

Budget Deliberations

SEATTLE DEPARTMENT OF TRANSPORTATION

Calvin Chow, Legislative Analyst, Council Central Staff

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Table 1 - Expenditures/Revenues (\$ in 1,000's)

	2016 Adopted	2017 Proposed	% Change 2016-2017	2018 Proposed	% Change 2017-2018
Operations & Maintenance (O&M)					
Expenditures by Budget Control Level (BCL)					
Mobility-Operations	\$85,463	\$91,846	7%	\$91,324	(1%)
Street Maintenance	\$25,146	\$30,427	21%	\$30,222	(1%)
Bridges & Structures	\$11,576	\$11,760	2%	\$12,021	2%
Engineering Services	\$3,969	\$3,776	(5%)	\$3,810	1%
ROW Management	\$30,355	\$32,726	8%	\$32,515	(1%)
Urban Forestry	\$5,381	\$5,586	4%	\$5,724	2%
Department Management	\$2,867	\$386	(85%)	\$951	146%
General Expense	\$30,364	\$38,466	27%	\$39,816	4%
Total O&M BCL's	\$195,122	\$214,973	10%	\$216,384	1%
Mobility-Capital	\$87,746	\$82,841	(6%)	\$232,557	181%
Major Maint/Replacement	\$76,575	\$69,282	(10%)	\$75,047	8%
Major Projects	\$131,592	\$73,547	(44%)	\$37,141	(50%)
Total Capital BCL's	\$295,913	\$225,670	(24%)	\$344,745	53%
Total Expenditures	\$491,035	\$440,644	(10%)	\$561,129	27%
Total Full-time Equivalents (FTEs)	844 FTE	883.5 FTE	5%	883.5 FTE	0%

	2016 Adopted	2017 Proposed	% Change 2016-2017	2018 Proposed	% Change 2017-2018
Revenues					
General Fund Support	\$44,308	\$46,058	4%	\$44,445	(4%)
School Zone Camera Funds	\$8,568	\$5,994	(30%)	\$4,152	(31%)
Taxes	\$169,939	\$177,034	4%	\$181,926	3%
Bond Proceeds	\$108,066	\$55,296	(49%)	\$42,235	(24%)
Fees	\$29,697	\$31,845	7%	\$32,198	1%
Charges for Service	\$85,183	\$78,906	(7%)	\$70,602	(11%)
Grants	\$19,834	\$11,308	(43%)	\$63,162	459%
Anticipated Grants	\$0	\$0	-	\$81,559	-
Property Sales	\$3,909	\$9,400	140%	\$26,300	180%
Transfers - Other Funds	\$34,885	\$26,632	(24%)	\$14,387	(46%)
Use of Fund Balance	(\$13,355)	(\$1,830)	(86%)	\$162	(109%)
Total Revenues	\$491,035	\$440,644	(10%)	\$561,129	27%

Totals may not exactly reflect sum of line items due to rounding.

Dollars rounded to nearest \$1,000; percentages to nearest 0.1%.

Interactive Budget Page Link:

<http://www.seattle.gov/city-budget/2017-18-proposed-budget/transportation>

INTRODUCTION

Council began an initial discussion of the Seattle Department of Transportation's (SDOT) proposed budget during the October 10, 2016 department overview presentation (Central Staff memo available [here](#)). This paper is intended to build on that discussion and tee up potential issues and specific budget actions for Council's consideration.

It is worth noting that SDOT's budget has grown significantly in recent years. This is largely driven by the capital program and the passage of voter-approved measures including Seawall bonds, Seattle Transportation Benefit District (STBD) Proposition 1, and Move Seattle. The increase is also reflected in the department's employment count.

