

# 2022 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
SDOT	901	A	003-2022

**Budget Action Title:** Rescind SDOT-901-A-002-2022, add \$2.4 million REET II Capital Fund and cut \$2.4 million GF in SDOT to make GF available for other budget priorities

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: Yes Has Attachment: Yes

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Calvin Chow

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

## Summary of Dollar Effect

See the following pages for detailed technical information

	2022 Increase (Decrease)	2023 Increase (Decrease)
<b>General Fund</b>		
General Fund Revenues	\$0	
General Fund Expenditures	\$(2,385,992)	
Net Balance Effect	<b>\$2,385,992</b>	
<b>Other Funds</b>		
Transportation Fund (13000)		
Revenues	\$0	
Expenditures	\$0	
Net Balance Effect	<b>\$0</b>	
REET II Capital Fund (30020)		
Expenditures	\$2,385,992	
Net Balance Effect	<b>\$(2,385,992)</b>	
<b>Total Budget Balance Effect</b>	<b>\$0</b>	

**Budget Action Description:**

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This Council Budget Action would rescind SDOT-901-A-001, and would utilize \$2.4 million of Real Estate Excise Tax II Fund (REET II) to replace \$2.4 million of General Fund (GF) in the Seattle Department of Transportation (SDOT) to make GF resources available for other budget priorities. The specific transactions are detailed below.

This Council Budget Action would replace GF with REET II for the following SDOT Capital Improvement Program (CIP) projects:

- (1) Neighborhood Traffic Control Program (MC-TR-C019): \$200,000
- (2) West Marginal Way Safe Street and Accessibility Improvements (MC-TR-C103): \$500,000
- (3) Fortson Square Redesign Implementation (MC-TR-C104): \$400,000
- (4) Thomas Street Redesigned (MC-TR-C105): \$764,837

This Council Budget Action would replace Commercial Parking Tax (CPT) with REET II for the following SDOT CIP projects:

- (5) Bridge Seismic - Phase III (MC-TR-C008): \$130,001
- (6) Neighborhood Traffic Control Program (MC-TR-C019): \$82,153
- (7) Seawall Maintenance (MC-TR-C098): \$209,001
- (8) Waterfront Transportation Infrastructure Maintenance (MC-TR-C109): \$100,000

This Council Budget Action would replace GF with CPT for the following SDOT Budget Summary Level (BSL):

- (9) Mobility Operations BSL (Urban Planning): \$521,155

The Move Seattle Levy requires that SDOT receive a minimum GF contribution of \$46,438,230 in 2022. Excluding the transfer of the Parking Enforcement Division to SDOT and Transportation Network Company (TNC) Tax proceeds, which were not contemplated at the time the Move Seattle Levy was approved by voters, this Council Budget Action would result in SDOT receiving a GF contribution of \$48,116,314 in 2022.

The impact of this Council Budget Action on the affected CIP projects is shown in Attachment A (Neighborhood Traffic Control Program), Attachment B (West Marginal Way Safe Street and Accessibility Improvements), Attachment C (Fortson Square Redesign Implementation), Attachment D (Thomas Street Redesigned), Attachment E (Bridge Seismic - Phase III), Attachment F (Seawall Maintenance), and Attachment G (Waterfront Transportation Infrastructure Maintenance).

This Council Budget Action utilizes REET II funds identified in the City Budget Office's November revenue update. In the weeks since the budget was transmitted, Council received a negative financial update from the November 3rd CBO revenue forecast update, decreasing 2021 GF revenues by \$10.1 million (one time) and 2022 GF revenues by \$4.9 million (ongoing). Further, significant downward adjustments in revenues to other funds, including the Sweetened Beverage Tax and the Arts and Culture Fund, have required \$2.1 million of GF support to balance the revenue impacts to these funds. After accounting for all these recent updates, the Council was faced with a \$17 million GF budget shortfall that required difficult decisions to avoid service reductions in 2022. On the positive side, the November 3rd CBO revenue forecast update included a \$26 million increase in REET revenues in 2021 and 2022.

