

**Overview and Initial Issues Identification  
SDOT / Transportation Operating Fund**

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**Table 1 - Budget Overview: Expenditures**

<b>DEPARTMENT OF TRANSPORTATION</b>				
<b>Budget Control Level</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>	<b>2012 Proposed</b>	<b>% Change: Endorsed to Proposed</b>
<b>Expenditures by BCL</b>				
Major Projects	\$105,134,000	\$117,105,000	\$99,352,000	-15.2%
Mobility-Capital	\$32,634,000	\$21,107,000	\$46,615,000	120.9%
<b><i>Subtotal System Improvements</i></b>	<b><i>\$137,768,000</i></b>	<b><i>\$138,212,000</i></b>	<b><i>\$145,967,000</i></b>	<b><i>5.6%</i></b>
Bridges & Structures	\$7,526,000	\$7,808,000	\$7,728,000	-1.0%
Engineering Services	\$1,892,000	\$1,968,000	\$1,626,000	-17.4%
Major Maint./Replacement	\$52,572,000	\$44,447,000	\$41,530,000	-6.6%
Mobility-Operations	\$36,843,000	\$36,669,000	\$34,910,000	-4.8%
ROW Management	\$12,135,000	\$12,537,000	\$11,535,000	-8.0%
Street Maintenance	\$30,060,000	\$31,132,000	\$22,531,000	-27.6%
Urban Forestry	\$4,103,000	\$4,245,000	\$4,406,000	3.8%
<b><i>Subtotal Preservation &amp; Maint.</i></b>	<b><i>\$145,131,000</i></b>	<b><i>\$138,806,000</i></b>	<b><i>\$124,266,000</i></b>	<b><i>-10.5%</i></b>
Department Management	\$712,000	\$666,000	\$2,507,000	276.4%
General Expense	\$22,787,000	\$31,953,000	\$30,286,000	-5.2%
<b><i>Subtotal Administration</i></b>	<b><i>\$23,499,000</i></b>	<b><i>\$32,619,000</i></b>	<b><i>\$32,793,000</i></b>	<b><i>0.5%</i></b>
<b>Total Expenditures</b>	<b>\$306,398,000</b>	<b>\$309,637,000</b>	<b>\$303,026,000</b>	<b>-2.1%</b>
Total FTEs	768.5	768.5	714.0	-7.1%

Percentages rounded to the nearest tenth percent

**Table 2 - Budget Overview: Revenues**

<b>DEPARTMENT OF TRANSPORTATION</b>				
<b>Revenues</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>	<b>2012 Proposed</b>	<b>% Change '12 Endorsed to '12 Proposed</b>
\$20 Vehicle License Fee	\$4,507,000	\$6,800,000	\$6,800,000	0.0%
\$60 Vehicle License Fee	\$0	\$0	\$0	n/a
Bonds	\$61,686,000	\$53,554,000	\$30,993,000	-42.1%
Charges for Service	\$65,903,000	\$88,831,000	\$77,886,000	-12.3%
GSF Support	\$38,914,000	\$40,023,000	\$38,007,000	-5.0%
Grants	\$39,949,000	\$22,409,000	\$41,683,000	86.0%
Loans	\$4,200,000	\$1,800,000	\$1,800,000	0.0%
Private Contributions	\$650,000	\$5,750,000	\$5,750,000	0.0%
Taxes	\$81,161,000	\$83,122,000	\$84,418,000	1.6%
Transfers from Other Funds	\$5,333,000	\$8,024,000	\$8,541,000	6.4%
Use of Fund Balance	\$4,095,000	(\$676,000)	\$7,148,000	-1157.4%
<b>Total Revenues</b>	<b>\$306,398,000</b>	<b>\$309,637,000</b>	<b>\$303,026,000</b>	<b>-2.1%</b>

Percentages rounded to the nearest tenth percent

**Introduction:**

Seattle Department of Transportation (SDOT)'s base revenues in the 2012 Proposed Budget will decrease by 2.1% or approximately \$6.6 million compared to the 2012 Endorsed Budget. The 2012 Proposed Budget includes \$6.8M in revenues from a \$20 Vehicle License Fee (VLF) approved by the Seattle Transportation Benefit District (STBD) Board in 2010. However, the 2012 Proposed Budget does not include any of \$10.2M in new revenues that would become available starting in 2012 should voters approve Proposition 1 (a \$60 VLF increase) on the November 8, 2011 ballot.

