

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Proposition 1 as approved by Seattle voters in the 2020 general election; authorizing material scope changes to increase the share of Proposition 1 dollars that can be spent on transit capital projects intended to maximize operating efficiency of transit service purchased with Proposition 1 revenues.

Summary and Background of the Legislation: On September 20, 2010, the Seattle City Council approved Ordinance 123397 to establish the Seattle Transportation Benefit District (STBD). The purpose of the measure was to allow the City of Seattle to leverage additional revenue to preserve and maintain transportation infrastructure and enhance Seattle transportation choices, including public transit. Shortly thereafter, the STBD Board adopted a policy to address material changes to a project’s cost, scope, and schedule, consistent with the requirements of Revised Code of Washington (RCW) 36.73.160. Upon establishing the STBD, its governing board imposed a \$20 annual vehicle license fee to fund these preservation and enhancement efforts and, in 2014, Seattle voters approved an STBD measure to purchase additional transit service, with a sunset of December 31, 2020.

Following passage of the 2014 transit measure, the state legislature authorized cities to subsume the authority and powers of a Transportation Benefit District (TBD) with boundaries contiguous with a city’s following a public hearing and ordinance passage. Council took advantage of this authority by passing Ordinance 120570, which was signed by the Mayor in July 2016. In an effort to leverage the program to expand transit access and allow use of STBD funds for transit capital improvements, Council utilized the material change policy to pass Ordinance 125606 in June 2018.

On July 27, 2020, the City Council approved Ordinance 126115, which authorized the Seattle City Council to submit a ballot measure (“Proposition 1”) to Seattle voters to replace the 2014 measure. Proposition 1 was subsequently approved by an overwhelming majority of voters on November 3, 2020. The use of the revenues was implemented by the City Council by Ordinance 126250 on December 7, 2020.

Under Ordinance 126115, the City is restricted in the allowable uses of the sales tax revenues approved under Proposition 1. Per the Ordinance, the City may use the revenues to fund:

- A. Service hours on King County Metro operated services;
- B. King County Metro transit service hours on RapidRide lines;
- C. Up to \$10 million annually to support access to transit;

- D. Up to \$3 million annually to support infrastructure maintenance and capital improvements to maximize the efficiency of transit operations, including enhancements to transit speed, passenger amenities, transit street pavement maintenance, and reliability of transit service operated by King County Metro within Seattle; and
- E. Up to \$9 million annually to support emerging mobility needs related to COVID-19 response and recovery, and closure of the West Seattle High Bridge.

This legislation impacts item D from the list above and increases the annual maximum that can be spent on infrastructure maintenance and capital improvements from \$3 million to \$6 million annually. This legislation does not change any revenues or other provisions. This material change will provide the City with more flexibility to utilize STBD revenues to provide better transportation options for the traveling public.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

This legislation allows the City to increase the amount of existing revenues that can be used for infrastructure maintenance and capital improvements. This legislation does not affect the revenues that are collected but only impacts how the City may use the revenues that are collected to support the implementation of citywide capital improvements that enhance transit efficiency and reliability and passenger amenities.

Any use of the revenues for capital purposes will be included in separate budget legislation and would be subject to Executive and City Council review and approval.

Are there financial costs or other impacts of *not* implementing the legislation?

No there are not.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Is this change one-time or ongoing?

Ongoing. The approved sales tax measure expires on March 31, 2027. This material change to the scope would be effective through at least that date.

Appropriations Notes: This legislation does not add, change, or delete any existing appropriations. This legislation allows for higher capital appropriation starting in 2023.

However, any budget proposals will be included in the Mayor's Proposed Executive Budget or future budget legislation and is not reflected in this legislation.

3.b. Revenues/Reimbursements

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

3.c. Positions

___ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

No.

b. Is a public hearing required for this legislation?

Yes, a public hearing will be scheduled as part of the City Council's budget process.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation allows for more infrastructure and capital improvement work, which benefits all transit riders. However, the improvements to transit efficiency and reliability may disproportionately benefit historically disadvantaged communities, including communities of color that rely on transit service to commute from home to work on a regular basis.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

Capital projects that improve transit reliability may also lead to some reduction in the number of trips necessary to serve a route; more efficient operations reduce fuel use and more reliable service has also been shown to attract more riders to transit over more polluting options like driving alone and use of transportation network companies (e.g., Uber, Lyft).

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so,

explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

The City would still be subject to the reporting requirements implemented in previous ordinances and would still be subject to civilian oversight through the Transit Advisory Board that was created by the City Council following passage of the 2014 STBD measure. Any budgeted expenditures would be reviewed and approved by the Mayor and City Council.

Summary Attachments:

N/A