

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to transportation; providing for the submission to the qualified electors of the City at an election to be held on November 3, 2015, a proposition authorizing the City to levy regular property taxes for up to nine years in excess of the limitation on levies in Chapter 84.55 RCW for the purpose of providing City facilities and services, including transportation improvements, both capital and operating, with possible debt financing; creating a new oversight committee; and ratifying and confirming certain prior acts.

Summary of the Legislation: This ordinance would submit a 9-year levy lid lift proposal to the voters of Seattle for their approval on November 3, 2015. The proposal would renew and expand the previous Bridging the Gap levy (BTG). The proposal seeks, under the authority of RCW 84.55, to levy up to \$95 million in the first year and an estimated total of \$930 million in revenue over 9 years. If the levy is approved, these funds will be dedicated exclusively to transportation purposes. If the new levy is approved, Council must appropriate or transfer at least \$40,000,000 of general fund revenues annually for transportation purposes. If this minimum threshold is not met, the levy will not be collected unless a $\frac{3}{4}$ vote of the City Council determines that economic or financial conditions prevent the Council from appropriating the \$40,000,000 in general fund revenues.

If the levy is approved by the voters, the 2016 total regular tax limit would be \$3.60/\$1,000 assessed value, including approximately \$0.62 additional taxes.

This proposal would build on the previous levy's efforts to maintain a safe and efficient transportation system, while also doing more to invest in the future transportation needs of our city. Investments would be focused in the following areas:

Safety

- Bridges & Structures
 - Bridge and Structures Maintenance
 - Bridge Seismic Improvements
 - Bridge Replacement

- Vision Zero
 - Safety Corridors
 - Safe Routes to School
 - Signs and Markings

- Transportation Operations
- Pedestrian and Bicycle Safety
 - Sidewalk Repair
 - Protected Bicycle Facilities & Neighborhood Greenways

Affordability

- Street Maintenance
 - Arterial Roadway Maintenance
 - Paving Spot Improvements

Interconnectivity

- Pedestrian and Bicycle Infrastructure Improvements
 - Curb Ramps and Crossing Improvements
 - New Sidewalks
- Light Rail Partnership Improvements – Northgate Pedestrian Bridge & Light Rail Connections
- Corridor Mobility Improvements
 - Multimodal Improvements
 - Transit—Speed and Reliability Improvements & Bus Rapid Transit
 - Signal Maintenance & Optimization
 - Intelligent Transportation Systems (ITS)

Vibrancy

- Neighborhood Projects
- Tree Trimming and Planting
- Drainage Partnerships
- Freight Mobility Improvements
 - Spot Improvements
 - Partnership Improvements – Lander Street Overpass
 - Heavy Haul Network – E Marginal Way

Levy Proceeds will be allocated on a cumulative basis in general accordance with Attachment A: Levy Proposal Spending Breakdown. Actual spending will be determined in annual budgets or in separate appropriation ordinances.

Background: The Bridging the Gap levy funded significant transportation system maintenance and upgrades, including items such as paving 225 lane-miles of streets, rehabilitation or seismic retrofit of 12 bridges, replacement of 90,000 street signs, enhancement of 3 transit corridors, and construction of 120 blocks of new sidewalk. From 2007 through 2015, the Bridging the Gap levy provided a significant portion of SDOT's revenue. With the levy expiring at the end of 2015, the city needs to replace the levy in order to continue basic programs as well as expand the transportation system to meet future needs.

In addition, construction costs for transportation projects have increased at a pace that has surpassed revenue growth. The State of Washington’s Construction Cost Index, which is based on the actual costs of the major elements of construction contracts around the state (e.g., asphalt, concrete and structural steel), has risen by more than 5% on average each year since BTG began. These costs have grown significantly due to fluctuations in the price of oil, growth in the need for construction materials and increased competition for contractors amongst the many construction projects happening in both the public and private sector.

At the same time, the City is undergoing tremendous growth and change. The next 10 years are projected to bring 60,000 residents and another 50,000 jobs to Seattle. As Seattle’s Comprehensive Plan directs, this growth will be primarily located in compact, walkable neighborhoods that are easy to serve with transit. The transportation system must continue to work safely and effectively for today’s users, while evolving to move more people and more goods through the same amount of right-of-way.