The 2012 Proposed Budget would abrogate 56 positions and add 1 SDOT position for a net decrease of 55 positions. Some of these proposed staff reductions may not be necessary in the event that the \$60 VLF ballot measure is approved by voters.

**List of Issues:**

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**Identified Issues:**

**1) Vehicle License Fees (Eder & Fong)**

*a. \$20 Vehicle License Fee*

The Proposed 2012 Budget includes \$6.8M in revenues from the \$20 Vehicle License Fee (\$20 VLF) enacted in 2010 by the STBD. On June 16, 2011, the Citizens Transportation Advisory Committee (CTAC III) provided the Mayor and Council with recommendations for programming \$20 VLF revenues in 2012.

The Proposed 2012 Budget is consistent with CTAC III's category recommendations for how to program the \$20 VLF. However, "base" revenues (i.e., non-VLF) have been reduced in some of the SDOT programs funded with \$20 VLF revenues in the Proposed 2012 Budget. During discussions with CTAC III, SDOT clearly communicated that this was possible given expected reductions in General Subfund (GSF), Gas Tax, and other revenues.

The net effect for those programs is summarized in [Attachment A: \\$20 VLF in the Proposed 2012 Budget](#).

***b. \$60 Vehicle License Fee***

The Proposed 2012 Budget includes no revenues and no spending authority related to the \$60 Vehicle License Fee (\$60 VLF) ballot measure.

If approved by voters, Proposition 1 on the November 8, 2011 ballot would authorize \$10.4 million (assuming one-half year of collection during 2012) in additional transportation revenues. However, within a couple weeks after the ballot measure, the Council is required by City Charter to take final action adopting the City's annual budget. The STBD Board also expects to adopt an annual budget on the same timeline.

It is not clear whether the Council and the STBD Board will have enough time to consider options in the period between election certification and the budget adoption timelines.

Staff's recommendation is that Council and the STBD Board adopt annual budgets that do not reflect any \$60 VLF revenues. In the event that voters approve Proposition 1, staff would work with Council and the STBD Board in the coming months to propose an amendment to the City's annual budget and the STBD annual budget to reflect additional revenues.

**2) Use of Rubble Yard Proceeds (Fong)**

SDOT's proposed 2012 budget relies upon the use of one-time proceeds from the sale of a parcel of land to WSDOT known commonly as the "Rubble Yard." The negotiated sale earlier this year generated \$19.8M in revenue for transportation purposes. The Mayor and Council authorized the use of \$3.0M of the proceeds this summer in order to accelerate street repair efforts across the city. An additional \$1.8M has been identified for relocating SDOT operations associated with the rubble yard.

The Mayor's proposed spending plan (see Table 3 below) for the remaining \$15.0M includes a mix of 2012 appropriations and earmarking reserves to be used in 2013 and 2014. Many of the proposed expenditures are ongoing in nature and will eventually require identifying a sustainable funding source or programmatic reductions.

