

Seattle Department of Transportation

Staff: Calvin Chow

Budget Summary (\$ in 000s)

	2020 Adopted	2021 Proposed	% Change
Appropriations by BSL			
Operating			
a. Mobility Operations	\$117,721	\$52,050	(55.8%)
b. Bridges & Structures	\$14,939	\$14,385	(3.7%)
c. Waterfront and Civic Projects	\$41,500	\$30,612	(26.2%)
d. Maintenance Operations	\$38,722	\$53,961	39.4%
e. ROW Management	\$40,114	\$42,995	7.2%
f. South Lake Union Streetcar Operations	\$4,357	\$4,224	(3.0%)
g. First Hill Streetcar Operations	\$9,421	\$9,466	0.5%
h. General Expense	\$54,641	\$55,286	1.2%
i. Leadership and Administration	\$1,584	\$908	(42.7%)
Operating Subtotal	\$322,999	\$263,888	(18.3%)
Capital			
j. Mobility-Capital	\$210,558	194,579	(7.6%)
k. Major Maintenance/Replacement	\$107,135	79,944	(25.4%)
l. Major Projects	\$109	806	637.2%
m. Central Waterfront	\$98,128	68,650	(30.0%)
Capital Subtotal	\$415,930	\$343,979	(17.3%)
Total Appropriations¹	\$738,929	\$607,867	(17.7%)
Total FTEs	\$958	\$1,079	12.6%
Revenues/Funds/Resources²			
n. General Fund	\$49,712	\$58,649	18.0%
o. Transportation Fund	\$391,098	\$282,964	(27.6%)
p. Interfund Loan to Transportation Fund	\$0	\$25,000	n/a
q. Move Seattle Levy Fund	\$140,757	\$110,145	(21.7%)
r. STBD Fund	\$84,652	\$16,683	(80.3%)
s. SSTPI Fund	\$10,621	\$7,327	(31.0%)
t. Seattle Streetcar Operations	\$13,778	\$13,691	(0.6%)
u. Real Estate Excise Tax II	\$19,345	\$17,648	(8.8%)
v. LTGO Bond Funds	\$14,504	\$66,260	356.8%
w. Waterfront LID Bond	\$7,008	\$0	(100.0%)
x. Central Waterfront Fund	\$7,455	\$9,500	27.4%
Total Revenues	\$738,929	\$607,867	(17.7%)

¹ Numbers may not add up due to rounding.

² This table includes use of fund balance to match appropriations.

I. Background

The Seattle Department of Transportation (SDOT) faces ongoing financial pressures related to the COVID-19 response and the resulting economic recession. Reduced revenue projections for 2020 and 2021 will require significant budget reductions in the 2021 Budget.

As shown in the budget summary table, the Proposed Budget includes \$607.9 million of SDOT spending, which represents a 17.7 percent decrease from spending levels in the 2020 Adopted Budget. Of these appropriations, \$263.9 million is to support operations and \$344.0 million is to fund capital projects.

While SDOT's proposed operational spending is 18.3 percent less than 2020 spending levels, this includes technical and policy changes that do not allow for a good direct comparison. The Proposed Budget includes a \$66.9 million technical reduction related to the expiration of the 2014 voter-approved transit measure (discussed in item II-6), and a \$15.8 million increase related to the transfer of parking enforcement responsibilities from the Seattle Police Department (SPD; discussed in item II-5). Excluding these policy adjustments, SDOT's proposed operational spending reflects a 2.5 percent reduction from 2020 spending levels.

SDOT's proposed capital spending in 2021 is 17.3 percent less than 2020 spending levels. While SDOT's capital spending typically varies from year to year based on project status and schedule, the proposed capital reductions in 2021 reflect a proposed delay or suspension of several capital projects to help address the funding gap. Many of these projects are funded in part by the Move Seattle Levy, and the 2021-2026 Proposed Capital Improvement Program (CIP) includes project funding adjustments over the remaining four years of the levy (discussed in item II-3 below). The bulk of this paper will highlight contextual issues to assist Council's review of the budget proposal, summarize SDOT specific legislation related to the budget, and list issues raised by Councilmembers for further discussion during budget deliberations.

II. Contextual Issues and Issue Identification

1. Financial Constraints

The COVID-19 pandemic and subsequent economic recession pose significant financial constraints on SDOT's 2020 spending and the development of the 2021 Proposed Budget. The 2021 Proposed Budget would include fewer resources for SDOT at the beginning of 2021 than had been anticipated by the 2020 Adopted Budget. SDOT's Budget Overview (p. 434 of the Proposed Budget) identified an \$85.1 million funding gap for the department heading into budget development. This was a CBO/SDOT point-in-time analysis that reflected lower ending fund balances in 2020 and lower revenue projections in 2021.

To illustrate this decline in SDOT's financial condition, Central Staff compared fund balance and revenue projections from the published 2020 Adopted Budget to those included in the 2021 Proposed Budget. Table 1 compares the difference in the projected 2021 starting fund balance for transportation-restricted funds between the 2020 Adopted Budget and the 2021 Proposed Budget.