Table 2. SDOT Budget History

Budget Year	Expenditures (in \$1,000s)	FTE	Notes
2013 Adopted	\$320,993	727.5	First year of Seawall bonds
2014 Adopted	\$408,628	758.5	
2015 Adopted	\$429,366	794.0	First year of STBD Prop 1
2016 Adopted	\$491,035	844.0	First year of Move Seattle
2017 Proposed	\$440,644	883.5	
2018 Proposed	\$561,129	883.5	

The proposed budget adds 39.5 full-time equivalent (FTE) positions, of which 20.0 FTE are associated with new budget proposals. The new budget proposals include 7.0 FTE to improve traffic incident management, 12.0 FTE for construction of Move Seattle projects, and 1.0 FTE to coordinate construction projects in city right-of-way. The remaining position adjustments reflect Move Seattle positions approved after the 2016 budget was adopted, transfer of positions to Seattle Information Technology, and reconciliation with employment records from Seattle Department of Human Resources.

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1. CAPITAL PROJECT OVERSIGHT

Several Councilmembers have expressed their intent to pursue more aggressive oversight of capital projects during budget review. During the SDOT Department Overview discussion, Central Staff identified several large capital projects that are included in the Capital Improvement Plan (CIP) but have not yet begun construction. Once construction begins on these projects, the City is essentially committed to their completion and has limited options for addressing changes to project scope, schedule, or budget. Council may want to consider budget actions to implement additional Council oversight of capital projects before construction begins.

Central Staff have prepared preliminary options for Council consideration. These options are not exhaustive or mutually exclusive:

a. Proviso large projects contingent on securing all needed funding.

The proposed CIP includes projects with significant funding gaps, such as the Lander Grade Separation Project (\$27.5 million unsecured funding) and the Center City Streetcar (\$7 million unsecured, after FTA grant). Council may wish to impose provisos limiting spending on construction activities for specific projects or for groups of projects until the City has secured all funding needed for the project

b. Proviso large projects contingent on receipt of a financial operating plan.

The proposed CIP includes projects that carry on-going operational costs, such as the Center City Streetcar project (\$15.5 million on-going operational costs). Council may wish to prohibit construction of the Center City Streetcar, and possibly other capital projects, until Council approves a financial operating plan for the project.

c. Proviso large projects to report to Council at specified design milestones.

The proposed CIP includes projects that are in early project development and have undefined scope, such as the Move Seattle transit corridor projects. Council may wish to require SDOT to report to Council at specific design milestones for selected projects.

d. Budget legislation that would prevent SDOT from applying for large grants without Council approval.

When applying for grants, SDOT represents the City's commitment to build the proposed project. Currently, there is no formal, comprehensive mechanism to document Executive and Council support prior to a grant application. A recent example was the 2015 TIGER grant application for Northgate Pedestrian Bridge and bike share expansion. Council may wish to consider an ordinance to prohibit SDOT from applying for grants of \$5 million or larger in 2017, without preapproval from Council. The ordinance would itemize the list of CIP projects for which SDOT is authorized to submit grant funding applications. The ordinance would be permissive; SDOT would be permitted to seek grants for any of the listed project, rather than required to seek grants for all of the listed projects. The ordinance could (a) be amended during the course of the year if new grant opportunities were pressing, and (b) become standard budget legislation for SDOT.

2. LANDER

The Lander Grade Separation project would provide a four-lane bridge structure and pedestrian/bicycle crossing of railroad tracks in the SODO. The project is currently at 30% design and has a total cost estimate of \$142.5 million. SDOT has identified a remaining funding gap of \$27.5 million and is working with potential funding partners, including the Port of Seattle and the Burlington Northern-Santa Fe Railway. SDOT intends to complete design in 2017 and begin construction in 2018.