**Table 3:**  
**Seattle Department of Transportation**  
**Proposed Allocation of Rubble Yard Proceeds**

			Reserve for Future Use		Total
	2011	2012	2013	2014	
<b>Preservation of Core Services: Additional Revenue in lieu of Cuts</b>	\$500,000	\$4,035,580	\$4,068,203	\$2,256,216	\$10,860,000
<i>Avoided cuts:</i>					
<i>Street Repair Initiative: July 19 Layoffs rescue package</i>	\$500,000				\$500,000
<i>Freight Spot Improvement</i>		\$445,000	\$400,000	\$157,285	\$1,002,285
<i>Neighborhood Traffic Control</i>		\$202,000	\$210,080	\$218,483	\$630,563
<i>Street Maintenance - Cleaning &amp; Maint.</i>		\$465,580	\$484,203	\$503,571	\$1,453,355
<i>Urban Forestry</i>		\$600,000	\$624,000	\$648,960	\$1,872,960
<i>Street Cleaning</i>		\$673,000	\$699,920	\$727,917	\$2,100,837
<i>Enhanced Paving</i>		\$1,650,000	\$1,650,000		\$3,300,000
<b>Preservation of Core Services: Programmatic Increases</b>	\$2,500,000	\$2,640,000	\$3,800,000	\$0	\$8,940,000
<i>Street Repair Initiative - Arterial Major Maintenance</i>	\$2,000,000				\$2,000,000
<i>Street Repair Initiative - Pothole Repair</i>	\$500,000				\$500,000
<i>Rubble Yard Relocation</i>			\$1,800,000		\$1,800,000
<i>Mercer West</i>			\$2,000,000		\$2,000,000
<i>Street Car Planning</i>		\$1,500,000			\$1,500,000
<i>Snow and Ice Enhancements</i>		\$340,000			\$340,000
<i>Emergency Response</i>		\$800,000			\$800,000
<b>GRAND TOTAL</b>	\$3,000,000	\$6,675,580	\$7,868,203	\$2,256,216	\$19,800,000

The proposed spending plan calls for the use of Rubble Yard proceeds to backfill cuts necessitated by GSF and other funding reductions. The plan also identifies a set of new or enhanced investments in ongoing transportation programs and one-time projects. Given the relative flexibility of the use of these proceeds for transportation purposes, Council may want to consider whether this spending plan should be modified to reflect other priorities.

Among the list of new programmatic expenditures is a proposal to use \$1.5M to fund High Capacity Transit (HCT) planning efforts. This would be in addition to the \$300,000 already included in the 2012 Proposed Budget for HCT implementation from the existing \$20 Vehicle License Fee (VLF) revenues. Another \$1.8M in annual revenue was identified for HCT planning in the STBD's \$60 VLF Proposition 1 if approved by voters on November 8.

The Executive has also indicated that conversations are underway with Sound Transit to accelerate Sound Transit's HCT corridor planning efforts within Seattle and that a \$900,000 federal grant funding has been secured recently for Center City streetcar alternatives analysis.

Given the multiple funding sources being explored by the Executive for HCT planning, the Council may want the Executive to provide a fuller explanation on how funds will be prioritized and how planning will be phased for each of several proposed HCT corridors over the next few years. With such information, Council could then consider whether there are priorities other than HCT planning for use of the discretionary Rubble Yard proceeds. Staff is prepared to come back with more information for Council should you desire a fuller accounting of this matter.

Questions:

- A. *Does the Council agree with the Mayor's proposed spending plan for the Rubble Yard proceeds?*
- B. *Should one-time proceeds be used for on-going SDOT expenditures?*
- C. *Does Council want to consider appropriating in 2012 any of the \$8.1M that the Mayor has proposed to hold in reserve for 2013 and 2014?*
- D. *Are there other spending priorities that Council would rather see Rubble Yard proceeds applied to?*

**Council Options:**

- a. Approve the Mayor's proposed spending plan for Rubble Yard proceeds.
- b. Repurpose Rubble Yard proceeds for other Council priorities.

### **3) Mercer West (Eder)**

The Proposed 2012-2017 CIP is based on a 30% design cost estimate. While the proposal includes \$64M of secured funding, the proposal also includes \$35M of "to be determined" revenues. This is a placeholder for actual revenues that must be secured in order to begin construction

Recently, SDOT has advanced its project to 60% design, and the updated project cost estimate is now \$90M (\$9M lower than \$99M in the proposed CIP). This is clearly good news, and it reduces the project's current funding gap.