Table 1: Comparison of 2021 Beginning Fund Balance (\$ in 000s)

	2021 Projection in 2020 Adopted Budget	2021 Projection in 2021 Proposed Budget	Change in 2021 Projection
Beginning 2021 Fund Balance for Transportation Restricted Funds			
a. Transportation Fund	\$44,302	\$4,528	(\$39,774)
b. Move Seattle Levy	\$43,099	\$7,931	(\$35,168)
c. Seattle Transportation Benefit District Fund	\$29,693	\$17,649	(\$12,044)
d. School Safety and Pedestrian Improvement Fund	\$3,707	\$1,268	(\$2,439)
e. Seattle Streetcar Operations Fund	\$1,790	\$1,476	(\$314)
Cumulative Impact			(\$89,739)

Source: Financial Plans in the 2020 Adopted Budget and 2021 Proposed Budget.

While Table 1 shows only restricted transportation funds,¹ these funds show a cumulative net reduction of nearly \$90 million compared to previous projections of beginning fund balance. These updated projections in the 2021 Proposed Budget reflect SDOT's cost-cutting efforts and use of fund balance to offset reduced revenue as part of the 2020 Budget rebalancing.

Transportation revenues in 2021 are also projected to be lower than had been anticipated in the 2020 Adopted Budget. Table 2 identifies the change in projected 2021 revenues for six selected SDOT revenue sources. This information is intended to be illustrative and does not reflect other sources of SDOT funding such as fees, grants, reimbursable charges, or General Fund support.

Table 2: Comparison of 2021 Revenue Estimates (\$ in 000s)

	2021 Projection in 2020 Adopted Budget	2021 Projection in 2021 Proposed Budget	Change in 2021 Projection
Estimated 2021 Revenue from Selected Sources			
a. Commercial Parking Tax	\$46,963	\$38,756	(\$8,207)
b. Motor Vehicle Fuel Tax	\$16,042	\$14,150	(\$1,892)
c. Property Tax (Move Seattle Levy)	\$106,370	\$103,234	(\$3,136)
d. Vehicle License Fee (\$20)	\$8,402	\$7,255	(\$1,147)
e. Traffic Camera Revenue	\$14,979	\$13,187	(\$1,792)
f. Streetcar Fares (farebox and ORCA pass revenue)	\$1,658	\$1,172	(\$486)
Cumulative Impact			(\$16,660)

Source: Financial Plans in the 2020 Adopted Budget and 2021 Proposed Budget.

¹ SDOT also draws on resources in the General Fund, Real Estate Excise Tax Fund, and LTGO Bond Fund. These funds support general government activities and fund multiple departments. Table 2 excludes the Central Waterfront Improvement Fund, which funds activities across multiple departments specific to the Waterfront project.

While Table 2 is not a complete picture of SDOT's anticipated 2021 revenue, it illustrates the continued impacts of the COVID-19 recession. These six revenues sources show a cumulative reduction of nearly \$16.7 million in anticipated 2021 revenue. Together, Table 1 and Table 2 demonstrate the financial constraints on SDOT consistent with the Executive's identified \$85.1 million funding gap cited in the SDOT budget narrative.

To address these budget shortfalls, the Proposed Budget would reduce operational and capital spending by roughly \$60 million and proposes a short-term \$25 million interfund loan through 2024 (discussed in item III-4). The interfund loan would allow SDOT to spread operational cuts across four years as the economy is expected to recover. Without the interfund loan, SDOT would need to either further reduce spending or identify other revenue sources to maintain a balanced 2021 budget as required under state law.

Options:

- A. Contextual budget issue. No staff options identified at this time.

2. Position Reductions

As a cost-cutting measure to balance SDOT's budget, the Executive has proposed abrogating three positions (3.0 FTE) and defunding an additional 30 positions (29.5 FTE). Nine of these positions are currently filled and would be subject to lay-offs. Together with proposed reductions in travel, training, and supply budgets, this proposal would result in roughly \$5.2 million of cost savings.

The proposed budget retains the position authority for the 30 defunded positions. This would allow SDOT to rehire the positions in the future, when SDOT's financial position improves, without future Council action on position authority. While this approach may allow SDOT to rehire positions more quickly, the department would need future legislative approval for additional appropriations (or would need to implement offsetting spending cuts) to support these positions if rehired in the future.

While the Proposed Budget impacts a number of positions within SDOT, the bulk of the proposed reductions are in the capital program. SDOT believes this approach will retain staff expertise and maintain continuity of programs as the economy recovers and SDOT's financial position improves.

Options:

- A. Council may wish to consider reducing SDOT's position authority to match the proposed funding reductions.
- B. No action.

