtotal</i>	<u>\$455,000</u>

Grading		
13-14	Roadway Grading	\$492,456
15-18	Roadway Foundation	\$559,145
19-24	Utility Excavation	\$41,600
	<i>Grading Subtotal</i>	<u>\$1,093,201</u>

TESC and Landscaping		
53-55	TESC	\$78,400
56-60	Plantings	\$289,840
61-62	Irrigation	\$120,150
	<i>TESC and Landscaping Subtotal</i>	<u>\$488,390</u>

Storm Drainage		
25-36	Conveyance System	\$417,000
37	Culvert/Stream Crossing	\$0
38	Detention/Water Quality Facility	\$600,000
	<i>Storm Drainage Subtotal</i>	<u>\$1,017,000</u>

Traffic		
63-71	Markings and Signing	\$29,703
72-75	Guardrail/Handrail	\$160,000
76-80	Roundabout Intersection Details	\$250,000
81-83	Illumination System	\$160,000
84-89	Traffic Control	\$223,400
	<i>Traffic Subtotal</i>	<u>\$823,103</u>

Asphalt Concrete Pavement		
39-42	Asphalt Concrete Pavement	\$939,600
	<i>ACP Subtotal</i>	<u>\$939,600</u>

Utilities and Other Items		
90-91	Utility Relocates	\$1,000,000
92-93	Waterline	\$563,000
94-95	Sanitary Sewer	\$300,000
96-98	Misc. Construction	\$15,833
	<i>Utilities and Other Items Subtotal</i>	<u>\$1,878,833</u>

Concrete		
43-44	Sidewalks and Driveways	\$497,805
45-46	Curbs and Ramps	\$240,000
47	Concrete Roadway	\$0
	<i>Concrete Subtotal</i>	<u>\$737,805</u>

CONSTRUCTION SUBTOTAL		\$8,139,933
CONTINGENCY	30%	\$2,441,980
CONSTRUCTION SUBTOTAL		\$10,581,913
DESIGN ENGINEERING	18%	\$1,904,750
CONSTRUCTION ENGINEERING	12%	\$1,269,830
PROJECT ADMINISTRATION	5%	\$529,100
ENGR. AND ADMIN. SUBTOTAL		\$3,703,680
ENVIRONMENTAL ENGINEERING	2%	\$211,640
ENVIRONMENTAL MITIGATION	10%	\$1,058,200
ENVIRONMENTAL SUBTOTAL		\$1,269,840
RIGHT-OF-WAY SUBTOTAL		\$3,994,000
TOTAL PROJECT COST (Year 2014)		\$19,549,433

C. DESIGN STANDARDS: STREET TYPES AND SPECIAL STANDARDS

2. Type I Streets

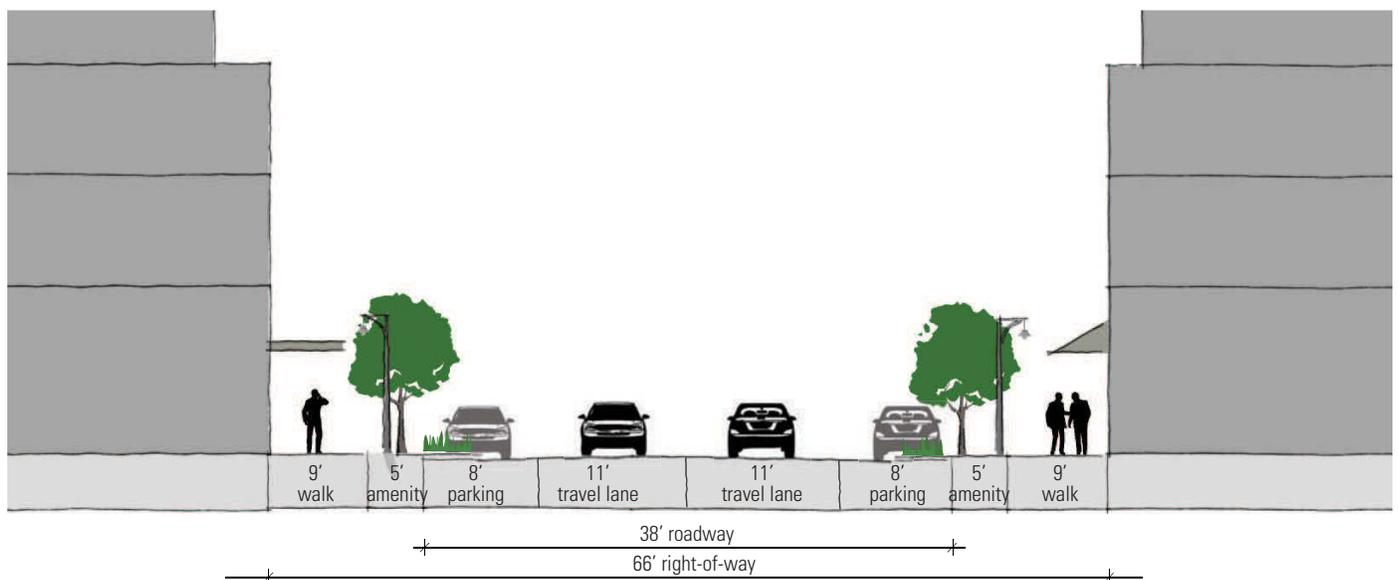
a. Description

These streets are intended to function as the “primary pedestrian street” in terms of the building-street relationship and the high degree to which pedestrian comfort and safety are addressed through streetscape design and minimization of vehicle-pedestrian conflict points. Although vehicular traffic is not excluded, its movement should be slow and “calmed” through devices such as curb bulbs, on-street parking, and frequent crossings. Sidewalks should be very wide, street trees and understory vegetation should be plentiful, incorporating pedestrian-scaled lighting and abundant street furnishings. Building facades along these streets are expected to reinforce the pedestrian experience by providing certain types of uses and architectural features.

b. Street Standards

- i. Sidewalks shall accommodate a minimum 5-foot wide amenity area behind the curb for plantings and furnishings and a minimum 9-foot wide clear passageway for walking. Although additional, modest setbacks to accommodate a storefront area within a sidewalk are encouraged to allow for café seating, generally, building facades shall be located at the back of the sidewalk.
- ii. To ensure smoother, more organized traffic movements and less disruption of pedestrian movement, curb cuts (driveway openings) should:
 - a) Be no more than 30 feet wide.
 - b) A minimum of 200 feet apart from any other curb cut or street intersection. (This shall not preclude access to a property, however.)
 - c) Not interrupt the paving material of the sidewalk with another material. The sidewalk paving should be continuous.
- iii. Curb bulbs at intersections are required.
- iv. Special lighting and furnishings are required within the amenity area behind the curb.
- v. Trees should be planted within the street right-of-way or utility easement at the rate of one tree every 25 feet of street frontage. Trees may be spaced at irregular intervals to accommodate sight distance requirements for driveways and intersections. Trees shall be a species approved by the City and compatible with overhead utility lines, if present.
- vi. The roadway should consist of one travel lane in each direction and on-street parking on both sides.
- vii. Where left turn movements need to be specifically accommodated, planted medians with turn pockets are encouraged rather than a continuous center turn lane.

c. Street Section Diagram



C. DESIGN STANDARDS: STREET TYPES AND SPECIAL STANDARDS

3. Type II Streets

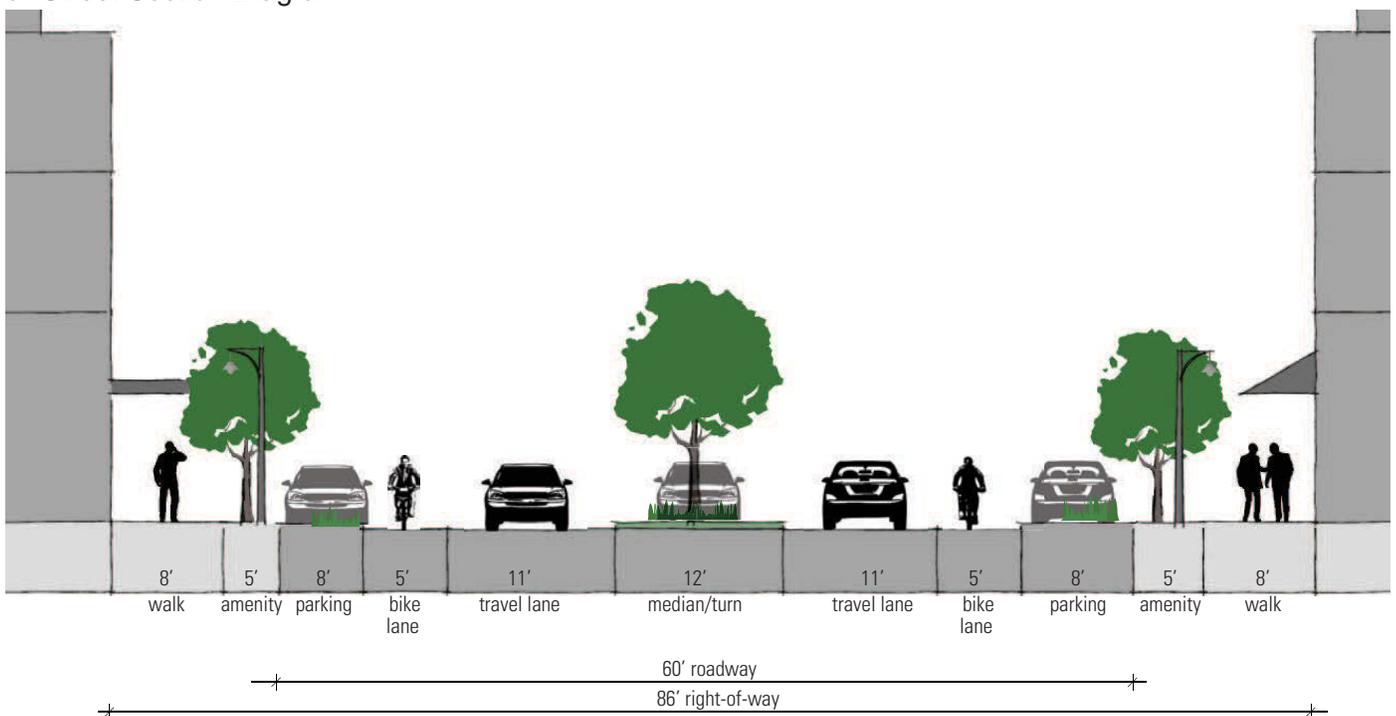
a. Description

These streets or street segments support pedestrian, transit and bicycle circulation while fully accommodating vehicles. Some traffic calming devices might be used, and speed limits would be relatively low. These streets should have one travel lane in each direction, with turning pockets at intersections. On-street parking should be present where there are commercial uses. Sidewalks would be moderate in width and contain street trees between the curb and clear walking zone. Pedestrian-scale lighting would also be present. As with Type I Streets, buildings facades along these streets are expected to reinforce the pedestrian experience by providing certain types of architectural features.

b. Street Standards

- i. Sidewalks shall accommodate a minimum 5-foot wide zone behind the curb for plantings and furnishings and a minimum 8-foot wide clear passageway for walking.
- ii. To ensure smoother, more organized traffic movements and less disruption of pedestrian movement, curb cuts shall:
 - a) Be no more than 30 feet wide.
 - b) Be spaced a minimum of 200 feet apart from another curb cut or street intersection (This shall not preclude access to a property, however.)
 - c) Not interrupt the paving material of the sidewalk with another material. The sidewalk paving shall be continuous.
- iii. Curb bulbs at intersections are encouraged.
- iv. Sidewalk lighting and furnishings are required within the amenity zone behind the curb.
- v. A minimum 5-foot bicycle lane shall be included on both sides of street.
- vi. Within the Town Center, the roadway should consist of one travel lane in each direction, it may also include a center median consisting of a landscaped area with turn pockets.
- vii. A parking lane shall be incorporated on both sides of the street, unless determined to be unnecessary by the Director.

c. Street Section Diagram



C. DESIGN STANDARDS: STREET TYPES AND SPECIAL STANDARDS

4. Type III Streets

a. Description

This type of street contains elements that screen from public right-of-way any undesirable views, such as loading docks, open air storage or the back sides of buildings. They also should accommodate low impact development features, such as vegetated swales, rain gardens, native landscaping species, stands of mature trees, and retention of other natural elements of a site. This street type is used along key zone boundary transitions. Although there would not generally be active uses fronting on the street, there would be sidewalks, street trees and understory vegetation. The sidewalk could meander away from the curb line and be “park-like” in nature. If the density and size of planting is at a very high level, there might be less of a need to incorporate architectural features into buildings or walls. Otherwise, well-detailed walls and facades are still required.

b. Street Standards

- i. Within the 15 foot meandering walk/amenity zone, sidewalks shall accommodate a minimum 5-foot wide zone behind the curb for plantings and furnishings and a minimum 5-foot wide clear passageway for walking.
- ii. Street improvements should include LID components, such as drainage swales, rain gardens, etc. to address stormwater runoff.
- iii. To ensure smoother, more organized traffic movements and less disruption of pedestrian movement, curb cuts shall:
 - a) Be no more than 30 feet wide.
 - b) Be spaced a minimum of 300 feet apart from another curb cut or street intersection (This shall not preclude access to a property, however.)
 - c) Not interrupt the paving material of the sidewalk with another material. The sidewalk paving shall be continuous.
 - d) Include appropriate transitions in lane configuration north of SE 275th Street to accommodate vehicle movement at intersections, as necessary.