Timing Considerations:

- a) The Mercer West project is expected to begin construction in spring 2012. Timing is important in light of schedule coordination between multiple construction activities in the project vicinity: new Mercer Street undercrossing and SR99 bridge work; SR99 tunnel boring and spoils removal; North Portal construction; construction of 6<sup>th</sup> Avenue extension; new street connections at John, Thomas, Harrison; vacating existing Broad Street connection.
- b) Rubble Yard spending decisions are included in the Proposed 2012 Budget, including \$6.7M to be spent in 2012. The Mercer West CIP project includes \$2M from the Rubble

Yard, and the remaining \$8.1M in Rubble Yard funding is reserved for spending on other needs in 2013 and 2014 (see Table 3 for details).

Table 4 provides a summary of options for Council’s consideration.

**Table 4: Mercer West Funding Options for 2012-17 CIP**

	<b><u>Option 1:</u></b> Adopt Proposed CIP	<b><u>Option 2:</u></b> Adopt Amended CIP	<b><u>Option 3:</u></b> Adopt Amended CIP
Project Cost Estimate	\$ 99.4	\$ 90.5	\$ 90.5
<b><u>Revenues:</u></b>			
<i>Secured Revenues:</i>			
Interfund Loan / Property	\$ 25.6	\$ 25.6	\$ 25.6
Add'l Interfund Loan / Proper	\$ -	\$ 5.0	\$ 5.0
Rubble Yard	\$ 2.0	\$ 2.0	\$ 10.1
Other Secured	\$ 36.5	\$ 36.5	\$ 36.5
<b>Total Secured</b>	<b>\$ 64.1</b>	<b>\$ 69.1</b>	<b>\$ 77.2</b>
<i>Unsecured Revenues:</i>			
"To be determined"	\$ 35.3	\$ 21.4	\$ 13.3
<b>Total Unsecured</b>	<b>\$ 35.3</b>	<b>\$ 21.4</b>	<b>\$ 13.3</b>

Each of the options presented in Table 4 includes a significant amount of unsecured or “to be determined” funding. SDOT indicates that prior to spring 2012 it expects to have additional information to support a proposal for Council’s consideration that would fully fund the project (i.e., some combination of potential grant funding, potential partner agreements, potential savings from other projects, etc.).

**Council Options:**

- a. Option 1 makes no change to the Proposed CIP project; the project budget reflects \$35.3M in unsecured funding. The project’s cost estimate and secured revenues may continue to evolve through spring 2012 when the construction contract is to be advertised.

This approach could be coupled with a budget proviso requiring SDOT to return to the Council before advertising the project’s construction contract (currently scheduled for May/June 2012) with an updated project cost estimate and funding plan.

- b. Option 2 reflects input from Executive staff and makes two changes that are (highlighted in yellow in Table 4):
  - i. Decrease the CIP project budget to match the current project cost estimate.

- ii. Increase the Inter-fund loan by \$5M to be repaid with an expanded list of future surplus properties.

Option 2 leaves \$21.4M in remaining unsecured funding. By spring 2012, SDOT expects to have new cost estimates and also to have additional information about project funding (including potential grants and potential partnership agreements).

This approach could be coupled with a budget proviso requiring SDOT to return to the Council before advertising the project's construction contract (currently scheduled for May/June 2012) with an updated project cost estimate and funding plan.

- c. Option 3 includes the changes in Option 2 and makes one additional change (highlighted in green in Table 4):

- i. Use an additional \$8.1M in Rubble Yard for the project. This approach preserves proposed use of Rubble Yard in 2012 funding but shifts funding away from SDOT's plan to support \$6.3M in "Core Services" (2013 and 2014 combined) and \$1.8M to replace Rubble Yard functionality (2013), as shown in Table 3.

Option 3 would leave \$13.3M in remaining unsecured funding. By spring 2012, SDOT expects to have new cost estimates and also to have additional information about project funding (including potential grants and potential partnership agreements).

This approach could be coupled with a budget proviso requiring SDOT to return to the Council before advertising the project's construction contract (currently scheduled for May/June 2012) with an updated project cost estimate and funding plan.