3. Move Seattle Levy

Much of SDOT’s proposed 2021 spending reductions will impact SDOT’s capital program and the projects funded by the Move Seattle Levy. Approved by voters in November 2015,² the Move Seattle Levy is a nine-year property tax which is anticipated to raise a total of \$930 million for transportation projects. The measure will expire at the end of 2024.

The Move Seattle Levy was presented to voters as a way to leverage local funding (*i.e.*, other SDOT revenue sources) and external funding (*i.e.*, grants and external partnerships). Over the remaining four years of the levy (2021-2024), SDOT’s baseline Move Seattle program anticipated \$808.4 million of total spending (combined levy, local, and leveraged funding over four years). With the impact of COVID-19 and predicted gradual economic recovery, the 2021 Proposed Budget anticipates that this available funding will decrease by \$60.7 million to a revised four-year total of \$747.7 million. Table 3 shows the change in 2021-2024 sources of available funding for Move Seattle projects.

Table 3: 2021-2024 Funding for Move Seattle Projects (\$ in millions)

	Baseline (2020 Adopted Budget)	Revised (2021 Proposed Budget)	Change
Funding Source for Move Seattle Projects			
a. Move Seattle Levy funds	\$409.2	\$411.0	\$1.8
b. Local transportation funds	\$162.2	\$90.6	(\$71.6)
c. Secured external leveraged funds	\$72.6	\$206.1	\$133.5
d. Unsecured (TBD) leveraged funds	\$164.4	\$40.1	(\$124.3)
Four-Year Total	\$808.4	\$747.7	(\$60.7)

Source: SDOT [Presentation](#) to Move Seattle Levy Oversight Committee, October 6, 2020.

Table 3 shows that revenue from the Move Seattle levy (property tax) remains stable and that the overall reduction is due to the loss of local transportation revenues (\$71.6 million during the remaining four years of the levy). The table also shows that SDOT has been largely successful in securing external funding (shifting unsecured leveraged funds to secured leveraged funds) with a small increase in total identified external funding (net \$9.2 million increase).

The 2021 Proposed Budget includes issuing \$22 million of debt (Limited Tax General Obligation Bonds) specifically for Move Seattle projects, to be repaid with Move Seattle levy proceeds by the end of 2024. This short-term financing would allow SDOT to level capital spending across the remaining four years of the levy, instead of taking larger capital cuts in 2021. The baseline Move Seattle portfolio did not include any reliance on debt financing.

The Move Seattle portfolio includes 30 programs, organized under three spending categories established in the Move Seattle authorizing legislation. A summary of the revised Move Seattle spending reductions for 2021-2024 by category is shown in Table 4.

² Authorized by Ordinance [124796](#).

Table 4: 2021-2024 Move Seattle Spending (\$ in millions)

	Baseline (2020 Adopted Budget)	Revised (2021 Proposed Budget)	Change
Move Seattle Spending Category			
a. Safe Routes (eight programs)	\$184.1	\$171.1	(\$13.1)
b. Congestion Relief (nine programs)	\$402.2	\$386.9	(\$15.3)
c. Maintenance and Repair (13 programs)	\$222.1	\$189.7	(\$32.3)
Four Year Total	\$808.4	\$747.7	(\$60.7)

Source: SDOT [Presentation](#) to Move Seattle Levy Oversight Committee, October 6, 2020.

To achieve these spending reductions, SDOT is proposing to pause work on a number of projects, including:

- Vision Zero: 1st Ave S. Safety Corridor, Central Business District safety enhancements.
- 23rd Ave Phase 3.
- Fautleroy Way SW Boulevard.
- New Sidewalks projects: 24th Ave SW/Longfellow Creek, S Brandon St.
- Contribution to Sound Transit Graham St infill station.
- 12th Ave NE (67th Ave NE to Lake City Way) paving.
- NW 36thSt/Fremont Pl W paving (Route 44 project overlap).
- NW Market St (15th Ave NW to 24th Ave NW) paving.

SDOT presented the revised spending plan to the Move Seattle Levy Oversight Committee on October 6, 2020. The committee will provide written comment on the proposal to Council for consideration during budget deliberations, and the committee will continue to be engaged in the ongoing assessment and oversight of the Move Seattle portfolio.

The Executive has transmitted legislation related to Move Seattle in support of the 2021 Proposed Budget, including a Council Bill to adjust the levy’s categorical spending requirements and a Council Bill to suspend the levy’s minimum General Fund requirement for 2021. Both Council Bills are discussed further in Section III of this paper.

Options:

- A. Council may wish to reprioritize spending within the Move Seattle portfolio. Please see **budget actions** proposed by Councilmembers in section IV of this paper.
- B. No action.