c. Street Section Diagram

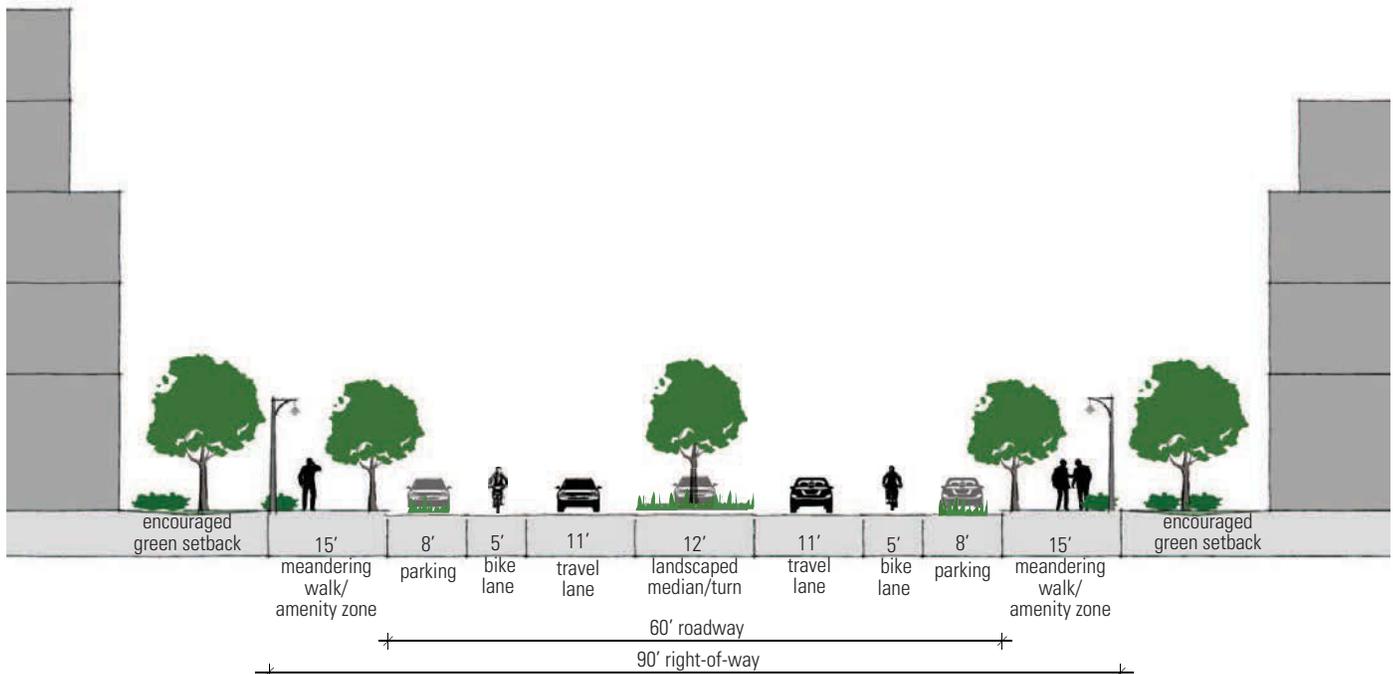
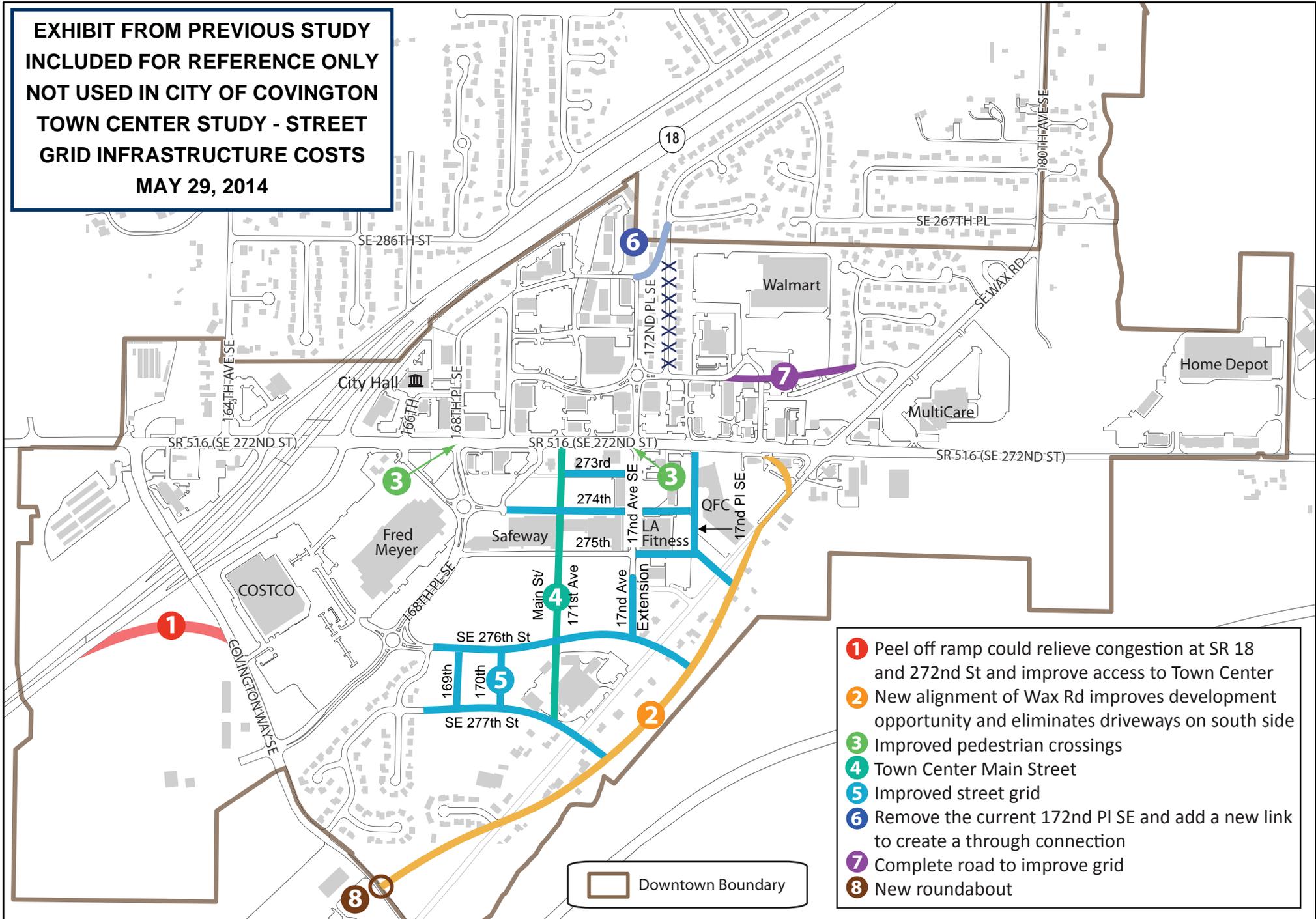


FIGURE 3.5: PROPOSED CIRCULATION & IMPROVEMENTS

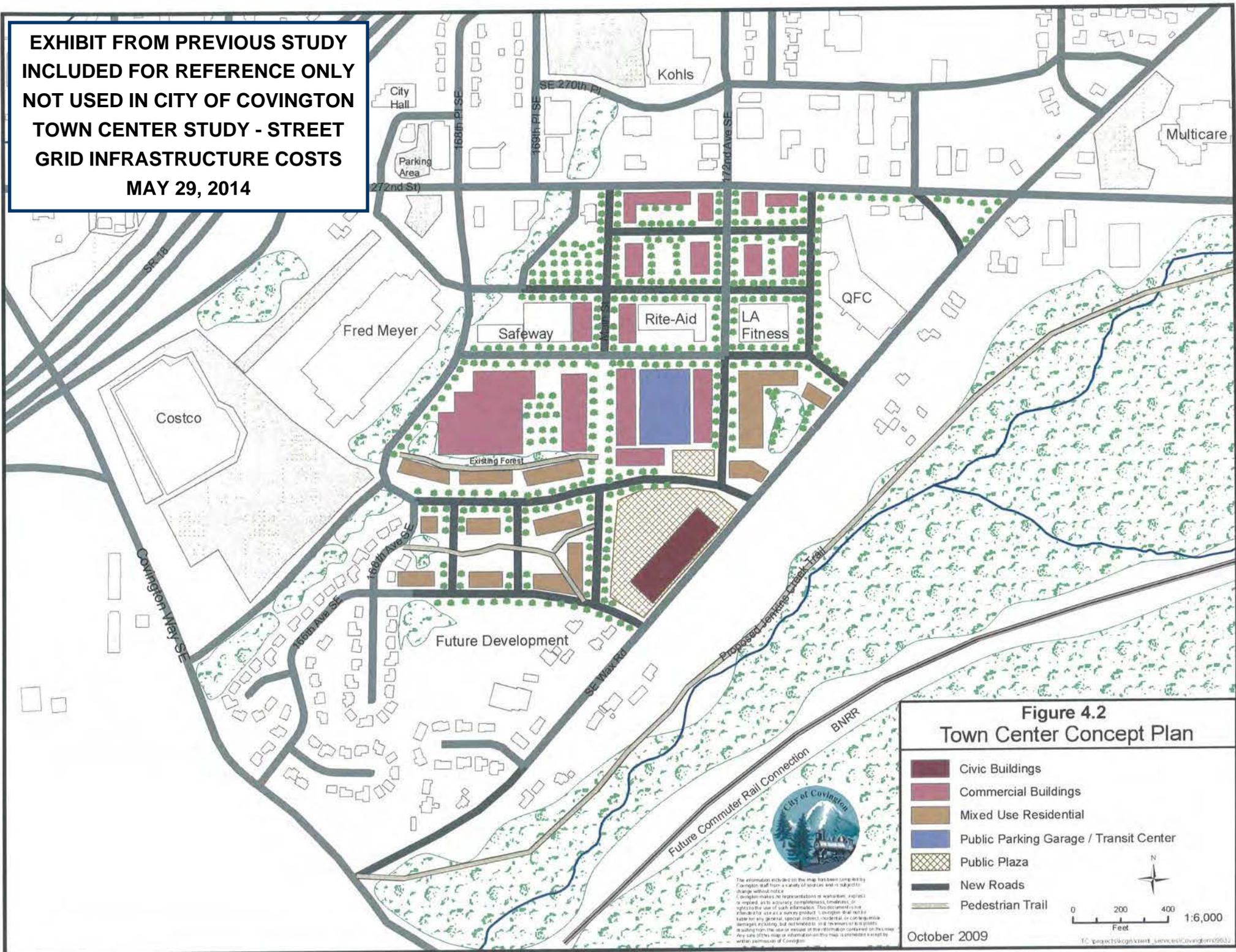
EXHIBIT FROM PREVIOUS STUDY
 INCLUDED FOR REFERENCE ONLY
 NOT USED IN CITY OF COVINGTON
 TOWN CENTER STUDY - STREET
 GRID INFRASTRUCTURE COSTS
 MAY 29, 2014



- 1 Peel off ramp could relieve congestion at SR 18 and 272nd St and improve access to Town Center
- 2 New alignment of Wax Rd improves development opportunity and eliminates driveways on south side
- 3 Improved pedestrian crossings
- 4 Town Center Main Street
- 5 Improved street grid
- 6 Remove the current 172nd Pl SE and add a new link to create a through connection
- 7 Complete road to improve grid
- 8 New roundabout

 Downtown Boundary

**EXHIBIT FROM PREVIOUS STUDY
INCLUDED FOR REFERENCE ONLY
NOT USED IN CITY OF COVINGTON
TOWN CENTER STUDY - STREET
GRID INFRASTRUCTURE COSTS
MAY 29, 2014**

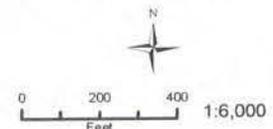


**Figure 4.2
Town Center Concept Plan**

- Civic Buildings
- Commercial Buildings
- Mixed Use Residential
- Public Parking Garage / Transit Center
- Public Plaza
- New Roads
- Pedestrian Trail

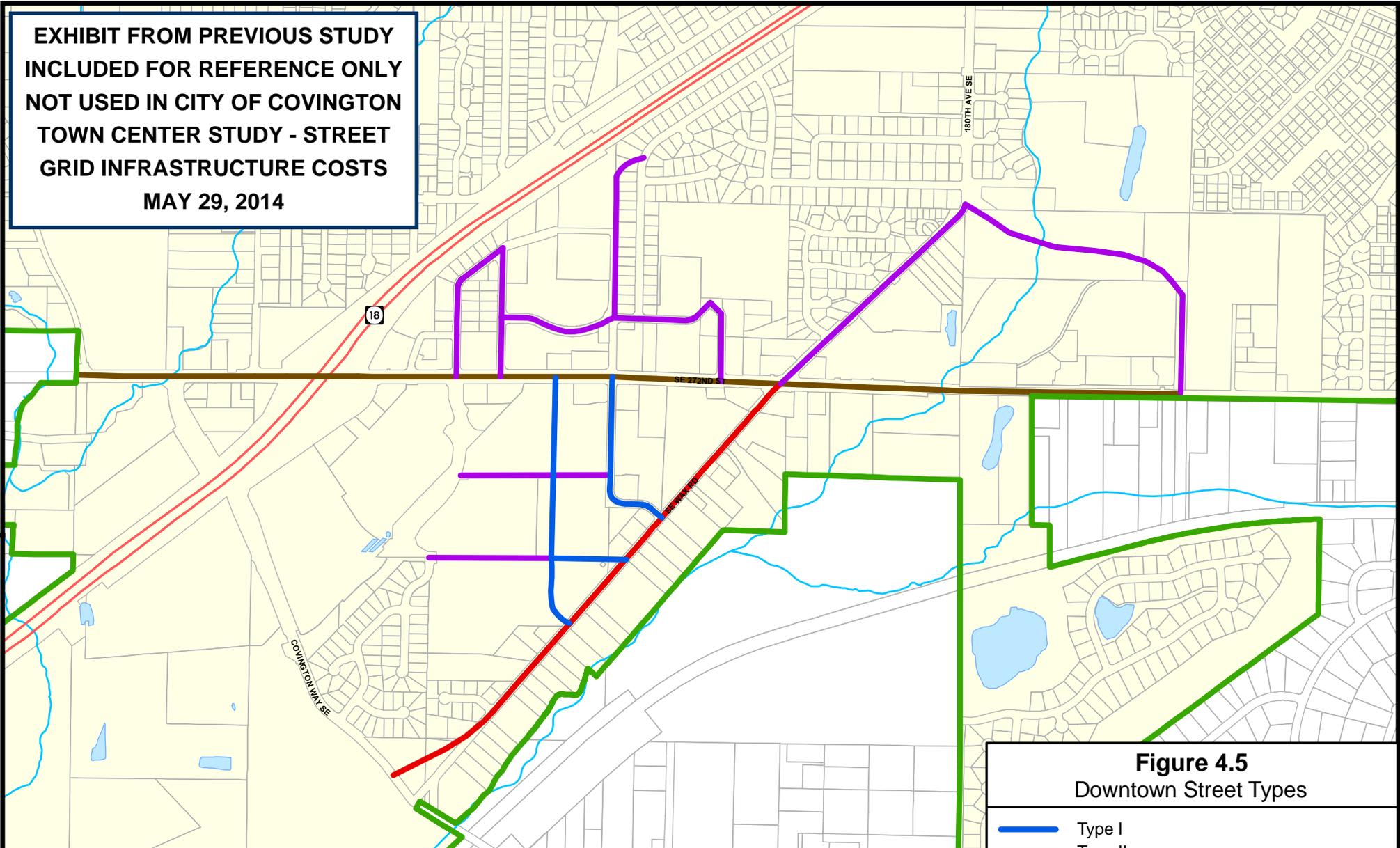


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October 2009

**EXHIBIT FROM PREVIOUS STUDY
INCLUDED FOR REFERENCE ONLY
NOT USED IN CITY OF COVINGTON
TOWN CENTER STUDY - STREET
GRID INFRASTRUCTURE COSTS
MAY 29, 2014**



Street Type	Description
I	Pedestrian-oriented street within 66 ft ROW, 30 ft of pavement, two driving lanes, on-street parking and minimum 10 ft clear walkway.
II	Pedestrian and vehicular-oriented street within 86 ft of ROW, 30 ft of pavement, two driving lanes, on-street parking, center landscaped median, accommodating bicycle lanes and minimum 8 ft clear walkway.
III	Landscaped boulevard within 100 ft of ROW, 35 ft of pavement, two driving lanes, center landscaped median, accommodating bicycle lanes and minimum 15 ft clear walkway and amenity zone.
IV	Major arterial roadway within 126 ft ROW, maximum 94 ft of pavement, four driving lanes, center median, transit access lane, no on-street parking, 6 ft landscaped buffer and minimum 8 ft clear walkway.