#### **4) Bike Master Plan Update in 2012, including Citywide Planning for Greenways and Cycle-tracks (Fong)**

SDOT and the Bicycle Advisory Board have identified a need to update the 2007 Bicycle Master Plan (BMP) and better adapt it to the current environment for implementation and funding. This effort would include a heavily data-driven approach to identify priorities for bicycle planning (similar to the approach used for the Pedestrian Master Plan). In this context, Councilmembers have expressed an interest in focusing City attention and planning on the siting and design of neighborhood greenways and cycle-tracks. These strategies complement each other in that they are intended to promote a safer, healthier and more visibly connected infrastructure that encourages walking and biking as mobility alternatives.

Neighborhood greenways are non-arterial shared streets with low vehicle volumes and speeds that have been optimized for pedestrian and bicycle travel through treatments such as traffic calming, green infrastructure and arterial intersection crossing treatments. Cycle-tracks are dedicated right-of-way for bicyclists that are physically separated from vehicular traffic to provide a safer and more comfortable riding environment.

Council could choose to accelerate and advance these concepts with funding and policy direction to ensure this body of work is completed in 2012. There is no funding in SDOT's budget for updating the BMP in 2012. If the STBD's \$60 VLF proposal is approved by voters in November, SDOT anticipates proposing \$400,000 (spread between 2012 and 2013) to update the BMP. Though early in the scoping process, SDOT believes this level of funding would be sufficient to advance a comprehensive planning effort around greenways and cycle-tracks, including integration of these new facility-type networks into the existing bicycle network comprised of bike lanes, sharrows, separated trails, etc.

At present, staff has identified options as they relate to the Mayor's 2012 Proposed Budget in isolation of any considerations related to Proposition 1.

**Council Options:**

- a) Add \$400,000 to SDOT's 2012 budget to lead an interdepartmental effort to update the BMP, including identification of high demand areas (similar to the Pedestrian Master Plan), definition and integration of greenway and cycle-track networks into the system plan, and recommendation of implementation and funding strategies. Impose a Budget Proviso on these funds (and all funds associated with the BMP update) until such time as SDOT is able to produce a revised, detailed scope of work for Council review and approval that includes creating a comprehensive plan and strategy for implementing greenways and cycle-tracks.
- b) No Action.

**5) Fauntleroy Way SW Green Boulevard (Schwab)**

The Department of Planning and Development recently concluded a 2+ year planning effort with an advisory group of businesses, residents, property owners and others for the West Seattle Triangle. This mixed-use neighborhood is east of the Alaska-California business junction and part of the West Seattle Junction Hub Urban Village, which is slated for growth. The Council's Committee of the Built Environment is currently reviewing proposed zoning changes to increase allowable height and density of residential and mixed-use development in this area. An urban design framework and streetscape plan for the Triangle were developed to enhance and make better use of underused right-of-way areas and encourage integration of open spaces and pathways with new development.

A high priority plan recommendation is to transform Fauntleroy Way SW into a green boulevard to serve as a gateway to West Seattle. The streetscape concept plan calls for Fauntleroy Way SW to be improved with a planted median including signature lighting fixtures, a pedestrian zone with sidewalks and planting areas including street trees, pedestrian lighting, potential green stormwater infrastructure and art. Additionally, bicycle improvements and pedestrian crossings, signals, reconfigured intersections and bulbs are recommended to improve safety for crossing movements. Preliminary engineering would need to address the potential relocation of a 28" drainage and waste water main to accommodate a planted median and how to balance design treatments for a Major Truck Street with elements proposed in the concept plan.

Currently, Fauntleroy Way SW is a poorly defined street that has numerous curb cuts and paved planting strips, and inconsistent placement of street trees. The project is not currently in SDOT's proposed 2012-2017 Capital Improvement Program (CIP). No new projects were added to SDOT's CIP for 2012 except for a 100% reimbursable Sound Transit North Link project. The Fauntleroy Way boulevard concept was ranked 23 out of 104 projects that SDOT analyzed as possible CIP candidates, based on safety, support for centers, social equity, and community support. To add the project to the proposed CIP, SDOT estimates that \$500,000 is needed to complete preliminary engineering, including public outreach, preliminary design, and construction cost estimates.