4. West Seattle Bridge

On March 23, 2020, SDOT closed the West Seattle Bridge to traffic due to the observed rapid growth of cracks in the concrete center section of the structure. SDOT is undertaking stabilization measures³ to prevent the further deterioration of the structure and to avoid a

³ Stabilization measures include wrapping the affected girders with carbon fiber reinforced polymer material and installing new external post-tensioning supports.

potential collapse. These initial stabilization measures are intended to protect public safety and maintain navigation in the Duwamish waterway, but SDOT does not expect these measures alone to allow for general purpose traffic to return to the bridge. SDOT is currently evaluating options for the long-term repair or replacement of the center structure, and the Mayor is expected to announce a preferred solution later this year. In 2020, Council hired a structural engineering consultant to advise on technical issues in support of Council's oversight of the project.

While the West Seattle Bridge is out of service for all vehicles, traffic to and from West Seattle is diverted to the Spokane Street Swing Bridge (restricted for transit and freight use), the First Avenue South Bridge, and the South Park Bridge. SDOT has established the [Reconnect West Seattle](#) program to reduce the impacts of diversion on neighboring communities and encourage reduced vehicle use. SDOT has convened a Community Task Force to advise on traffic mitigation improvements and to provide community input on the replace or repair decision.

To pay for these unexpected costs in 2020, Council approved a \$70 million interfund loan to be repaid by December 31, 2021.⁴ The 2021 Proposed Budget includes issuing \$100 million of debt (Limited Tax General Obligation Bonds) to fully repay the interfund loan and provide an additional \$30 million of project funding in 2021.⁵

All project costs related to stabilization, repair or replacement, and mitigation measures are included in the West Seattle Bridge Immediate Response (MC-TR-C1110) CIP Project. The total project cost is not known at this time and will depend on the decision to repair or replace the structure. SDOT anticipates issuing an additional \$50 million of bonds in 2022 and intends to seek external funding to support the project.

To pay for on-going debt service on the bonds, the Proposed Budget allocates Real Estate Exercise Tax (REET) proceeds. In August 2020, Council revised the financial policies governing REET to explicitly authorize the payment of debt service on the West Seattle Bridge.⁶ Debt service for the \$100 million bond is estimated to be \$7.7 million annually for 20 years.

Options:

- A. Council may wish to identify funds within the Legislative Department budget to provide for continued consultant services in support of Council's review and oversight of the project.
- B. See **Budget Action #3** proposed by CM Herbold.
- C. No action.

⁴ Authorized by Ordinance [126161](#).

⁵ The repayment of the \$70 million interfund loan is paid through the LTGO Bond Fund and is not included in the SDOT budget.

⁶ Adopted by Resolution [31952](#). The revised financial policies limit the average annual debt service over the six-year CIP period to a maximum of 30 percent of the anticipated REET revenues over the six years and a maximum of 50 percent in any one year. In addition to allowing REET to be spent on debt service for the West Seattle Bridge, the revised policies also allow for REET to pay debt service on debt issued in 2021 and 2022 for REET eligible capital projects; this change is intended to provide flexibility in addressing the financial impacts of COVID-19.

5. Transfer of Parking Enforcement Officers from SPD to SDOT

The 2021 Proposed Budget would transfer parking enforcement responsibilities from SPD to SDOT. This proposal includes the transfer of 120 existing positions that currently comprise the Parking Enforcement Office (PEO) in SPD. This includes 106 Parking Enforcement Officers, 12 Parking Enforcement Officer Supervisors, one Manager3 position, and one Admin Spec II-BU position. In addition, the Proposed Budget would create three new positions (one Executive2 position, one Management Systems Analyst Sr position, and one Personnel Specialist Sr position) to support the unit within SDOT.

To provide funding, the Proposed Budget would transfer \$15 million of General Fund appropriations from SPD to SDOT and would abrogate an additional four SPD positions (3.5 FTE) that provided back office support for the unit within SPD. The Proposed Budget would also transfer an additional \$800,000 of General Fund appropriations from SPD to SDOT to support PEO overtime related to staffing special events.

The proposed transfer would consolidate parking enforcement, parking policy, and right-of-way management responsibilities under SDOT. As the PEO is a represented business unit, specific work duties and practices may need to be addressed through bargaining as these functions are integrated into SDOT. The Executive has proposed companion legislation to maintain the PEO's ability to direct traffic separate from SPD authority (described in item III-1 below).

Options:

- A. Contextual budget issue. No staff options identified at this time.
- B. See **Budget Action #4** proposed by CM Herbold.

6. Voter Approved Seattle Transportation Benefit District (STBD) Transit Measures

In November 2014, voters approved a six-year ballot measure to fund additional Seattle transit service by implementing a \$60 Vehicle License Fee (VLF) and a 0.1 percent sales tax.⁷ This funding allowed SDOT to pay for additional King County Metro bus service, transit infrastructure, and to support increased access to transit including subsidized ORCA transit passes for Seattle Public School high school students. This funding measure expires at the end of 2020.

In 2020, the impacts of COVID-19 reduced both VLF and sales tax revenues, as well as transit ridership demand. As a result, a regional effort to put a transit funding proposal before voters did not move forward. In July 2020, Council passed legislation to put a new Seattle transit proposal on the November 2020 ballot.⁸ The proposed measure would impose a 0.15 percent sales tax to fund additional King County Metro bus service, increased access to transit, transit infrastructure, and emerging mobility needs related to COVID-19 and the West Seattle Bridge.