Figure 4.5
Downtown Street Types

-  Type I
-  Type II
-  Type III
-  Type IV
-  City of Covington

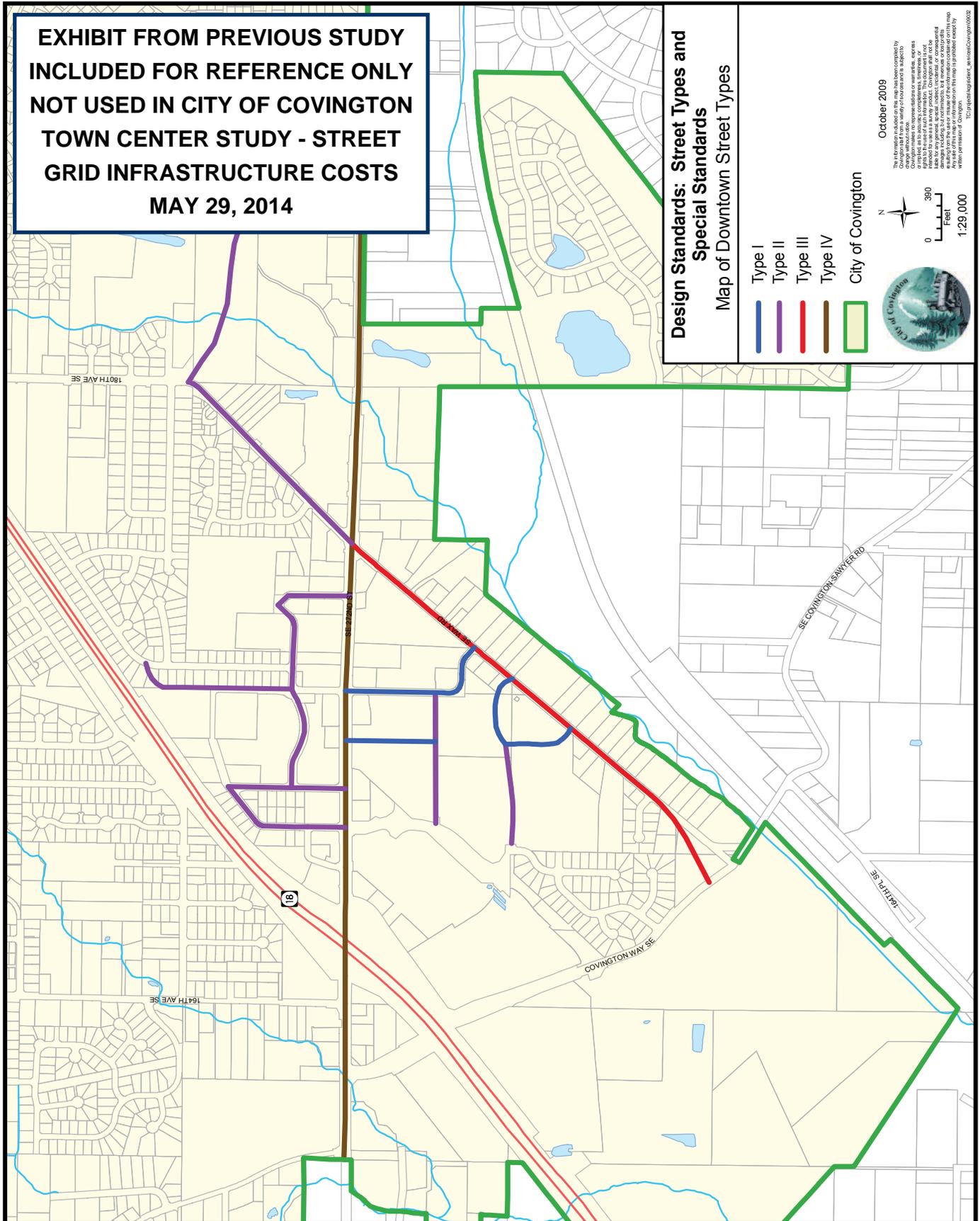


October 2009

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C. DESIGN STANDARDS: STREET TYPES AND SPECIAL STANDARDS

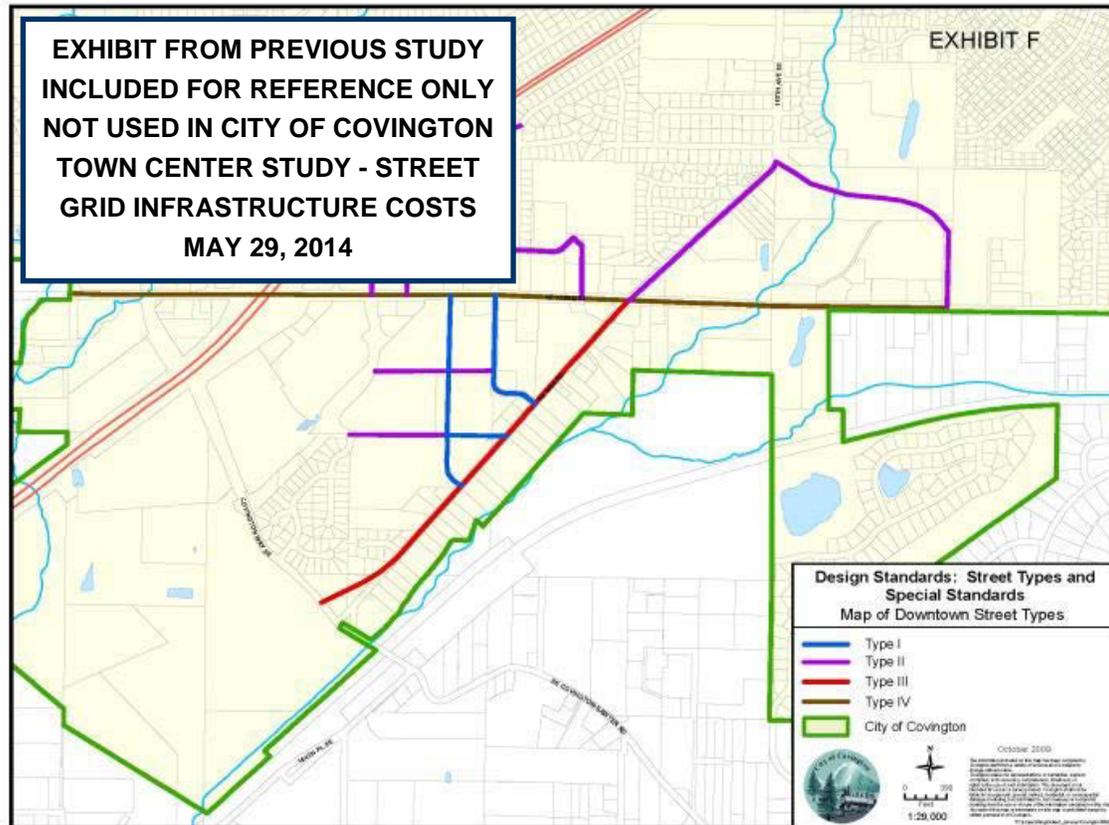
1. Map of Downtown Street Types



(Ord. 10-10 § 1 (Exh. A))

18.31.060 Downtown zoning districts street types map.

(1) The following downtown zoning districts street map is conceptual and not intended to define the exact alignment of future streets. Streets shall be designed in accordance with the City of Covington Design and Construction Standards, adopted by reference in Chapter [12.60](#) CMC. Modifications to these standards shall be in accordance with Chapter [14.30](#) CMC as a Type 2 land use decision by the City Engineer.



(2) Where a street type is not designated on the downtown zoning districts street type map for a proposed street, the Director shall have the authority to determine the street type designation of the proposed street based on the type designation of adjacent or nearby streets and upon the purpose and intent of the downtown zoning, development, and design regulations as stated in CMC [18.31.010](#). An applicant requesting modification to a Director's determination of a street type designation shall apply for a downtown design departure as stated in CMC [14.30.040](#), pursuant to a Type 2 land use decision. (Ord. 10-11 § 6 (Exh. F); Ord. 02-11 § 1; Ord. 10-10 § 1 (Exh. A))

18.31.070 Downtown zoning districts established.

The following zoning districts are established within the downtown zone to protect the public health, safety and general welfare by implementing the goals and policies adopted in the City of Covington Comprehensive Plan Downtown Element. The district intent statements define the specific purpose of each district. They shall be the policies of the City of Covington Comprehensive Plan Downtown Element; serve as a guide for determining the appropriate location of uses; help determine appropriate conditions for development within the downtown zone; and help the Director interpret the standards and provisions of this chapter.

(1) The town center district (TC) is the pedestrian-oriented core of downtown and allows the most intensive level of development. The emphasis of this district is on mixed-use development that includes pedestrian-oriented retail, high density residential development, and civic uses. The development of a walkable street grid and a central public gathering space are key objectives of this district. To meet goals for a pedestrian-oriented town center, limited large-format retail uses are permitted, and such uses are subject to a conditional use permit and additional design criteria provided in CMC [18.31.040](#).

(2) The mixed commercial district (MC) is applied to the majority of the Covington downtown zone. This district encourages a mix of commercial and multi-story residential uses, public uses, and allows for large-format and auto-oriented retail, provided they meet pedestrian-oriented design standards that are more flexible than those applied to the town center district. Achieving a high level of connectivity with new and improved streets and trails is a major goal in this district.

**EXHIBIT FROM PREVIOUS STUDY
INCLUDED FOR REFERENCE ONLY
NOT USED IN CITY OF COVINGTON
TOWN CENTER STUDY - STREET
GRID INFRASTRUCTURE COSTS
MAY 29, 2014**

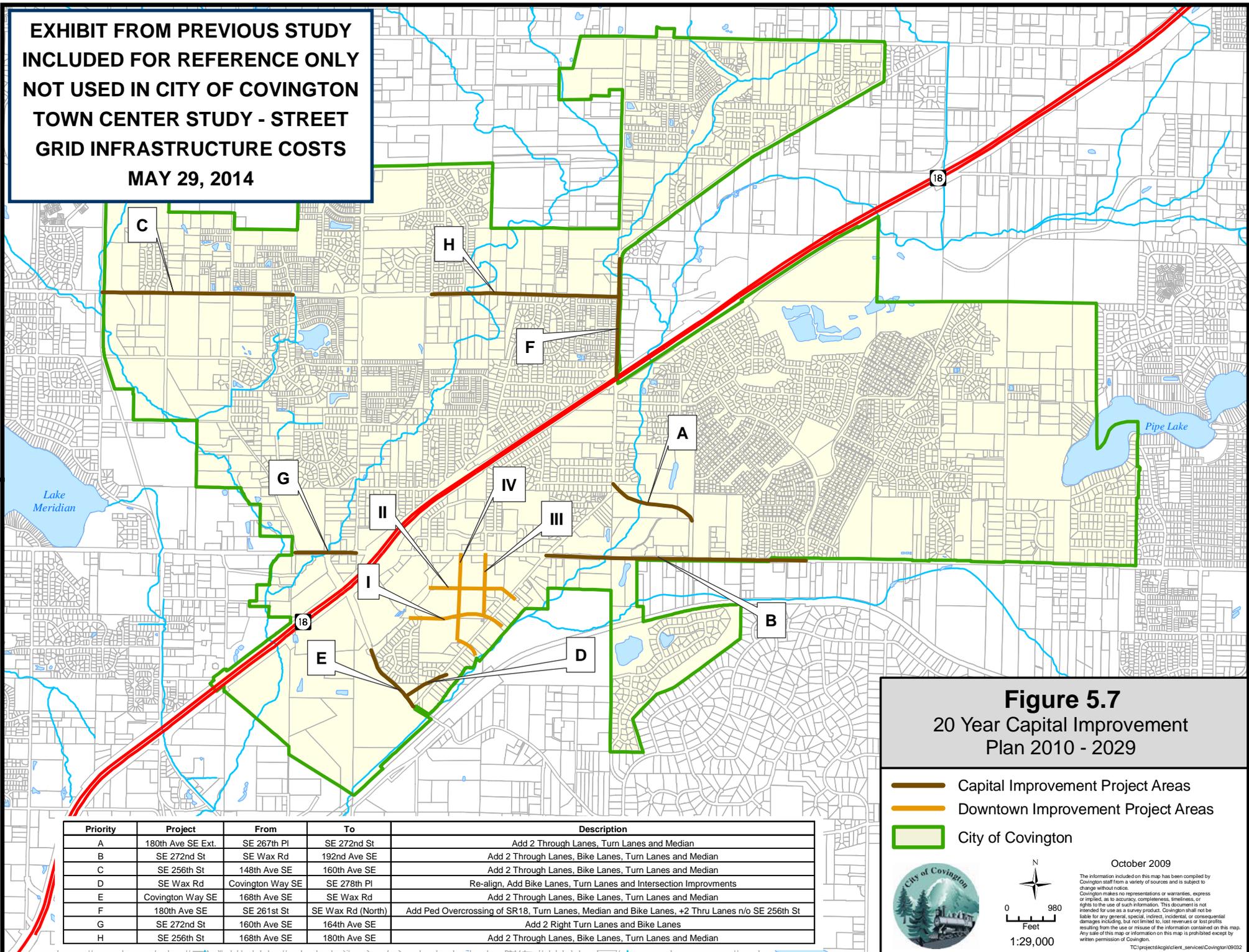
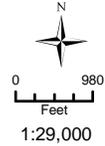


Figure 5.7
20 Year Capital Improvement
Plan 2010 - 2029

-  Capital Improvement Project Areas
-  Downtown Improvement Project Areas
-  City of Covington



October 2009

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TC:\projects\kgst\client_services\Covington\09032

Priority	Project	From	To	Description
A	180th Ave SE Ext.	SE 267th Pl	SE 272nd St	Add 2 Through Lanes, Turn Lanes and Median
B	SE 272nd St	SE Wax Rd	192nd Ave SE	Add 2 Through Lanes, Bike Lanes, Turn Lanes and Median
C	SE 256th St	148th Ave SE	160th Ave SE	Add 2 Through Lanes, Bike Lanes, Turn Lanes and Median
D	SE Wax Rd	Covington Way SE	SE 278th Pl	Re-align, Add Bike Lanes, Turn Lanes and Intersection Improvements
E	Covington Way SE	168th Ave SE	SE Wax Rd	Add 2 Through Lanes, Bike Lanes, Turn Lanes and Median
F	180th Ave SE	SE 261st St	SE Wax Rd (North)	Add Ped Overcrossing of SR18, Turn Lanes, Median and Bike Lanes, +2 Thru Lanes n/o SE 256th St
G	SE 272nd St	160th Ave SE	164th Ave SE	Add 2 Right Turn Lanes and Bike Lanes
H	SE 256th St	168th Ave SE	180th Ave SE	Add 2 Through Lanes, Bike Lanes, Turn Lanes and Median

TECHNICAL APPENDIX B

PARKS COST ESTIMATES

The following technical memorandum provides information associated with planning level costs estimates for design, permitting, and environmental work, right-of-way acquisition, and construction of the following parks as identified in the Covington Downtown Plan and Zoning Study (2009), the Covington PROS Plan (2010) and the Covington Comprehensive Plan Downtown Element (2012). This memo includes the following elements:

- Baseline Description of the Infrastructure Concepts/Projects
- Costs Estimates of the Projects
- Design/Concept Changes that would affect costs
- Design/Concept Aspects that would affect programmatic funding options



MEMORANDUM #01 – REVISED FINAL

DATE: June 18, 2014

TO: Morgan Shook, ECONorthwest
Covington Team

FROM: Amalia Leighton, PE, AICP
Brice Maryman, ASLA, LEEP AP

RE: **Parks and Recreation - Cost Estimates for Infrastructure Projects**
City of Covington Town Center Study
SvR Project No. 13046

The purpose of this memorandum is to provide planning level cost estimates for the following parks as identified in the Covington Downtown Plan and Zoning Study (2009), the Covington PROS Plan (2010) and the Covington Comprehensive Plan Downtown Element (2012). The following downtown parks include:

- Town Center Park,
- South Covington Park (linking Town Center Park to the Jenkins Creek Trail) and
- Jenkins Creek Trail (from SR516 to Covington Way SE).

Baseline Description of the Infrastructure Concepts/Projects

The baseline descriptions for the parks are very high-level based on information provided in the Covington Downtown Plan and Zoning Study and in conversations with City of Covington staff. Based on the limited information provided, a summary of the park elements at each location is provided below.

Town Center Park

This park is meant to be more of an urban plaza that will provide a public gathering space in the "heart" of the Town Center. Based on preliminary planning information provided by Covington, the Town Center Park or Civic Plaza is anticipated to be 1.7 acres located adjacent to the proposed Civic Buildings shown in the Covington Comprehensive Plan Figure 4.2. It is meant to be a destination and a focal point for the Town Center. The following design assumptions will be made based on the information outlined in the Covington Downtown Plan and Zoning Study:

- Space allocated for community events including farmers markets, concerts and celebrations
- Urban feel and aesthetic
- Water feature
- Art/Sculptures
- Unique paving
- Seating and gathering spaces



- Lighting
- Vegetation and trees

South Covington (SoCo) Park

This 5.65 acre park consists of three adjacent parcels. SoCo Park will provide a key connection between Town Center Park and the Jenkins Creek Trail. This is a neighborhood park and is meant to provide a more natural park setting for the residents of the Town Center neighborhood. This site is located across Wax Road from the town center and could provide a location for community events, holiday lighting tree, play equipment, restrooms, lawn, trails, picnic tables, picnic shelter, benches, interpretative signs and creek access. There may be opportunities on this site for restoration of native plantings, wetland and/or creek buffer restoration and/or enhancement and tree canopy. The following design assumptions are made based on the information outlined in the Covington Downtown Plan and Zoning Study and in the 2014-2019 Parks Capital Improvement Program Project #1019:

- Landscaped gateway to Jenkins Creek Trail
- Hardscape is limited to parking, accessible paths and maintenance access
- Amenities will include benches, signage, wayfinding and shelters
- ROW frontage improvement costs for Wax Road are not included in this estimate
- The cost of the Jenkins Creek Trail through this park is included in the cost of this park

The city of Covington has received a 2013 King County Conservation Futures Trust (CFT) grant for \$200,000, has submitted a follow-up application for \$662,979, and has also submitted a 2014 Washington Wildlife and Recreation Program Local Parks (WWRP-LP) grant application for \$567,277 for land acquisition.