### **Council Options**

- a) Add a CIP project to SDOT's 2012-2017 CIP for the Fauntleroy Way SW Green Boulevard with initial funding of \$500,000 in 2012 for preliminary engineering, and proviso the funds to limit their use for this project only.
- b) Add a CIP project to SDOT's 2012-2017 CIP for the Fauntleroy Way SW Green Boulevard with initial funding of \$250,000 per year for 2012 and 2013 for preliminary engineering, and proviso the funds to limit their use for this project only.
- c) No action.

## **6) On-Street Parking Rates and Management (Eder)**

In June 2011, SDOT conducted a comprehensive, city-wide data collection effort to determine hourly parking occupancy levels in all areas with paid on-street parking. (The first iteration of this parking occupancy data collection exercise was conducted in November 2010.) Additionally, a Parking Sounding Board was convened in 2011 to help SDOT evaluate approaches for achieving policy objectives established by the Council in the Seattle Municipal Code. In September 2011, SDOT submitted a report to Council responding to a Council Statement of Legislative Intent (SLI); the SLI response outlined a wide range of potential changes to on-street parking management, some of which SDOT intends to implement in 2012.

Revenues from on-street parking in 2011 are now projected to be about \$5M lower than the Adopted 2011 Budget (due in part to changes in rates) and about \$2M lower the revenue estimates from February 2011.

Revenues from on-street parking in the Proposed 2012 Budget are \$7M lower than in the Endorsed 2012 Budget. This change in projections reflects changes in planned rates for 2012 and other planned parking management changes.

### ***a. Planned On-Street Parking Management changes***

Council currently delegates broad authority to SDOT for managing on-street parking. SDOT identifies areas that should have paid parking, determines boundaries for those areas, rates (within allowed range) in each area, institutes time limits, and determines the hours of operation.

SDOT's proposed budget includes costs to implement several planned changes to on-street

parking that are already within SDOT's current authority. Table 5 summarizes changes that SDOT plans for on-street parking in 2012.

**Table 5: Planned Changes to On-Street Parking<sup>1</sup>**

<u>Planned Change</u>	<u>Parking Area</u>	
<b>Geographic Boundaries, New Subareas</b>	Ballard Core & Edge Belltown North Belltown South Capitol Hill North & South	Pioneer Square Core & Edge South Lake Union University District Core & Edge Uptown Core & Edge
<b>Rate Changes</b>	<p><u>Planned Rate Increases:</u></p> <p>Ballard Core <i>From \$1.50 to \$2.00</i>            Belltown South <i>From \$2.00 to \$2.50</i>            University District Core <i>From \$1.50 to \$2.00</i>            South Lake Union (Long-Term) <i>From \$1.25 to \$1.50</i></p> <p><u>Planned Rate Decreases:</u></p> <p>Capitol Hill South <i>From \$3.00 to \$2.50</i>            Pioneer Square Core <i>From \$3.50 to \$3.00</i>            South Lake Union (small northwest sub-area) <i>From \$1.50 (short-term) and \$1.25 (long-term) to \$1.00</i></p>	
<b>Extend or Eliminate Daytime Time Limits</b>	Ballard Edge Belltown North Denny Triangle North Roosevelt South Lake Union	University District Edge Uptown Edge Uptown Triangle Westlake Ave North
<b>New 3-Hour Limit During Evenings</b>	3-hour limits starting at 5 PM.	
	Belltown Commercial Core Chinatown/ID University District	Capitol Hill Denny North (add eve in 2012) Pike-Pine Uptown
<b>Pay-By-Cell</b>	Implement pay-by-cell for all areas with on-street paid parking.	
<b>No changes to rates or time limits</b>	12th Avenue Ballard Locks Cherry Hill Chinatown/International District Commercial Core	First Hill Fremont Green Lake Pike-Pine

<sup>1</sup> In some areas where rates were reduced or held the same in 2011, occupancy rates did not change significantly or even fell further from the November 2011 observed occupancy levels to the June 2012 observed occupancy levels. Given that response, SDOT plans to evaluate in isolation the impact of changes in time limits on occupancy in some of these areas. Depending on results, further rate reductions in these areas may yet be warranted.