⁷ The ballot measure was authorized by STBD [Resolution 12](#). The City assumed the powers of the STBD in 2016 by Ordinance [125070](#).

⁸ Authorized by Ordinance [126115](#).

As the 2014 transit funding measure expires in 2020, the Proposed Budget only includes a small amount of STBD fund balance that will carry forward into 2021. This fund balance would allow SDOT to continue paying for transit service until Metro's next service change date in March 2021. The 2021 Proposed Budget does not include any consideration of the proposed transit funding measure that is currently before voters on the November 2020 ballot.

Options:

- A. Contextual budget issue. No staff options identified at this time. If voters approve the November ballot measure, Central Staff will work with the Executive to prepare budget actions to account for the new revenue for Council's consideration.

7. Initiative 976 and Vehicle License Fee Authority

On October 15, 2020, the Washington State Supreme Court struck down Initiative 976.⁹ Initiative 976 was a statewide initiative that would have eliminated the City's ability to collect VLF revenue, including the VLF revenue from the voter-approved 2014 transit funding measure (described in item II-6 above). Separate from the 2014 transit funding measure, the City also collects a councilmanic \$20 VLF that supports general transportation infrastructure and maintenance.¹⁰

The 2021 Proposed Budget assumed that the City would prevail in the legal challenge to Initiative 976 and included the councilmanic \$20 VLF revenue and related appropriations.¹¹ No changes to the 2021 Proposed Budget are required to continue to collect this revenue. The existing councilmanic \$20 VLF is projected to raise \$7.25 million in 2021.

With Initiative 976 ruled unconstitutional, the City retains the ability to consider additional VLF taxing authority.¹² Under state law, Council could consider increasing the councilmanic \$20 VLF to \$40 and/or could consider asking voters to impose additional VLF fees.¹³ Under state law, the total amount of VLF collected is limited to a maximum of \$100 per vehicle.¹⁴ This limit would apply to the joint authority of any overlapping jurisdictions (*i.e.*, the Seattle Transportation Benefit District and the King County Transportation Benefit District) and combination of councilmanic and voter approved VLF. Such funding could support any eligible transportation improvements as defined in [RCW 36.73.015](#).

Options:

- A. Council may wish to consider raising additional VLF revenue as part of the 2021 Budget.

⁹ Garfield County Transp. Auth. et al. vs. State et al., No. [98320-8](#).

¹⁰ The councilmanic \$20 VLF was imposed in 2010 by STBD [Resolution 1](#). The City assumed the powers of the STBD in 2016 by Ordinance [125070](#).

¹¹ The City received a temporary injunction against Initiative 976 while the lawsuit was being adjudicated.

¹² RCW [36.73.065](#).

¹³ RCW 36.73.065 allows for a further increase (up to \$50 VLF) after a \$40 VLF has been in place for 24 months, with public notice requirements to allow for a proposition challenge.

¹⁴ RCW [82.80.140](#).

- B. Council may wish to consider raising additional VLF revenue as separate legislation after the 2021 Budget is adopted.
- C. No action.

8. Seattle Streetcar

As a cost saving measure in the 2020 Budget Rebalancing,¹⁵ the Executive paused work on the Center City Streetcar Connector indefinitely. No funding for the project is included in the 2021 Proposed Budget. The project is still listed in the Proposed 2021-2026 CIP, with federal grant and utility funds shown in the years 2023 through 2025, but no additional local transportation funding is identified, and the project shows a remaining unsecured funding gap of \$92.8 million.

SDOT continues to operate the existing South Lake Union and First Hill Streetcar lines, which reported ridership of 1,856,000 riders in 2019 prior to impact of COVID-19.¹⁶ In 2020, with a reduction in travel demand due to COVID-19, SDOT reduced the frequency of Streetcar service by 10 percent. The 2021 Proposed Budget would maintain the reduced level of service, however operating expenditures would remain roughly the same in 2021 as the anticipated cost savings (a \$700,000 reduction) would be mostly offset by escalating operating costs (a \$612,000 increase).

Fare revenue (including farebox and ORCA pass revenue) is projected to decrease from \$1.9 million in 2019 to \$750,000 in 2020.¹⁷ The 2021 Proposed Budget anticipates that fare revenue will recover to \$1.2 million in 2021 and return to pre-COVID-19 levels by 2023. The Streetcar System receives partnership funding from King County for the South Lake Union Streetcar (\$1.5 million annually through 2024) and Sound Transit for the First Hill Streetcar (\$5 million annually through 2023). The 2021 Proposed Budget allocates \$5.3 million of commercial parking tax revenue to support Streetcar operations.

Options:

- A. Council may wish to consider a further reduction of Streetcar operations (either frequency of service, hours of service, or both) as a cost-cutting measure in 2021.
- B. No action.