Jenkins Creek Trail

Jenkins Creek Trail is a piece of a larger non-motorized and recreation facility through Covington. This 4,260 LF portion of the larger trail network will provide a key connection between the SR 516 underpass and Covington Way SE. The following design assumptions are made based on the information outlined in the Covington Downtown Plan and Zoning Study:

- Lighting included
- Storm drainage included
- Wayfinding
- Landscape restoration along trail
- Survey, sensitive area analysis and geotechnical information required.

This trail will provide off-street, non-motorized connections to the Town Center between the SR 516 underpass and Covington Way SE. This trail is not only shown in the Covington Downtown Plan and Zoning Study but also shown on the Covington PROS Plan Capital Improvements Plan Map. The following design



assumptions are made based on the information outlined in the 2014-2019 Parks Capital Improvement Program Project #1110.

Planning Level Estimates of Probable Project Costs

If Covington agrees with the assumptions for each park location, we propose to include the following items in the cost estimate:

1. Construction Cost
2. Soft Costs (assumed to be 40% of Construction Costs)
 - a. Environmental Documentation
 - b. Design and Engineering
 - c. Agency Administration
 - d. Community Engagement
3. Contingency (based on construction costs plus soft costs)
4. Land Acquisition Cost for Town Center Park only. Based on information provided by Covington staff, all other land has been acquired or will be dedicated as properties redevelop.

Table 1. Summary Planning Level Estimates of Probable Project Costs

Park	Brief Description	Construction Cost AND Soft Costs*	Land Acquisition Cost
Town Center Park	Urban Plaza adjacent to proposed civic buildings	\$4,586,400	\$2,221,560
South Covington Park	Neighborhood park connecting downtown Covington to Jenkins Creek Trail.	\$6,966,960	-
Jenkins Creek Trail	Non-motorized multi-use trail separated from the street between Jenkins Creek and Wax Road.	\$6,726,720	-
Total Costs		\$18,280,080	\$2,221,560

*Includes costs for design, administration, public outreach and contingency.

Design/concept changes that could affect costs

At this planning level, the following items we have identified that could affect costs.

Survey and Sensitive Area Assessment

For all of the park and recreation infrastructure information provided, there will be some initial cost savings realized if the sensitive area investigations (including wetland and geotechnical analysis) and survey can happen simultaneously for all three facilities. There is opportunity for shared costs especially for the South Covington Park and Jenkins Creek Trail.



Town Center Park

We understand that the community has not been given the opportunity to provide input on the elements of the Town Center Park beyond what was identified in the Covington Downtown Plan. The size and materials of the Town Center Park will have a significant impact on the cost estimate. In addition, iconic elements such as water features, art and sculptural pieces, types and amounts of seating, lighting and landscaping materials, can have a significant impact on the estimated costs depending on the size and scale of what is being proposed.

Additionally, the method of stormwater management within the town center will also affect the cost. For example, there could be a shared cost benefit if the city of Covington wants to put a stormwater vault underneath the Town Center Park plaza to manage both on-site and off-site stormwater.

Realignment and/or relocation of these parks

If these parks change in size and/or location then these planning level costs will need to be updated accordingly.

Design/concept aspects that would affect programmatic funding options

There are some design approaches that could leverage funding opportunities:

- *Healthy eating and active living* - As identified in the 2009 Covington PROS Plan, obesity-related health issues are a concern for the city of Covington. While statistics are not specifically available for Covington, increases in the rate of obesity are spurring a growing health epidemic – affecting recreation programming and the need to provide opportunities for active lifestyles. In the US, 66% of adults over 20 years of age are obese or overweight; for children between the ages of 6 and 11, 19% are overweight. In a 2007 report by the Washington State Department of Health, 60% of adults were obese or overweight, and 25% of 10th graders were overweight or at risk for becoming overweight. With these statistics, there may be opportunities for Covington to be eligible for funding to improve access for the community to healthy food options provided at the public open spaces and Town Center in addition to the active transportation opportunities provide by the increased non-motorized connections within and around the redevelopment area.
- *Stormwater management* - In addition to including low impact development and green stormwater infrastructure best management practices, there may be options for funding from the Department of Ecology or the Department of Fish and Wildlife. Jenkins Creek is an upstream tributary of Soos Creek. The Department of Ecology identified that these streams serve as important migration corridors and spawning and rearing areas for several salmon species, including Puget Sound Chinook, bull trout, coho, chum, pink, sockeye, kokanee, steelhead/rainbow, and cutthroat trout. Additionally, there is



Memorandum #1 – REVISED FINAL

Parks and Recreations - Cost Estimates for Infrastructure Projects

June 18, 2014

Page 5 of 5

concern about degraded channel conditions in Soos Creek and its effect on aquatic habitat. There may be opportunity for funding to improve portions of the creek and/or wetland habitat particularity with South Covington Park and the Jenkins Creek Trail Corridor.

Please contact Amalia Leighton at amalia@svrdesign.com if you have any questions about the content of this memorandum.

ATTACHMENTS:

- Planning Level Estimate of Probable Project Cost

REFERENCES:

Covington 2014 - 2019 Parks Capital Improvements Program
Conversations with Parks Planner

Covington Comprehensive Plan – Downtown Element
http://www.covingtonwa.gov/covington/ch04_Downtown_Element_rev_08_14_12.pdf

Covington Downtown Plan and Zoning Study
<http://www.covingtonwa.gov/ed/downtown.html>

Covington PROS Plan
<http://www.covingtonwa.gov/covington/CovingtonPROSFINALcomposite051710Web.pdf>

Department of Ecology
<http://www.ecy.wa.gov/programs/wq/tmdl/SoosCrTMDL.html>



Covington Town Center Park

Planning Level Estimate of Probable Project Cost

Size - 1.7 acres

June 18, 2014

- Space allocated for community events including farmers markets, concerts and celebrations.
- Urban feel and aesthetic
- Water feature
- Art/Sculptures
- View Corridor
- Unique paving
- Seating and gathering spaces
- Lighting
- Vegetation and trees

Prepared by AL

Checked by NC

	Quantity	Type	Unit Cost	Cost
Mobilization	1	ALLOW	\$50,000	\$50,000
Site Work - Grading and Paving	1.7	ACRES	\$600,000	\$1,020,000
Planting - Shrubs and Trees	1	ALLOW	\$300,000	\$300,000
Water Feature	1	ALLOW	\$150,000	\$150,000
Art Sculpture	1	ALLOW	\$100,000	\$100,000
Seating	1	ALLOW	\$100,000	\$100,000
Lighting	4	ALLOW	\$200,000	\$800,000
			Sub-Total	\$2,520,000
			Soft Costs (40%)	\$1,008,000
			<i>Subtotal with Soft Costs</i>	<i>\$3,528,000</i>
			Contingency (30%)	\$1,058,400
			<i>Subtotal with Contingency</i>	<i>\$4,586,400</i>
			Land Acquisition (1.7 Acres @ \$30/sf)	\$2,221,560

	Total Planning Level Cost with Land Acquisition	\$6,807,960
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South Covington Park

Planning Level Estimate of Probable Project Cost

Size - 5.65acres

- Landscaped gateway to Jenkins Creek Trail.
- Hardscape is limited to parking, accessible paths and maintenance access (approx 1 acre).
- Amenities will include benches, signage, wayfinding and shelters.
- Includes the 660 LF of the Jenkins Creek Trail through the park.
- Critical area plantings and invasive management.

June 18, 2014

Prepared by AL

Checked by NC

	Quantity	Type	Unit Cost	Cost
Mobilization	1	ALLOW	\$50,000	\$50,000
Site Work - Grading	1	ALLOW	\$500,000	\$500,000
Site Work - Paving	1	ALLOW	\$250,000	\$250,000
Planting - Tree and Vegetation**	1	ALLOW	\$250,000	\$250,000
Shelters (2)	2	ALLOW	\$100,000	\$200,000
Signage and Wayfinding	1	ALLOW	\$25,000	\$25,000
Seating	1	ALLOW	\$25,000	\$25,000
Lighting	4	ALLOW	\$100,000	\$400,000
Stormwater Management	1	ALLOW	\$500,000	\$500,000
Irrigation	1	ALLOW	\$50,000	\$50,000
Play Area	1	ALLOW	\$750,000	\$750,000
Rest Rooms	1	ALLOW	\$300,000	\$300,000
Jenkins Creek Trail within the Park*	660	LF	\$800	\$528,000
			Sub-Total	\$3,828,000
			Soft Costs (40%)	\$1,531,200
			<i>Subtotal with Soft Costs</i>	<i>\$5,359,200</i>
			Contingency (30%)	\$1,607,760
			<i>Subtotal with Contingency</i>	<i>\$6,966,960</i>

	Total Planning Level Cost	\$6,966,960
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*Property acquisition funding support for the Allmand parcel was requested from King County CFT in 2013 and 2014, and from RCO in 2014.

** Plantings appropriate for critical areas



Jenkins Creek Trail

Planning Level Estimate of Probable Project Cost

Length - 4620 LF Trail

- Clearing and Grading
- 12 foot wide paved trail
- Storm drainage
- Lighting
- Wayfinding
- Landscape Restoration along Trail

June 18, 2014

Prepared by AL

Checked by NC

	Quantity	Type	Unit Cost	Cost
Trail	4620 LF		\$800	\$3,696,000
			<i>Sub-Total</i>	<i>\$3,696,000</i>
			Soft Costs (40%)	\$1,478,400
			<i>Subtotal with Soft Costs</i>	<i>\$5,174,400</i>
			Contingency (30%)	\$1,552,320
			<i>Subtotal with Contingency</i>	<i>\$6,726,720</i>

		Total Planning Level Cost	\$6,726,720
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TECHNICAL APPENDIX C

TOWN CENTER DEVELOPMENT CAPACITY

1.0 INTRODUCTION

This technical appendix summarizes development conditions, capacity, and regulatory requirements in the Town Center District of the City of Covington's Downtown Zone. Information on development potential and capacity was drawn from the buildable lands analysis prepared by BERK Consulting for the Covington Northern Gateway Area Study in 2012 and updated where necessary using 2013 data issued by the King County Assessor.

2.0 TOWN CENTER ZONING

2.1 Background and Intent

The City of Covington has established the Downtown area to implement the policies of the Downtown Element of its Comprehensive Plan, which is designed to promote the creation of a vibrant town center that serves as a commercial, residential, and civic gathering place that is safe and pedestrian-friendly. The Downtown Element also establishes a series of four focus areas to implement the goals of the Downtown zone:

- Town Center
- Mixed Commercial
- Mixed Housing and Office
- General Commercial

Each of these focus area districts emphasizes a slightly different urban character and mix of uses. The Town Center District is designed to serve as the heart of the Downtown zone, with a focus on mixed-use development, blending commercial, residential, office, and public uses, including pedestrian-friendly streetscapes and inviting public spaces.

2.2 Zoning Regulations and Allowed Uses

According to Chapter 18.15.080(1) of the Covington Municipal Code, the Town Center district is the pedestrian-oriented center of downtown and allows the most intensive uses of the various downtown districts.

Permitted Uses and Development Standards

Permitted uses in the Town Center are established in Chapter 18.31.080(3) of the Covington Municipal Code. The following major land use categories are permitted in the Town Center District:

- Multifamily residential dwellings, including senior citizen assisted housing;
- Retail;
- Professional offices;
- Personal services;

- Cultural and recreational uses (museums, galleries, theaters, etc.);
- Medical offices
- Civic uses

Single-family residences, outdoor commercial uses, and drive-through uses are specifically prohibited, in keeping with the intent of the zone to emphasize pedestrian-friendly development instead of low-density development and auto-oriented uses.

The Town Center use regulations also establish a series of conditions for various land uses. A complete list of use conditions is presented in CMC 18.31.080(4), but some of the most widely applicable are listed below:

- Mixed-use buildings in the Town Center taller than a single story are required to provide ground-floor retail, restaurant, or personal service uses along at least 60% of the building façade, unless deviations are otherwise authorized through the development agreement process.
- Multifamily residential buildings are required to be at least three stories tall and are required to provide ground-floor retail, restaurant, or personal service uses along at least 60% of the building façade, unless deviations are otherwise authorized through the development agreement process.
- When fronting onto 171st Avenue SE, medical office uses taller than two stories shall provide a minimum 60% ground-floor retail services, and 40% business/professional services.
- Buildings taller than four stories shall provide at least 80% of their required parking within a structure, and structured parking shall not be allowed to front on 171st Avenue SE.

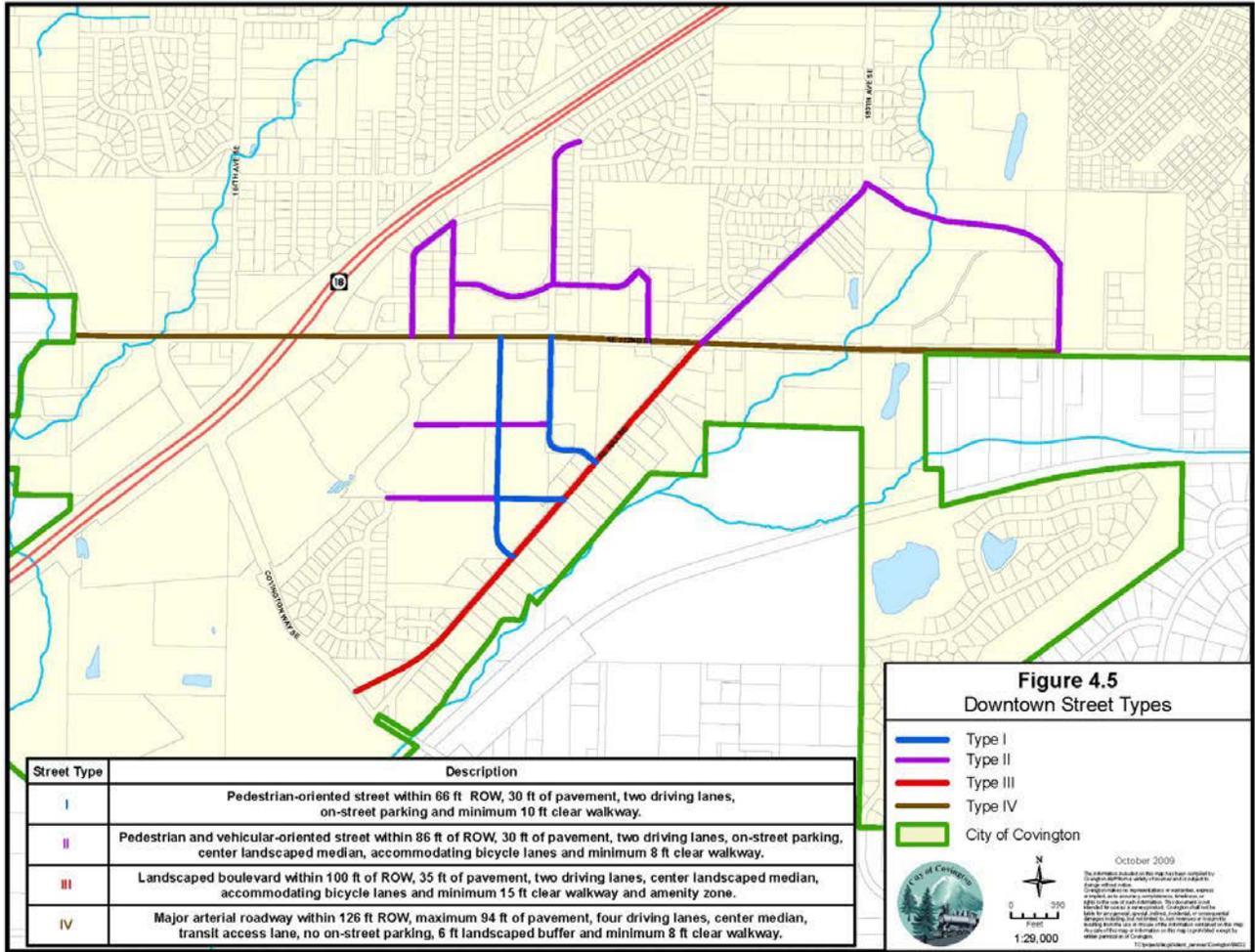
Downtown Design Guidelines

The Town Center District allows relatively high densities and intense uses, allowing unlimited residential densities and a maximum floor area ratio (FAR) of up to 4:1 in exchange for incentive features, including LEED Platinum certification, affordable housing, significant open space usable by the public, or underground structured parking. A complete list of approved incentive features is contained in chapter 18.31.100 of the Covington Municipal Code.