3. SUMMARY OF FINANCIAL IMPLICATIONS

X This legislation has direct financial implications.

Budget program(s) affected:	SDOT			
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
				\$95,000,000
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
Other departments affected:				

3.a. Appropriations

NA This legislation adds, changes, or deletes appropriations.

Appropriations Notes:

This legislation does not provide appropriations. If the proposed transportation levy is approved by voters, funds will be appropriated through separate budget legislation. Annual appropriations are estimated as follows:

(in \$ millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	Tot.
Anticipated Appropriations	95	97	99	101	103	105	108	110	112	930

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Revenue/Reimbursement Notes:

This legislation provides for a transportation levy proposal to be placed on the ballot which, if approved, would provide an estimated \$930 million of dedicated revenue for transportation purposes over nine (9) years; approximately \$95 million of this revenue would be generated in 2016. These revenues are not added to the City’s budget through this legislation, but will be accounted for in separate legislation if the levy is approved.

(in \$ millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	Tot.
Anticipated Revenues	95	97	99	101	103	105	108	110	112	930

3.c. Positions

NA This legislation adds, changes, or deletes positions.

Position Notes:

This legislation does not add, change or delete positions. Depending on the outcome of the levy proposal, position additions, changes or deletions will be determined through separate budget legislation.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

As noted above, this legislation does not directly impact appropriations or position numbers. Appropriations, position changes and acceptance of additional revenue will be approved in separate legislation.

The legislation does propose an increase in property taxes for nine years, increasing property taxes overall within the City and reducing capacity for future property taxes within the statutory cap.

b) Is there financial cost or other impacts of not implementing the legislation?

As noted above, this levy proposal is a renewal and expansion of Seattle’s existing

Bridging the Gap transportation levy. Levy funds make up almost one-quarter of SDOT's local funding for transportation operations, maintenance and improvements.

Loss of revenues from the levy would result in service reductions to Seattle citizens unless alternative funding sources are identified. Potential impacts include significant reductions in street paving, bridge and structure repair, sidewalk repair, traffic signal maintenance, new sidewalk construction, neighborhood projects and transit improvements.

c) Does this legislation affect any departments besides the originating department?

This legislation does not directly impact other departments through changes in appropriations or personnel. If the levy proposed in this legislation is not approved, there could be significant impacts on other departments such as weight restrictions or closures of bridges (impacting police and fire response) or lower levels of transportation operations staffing, reducing ability to respond to traffic accidents or safety problems (also impacting SPD or SFD). Lack of funding for transportation improvements would reduce the City's ability to respond to expected growth (impacting DPD and OED) or to accomplish environmental goals (impacting SPU and OSE).

Approval of the levy proposed in this legislation would result in increased funding allowing SDOT to implement additional projects to maintain or improve the transportation system. These projects will result in opportunities to integrate infrastructure investments within the City's transportation right-of-way. This can result in the need to relocate, rehabilitate or replace utility infrastructure managed by SPU, SCL and DoIT. The levy proposal provides increased funding for traffic safety and operational improvements which can result in efficiencies for SPD and SFD. The levy proposal also includes dedicated funding for coordination with SPU to address drainage and transportation needs in South Park and Broadview.

SDOT is actively coordinating with SPU and SCL to address potential impacts of levy approval. Coordination on specific paving and bridge projects anticipated to be funded in 2016 through the levy has also begun.

d) Is a public hearing required for this legislation? Yes. The hearing is scheduled for June 2, 2015.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No

f) Does this legislation affect a piece of property? No

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The Seattle Department of Transportation is currently running the Racial Equity Toolkit on the specific investments in the levy proposal that can be located geographically at this time and will report the results to City Council as part of their review of the proposal.

Generally, investment in transportation options that make the expense of car ownership an option, rather than a necessity, is a benefit to vulnerable or historically disadvantaged communities. Transportation is second only to housing as a share of the average King County household's monthly expenditures, and much of that expense is car ownership.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

The long-term measurable goals for transportation investment in Seattle are detailed on page 29 of Move Seattle: Mayor Murray's 10-Year Strategic Vision for Transportation. This legislation funds a significant portion of the projects and programs needed to achieve Move Seattle's goals.

i) Other Issues:

N/A

List attachments below:

Attachment A: Levy Proposal Spending Breakdown