¹⁵ In 2019, after cost estimates increased and problems with vehicle design parameters became known, the Council authorized \$9 million of Mercer Megablock property proceeds for further design and engineering on the Center City Streetcar Connector (Ordinance [125889](#)). During 2020 Budget Rebalancing (Ordinance [126148](#)), \$8 million of these funds was redirected to other transportation priorities and \$1 million was used to cover incurred expenses and to close down the project.

¹⁶ SDOT 2019 Annual Streetcar Operating [Report](#), September 2020.

¹⁷ In 2020, SDOT received \$688,000 to support Streetcar operations as part of the Federal CARES Act.

9. Waterfront (Eric McConaghy)

The Central Waterfront Improvement Program (Waterfront) is administered by the Office of the Waterfront and Civics Projects (OWCP). OWCP is an organizational unit of SDOT and manages all Waterfront project activities. The Central Waterfront projects are components of the 2021-2026 Capital Improvement Program (CIP) for SDOT, the Department of Parks and Recreation, and the Department of Finance and Administrative Services.¹⁸ This section provides information about the Waterfront projects included in SDOT’s Proposed 2021 – 2026 CIP.

Table 5: Proposed Changes in SDOT Waterfront CIP Projects (\$ in 000s)

	2021	2022	2023	2024	2025	2026	Total
Alaskan Way Main Corridor							
2020-2025 CIP	\$81,414	\$19,270	\$19,155	\$3,144	\$0	-	\$122,983
Change	(\$24,523)	\$16,510	\$16,513	\$0	\$0	\$0	\$8,500
Proposed 2021-2026 CIP	\$56,891	\$35,780	\$35,668	\$3,144	\$0	\$0	\$131,483
Overlook Walk and East-West Connections Project							
2020-2025 CIP	\$69,285	68,098	\$7,703	\$3,250	\$0	-	\$148,336
Change	(\$57,626)	7,494	\$50,132	\$0	\$0	\$0	0
Proposed 2021-2026 CIP	\$11,659	75,592	\$57,835	\$3,250	\$0	\$0	\$148,336
Waterfront Transportation Infrastructure Maintenance							
2020-2025 CIP	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Change	-	-	-	-	-	-	-
Proposed 2021-2026 CIP	\$100	\$100	\$250	\$500	\$500	\$600	\$2,050

Compared to the Adopted 2020-2025 CIP, the Proposed 2021-2026 CIP would shift SDOT spending for the Alaskan Way Main Corridor (MC-TR-C072) and Overlook Walk and East-West Connections (MC-TR- C073) projects from 2021 to later years without changing the timing of completion of construction. The proposed CIP has planned spending for construction activity that is planned for 2021 for both projects. The Executive proposes the shift in spending in recognition of the impact of the COVID pandemic on the timing of the potential approval of the Waterfront Local Improvement District final assessment, philanthropy, and other funding sources. For 2021, these two projects would account for a reduction of \$83 million in Waterfront spending with commensurate increases in spending in 2022-2024.

The CIP proposal includes an increase of \$500,000 in 2021 as part of the total \$8.5 million increase in reimbursable authority from Washington Department of Transportation (WSDOT) for 2021 through 2023 for the Marion Street Bridge (this in turn is a component of WSDOT’s funding for the Alaskan Way Main Corridor project).

The Mayor also proposes a new SDOT capital project called Waterfront Transportation Infrastructure Maintenance (MC-TR- C109) to fund on-going maintenance of the new transportation assets being built as part of the Waterfront program. This project would be funded with revenues from the Commercial Parking Tax.

¹⁸ Also, both Seattle Public Utilities and Seattle City Light have capital projects for utility relocations in support of the Central Waterfront and Arts and Culture receives 1% for Art funding from Waterfront projects.

Options:

- A. Contextual budget issue. No staff options identified at this time.

III. Budget Legislation

1. Code amendments related to the transfer of the Parking Enforcement Division

This legislation supports the proposal to transfer the PEO division from SPD to SDOT. The legislation amends City code to provide clear authority for PEO's to direct traffic as Special Police Officers outside of SPD, which allows PEOs to continue to direct traffic as part of their work responsibilities (e.g., providing traffic flagging during special events).

Options:

- A. Pass legislation.
- B. Do not pass.
- C. See **Budget Action #4** proposed by CM Herbold.

2. Move Seattle Levy – Categorical Spending Adjustments

The 2015 voter-approved Move Seattle Levy (authorized by [Ordinance 124796](#)) established three spending categories (Safe Routes, Congestion Relief, and Maintenance and Repair) for levy proceeds with designated cumulative funding amounts over the nine year term of the measure. While Move Seattle Levy funding remains relatively stable, other transportation revenue sources have declined with the response to COVID-19. SDOT has proposed revisions to Move Seattle spending between the established spending categories which require the Council's approval through separate ordinance. The Move Seattle Oversight Committee reviewed this proposal at their October 6, 2020 meeting and will provide written comment to the Council (as required by Ordinance 124796) for consideration during budget deliberations.