All downtown districts, including the Town Center, are also subject to the provisions of the *Downtown Design Guidelines and Standards*, which establish rules for building, streetscape, and site design for development in the downtown. The Design Guidelines consist of both standards that apply to all downtown districts, as well as special standards that apply to properties that are adjacent to particular street types, which are designated to accommodate varying levels of pedestrian activity. Exhibit 1 shows the assignment of streetscape types in the Town Center.

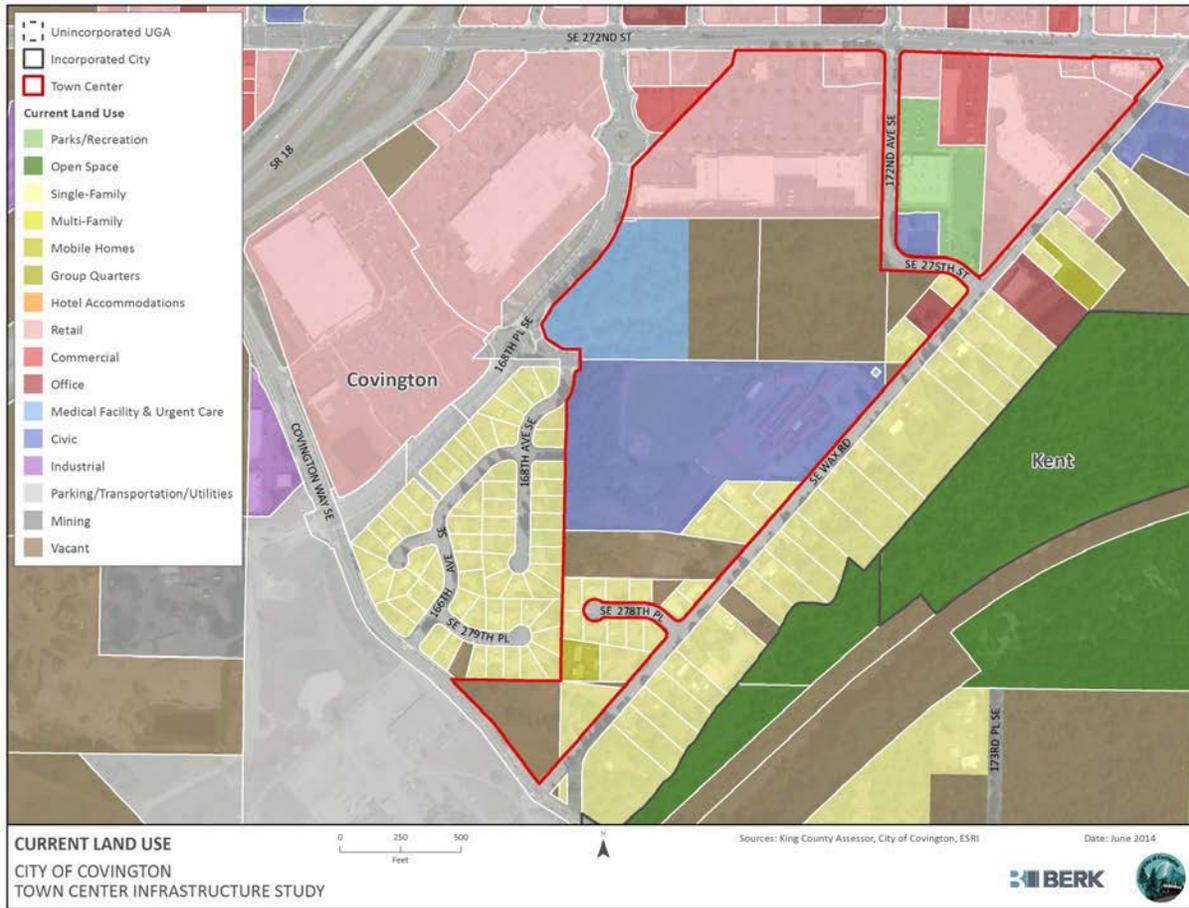
Streetscape Types represent a scale of pedestrian-orientation and comfort. Type I streets are intended to be the most pedestrian-focused, with great attention to minimizing pedestrian/vehicle conflicts. Sidewalks are wide with plentiful street trees and other vegetation, and pedestrian-oriented building design is intended to be of high quality. Type IV streets, at the other end of the spectrum, support larger rights-of-way with wider vehicle travel lanes and higher speeds. Type II and Type III streets are intermediate types that bridge the gap between Types I and IV, progressively integrating bicycle lanes, landscaped medians, transit, and larger building setbacks.

Exhibit 1. Downtown Street Type Map



Source: City of Covington Comprehensive Plan Downtown Element, 2009.

Exhibit 2. Existing Land Use Map



3.0 EXISTING CONDITIONS

The Town Center District currently contains a variety of land uses. The northern portion of the district, near SE 272nd Street, is characterized by retail and service uses, while the southern end of the district is most residential in nature. The central portion of the Town Center is characterized by the newly developed Valley Medical Urgent Care Facility and a site occupied by Covington Elementary School. Existing land uses are illustrated in Exhibit 2, and Exhibit 3 provides a summary of land area by use type.

Exhibit 3. Town Center Land Area by Use Type

Existing Land Use	Count	Acres
Ag	1	3.05
Civic	2	16.89
Commercial	1	1.73
Mobile Homes	1	0.71
Office	1	0.48
Medical	1	4.80
Parks/Recreation	1	3.99
Retail	6	22.72
Single-Family	19	9.06
Transportation/Utilities	1	0.02
Vacant	5	8.18
Total:	39	71.63

4.0 DEVELOPMENT CAPACITY AND REDEVELOPMENT POTENTIAL

In 2012 and 2013, BERK conducted buildable lands analysis for the City of Covington in support of the Northwest Gateway Area Study and the Hawk Property Subarea Plan, cataloging the commercial and residential capacity of properties in the city, as well as their potential for redevelopment, based on assessed land and improvement values, as documented by the King County Assessor. The following calculations of development capacity are based on this model, though some assumptions have been modified to ascertain maximum allowed development potential, including the following:

- Residential capacity is based on the established minimum of 32 dwelling units per acre, per CMC 18.31.090. According to this same code section, maximum residential density in the Town Center is unlimited, provided that ground-floor commercial uses are included and maximum height and FAR limits are adhered to.
- Commercial development capacity is based on an assumed FAR of 1.5:1. This is the maximum FAR allowed in the Town Center without the inclusion of bonus features. With development of bonus features, as detailed in CMC 18.31.100, maximum FAR may be increased to up to 4:1.

The Town Center District encompasses 39 parcels. Based on allowed residential densities and floor area ratios for the Town Center District, residential and commercial development capacity were calculated for each parcel in the study area. Because the Town Center district is a mixed-use zone that allows developers to combine residential and commercial uses within each building in a variety of ways, the residential and commercial capacity for each parcel are presented independently. This illustrates the

capacity of the property for each use type, and residential and commercial development may be combined, within the FAR and height limits established by the zoning code. Exhibit 4 shows the development capacity in the Town Center, grouping the selected parcels as Vacant or Developed, based on their recent and pending development status, and Exhibit 5 maps the redevelopment potential of each parcel in the Town Center. Each of these categories is discussed in more detail below.

4.1 Vacant Properties

Vacant properties in the Town Center account for seven of the district's 39 parcels and cover approximately 13.8 acres. Most of these properties have no improvements, so almost all of their current value comes from the land itself, and they have a high potential for development. Exhibit 4 shows the residential and commercial development capacity for vacant properties in the Town Center.

One of these vacant properties, a parcel adjacent to the medical center known as the Ashton property, is currently the subject of a proposed development agreement between the City of Covington and the Inland Group. The developer has proposed a mixed-use project containing 354 residential units and 11,161 square feet of ground-floor retail. In lieu of calculated residential capacity, Exhibit 4 presents the proposed residential units for this project, as well as the total combined residential and commercial square footage of the project, to illustrate the number of jobs that could be created if this property were devoted to employment uses, rather than residential development.

Exhibit 4 also includes additional development capacity on the Valley Medical Center site. The Valley Medical Center, completed in 2012, is located on a 10-acre parcel on the western edge of the Town Center. Construction of the medical center, however, left approximately 4.8 acres on the east side of this parcel undeveloped. Preliminary plans call for development of medical office uses on this remaining land. As a result, no residential capacity is assigned to this property, but Exhibit 4 shows the projected commercial capacity of this remaining space.

In total, Exhibit 4 shows that the Town Center's vacant land has a residential development capacity of approximately 507 dwelling units. Alternatively, this land could accommodate approximately 946,717 square feet of commercial development, equivalent to roughly 2,104 jobs.

4.2 Developed Properties

The majority of land in the Town Center is currently developed, though these properties have varying potential for redevelopment, based on their current development characteristics. Properties with an improvement/land value ratio less than 0.25 are considered to have high redevelopment potential. Properties with a ratio between 0.25 and 0.5 have moderate redevelopment potential, and properties with ratios above 0.5 may face obstacles to redevelopment, due to the relatively high value of improvements made to the property. Properties with improvement/land value ratios of 1.0 or above are assumed to have sufficiently high improvement values as to be unavailable for redevelopment. Properties with improvement/land value ratios of 1.0 or above are considered to have no development capacity and are excluded from Exhibit 4. These properties account for approximately 27.6 acres of the Town Center.

As shown on Exhibit 4, these redevelopable properties account for approximately 31 acres of the Town Center. These parcels have a residential capacity of 693 units, or a commercial capacity of approximately 1.42 million square feet, equating to roughly 3,157 jobs.

4.3 Encumbered Properties

The Encumbered category contains two parcels: the new Valley Medical Urgent Care Center and an adjacent vacant property of approximately 7 acres. The Valley Medical Center was completed in 2012, but currently available assessor data does not contain assessed improvement value for this property. Due to the recent completion of the high-value, public medical facility, it is assumed that this property will not be available for redevelopment in the foreseeable future. However, approximately 4.8 acres of this parcel, located on the eastern side of the new medical facility, have not been developed, and preliminary plans call for development of medical office uses on this remaining land. As a result, no residential capacity is assigned to this property; Exhibit 4 shows the projected commercial capacity of this remaining space.

The vacant property adjacent to the medical center, known as the Ashton property, is currently the subject of a proposed development agreement between the City of Covington and the Inland Group. The developer has proposed a mixed-use project containing 354 residential units and 11,161 square feet of ground-floor retail. In lieu of calculated residential capacity, Exhibit 4 presents the proposed residential units for this project. Exhibit 4 also depicts the total combined residential and commercial square footage of the project, illustrating the number of jobs that could be created if this property were devoted to employment uses, rather than residential development.

Exhibit 4: Development Capacity and Redevelopment Potential

PIN	Current Use	Improvement Value	Land Value	Improvement/Land Value Ratio	Acres	Residential Unit Capacity	Commercial Capacity (sq ft)	Employment Capacity
Vacant Parcels								
3622059031	Vacant	\$ -	\$ 75,000.00	0.00	0.09	2	4,410.00	10
3622059173	Vacant	\$ -	\$ 470,400.00	0.00	0.72	17	35,283.38	78
3622059204	Vacant	\$ -	\$ 1,000.00	0.00	0.08	2	3,688.88	8
1796300030	Vacant	\$ -	\$ 68,000.00	0.00	0.26	6	12,723.75	28
3622059043	Vacant	\$ -	\$ 1,119,400.00	0.00	2.57	58	117,546.45	261
3622059039	Vacant	\$ 1,000.00	\$ 1,062,800.00	0.001	3.05	68	139,500.90	310
3622059186	Valley Medical - Vacant Portion	\$ -	\$ 4,791,600.00	0.00	4.80	-	219,542.40	488
3622059187	Vacant - Proposed Development Agreement	\$ -	\$ 3,370,100.00	0.00	7.03	354	414,021.00	920
Subtotal		\$ 1,000.00	\$ 10,958,300.00		18.60	507	946,716.75	2,104
Developed Parcels								
3622059086	Transportation/Utilities	\$ -	\$ 1,000.00	0.00	0.02	-	945.00	2
3622059080	Single-Family	\$ 1,000.00	\$ 418,100.00	0.00	0.80	18	36,590.40	81
3622059174	Office	\$ 1,000.00	\$ 355,400.00	0.00	0.48	11	21,953.40	49
3622059054	Single-Family	\$ 1,000.00	\$ 340,600.00	0.00	0.46	10	21,038.85	47
3622059057	Single-Family	\$ 1,000.00	\$ 340,000.00	0.00	0.97	21	44,478.00	99
3622059182	Mobile Homes	\$ 1,000.00	\$ 248,000.00	0.00	0.71	16	32,412.45	72
3622059053	Single-Family	\$ 1,000.00	\$ 222,100.00	0.00	0.30	7	13,721.40	30
3622059169	Single-Family	\$ 16,000.00	\$ 206,000.00	0.08	0.59	12	26,985.00	60
3622059036	Single-Family	\$ 17,000.00	\$ 194,000.00	0.09	0.55	11	25,288.20	56
3622059040	Retail	\$ 104,800.00	\$ 709,000.00	0.15	0.74	17	33,841.50	75
3622059195	Retail	\$ 130,600.00	\$ 793,100.00	0.16	0.83	19	37,853.55	84
3622059048	Commercial	\$ 324,600.00	\$ 1,658,700.00	0.20	1.73	39	79,166.85	176
3622059079	Single-Family	\$ 46,000.00	\$ 119,000.00	0.39	0.34	7	15,550.50	35
3622059081	Civic	\$ 2,984,200.00	\$ 4,223,800.00	0.71	16.16	362	739,167.45	1,643
3622059176	Retail	\$ 641,200.00	\$ 824,900.00	0.78	0.76	17	34,645.80	77
Subtotal		\$ 4,270,400.00	\$ 10,653,700.00		25.44	567	1,163,638.35	2,586
Totals:		\$ 4,271,400.00	\$ 21,612,000.00		44.04	1,074	2,110,355.10	4,690

5.0 CONCLUSIONS

In total, the Town Center district has capacity for approximately 1,074 new residential units or 2.1 million square feet of commercial space, capable of supporting 4,690 jobs. As described previously, these two categories of uses are not mutually exclusive, and the zoning regulations of the Town Center encourage, and in some cases, require that buildings contain a combination of uses. Specifically, multistory mixed-use buildings are required to provide retail, restaurants, or personal service uses on the ground floor, as are multifamily residential buildings. As a result, most development plans in the Town Center should count on devoting a portion of each building to retail, restaurants, or services. Based on a maximum height limit of 75 feet and maximum achievable FAR of 4:1, it is unlikely that any new buildings in the Town Center would reach heights greater than 6 stories. Combined with the requirement to provide retail, restaurants, or services along 60% of the ground floor frontage, it can be assumed that all but the largest buildings would need to devote the entire ground floor to these uses. In a 6-story building, this would account for at least 16% of the total net building square footage; shorter buildings would have a correspondingly higher proportion of their total square footage devoted to retail, restaurants, or services.

As a result, development of the “full” residential capacity, as represented in Exhibit 4, may not necessarily be possible on a given parcel, as at least 16% of the building will be devoted to retail, restaurant, or service uses. Whether it is possible to develop the full residential capacity of the property would depend on the FAR bonuses applied and the size of each dwelling unit.

The exception to the above requirement for ground-floor retail, restaurant, or service uses would be projects developed solely for professional office uses. Non-medical offices are not subject to a ground-floor programming requirement, nor are medical offices not located adjacent 171st Avenue SE.

In summary, the ultimate capacity of any property in the Town Center will depend on what combination of uses is chosen and how many FAR incentive features are incorporated into the project. Exhibit 6, below, details the amount of development capacity available in the Town Center after pending development projects are taken into account. The table also estimates the amount of developable square footage that must be devoted to retail or service uses. The remaining capacity may be devoted to commercial or residential uses, at the developer’s choice.