Councilmember Proposal

a. Add \$27.5 million to fully funding the Lander Grade Separation project – Councilmember Herbold

This proposal would fully fund the Lander Grade Separation project. Potential funding options include:

- a. additional Pacific Place Garage revenues;
- b. bonded Commercial Parking Tax (CPT) revenues;
- c. reduction in CPT backed bonds for the Center City Streetcar; or
- d. some combination of these or other sources

3. SIDEWALKS

The proposed budget accelerates Move Seattle funding for new sidewalks and reflects increased funding from school zone traffic cameras to deliver 68 blocks of new sidewalks in 2016 and 2017. The proposed CIP includes three projects related to Pedestrian Master Plan implementation. The 2016 spending for new sidewalks reflects additional funding proposed in the 3rd Quarter Supplemental Budget.

Table 3. Pedestrian Master Plan (PMP) spending (in \$1,000's)

2017-2022 Proposed CIP	2016 Revised	2017 Proposed	2018 Proposed
PMP - New Sidewalks	\$21,087	\$11,854	\$5,700
PMP - School Safety	\$3,048	\$3,167	\$2,492
PMP Implementation	\$7,392	\$8,730	\$7,730
Total Spending	\$31,527	\$23,751	\$15,922

Councilmember Proposals

a. Add \$535,000/1.0 FTE to conduct a Sidewalk Assessment Study – Councilmembers O'Brien and Johnson

This proposal would add one-time funding of \$400,000 and 1.0 FTE (temporary/\$135,000) to conduct a sidewalk condition assessment. SDOT conducted limited assessments as part of the 2009 Pedestrian Master Plan, but SDOT does not have a current assessment of Seattle's sidewalks. A condition assessment will support smart investments in sidewalk repairs.

b. Add \$500,000 to fund Meadowbrook sidewalk - Councilmember Juarez

This proposal would direct SDOT to complete one block of new sidewalk along NE 110th St, between 35th Ave NE and 36th Ave NE in 2017. This section of sidewalk was recommended by the North District Council in 2009 for Bridging the Gap funds, and it provides a crucial link to John Rogers Elementary, Jane Addams Middle School and Nathan Hale High School. The project is currently at 10% design and is on SDOT's 2019 work plan for construction. SDOT is

seeking additional grant funding for the project. This proposal would fully fund and prioritize the project for 2017.

c. *Include a Statement of Legislative Intent (SLI) on Sidewalk Implementation – Councilmember Juarez*

This proposed SLI would ask SDOT to clarify how the department prioritizes all sidewalk projects and report on the development of and updates to the PMP Implementation Plan. The intent is for SDOT to provide a clear ranking of departmental priorities and timelines for all sidewalk projects (including repair and new sidewalks), similar to how SDOT ranks and completes Safe Routes 2 School walkway projects. The report shall include a list of what projects are being done, when they are expected to be complete and the rationale for the order that has been set.

d. *Include a SLI for a Crosswalk Pilot – Councilmember Johnson*

This proposed SLI would ask SDOT to explore allowing communities to contribute private funding for SDOT to develop crosswalks and to develop a Community Funded Crosswalk Pilot. In recognition of potential equity concerns, the pilot should stipulate that a portion of contributed funds support new crosswalks in underfunded neighborhoods. The SLI would request that SDOT report on how community and equity goals could be met through a pilot project.

e. *Increase Red Light Camera revenue dedicated to School Safety – Councilmember Herbold*

This proposal would increase the amount of Red Light Camera revenue directed to the School Safety Traffic and Pedestrian Improvement Fund (SSTPIF). Currently 10% of Red Light Camera revenue goes to these programs, with the remaining funds supporting the General Subfund (GSF); this proposal would increase the percentage to 20%. The proposal would result in (a) an increase in the SSTPIF of \$425,000 for 2017 and \$400,000 for 2018; and (b) a corresponding decrease in GSF revenue.

4. BICYCLE INFRASTRUCTURE

The proposed CIP includes several projects related to Bicycle Master Plan (BMP) implementation. Programmatic spending on the BMP Implementation CIP project is approximately \$9.2 million/year. The \$19.3 million of revised 2016 spending is larger than planned annual spending in 2017 and 2018 largely because of deferred 2015 spending that occurs in 2016.