Options:

- A. Pass legislation.
- B. Do not pass.

3. Move Seattle Levy – Suspension of Minimum General Fund Allocation in 2021

The 2015 voter-approved Move Seattle Levy requires an annual minimum General Fund allocation to SDOT of \$40 million (escalated for inflation) in order to collect the additional property taxes.¹⁹ This requirement was intended to demonstrate that Move Seattle levy funds would not be used to supplant General Fund resources in SDOT's budget. The levy allows for suspension of this requirement if the Council determines that economic and financial conditions prevent the appropriation of the minimum General Fund allocation by a 3/4 vote. For 2021, the minimum General Fund amount is calculated at \$45,244,815.

¹⁹ [Ordinance 124796](#).

Although the 2021 Proposed Budget appropriates \$58,648,510 of General Fund for SDOT and technically meets this requirement, this is made possible by the proposed General Fund transfer of PEOs from SPD to SDOT. Excluding the appropriations related to the transfer of PEOs, the 2021 General Fund allocation would be \$42,832,337.

The proposed legislation acknowledges that the PEO transfer to SDOT was not a consideration when voters approved Move Seattle and makes the determination that economic and financial conditions related to COVID-19 response prevent the Council from appropriating the minimum General Fund amount. Council took similar action to suspend this requirement in 2020.²⁰

Options:

- A. Pass legislation.
- B. Do not pass.

4. Transportation Fund Interfund Loan

This legislation would authorize a \$25 million interfund loan from the Housing Incentive Fund to the Transportation Fund, to be repaid by December 31, 2024. The Housing Incentive Fund has available resources to cover the loan, and the anticipated total interest due over the four-year term is \$1,147,170.

In the past, SDOT has used interfund loans in anticipation of specific revenue sources and/or to support specific transportation project spending. This proposed interfund loan would provide short-term financing in support of general SDOT operations. This is intended to help SDOT balance necessary 2021 budget reductions over the next four years as the economy recovers from the COVID-19 recession. Absent the loan, SDOT would be forced to make additional budget reductions in 2021, including additional cuts to staff and programs.

The Transportation Fund financial plan includes principal and interest payments to retire the proposed loan by 2024. If Transportation Fund revenues do not recover as projected, SDOT will need to adjust future budget proposals accordingly to preserve funding to repay the interfund loan.

Options:

- A. Pass legislation.
- B. Do not pass.

²⁰ [Ordinance 126128](#).

IV. Budget Actions/SLIs Proposed by Councilmembers as of October 8, 2020

- 1. Reserve funding for Fauntleroy Boulevard (Councilmember Herbold)** – This proposal would reprioritize SDOT capital spending to reserve funding for the Fauntleroy Boulevard Project. The Fauntleroy project was identified in the Move Seattle Levy, but implementation has been delayed while the alignment of Sound Transit’s light rail project is determined. Sound Transit’s environmental process is expected to be completed in 2022. Previously, the 2020-2025 Adopted CIP included \$3 million of funding for this project in 2021 and \$11 million in 2022. The amount of funding to be reserved by this proposal is to be determined.
- 2. Reprioritize funding for Sidewalk Repair (Councilmember Herbold)** – This proposal would redirect funding to prioritize additional sidewalk maintenance activities. In 2019, Council requested that SDOT provide policy options for sidewalk maintenance in [Resolution 31908](#). SDOT developed a response in conjunction with the University of Washington Evans School, which included a recommendation to implement a citywide five-year shim/bevel plan as a first step to mitigate existing sidewalk uplifts and other sidewalk deficiencies. SDOT estimated this work would require \$3-4 million per year, in addition to the existing sidewalk maintenance budget. The amount of funding to be redirected in this proposal is to be determined.
- 3. West Seattle Bridge Reporting Proviso or SLI (Councilmember Herbold)** – This proposal would require or request reports regarding the West Seattle Bridge project and the Reconnect West Seattle program through either a proviso on SDOT funding or a Statement of Legislative Intent.
- 4. Parking Enforcement Officer Code Authority and Positions (Councilmember Herbold)** – This proposal would review and may amend the proposed PEO legislation to ensure that PEOs have the authority to direct and manage traffic at special events. This proposal may include additional PEO positions to ensure that coverage of special events is not completed solely through overtime assignments. This proposal may include consolidating PEO duties with the Emergency Communications Center and other community safety functions under a new office.
- 5. Reprioritize funding for the Thomas Street Redesign Project (Councilmember Lewis and Councilmember Strauss)** - This proposal would reprioritize SDOT capital spending to restore \$777,000 for the Thomas Street Redesign Project. Previously, Council approved this project in the 2020-2025 Adopted CIP using anticipated Transportation Network Company Tax proceeds which have not materialized in 2020.
- 6. Reprioritize funding for the Market to MOHAI Project (Councilmember Lewis and Councilmember Strauss)** – This proposal would reprioritize SDOT capital spending to restore \$396,000 for the Market to MOHAI Project. Previously, Council approved this project in the 2020-2025 Adopted CIP using anticipated Transportation Network Company Tax proceeds which have not materialized in 2020.
- 7. Reprioritize funding for a new multimodal path from West Marina Place to 32nd Avenue West (Councilmember Lewis)** – This proposal would reprioritize SDOT capital spending to fund the development of a shoreline bicycle and pedestrian path connecting West Marina Place to 32nd

Avenue West in Magnolia. This proposal would reprioritize \$1 million in 2021 for project development, with subsequent years funding to be determined.