Exhibit 6. Development Capacity Summary

	Housing Unit Capacity ¹	Developable Square Footage				Total Capacity (sq ft)
		Retail (sq ft)	Office (sq ft)	Retail/Office/Housing (sq ft) ²	Total Square Footage	
Total Town Center Capacity	1,074	-	-	2,110,355	2,110,355	2,110,355
Pending Projects						633,563
<i>Inland Group</i>	354	11,161	-	402,860	414,021	
<i>Valley Medical</i>	-	-	219,542	-	219,542	
Ground-Floor Retail/Service Requirement³	-	236,287	-	-	236,287	236,287
Remaining Town Center Development Capacity	720	-	-	-	-	1,240,505

Notes:

1. Housing capacity is calculated separately from developable square footage. While developable square footage can be devoted to residential uses, the ultimate residential capacity of a given property is based on the residential density allowed by the City's zoning code.
2. The Town Center is a mixed-use zone; capacity not specifically dedicated to a particular category (retail, office, or housing) is included here.
3. Assumes that ground-floor retail will comprise a minimum 16% of remaining building capacity, based on a 6-story building. Shorter building will have correspondingly higher proportions of retail/service uses.

TECHNICAL APPENDIX D

TOWN CENTER FISCAL IMPACT AND TIF TOOLS

1.0 OVERVIEW

The overall purpose of this technical appendix is to provide information on the formal tax increment financing programs enabled under state law and provide a general of assessment the City of Covington tax revenues that might be derived from future growth in the Town Center.

2.0 FISCAL IMPACT OF GROWTH

2.1 Amount of Growth Assumed

The fiscal and Tax Increment Financing (TIF) tools revenue estimates use assumptions derived from the development capacity analysis contained as part of this study for the Town Center. The ultimate capacity of any property in the Town Center will depend on what combination of uses is chosen and how many incentive features are incorporated into the project. Exhibit 1, below, details the amount of development capacity available in the Town Center after pending development projects are taken into account. The table also estimates the amount of developable square footage that must be devoted to retail or service uses. The remaining capacity may be devoted to commercial or residential uses, at the developer's choice.

Exhibit 1: Development Capacity Summary

	Housing Unit Capacity	Developable Square Footage				Total Square Footage	Total Capacity
		Retail (sq ft)	Office (sq ft)	Retail/Office/Housing (sq ft) ²	Residential or Commercial		
Total Town Center Capacity	1,074	247,448	219,542	402,860	1,240,505	2,110,355	2,110,355
Pending Projects							633,563
<i>Inland Group</i>	354	11,161		402,860		414,021	
<i>Valley Medical</i>			219,542			219,542	
Ground-Floor Retail/Service Requirement		236,287				236,287	236,287
Remaining Town Center Development Capacity	720				1,240,505	1,240,505	1,240,505

Source: BERK, 2014

The timing of development attempts to take into account projected build times for projects, for which there is some know information. For the remaining development capacity, the timing of development is spread over a 20-year build out horizon.

2.2 Fiscal Impact Summary

The fiscal impact of the incremental growth described above is shown below in Exhibit 2 for a range of taxing jurisdictions. For this analysis, the revenue focus is on the major tax sources that contribute to general funding of general-purpose public services. It does not include any fee-for-service arrangements or capital restricted funding that the development and occupation of structures would also generate.

The fiscal impact from Town Center to the City of Covington from development is estimated to be in the range of \$16 million. This is net present value of a 25-year stream of tax revenues discounted to current day 2014 dollars. As with many cities in Washington State, the three largest revenue sources for the City

of Covington are Sales Tax, Property Tax, and Utility Tax, making up about 75% of the City's General, Street, and Parks Fund revenues.

The state of Washington is the largest beneficiary of incremental fiscal impacts because of the large amount of sales tax revenue collected. Other taxing jurisdictions include the school district, Emergency Medical Service, and flood districts.

Exhibit 2: Total Incremental Revenues Resulting From Development By Jurisdiction & Source

Revenue Source	City	County	State	Port	Other Districts	Totals
Property Taxes	\$6,200	\$8,100	\$23,700	\$1,000	\$38,400	\$77,400
Sales Tax on Construction*	\$2,500	\$3,400	\$19,400	N/A	\$2,700	\$28,000
Ongoing Sales Tax*	\$5,100	\$6,900	\$39,000	N/A	\$5,400	\$56,400
B&O on Construction	-	N/A	\$5,400	N/A	N/A	\$5,400
Ongoing B&O Tax	-	N/A	\$41,600	N/A	N/A	\$41,600
Utility Taxes	\$2,500	N/A	\$900	N/A	N/A	\$3,400
Total Incremental Revenues	\$16,300	\$18,400	\$130,000	\$1,000	\$46,500	\$212,200

Source: ECONW, 2014.

Town Center Generated Revenues

The following descriptions of tax revenues are included for reference in relation to the estimated taxes. Tax revenues were estimated based on the changes in the components of the City's tax base resulting from redevelopment at the Town Center. Components of growth that influence revenues include the timing, scale, and quality of the project's development as well as, population and employment impacts of the project as it is completed.

Tax revenues are differentiated into two categories:

- **One-time Revenues.** These General Fund revenues are tied to the construction of housing and commercial products. Specifically, they include the retail sales tax on construction (material and services).
- **Recurring Revenues.** These General Fund revenues are derived from the occupation of residential and commercial structures by residents, businesses, and employees. Specific revenues include the property tax, retail sales tax (resulting from new sales tax sourcing rules), and utility tax

Tax Revenues Included

The following operating revenues are measured as part of the initial analyses:

- **Property Tax.** Redevelopment of the site would be taxed at the City's regular levy rate. Only the regular levy is considered in this analysis (e.g. not voter approved levies that have been dedicated to funding specific programs/projects).
- **Retail Sales Tax.** Of the 8.6% sales tax currently collected in the City on general retail purchases, a 1% "local" share of the tax accrues to local jurisdictions. The City receives 85% of the 1% local tax and the County receives 15%. This tax is levied on businesses in the area, and also on construction activity and some transactions related to housing and business, such as certain online purchases and the delivery of personal and business goods.
- **Utility Tax.** The City of Covington imposes a utility tax on telephone services, electricity, natural gas, cable, solid waste, storm drainage and cell services. The City also collects franchise fee for cable. Because utility companies pay these taxes, revenues are based on residential and business usage and are projected based upon a per capita number for population and employment.

Factors Impacting Tax Revenues

The analysis above assesses the tax revenue “footprint” of the conceptual development of the Town Center subarea based on assumptions about the timing, scale, and quality of development. This analysis looks at an approximate baseline for the revenue impact of redevelopment acknowledging the uncertainty inherent in the broader economy and development. As more is known about the development projects, changes to these assumptions will produce a different fiscal footprint for the area. The three main determinants of fiscal impact are explained below.

- **Scale and Mix of Development.** Currently, little is known about the development program outside of the broad scale and mix of development. The fiscal impact is likely to change as developers contemplate differing types and amounts of residential and commercial development. Effectively, changes to these assumptions impact how much economic activity will take place in the area.
- **Quality of Development.** While the baseline assumptions around development quality were drawn from reliable data, it is difficult to predict future development quality with complete certainty, especially at this early stage. As more is known about the product types and target markets, it will allow for a greater degree of certainty in assessing how productive the products are (i.e. likely sales prices, what type of business may locate there, construction costs, etc.).
- **Timing of Development.** The timing of construction, absorption, and occupancy of development can either accelerate or delay the onset of tax revenues. Delay reduces the tax revenues of construction and operations in the area by pushing out the impacts into the future, resulting in reduced years of benefits that are discounted more heavily. The opposite is true in a situation where development happens earlier.

3.0 TAX INCREMENT FINANCE ASSESSMENT

A public revenue model was constructed for this assessment that included a capital funding element that will allow for the assessment of current and proposed TIF mechanisms. Below are descriptions of TIF legislation from Washington State. This section summarizes tax increment financing type programs in Washington prepared by the Research & Legislative Analysis Division of the Washington State Department of Revenue (DOR) and provides additional information where warranted.

The following mechanisms are assessed:

- Community Revitalization Financing (CRF)
- Local Revitalization Financing program (LRF)
- Landscape Conservation and Local Infrastructure Program (LCLIP)

The following mechanisms are review for information purposes only:

- Local Infrastructure Financing Tool (LIFT)
- Hospital Benefit Zone program (HBZ)

3.1 Summary Revenue Impacts of TIF Tools

Exhibit 3 summarizes the estimates of funding that might be available if the Town Center builds out to capacity as described above. Since this exercise assumes full build-out of the area, it should represent a high-end estimate of funding.

Exhibit 3: Summary of Select TIF Tools

TIF-TOOL	Minimum Alloc. Revenues Necessary to Max TIF Leverage	New Allocated Revenues from Other Sources					Total TIF Tool Leverage	Leverage Ratio	Source of Funding
		City	County	State	Port	Other Districts			
CRF	\$4,800	N/A	\$2,900		\$400		\$8,100	1.69	Property Tax
LRF	\$7,200	N/A	-	\$7,200	N/A	N/A	\$14,400	2.00	State Sales Tax Credit
LCLIP	\$4,600	N/A	\$2,800	N/A	N/A	N/A	\$7,400	1.61	County Property Taxes

Source: ECONW, 2014.

- CRF and a voluntary LRF with King County would generate approximately \$2.9 million in revenue for the area. It should be noted that the city has options around altering the size of the district that may increase or decrease the amount of funding available depending on how much development occurs within the area.
- LCLIP could bring in \$2.8 million of funding from King County. LCLIP is an active program and is available to the city to pursue. Like CRF and LRF, the city has options around altering the size of the district that may increase or decrease the amount of funding available depending on how much development occurs within the area.
- LRF would bring in \$7.2 million of new money; however, there is no state authorization for funding at this time.

3.2 Community Revitalization Financing (CRF) Act

Community Revitalization Financing (CRF) is a form of tax increment financing created in 2001. The program authorizes cities, towns, counties and port districts to create a tax “increment area”. By using revenues from local property taxes generated within the area, these local governments can finance public improvements within the area.

Key CRF Program Features

CRF increment areas are created and administered at the local level and they do not include a state contribution. State approval is not required to use CRF. Local governments must approve imposing at least 75 percent of the regular property taxes within the area. The incremental local property taxes under the CRF program are calculated on 75 percent of any increase in assessed value of new construction in the increment area. Any fire protection district with geographic borders in the “increment area” must agree to participate.

Availability of the Program

The program is available for local government only, and there are currently five increment areas located in Spokane County. Cities, counties, and ports are free to partner via Inter-Local Agreement (ILA) on the dedication of their respective tax increment funds.

Potential Funding Estimate

\$7.2 million from Washington State pending funding reauthorization.

3.3 Local Revitalization Financing (LRF) Program

Second Substitute Senate Bill (SSB) 5045 created the Local Revitalization Financing (LRF) Program. The LRF program authorizes cities, towns, counties and port districts to create a “revitalization area” (RA). It is very similar to the LIFT program. The LRF program allows certain increases in local sales and use tax revenues and local property tax revenues generated from within the RA, additional funds from other local public sources, and a state contribution to be used for payment of bond issues for financing local public improvements within the revitalization area.

Key LRF Program Features

To seek a state contribution, the local government that creates the RA must apply to the Department of Revenue, which is responsible for the administration of the program. The program makes state contributions for seven demonstration projects and other competitive projects approved on a first-come basis. The incremental local property taxes under this program are calculated on 75 percent of increases in assessed value as a result of improvements and new construction to property within the revitalization area. It is voluntary to participate in the sharing of incremental revenues for this program, but opting out of participation requires action.

To receive the state contribution, the local government imposes local sales and use tax that is credited against the state sales and use tax. This local tax diverts the state sales and use tax to the local government. The local government receives a limited amount of distributions from this local tax each state fiscal year up to the lesser of: the amount of the award approved by the DOR; the amount of local matching funds dedicated to the payment of the public improvements or bonds in the previous year, and identified in an annual report submitted by the local government.

The state can contribute up to \$6.63 million statewide for the LRF program per fiscal year. The maximum amount of state contribution for each demonstration project is specified in the bills and application awards ranges from \$200,000 to \$500,000 per project.

Availability of the Program

State contributions have been approved for eighteen projects. The projects are located in Auburn, Bellevue, Bremerton, Federal Way, Kennewick, Lacey, Mill Creek, Puyallup, Renton, Richland, Spokane, Tacoma, University Place, Vancouver, Wenatchee, Clark County, and Whitman County. The State contribution is not currently funded, but cities are free to partner with other interested jurisdictions on the dedication of tax increment funds via ILA.

Potential Funding Estimate

\$2.9 million from King County pending an interlocal agreement. \$7.2 million from the State; however, no state authorization for funding.

3.4 Landscape Conservation and Local Infrastructure Program (LCLIP)

Landscape Conservation and Local Infrastructure Program (LCLIP) financing program was created by the Engrossed SSB 5253 to allow local government to finance infrastructure investments in exchange for the placement of development rights in the Central Puget Sound. The program allows cities to create a LCLIP and allows some increases in local property tax revenues generated from the LCLIP. The tax increment financing part of this program is similar to the property tax component of LIFT and LRF.

Key LCLIP Program Features

This program permits the transfer of development rights (TDRs) from forest and rural farmlands to cities to be used within LCLIP. Cities are deemed eligible if they are in counties with a population larger than 600,000 that border the Puget Sound. The city must have a population plus employment equal or greater to 22,500.

The incremental local property taxes for LCLIP financing are calculated based on the city ratio multiplied by 75 percent of the increases in assessed value as a result of improvements to property, or new construction within the LCLIP. The city ratio takes into account several factors related to city TDRs. Participating in the sharing of incremental local property taxes is mandatory for both the sponsoring county and city. Counties and cities must allow the use of all local property tax revenues unless they are excluded through an ILA. The LCLIP program does not include a sales tax component.

Availability of the Program

LCLIP Financing is only available in King, Pierce, and Snohomish Counties. To date, only the City of Seattle has created a LCLIP program. However, several Puget Sound cities have evaluated its potential use including: Arlington, Bellevue, Burien, Bothell, Issaquah, Kirkland, and Sammamish.

Potential Funding Estimate

\$2.8 million from King County; would require the placement of 92 development rights over 20 years as part of the regional TDR programs.

3.5 Local Infrastructure Financing Tool (LIFT) Program

The Local Infrastructure Financing Tool (LIFT) program is a form of tax increment financing created and made available in 2006 to help local governments finance local public improvement projects intended to encourage redevelopment or economic development.

Key LIFT Program Features

A sponsoring jurisdiction (city, town, county, port district, or federally recognized Indian tribe) creates a “revenue development area” RDA from which annual increases in revenues from local sales/ use taxes and local property taxes are measured and used. The state’s Community Economic Revitalization Board (CERB) approved a revenue development area and award of state contribution. Incremental local property taxes are calculated on 75 percent of the increases in assessed value that result from new construction and improvements to property within the revenue development area. The sponsoring local government estimates the incremental local sales and use taxes with assistance from the DOR.

Local government participation is voluntary and requires written agreement to participate in the sharing of incremental revenues for LIFT projects. To receive the state contribution, the local government imposes local sales and use tax that is credited against the state sales and use tax. The local government receives a limited amount of distributions from the local LIFT tax each fiscal year up to the lesser of: the amount of the CERB approved project award; the amount of local matching funds dedicated to the payment of the public improvements or bonds in the previous year; the highest amount of incremental state sales/ use and property tax revenues for one calendar year as determined by the sponsoring government and identified in an annual report submitted to CERB and the Department of Revenue.

The local funds and state contribution are used for financing local public improvements within the RDA. The public improvements could be financed on a pay-as-you-go basis, but only for the first five years of the state contribution. The state contribution ends in 25 years or when the bonds are paid off. The state

can contribute up to \$7.5 million to the LIFT program per state fiscal year, and \$1 million per state fiscal year for each project.

Availability of the Program

Nine projects have been awarded state contributions under the LIFT program. These projects are located in Bellingham, Bothell, Everett, Federal Way, Mount Vernon, Puyallup, Vancouver, Yakima and Spokane County. The program is currently closed to applications. Any new project cannot be funded until one of the current projects fails and the money is made available to meet the \$350,000 state contribution award. The legislature also extended the start date for construction on LIFT projects due to the impact of the 2008 economic recession.