Table 4. BMP spending (in \$1,000's)

2017-2022 Proposed CIP	2016 Revised	2017 Proposed	2018 Proposed
Bicycle Master Plan BMP Implementation	\$19,310	\$9,165	\$9,180
Burke-Gilman Trail Extension	\$4,908	\$0	\$2,000
Cheshiahud Lake Union (Westlake) Trail	\$4,289	\$0	\$0
Northgate Bridge and Cycle Track	\$4,889	\$4,510	\$679
Northgate Bike and Pedestrian Improvements	\$1,773	\$601	\$227
BMP Spending	\$35,169	\$14,275	\$12,086

Councilmember Proposal

a. Accelerate \$5 million of Move Seattle bicycle infrastructure projects – Councilmember O'Brien

This proposal would allocate an additional \$5 million to accelerate the implementation of the BMP in 2017. This would be offset by commensurate funding decreases in out years of Move Seattle. The funding would include a proviso requiring SDOT to develop a spending plan that emphasizes connecting existing bike facilities to create a citywide network. This proposal may require an interfund loan to accelerate spending against future revenue.

5. BIKE SHARE

The proposed budget includes \$4.7 million to replace the existing bike share system with a larger all-electric pedal-assist system. SDOT intends to seek Council approval to execute a contract for bike share expansion in December 2016 or early 2017. The proposed budget also includes \$600,000 of Commercial Parking Tax revenues for bike share operations in 2017 and in 2018. The contract to operate the existing bike share system expires at the end of 2016. SDOT may propose to continue operation of the existing system on a month-to-month or fixed-term basis until the deployment of the new system.

Councilmember Proposals

a. Proviso all bike share funding – Councilmember Burgess

This proposal would proviso all capital and operating bike share funding (including the Commercial Parking Tax, Ride Share Tax Credit, and associated grants), contingent on future Council ordinance. Under current budget legislation, there is an outstanding spending proviso on \$3.55 million of Commercial Parking Tax for capital expansion.

b. Redirect \$600,000 of bike share operating funds – Councilmember Herbold

This proposal would cut the \$600,000 for bike share operations in 2017 and in 2018, resulting in the shut-down of the current system in January 2017. The proposal would equally redistribute these funds to the Bicycle Master Plan Implementation, Pedestrian Master Plan Implementation, and Pedestrian Master Plan-School Safety CIP projects (\$200,000 each in 2017 and 2018).

6. ORCA LIFT FUNDING

The proposed budget includes \$2 million of Seattle Transportation Benefit District (STBD) funds to support transit access for low-income riders, as approved by STBD Proposition 1. This funding includes \$350,000 to support the Downtown Circulator (previously funded with General Subfund revenues), \$1 million to support Youth ORCA passes, and \$650,000 for a variety of outreach and marketing efforts including a pilot program to distribute ORCA LIFT cards through human service providers.

Councilmember Proposal

a. Redirect \$650,000 to distribute transit passes through human service providers – Councilmember O'Brien

This proposal would direct all of the \$650,000 of STBD funds currently identified for outreach and marketing to expand the existing pilot program for distributing ORCA LIFT cards through contracts with human service providers. SDOT would also be asked to explore the possibility of using the ORCA LIFT passport program to provide a transit pass, rather than a pre-loaded card, as part of this program.

7. CORRIDOR IMPROVEMENTS, TRAFFIC SAFETY AND CONGESTION EFFORTS

The proposed budget supports a number of ongoing projects to improve transportation safety and address congestion.