To address the GF decreases, and avoid significant reductions to city services, the Chair's Balancing Package uses the increase in REET revenues to fund \$1.7 million of transportation investments that were previously funded using TNC backed GF revenues that, per resolution 31914, are intended for investments in transit and transportation related investments and investments in affordable housing within the frequent transit network. The TNC back general fund revenues are used to support other GF

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expenditures in the balancing package, including \$275,000 of investments consistent with the investments called for in RES 31914 (\$25,000 for adaptive cycle programs, and \$250,000 for pre-development costs for an affordable housing project at North Seattle College). There are more than \$1.5 million of other investments in the balancing package that are housing related (including services to help tenants remain housed) but represent a departure from the specific investments called for in RES 31914. This includes:

- FG-001-D-001: \$1,000,000 to OH for services and capacity funding for non-profit housing providers operating non-permanent supportive housing projects
- SDCI-011-B-001: \$400,000 GF to SDCI for tenant services contracts
- SDCI-010-A-001: \$1.5 million GF to SDCI to implement the economic displacement relocation assistance ordinance

This one-time departure from RES 31914 in 2022 is necessary to avoid other reductions to City services and ensure that these investments in housing and tenant services can move forward in 2022.

### Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Cut GF for Fortson Square Redesign Implementation		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	00100 - General Fund	2022	\$0	\$(400,000)
2	Cut GF for Neighborhood Traffic Control Program		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	00100 - General Fund	2022	\$0	\$(200,000)
3	Cut GF for Thomas Street Redesign		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	00100 - General Fund	2022	\$0	\$(764,837)
4	Cut GF for Urban Planning		0	0	SDOT - TR000	SDOT - BO-TR-17003 - Mobility Operations	00100 - General Fund	2022	\$0	\$(521,155)
5	Cut GF for West Marginal Way Safe Street and Accessibility Improvements		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	00100 - General Fund	2022	\$0	\$(500,000)
6	Add CPT for Urban Planning		0	0	SDOT - TR000	SDOT - BO-TR-17003 - Mobility Operations	13000 - Transportation Fund	2022	\$0	\$521,155
7	Cut CPT for Bridge Seismic - Phase III		0	0	SDOT - TR000	SDOT - BC-TR-19001 - Major Maintenance/Replacement	13000 - Transportation Fund	2022	\$0	\$(130,001)
8	Cut CPT for Neighborhood Traffic Control Program		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	13000 - Transportation Fund	2022	\$0	\$(82,153)
9	Cut CPT for Seawall Maintenance		0	0	SDOT - TR000	SDOT - BC-TR-19001 - Major Maintenance/Replacement	13000 - Transportation Fund	2022	\$0	\$(209,001)
10	Cut CPT for Waterfront Transportation Infrastructure Maintenance		0	0	SDOT - TR000	SDOT - BC-TR-16000 - Central Waterfront	13000 - Transportation Fund	2022	\$0	\$(100,000)
11	Add REET II for Bridge Seismic - Phase III		0	0	SDOT - TR000	SDOT - BC-TR-19001 - Major Maintenance/Replacement	30020 - REET II Capital Fund	2022	\$0	\$130,001
12	Add REET II for Fortson Square Redesign Implementation		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	30020 - REET II Capital Fund	2022	\$0	\$400,000
13	Add REET II for Neighborhood Traffic		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	30020 - REET II Capital Fund	2022	\$0	\$282,153

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Control Program	Action	Option	Version	SDOT - TR000	SDOT - BC-TR-19001 - Major Maintenance/Replacement	30020 - REET II Capital Fund	2022	\$0	\$209,001	
14	Add REET II for Seawall Maintenance		0	0	SDOT - TR000	SDOT - BC-TR-19001 - Major Maintenance/Replacement	30020 - REET II Capital Fund	2022	\$0	\$209,001
15	Add REET II for Thomas Street Redesigned		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	30020 - REET II Capital Fund	2022	\$0	\$764,837
16	Add REET II for Waterfront Transportation Infrastructure Maintenance		0	0	SDOT - TR000	SDOT - BC-TR-16000 - Central Waterfront	30020 - REET II Capital Fund	2022	\$0	\$100,000
17	Add REET II for West Marginal Way Safe Street and Accessibility Improvements		0	0	SDOT - TR000	SDOT - BC-TR-19003 - Mobility-Capital	30020 - REET II Capital Fund	2022	\$0	\$500,000