- 8. Reprioritize or reserve funding for traffic calming improvements to Florentia Street (Councilmember Lewis)** – This proposal would reprioritize or reserve SDOT funding to construct speed humps on Florentia Street between Nickerson Street and 1st Avenue West. The amount of funding for this proposal is to be determined.
- 9. Reprioritize funding for the Neighborhood Parks Street Fund - Your Voice, Your Choice Program (Councilmember Lewis)** - This proposal would reprioritize SDOT capital spending to partially restore funding for the Neighborhood Parks Street Fund – Your Voice, Your Choice program which funds community projects. The Proposed Budget reduced planned 2021 funding for this program by \$1 million. This proposal would reprioritize \$279,000 for this program.
- 10. Reprioritize or reserve funding for sidewalk repair on West McGraw Street (Councilmember Lewis)** – This proposal would reprioritize or reserve \$10,000 of SDOT funding for sidewalk panel replacement and tree removal/replacement on the south side of West McGraw Street between 33rd Avenue West and 32nd Avenue West, in front of 3207 West McGraw Street.
- 11. Reprioritize or reserve funding for traffic calming improvements to 10th Avenue West (Councilmember Lewis)** – This proposal would reprioritize or reserve SDOT funding to construct traffic calming speed humps along 10th Avenue West near West Galer Street. The amount of funding for this proposal is to be determined.
- 12. Add funding for Bridge Maintenance (Councilmember Pedersen)** – This proposal would add \$24 million to achieve recommended spending levels for bridge maintenance activities identified in the City Auditor’s 2020 [report](#). This proposal would direct the funding to four SDOT programs, including: Bridge Load Rating, Bridge Painting, Bridge Structures Engineering, and Bridge Structures Maintenance. Funding for this proposal is intended to come from reprioritized resources (i.e., General Fund) that are not currently included in SDOT’s Proposed Budget.
- 13. Reprioritize funding for the Capitol Hill Public Life Study (Councilmember González)** – This proposal would reprioritize SDOT spending to restore \$150,000 for a public life study of Capitol Hill in conjunction with community stakeholders around the Capitol Hill EcoDistrict. Previously, Council authorized funding for this purpose in the 2020 Adopted Budget using anticipated Transportation Network Company Tax proceeds which have not materialized in 2020.
- 14. Reprioritize funding for the Georgetown to South Park Trail (Councilmember Morales)** – This proposal would reprioritize SDOT capital spending to restore funding for the Georgetown to South Park Trail Project. The 2021-2026 Proposed CIP includes no funding for this project in 2021 and identifies an unsecured future funding need of \$1.8 million. The amount of funding for this proposal is to be determined.

- 15. Reprioritize funding for bicycle connections on East Marginal Way (Councilmember Morales)**
– This proposal would reprioritize SDOT capital spending to provide additional funding for the East Marginal Way Corridor Improvement Project Phase 1. In 2020, SDOT programmed \$400,000 for this project as part of the Bike Master Plan – Protected Bike Lanes CIP Project. The amount of funding for this proposal is to be determined.
- 16. Reprioritize funding for sidewalk repair on Rainier Avenue South (Councilmember Morales) –**
This proposal would reprioritize \$1 million of SDOT spending for sidewalk repair in the Rainier Avenue South corridor.
- 17. Direct additional General Fund-Payroll Tax revenue to SDOT (Councilmember Sawant)** – This proposal is intended to eliminate cuts and austerity measures in SDOT’s budget by allocating an additional \$117 million of General Fund to SDOT. It is the intention of the sponsor to support this increased spending with a proportional increase in the tax rate of the Payroll Expense Tax on big businesses.
- 18. Reprioritize funding for the West Marginal Way Safe Street and Accessibility Improvements Project (Councilmember Sawant)** – This proposal would reprioritize SDOT spending to fund the West Marginal Way Safe Street and Accessibility Improvements CIP Project, which include a crosswalk connection across West Marginal Way at the Duwamish Longhouse. Previously, Council approved \$500,000 for this project in the 2020-2025 Adopted CIP, using anticipated Transportation Network Company Tax proceeds which have not materialized. The CIP project page identifies a future funding need of \$2.75 million which is currently unsecured. The amount of funding for this proposal is to be determined.