3.6 Hospital Benefit Zone Financing (HBZ)

Hospital Benefit Zone (HBZ) is a form of tax increment financing enacted in 2006. It is similar to the LIFT program but it does not include incremental property tax revenues. It includes incremental sales and use taxes that are calculated and used. The HBZ program is intended to encourage private business development and the development of a hospital within a HBZ.

Key HBZ Program Features

The program offers the use of tax increment financing to a city for the construction/expansion of a hospital when a health care provider has received a certificate of need from the Department of Health (DOH). A city, town or a county creates a benefit zone called a “revenue development area” and finances public improvements. The HBZ project is awarded on a first-in-time basis.

Incremental sales and use tax revenues from the hospital benefit zone are measured by the DOR using local tax reporting codes. Participation is voluntary and requires a written agreement. In order to receive the state contribution, the local government that is sponsoring the HBZ imposes local sales and use tax that is credited against the state sales and use tax. This is how the local government receives the state contribution. The tax diverts state sales and use tax to the local government via a calculated sales tax credit.

Each fiscal year, the local government receives a limited amount of the following distributions from the local HBZ tax each year: the amount of the project award approved by the DOR; the amount of local matching funds granted to the payment of the public improvement or bonds in the previous calendar year and identified by the local government in an annual report; and the amount of incremental state revenues received in the previous calendar year from HBZ.

The state contribution ends after 30 years or when no longer needed for public improvements in the HBZ. The maximum state contribution per project is \$2 million for each fiscal year. That is also the maximum amount the state can contribute statewide for the program.

Availability of the Program

Currently, the City of Gig Harbor and Pierce County are the sole participants. Franciscan Health Systems received approval from the DOH to build an 80-bed community hospital in Gig Harbor. This hospital is to serve the people of Gig Harbor, Key Peninsula, and south Kitsap County. The City of Gig Harbor established a HBZ, and Franciscan Health Systems built the hospital.

Since HBZ programs are limited by the DOH issuing a “Certificate of Need”, it does not happen very often due to the strict requirements. Currently, there is no move to provide state matching funds for this program.

Changes to the Program

The 2011 Legislature passed SSB 5525, which made changes to the HBZ program. The definition of public improvements has been changed to include construction, maintenance, and improvement of state highways that connect to the HBZ. After the local government changes the adopted ordinance and holds a public hearing, modifications to the public improvements can be made. Local governments that levy the HBZ tax do not need to spend the tax revenue in the year they are received.

TECHNICAL APPENDIX E

SUMMARY OF SELECT AWARD PROGRAMS

1.0 OVERVIEW

The following memo provides information on select federal and state award programs that would be available to fund transportation and parks/recreation infrastructure.

TRANSPORTATION AWARDS

2.0 FEDERAL TRANSPORTATION AWARD FUNDING

Most federal programs with funds that could help Covington distribute their money through Washington State Department of Transportation (WSDOT) and the Puget Sound Regional Council (PSRC). Covington is also eligible for TIGER Grants.

2.1 Federal Highway Administration (FHWA) Funds

Surface Transportation Program (STP)

The STP provides federal funds to WSDOT who then distributes them to the PSRC. According to WSDOT, STP is the most flexible of all the highway programs and the one that provides the most financial support to local agencies. Projects eligible for STP funding include bicycle and pedestrian facilities.

Transportation Alternatives Program (TAP)

The Federal Highway Administration distributes TAP funds to WSDOT. 50 percent of the funds are distributed to PSRC and 50 percent are for set-aside programs. The PSRC programs Covington is eligible for are listed later in the document.

Federal Transit Administration (FTA) Funds

Covington is not eligible for any Federal Transit Administration funds.

Non-Traditional Transportation Funds

There are no longer American Recovery and Reinvestment funds available.

Transportation Investment Generating Economic Recovery (TIGER) Grants

[TIGER grants](#) are available to any public entity, including municipalities. Applicants must detail the benefits their project would deliver for five long-term outcomes:

- Safety
- Economic competitiveness
- State of good repair
- Livability
- Environmental sustainability

USDOT also evaluates projects on their expected contributions to economic recovery, as well as their ability to facilitate innovation and new partnerships. The following is excerpted from the TIGER grant information page. Each applicant should provide evidence that the expected benefits of the project *justify* the costs (recognizing that some costs and benefits are difficult to quantify). If it is clear that the benefits do not justify the costs, the Department will not award a TIGER Discretionary Grant to the project. Benefits include the extent to which residents of the United States as a whole are made better off as a result of the project.

The best applications are often prepared by transportation agencies that have used in-house economic expertise and benefit-cost analysis (BCA) to influence the design of the project from the beginning. All Applicants should consult the TIGER BCA Resource Guide available on the USDOT TIGER website (www.dot.gov/tiger) that will provide supplemental information, standard monetized values (where available), and updates for preparing a BCA.

Covington would need to do:

- BCA matrix
- Alternatives analysis
- Types of societal benefits for each long term outcome

\$600 million is available for 2014 cycle.

3.0 STATE TRANSPORTATION AWARD FUNDING

3.1 Summary

State-funded grant programs are Covington's best opportunity to help finance their town center transportation infrastructure. Covington is both eligible and a competitive candidate for the following programs:

- Transportation Improvement Board Programs – **Application deadline: August 2015**
 - Urban Arterial Program
 - Urban Sidewalk Program
 - Arterial Preservation Program
- Puget Sound Regional Council Programs
 - Distributed FHWA and STP Funds – **Application deadline: April 8, 2014**
 - Rural Town Centers and Corridors Program
 - King County Countywide Process
- WSDOT Programs – **Application deadline: May 11, 2014**
 - Pedestrian and Bicycle Program

Covington is not eligible for any small city transportation program funds.

3.2 Transportation Improvement Board (TIB) Programs for Urban Customers

TIB will likely issue a call for projects in June for 2015 funding. The deadline for 2015 funding will be in the end of August. TIB holds funding workshops and webinars throughout the state. Project selections are typically announced in November of each year.

Because qualification and criteria are different within each program, each program has a separate application and each project submitted requires an individual application. TIB Engineers review application information in the field.

At the time of this research, the applications were not yet made available for the 2015 funding cycle. Therefore, greater detail on what qualifies for a point within each range cannot be provided at this time.

Urban Arterial Program (UAP)

[The Urban Arterial Program](#) funds projects in the areas of safety, growth and development, mobility, and physical condition. There is a 15 percent local match requirement for Covington.

UAP funds work in design and construction phases. UAP does not fund:

- Engineering and landscaping over percentages set in the WAC
- Excess property
- Work outside of limits or scope
- Undergrounding overhead utilities
- New utilities or utility upgrades

A successful arterial project will score well in one of four criteria areas, called “bands.” Covington would likely score high in the bands of Growth and Development, Mobility, and possibly, Sustainability. For example, criteria scoring for Growth and Development are based on the scale of the development site (number of jobs anticipated, acreage developed, etc.), developer support, necessity, and location. Criteria also evaluate the likelihood the development will occur based on whether or not zoning is in place, permits are issued, and private investment is leveraged. Points are awarded for site-specific developing or redeveloping property, they are not awarded for development already in place. Projects only have to score well in one criteria band to be successful.

Exhibit 1: Urban Arterial Program Criteria Rating Guidelines for Growth & Development Band

Growth and Development (65 points max)	Point range
Public Support	20 pt max
Development fulfills the comprehensive plan	0-8
Zoning in place for the development	0-5
Water in place for the development	0-4
Sewer in place for the development	0-4
Power in place for the development	0-4
Private Support	20 pt max
Permitted development	0-15
Private investment in public infrastructure	0-10
Permitted Development Activity	15 pt max
Dwelling units constructed in the development	0-10
Acreage of the development	0-5
Jobs created by the development	0-10
Location	10 pt max
Development location	0-5
Project proximity	0-4
Dependence of development on the project	0-3

Source: State of Washington Transportation Improvement Board, 2013.

In 2013, the Urban Arterial Program selected 37 projects out of 107 applications (34 percent acceptance rate) for a total of \$83.6 million in funding. Grant amounts typically range from \$1 million to \$4 million.

UAP Project Characteristics

- Reconstruction – rebuild roadway base and surfacing
- Rehabilitation – provide pavement repair and treatment to extend roadway life
- New street – construct new connection in agency’s arterial system

Typical UAP project elements are:

- Site preparation
- Road base and surfacing
- Drainage necessitated by project
- Multimodal components
 - Sidewalk
 - Bicycle facilities
 - Transit accommodations

Further UAP project requirements

TIB requires the following for an application to be considered for funding:

- Sidewalk is required on both sides of the arterial
- Street must be classified as an urban principal arterial, urban minor arterial or urban collector on the

- Federal Functional Classification System
- The project must be on the State of Washington Transportation Improvement Board's adopted Transportation Improvement Plan
- The project must be consistent with agency and regional plans
- Written project concurrence from WSDOT is required for projects on or intersecting a state highway
- Within one year of project selection, you must certify full funding of the project

Urban Sidewalk Program

To be eligible for [the Urban Sidewalk Program](#), the project must be:

- Intended for transportation, not recreation.
- On a federally classified route (principal, minor, or collector).

Projects improve pedestrian safety, access, connectivity, and address system continuity. Completed projects must be consistent with the Americans with Disabilities Act (ADA). A minimum 20 percent match is required for an Urban Sidewalk Program project.

In 2013, \$5 million in funds were distributed to projects in Washington. More than half of the funding went to projects in the Puget Sound region. Typical project requests ranged from \$100K to \$400 K.

Exhibit 2: Urban Sidewalk Program Criteria Rating Guidelines

Urban Sidewalk Program	Point range
Pedestrian Safety	55 pt max
Existing Conditions	30 pt max
Posted Speed	0-10
Existing Pedestrian Walk Route	0-20
Existing Sidewalk Condition	0-10
Existing ADA Barriers	0-3
Accident History	0-25
Existing Hazards	0-15
Pedestrian Connectivity	30 pt max
Pedestrian Destinations	0-25
Sidewalk Connectivity	0-5
Local Support	5 pt max
Local Match	0-5
Sustainability	10 pt max
Adopted Greenhouse Gas Emissions Policy	0-1
Sidewalk width	0-3
Sidewalk Network Development	0-3
Low energy street lighting or signal	0-4
Recycled material usage	0-1
Low impact drainage practice	0-2

Source: State of Washington Transportation Improvement Board, 2013.

The Urban Sidewalk Program can fund work in design and construction phases. To apply for this program, Covington would need to request collision data from WSDOT as soon as possible.

Arterial Preservation Program

The [Arterial Preservation Program](#) provides funding for overlay of federally classified arterial streets in cities with a population greater than 5,000 and assessed valuation less than \$2 billion. Covington does qualify and it would need to provide a match of 15 percent. This program is worth applying for, especially for making improvements to Wax Road.

Exhibit 3: Arterial Preservation Program Criteria Rating

Arterial Preservation Program	Point range
Agency Rating	15 pt max
Economy of scale	0-10
Prior APP Funding	0-5
Segment Rating	85 pt max
Pavement Condition Rating (by segment)	0-60
Route Classification	0-15
Sidewalk Maintenance	0-10

Source: State of Washington Transportation Improvement Board, 2013.

The target for this program in 2013 was \$7 million. AAP funds work in design and construction phases. A TIB Engineer field reviews all sidewalk segments submitted in the application. Greg Armstrong (grega@tib.wa.gov) is Covington's assigned TIB engineer.

3.3 Puget Sound Regional Council Transportation Programs

Policy focus for PSRC's federal funds has been to support centers and the corridor that serve them and includes components such as center development, mobility, circulation, and populations served. The technical criteria include components related to project readiness and the ability to utilize PSRC funds efficiently, and air quality benefits demonstrated through a reduction of emissions.

An eligible project needs to be either:

- A regional growth center, manufacturing/industrial center, or
- A corridor project that serve centers.

Covington is not listed as a Regional Growth Center or a Manufacturing/Industrial Center according to PSRC's VISION 2040. This identification is not required to apply for funds: PSRC states that, "to be eligible for federal funding, a project must be in, or consistent with, Transportation 2040, the region's long-range metropolitan transportation plan." However, it may mean that Covington does not rate as highly as those cities identified for growth.

PSRC's Distribution of FHWA Funds

PSRC conducts a shared regional and countywide process to recommend and select projects to receive PSRC's FHWA funds. The total estimated amount of both STP and CMAQ funds is split between the regional and countywide forums based on a regionally adopted funding split. Competitive processes are used by all forums to recommend projects to receive the funds.

Congestion Mitigation and Air Quality (CMAQ)

CMAQ funds are available for specific categories of transportation projects and programs that provide air quality benefits by reducing emissions and congestion. General purpose roadway projects are not eligible. Covington is within the geographic area that is able to utilize CMAQ funds.

PSRC estimates that it will have \$72.6 million in CMAQ funds in the fiscal years 2015-2017.

Surface Transportation Program (STP)

STP funds are the most flexible of PSRC funds and can be used for a variety of transportation projects and programs, including roadways bridges, pedestrian and bicycle infrastructure, transit and other investments.

PSRC estimates that it will have \$128.1 million in STP funds in the fiscal years 2015-2017.

Regional Project Evaluation Criteria

On February 18th, the Call for Projects for PSRC's 2014 project selection process was issued. Project sponsors are asked on their regional application to select one funding source, either CMAQ or STP and one category area:

- A. Designated Regional Growth Centers
- B. Manufacturing/Industrial Centers
- C. Corridors Serving Centers

All projects are compared to other projects in their category. Covington's Town Center project is likely best suited for STP funding and for categories A or C.

The application is made up of both category specific questions and questions for all projects. The questions for all projects include:

- Air Quality and Climate Change
- Project Readiness and Financial Planning

To compete in the FHWA (for STP or CMAQ funds) process, Covington would need to submit their application by April 8. Sponsors present their projects to PSRC on April 24 and 25 and then the Regional Project Evaluation Committee will recommend projects for funding on May 22 and 23. These projects move on for selection in the development of the 2014 Regional Transportation Improvement Program (TIP).

Exhibit 4: 2014 Regional Project Evaluation Criteria PSRC’s FHWA Funds

FHWA Application Criteria				
Category A: Designated Regional Growth Centers	STP 70 pts max	CMAQ 50 pts max	Focus for Criteria	How Covington Can Score High on the Application
Regional Growth Center Development	30	20	Support for existing and planned housing/employment densities	Demonstrate that the project clearly supports a significant amount of existing and/or planned population/employment activity in the center, including employment within the industry clusters identified in the adopted Regional Economic Strategy; and that there are plans to implement specific policies or projects identified for the center in an adopted plan.
			Support for plans and activities of the center	
			How the project will support the establishment of new businesses or the retention of existing businesses	
Benefit to the Regional Growth Center	20	15	How the project remedies a current or anticipated problem	Demonstrate that the project clearly remedies a significant and known problem that is identified in plans or programs and benefits large numbers of a variety of user groups.
			The user groups who benefit from the project	
Circulation within the Regional Growth Center	20	15	How the project improves access to major destinations within the center	Demonstrate that the project significantly improves access and circulation within the growth center and is multi-modal by providing opportunities and benefits for a wide and active variety of transportation modes.
			How the project improves circulation and enhances opportunities for transportation within the center, specifically with regard to: walkability, public transit, and bicycle facilities.	
			How the project provides users a range of travel modes or presents a missing mode.	
			Any parking component is designed to be compatible a pedestrian oriented environment	
Category C: Corridors Serving Centers	70 max	50 max	Focus for Criteria	How Covington Can Score High on the Application
Benefit to Regional Growth or Manufacturing/Industrial Center	40	30	Benefit to the housing and employment development in the center and employment growth in a manufacturing/industrial center	Demonstrate that the project clearly supports a significant amount of existing or planned population and employment activity in one or more centers, including employment in industry clusters identified in the Regional Economic Strategy, and also provides benefits to a range of travel modes and to a variety of users groups.
			Benefits to a range of travel modes to users traveling to and from the center	
			User groups who benefit from the project	
System Continuity/Long Term Benefit and Sustainability	30	20	Support the establishment of new jobs/businesses or the retention of existing jobs/businesses, especially those identified in industry clusters	Demonstrate the project will make significant improvements to the efficiency of a corridor leading to one or more regional centers, for people and/or freight, resulting in a reduction in travel time or an improvement in safety
			Support for a long-term strategy to maximize efficiency of the corridor	
			Provision of a "logical segment" linking regional growth	
			Provision of a missing link or removal of a barrier to or from a center	
			Relieving pressure or removing a bottleneck from the Metropolitan Transportation System	
			Improvement to safety or reduction in modal conflicts and creating opportunities for active transportation	

Source: Puget Sound Regional Council, FHWA Regional Criteria 2014.