Councilmember Proposal

a. Add \$150,000 for North Beacon Hill safety planning – Councilmember Harrell

This proposal would provide \$150,000 in one-time funding for SDOT to complete a multi-modal transportation study for North Beacon Hill.

b. Advance \$2 million of Move Seattle funding for Accessible Mount Baker design – Councilmember Harrell

This proposal would provide \$2 million to fund the Accessible Mount Baker project to 30% design in order to allow the project to better compete for federal grants. The proposed CIP includes funding for this project in 2020, as part of the Rainier/Jackson Corridor project. This proposal would advance the funding to 2017. This proposal may require an interfund loan to accelerate spending against future revenue unless comparable spending on other projects is deferred.

c. Add \$2 million for the Rainier Ave Road Safety Corridor project – Councilmember Harrell

This proposal would provide funding to implement the next phase of the Rainier Ave Road Safety Corridor project.

d. Add \$100,000 for West Seattle Bridge studies – Councilmember Herbold

This proposal would provide one-time funding for two traffic management studies including: (1) evaluate the feasibility of traffic management modifications to improve the eastbound Spokane St Viaduct connection to I-5; and (2) evaluate the City's ability to share data with the Federal Railroad Administration to better manage and enforce rules regulating the blockage of public grade crossings by trains.

8. PARKING

In 2010, Council delegated the authority to establish paid parking areas and set rates to the SDOT Director for the purposes of managing on-street occupancy. SDOT has installed paid on-street parking in Downtown and the surrounding Center City neighborhoods, the University District, Ballard, Roosevelt, and Green Lake.

Councilmember Proposal

a. *Add \$150,000 for a Parking Benefit District Pilot – Councilmember Burgess*

This proposal would provide one-time funding for the development of a parking benefit district pilot program in the Capitol Hill EcoDistrict. This proposal could include a proviso on a portion of the GSF support that is transferred to SDOT to ensure that the funding is spent consistent with Council priorities.

b. *Add \$585,000/3.0 FTEs to fund additional studies for new parking areas – Councilmember O'Brien*

This proposal would provide on-going funding to add 3 positions and \$180,000 for consultant services in SDOT's Community Access and Parking Program. This would allow SDOT to conduct additional data collection, intercept surveys, and community engagement to evaluate new areas for paid parking to better manage parking utilization. With this additional allocation, SDOT would be able to cover most neighborhood business districts over a three-year period, while continuing regular monitoring efforts in all parking areas.

c. *Adjust maximum and minimum rates for parking fees – Councilmember O'Brien*

This proposal would require budget legislation to set the maximum parking rate to \$6.00/hour and set the minimum to \$0.50/hour. The current maximum rate is \$4.00/hour and the current minimum is \$0.75/hour. This change would allow SDOT to better manage parking areas where current use patterns warrant additional rate flexibility. Based on parking occupancy data collected in 2016, the proposed change would lead SDOT to (a) raise rates in five areas above the current \$4/hour maximum rate; and (b) lower the rates in 5 other areas below the current \$0.75 rate.

9. REVENUE DEVELOPMENT

SDOT relies on a variety of revenue sources to fund transportation projects and programs, including taxes, fees, external grants, and GSF support.

Councilmember Proposal

a. *Increase the Commercial Parking Tax by 5% – Councilmember Sawant*

This proposal would increase the Commercial Parking Tax rate from 12.5% to 17.5%. The Commercial Parking Tax is levied on the total value of commercial parking transactions. Depending on the demand response, the increase could generate between \$10 million to \$15 million of additional revenue per year. Revenue from this tax increase must be spent on transportation purposes.

b. *Implement a \$25 per FTE Employee Hours Tax – Councilmember Sawant*

This proposal would implement a new \$25 per FTE Employee Hours Tax. The tax would be similar to the Bridging the Gap Employee Hours Tax that was in place from 2006-2009, but would eliminate exemptions and reporting requirements that proved problematic to administer. Assuming a six month lag in implementation, the tax would generate

approximately \$5 million in 2017, and \$10 million/year in the following years. Revenue from this tax could fund transportation purposes or other general fund purposes.

c. Add \$135,000/1.0 FTE for Revenue Development – Councilmember O'Brien

This proposal would fund 1.0 FTE in the Revenue Development Program to pursue additional grant and partnership funding opportunities, and provide lead coordination for grant applications and reporting requirements.