Countywide Process

With support from PSRC, the four countywide forums are responsible for coordinating the countywide competitions and recommending projects to the TPB to receive the countywide portions of the FHWA funds. The county-wide process has four programs:

- King County Countywide Smaller Jurisdiction Program
- King County Countywide Larger Jurisdiction Program
- Rural Area Program
- All Others Programs

For the Larger Jurisdiction Program, which Covington is eligible, the purpose of program is to provide funding for preservation, safety, system efficiency improvements and capacity expansion projects identified by local jurisdictions with a population of 15,000 or higher.

A single scoring committee reviews the award proposals using approved criteria. Once the submitted projects have been scored, an award recommendation is forwarded to or the full the King County Project Evaluation Committee to consider. In 2014, \$30 million was available in the Larger Jurisdiction Program.

Scoring criteria are similar to the PSRC Regional Program in that the stress:

- Designation of regional or local center
- Support for regional or local center development
- Transportation circulation benefits within the center
- User, mobility, and accessibility benefits
- Air quality and climate change
- Project readiness and financial plan

Rural Town Centers and Corridors Program

[The Rural Town Centers and Corridors Program](#) provides support for cooperative efforts to develop rural town center and corridor projects. Projects similar to Covington’s proposed town center were funded in 2013 however, according to [PSRC’s Federal Urban and Rural Areas Map](#), Covington is classified as “Urban.” Funds for these projects ranged from \$199,000 to \$1.1 million. Funding for this program is a set aside from \$3 million in STP funds. This program will be held in 2015 and does not require a separate application from the PSRC Call for Projects.

3.4 Washington State Department of Transportation (WSDOT)

Pedestrian and Bicycle Program

The purpose of the [Pedestrian and Bicycle Program](#) is to improve conditions for biking and walking and encourage “complete street” type projects that safely meet the needs of bicyclists, pedestrians, public transportation users and motorists, and also protect and preserve community environment and character. This program provides funds for transportation improvements that support infill and redevelopment, intensify land uses, and connect housing and employment in order to improve the mobility and safety of Washington residents.

Exhibit 5: WSDOT Pedestrian and Bicycle Program Central Criteria

Central Criteria	Criteria questions
Promoting healthy communities by encouraging walking, bicycling and using public transportation.	How well will the project improve and/or complete connections that establish safer and fully accessible crossings, sidewalks, trails, bike facilities, and transit connections consistent with peer reviewed, context sensitive solutions guides, reports and publications?
Improving safety by designing major arterials to include features such as wider sidewalks, dedicated bicycle facilities, medians, and pedestrian streetscape features, including trees where appropriate.	Based on recent state and national research, arterial streets in urban areas with higher speeds, higher motor vehicle volumes, and housing mixed with commercial attractions, transit service, and other pedestrian and bicycle generators are the locations with the most transportation conflicts, collisions and risk. How will the project improve safety, while expanding mobility for all users, especially at-risk populations?
Protecting the environment by providing safe alternatives to single occupancy driving.	In order to make alternatives to single occupancy driving safe and viable, connections are needed between and among existing housing, employment, education, retail and recreation destinations. How well will this project support infill, encourage redevelopment and reuse of existing building stock, intensify land uses, and connect housing and employment?
Preserving community character by involving local citizens and stakeholders to participate in planning and design decisions.	Recent research has shown that transportation projects on urban arterials and main street highways have a greater likelihood of scope, schedule and budget changes that often result in additional costs. This is primarily due to the complexity of the setting and level of interest by area residents and stakeholders. Research has demonstrated that additional and cleaner up front coordination and communication and engagement of local citizens and stakeholders in design sometimes called 'Community Design', can reduce the potential for project delay or cost over-runs. How has or how will this project ensure community engagement in planning and design decisions that will help to preserve community character?

Source: WSDOT, 2014.

Design/scoping only projects or engineering projects that help reduce collisions involving pedestrians and bicyclists and/or projects that significantly increase mobility to encourage more people to bicycle and walk are eligible.

\$8 million is available for the program and a match is not required, however preference is given to projects that do have a match. The Pedestrian and Bicycle Program is a reimbursement program for cost incurred. It is not a "cash-up front" program. Costs incurred prior to WSDOT project approval are not eligible for reimbursement.

PARKS AND RECREATION

4.0 KING COUNTY CONSERVATION FUTURES PROGRAM

4.1 Summary of Program

King County Conservation Futures Trust (CFT) uses funds from a portion of property taxes to purchase natural resource lands and passive recreation parks. The CFT Citizens Committee annually reviews CFT projects and decided which projects to continue, abandon, or make modifications to the scope of the project. Currently there are about 30 projects that are funded annually. The projects have property or multiple properties that have been purchased from willing sellers.

4.2 Application Process

To date, the program has helped with protection of 111,000 acres of land, forests, shorelines, greenways and trails. Projects have included parks and restored salmon habitat.

Projects fill out an application that requests the following information:

- Acquisition Project Size (acres or parcel number)
- CFT Application Amount
- Applications must address how they meet Open Space Resources criteria and Other criteria (see criteria section)

Evaluation Criteria: Open Space Resources Criteria

- Wildlife habitat or rare plant reserve
- Salmon habitat and aquatic resources
- Scenic resources
- Community separator
- Historic/cultural resources
- Urban passive-use natural area/greenbelt
- Park/open space or natural corridor addition
- Passive recreation opportunity/unmet needs

Evaluation Criteria: Other Criteria

- Educational/interpretive opportunity
- Threat of loss of open space resources
- Ownership complexity/willing seller(s)/ownership interest proposed
- Partnerships – any public or private partnerships that will enhance this project
- Is the property identified in an adopted park, open space, comprehensive or community plan?
- Transferable Development Credits (TDC) participation
- Address how the property will be stewarded and maintained and how it will be funded.

Project scoring and funding comes in three different categories.

- Suburban Cities Projects
- Seattle Projects
- King County Projects

The CFT Committee uses the criteria below to decide which projects are recommended for continuation or abandonment.

- Project over budget
- No purchase/sale agreement obtained by a jurisdiction
- Inactive negotiations and no matching funds have been obtained (or likely to be obtained)
- Other partners in project have abandoned project
- Applicant requested abandonment or reallocation
- Project nature has changed and no longer is in accordance with CFT requirements
- Extenuating circumstances (e.g., ongoing legal process)

If projects are abandoned, the criteria for reallocation of funds (in order of importance):

1. Complete current projects with (?)real deal and funding shortfalls
2. Current projects showing progress with funding shortfall
3. Prefer projects located in same geographic area or jurisdiction

5.0 RCO GRANTS SUMMARY

Note: following text is pulled from http://www.rco.wa.gov/grants/grants_available.shtml and the specific grant's website. Some wording remains the same, some is modified and organization structure is modified.

Exhibit 6: RCO Award Summary

Grant Program	Description	Eligible Applicants	Applications Accepted	Total Funding Anticipated
ALEA Aquatic Lands Enhancement Account	Funding to buy, protect, and restore aquatic lands habitat and to provide public access to the waterfront.	Local agencies* State agencies Tribes	February 18 - May 1 In even-numbered years only	\$6 million
LWCF Land and Water Conservation Fund	Funding to buy or develop public outdoor recreation areas and facilities.	Local agencies* State agencies Tribes	February 18 - May 1 In even-numbered years only	\$2 million
RTP Recreational Trails Program	Funding to renovate and maintain recreational trails and facilities that provide a backcountry experience.	Local agencies* Nonprofits State agencies Federal agencies Tribes	May 1 - July 1 In even-numbered years only	\$5 million
Salmon Recovery	Funding to improve important habitat conditions or watershed processes to benefit salmon and bull trout.	Local agencies* State agencies Tribes Landowners Nonprofits Conservation Districts Regional Fisheries Enhancement Groups	January 1-August 15. Applications first must be approved by lead entities.	\$18 million
WWRP Washington Wildlife and Recreation Program	Funding for local and state parks, trails, water access, state land conservation and restoration, farmland preservation, and habitat conservation.	Local agencies* State agencies ** Tribes Nonprofits*** Salmon recovery lead entities	February 18 - May1 In even-numbered years only	\$65 million

Source: RCO, 2014.

Note: some of the following text for the different RCO grants is pulled from the specific grant's website from the following link: <http://www.rco.wa.gov/grants/index.shtml>. Some wording remains the same, some is modified and organization structure is modified.

Match Requirements: For most programs match amounts may include:

- Applicant's labor, equipment, and materials; Appropriations or cash; Bonds; Donations of cash, land, labor, equipment, and materials; Federal, state, local, and private grants.

6.0 RCO: WASHINGTON WILDLIFE RECREATION PROGRAM (WWRP)

6.1 Summary of Program

Funding for land protection and outdoor recreation including park acquisition and development, habitat conservation, farmland preservation, and construction of outdoor recreation facilities. Goals of program are to "Acquire valuable recreation and habitat lands before they were lost to other uses and develop recreation areas for a growing population."

6.2 Program Eligibility

- Local agencies, State agencies, Native American tribes
- Special purpose districts, such as park and recreation districts, port districts, school districts
- Salmon recovery lead entities (riparian protection category only)
- Nonprofits (farmland preservation and riparian protection categories only)

6.3 Funding Information

Funding Available (average)

- \$55 million biennially.
- Funding comes from sale of general obligation bonds. Other funding sources include Governors, Legislation and other groups (e.g., organizations in the Washington Wildlife and Recreation Coalition).

Caps

- Critical Habitat; Farmland Preservation; Natural Areas; State Parks; Trails; Urban Wildlife Habitat; Water Access: None
- Local Parks:
 - Acquisition projects: \$1 million
 - Development projects: \$500,000
 - Combination projects (acquisition with either development or renovation): \$1 million, of which not more than \$500,000 may be for development costs
- Riparian Protection: minimum \$25,000; maximum None
- State Lands Development and Renovation: minimum \$25,000; maximum \$325,000
- State lands Restoration and Enhancement: minimum \$25,000; maximum \$1 million for a single site project; \$500,000 for a multi-site project

Match Requirements

- Local agencies, special purpose districts, salmon recovery lead entities, and nonprofits: 50% match and at least 10% of the total project cost must be from a non-state, non-federal contribution.
- State agencies do not have to provide match.
- Native American tribes must provide 50% match.

6.4 Evaluation Criteria (11 categories)

- Critical habitat; Farmland preservation; Local parks; Natural areas; Riparian protection; State lands development and renovation; State lands restoration and enhancement; State parks; Trails; Urban wildlife habitat; Water access.

6.5 Application Process (1 year, may apply in even years)

Comprehensive planning documents required to apply, except for farmland preservation grants.

1. Applicants submit an online application and make an in-person presentation or submit written materials, depending on the grant category.
2. Applications and presentations are reviewed and scored by staff and a panel of experts.
3. The ranked list is presented to the Recreation and Conservation Funding Board for consideration.
4. The board approves a ranked list of projects and sends it to the Governor's Office for including in the capital budget request to the state Legislature.
5. The Governor's Office prepares a list of projects as part of its capital budget request to the Legislature.
6. The Legislature approves a budget and a list of projects.
7. The Recreation and Conservation Funding Board meets to make final funding awards for projects approved by the Legislature.

7.0 RCO: LAND AND WATER CONSERVATION FUND (LWCF)

7.1 Summary of Program

Provides funding to preserve and develop resources for outdoor recreation (parks, trails, wildlife lands). Typical projects include: Renovating community parks; Building new skate parks, tennis courts, swimming pools, and trails; Protecting wildlife habitat; Building athletic fields.

7.2 Program Eligibility

- Local agencies; State agencies; Native American tribes
- Special purpose districts, such as park and port districts

7.3 Funding Information

Funding Available (average)

- \$1 million biennially
- Funding from portion of federal revenue from selling and leasing off-shore gas and oil resources.

Caps: \$500,000

Match Requirements

- 50% match. For local agencies and special purpose districts, at least 10% of the total project cost must be from a non-state, non-federal contribution.

7.4 Application Process (6 months, annually)

Comprehensive planning documents required.

1. Applicants submit an online application and make an in-person presentation
2. Applications and presentations are reviewed and scored by a panel of experts in outdoor recreation.
3. The ranked list is presented to the Recreation and Conservation Funding Board for consideration.
4. The board approves a ranked list of projects and sends them to the National Park Service for final funding approval.

LWCF	
Plans establishing grants eligibility due	March 3, 2014
Applications Due	May 1, 2014
Technical Review	May 19-20, 2014
Project Evaluation	August 25-26, 2014
Board Meeting – Grants Awarded	June 2015

Eligible projects

Land acquisition

Development or renovation

- Athletic fields, multipurpose courts, playgrounds, skate parks, etc.; Marine facilities (boating, water access, etc.); Campgrounds, picnic shelters; Community gardens; Golf courses; Natural areas, open space; Shooting and archery ranges; Ski areas, ice skating ponds, snowmobile facilities; Swim beaches and pools; Support facilities such as parking, restrooms, storage, and utilities; Trails (including interpretive) and pathways; Vistas and view points; Wildlife management areas (fishing or hunting).

Ineligible Projects

Acquisitions of:

- Historic sites and structures; Museums and sites to be used for museums or primarily for archeological excavations; Land to help meet a public school's minimum site size requirement as established by state or local regulations; Areas and facilities used primarily for semi-professional and professional arts and athletics; Areas and facilities used solely for game refuges or fish production purposes;
- Areas to be used mainly for the construction of indoor facilities, except for covered swimming pools and ice rinks; Railroad hardware, trestles, stations, yards, etc.; Sites containing luxury lodges, motels, cabins, and similar elaborate facilities, which will serve recreationists with food and sleeping

quarters; Federal surplus property unless legislatively authorized in a specific situation.; Scholastic and intercollegiate facilities.; Lands acquired from the federal government at less than fair market value

- Preservation of agricultural land for agricultural purposes
- Incidental costs relating to acquisition of real property or interests such as permits and surveys.

8.0 KING COUNTY YOUTH SPORTS FACILITIES GRANTS (YSFG)

8.1 Summary of Program

The Youth Sport Facilities Grant Fund (YSFG) provides matching grant funds to rehabilitate, expand, or develop sports fields and facilities serving youth in King County.

8.2 Program Eligibility

o be eligible for funding, youth sports or community organizations must partner with a public entity on whose land the field or facility is or will be located. Public entities include: school districts, park districts, utility districts, cities, or King County.

8.3 Funding Information

The maximum award is \$75,000. The program is designed to leverage funds from other sources and requires a 1:4 match requirement. This means that applicants must provide \$1 for every \$4 requested. Match will be evaluated based on its adequacy in completing a quality project more than on simply meeting the match requirements.

8.4 Application

Applications are due June 20, 2014 and score over multiple weighted criteria including: community impact, project management, project design, budget, matching funds, and other bonus areas.

9.0 KING COUNTY CONSERVATION DISTRICT AWARDS

9.1 Summary of Program

The King Conservation District awards grants for projects that directly improve the condition of natural resources, provide education and outreach to increase awareness, build capacity to enhance implementation of natural resource improvement projects and implement pilot or demonstration projects.

9.2 Program Eligibility

To apply for a grant through this program, an applicant's proposal must be sponsored by one or more of the 35 local jurisdictions that are members of the King Conservation District.

9.3 Funding Information

In 2013, almost \$400,000 in grant funds was awarded. Most awards average in the tens-of-thousands range. Match and leveraging of resources is encouraged, but not required.

9.4 Application Information

Project applications are rated in along four criteria:

- Project purpose and clarity – that the project directly addresses program goals and community problems.
- Community benefits – that the project is a collaboration with the community and increases community capacity and equity issues.
- Project feasibility – that outcomes and deliverables are clearly defined.
- Budget – that project has been adequately scoped for resources and includes matching funds.