## **7) Alaskan Way Viaduct and Seawall Replacement Program Update (Schwab).**

The 2012-2017 Proposed Capital Improvement Program (CIP) includes updated cost estimates for the Elliott Bay Seawall (“Central Seawall”) and the Central Waterfront public spaces and surface streets (“Waterfront Seattle”), which are summarized below.

The Executive continues to recommend authorization of a public vote for an excess property tax levy to support costs for the Central Seawall and creation of a Local Improvement District (LID) to fund the Waterfront Seattle project. During the first half of 2012, the Central Waterfront Committee, appointed jointly by the Mayor and Council, will be developing a comprehensive financing and partnership strategy for both the Central Seawall and Waterfront Seattle, including recommendations to address future operations and maintenance costs. The strategy likely will address how to match up various funding methods and recommend the timing of any public vote(s), among other things. The financing and partnership strategy will inform and be informed by the James Corner Field Operations conceptual design for Waterfront Seattle, which is to be completed by mid-2012. Both the funding strategy and the design (interim and final recommendations) will be presented to the Council for review and approval next year.

### Central Seawall Cost Estimate Increases \$56M

On April 25, 2011, SDOT briefed the Council about two alternatives for the Central Seawall configuration and construction methods which are to undergo environmental review. The cost estimates for the two alternatives ranged from \$310M to \$390M. Working with consultants and stakeholders in coordination with the Waterfront Seattle design process, SDOT has an updated cost estimate of \$330M that reflects a 10% design. A further update on costs will be developed by first quarter 2012. SDOT expects seawall construction will begin by September 2013.

The \$330M is reflected in the 2012-2017 Proposed CIP, an increase of \$56M over last year’s adopted CIP planning estimate of \$274M. The increase is due to:

- 1) extending the project from Pine Street to Virginia Street to incorporate the seawall portion adjacent to Pier 62/63;
- 2) basing the cost estimate on the higher construction cost method using drilled shafts (less construction risk for the soil conditions in the project area and a better understanding of cost) versus the jet grouting construction method; and
- 3) including ecosystem restoration.

### Waterfront Seattle – Interim and LID Financing

The Waterfront Seattle project could potentially include the design and construction of:

- 1) public space elements;
- 2) transportation elements over and above those that the Washington State Department of Transportation has committed to pay for as part of the Alaskan Way Viaduct replacement; and
- 3) the Central Seawall.

The Waterfront Seattle project, previously estimated at \$123M for a “bare bones” treatment has been revised to \$234M. The \$234M is primarily based on a conservatively low estimate in the LID Preliminary Feasibility Study completed in June 2010 that an LID could raise \$225M. (The \$234M includes interim costs that are not reimbursable from an LID.) The James Corner Field Operations concept design most likely will require other funding in addition to an LID. The Corner concept design will be completed in mid-2012. It will represent approximately 10% design, depending on the project element, and will provide the basis for initial costing and phasing of project elements.

Previously, the Waterfront Seattle effort has been funded with debt financing and Commercial Property Tax revenue. With the prospect of an LID being formed for this project, the Executive has transmitted Budget legislation to create a Central Waterfront Improvement Fund and to authorize a Cash Pool Loan to this new fund of \$2.4M in 2012 for costs anticipated to be repaid with a future LID. This low-cost form of interim financing will allow work to continue on the concept design through subsequent design phases, and will cover the costs of existing staff in SDOT, the Department of Planning and Development, and the Department of Parks and Recreation as well as current consultant team of James Field Corner Operations, CH2M Hill, and Shields|Obletz|Johnsen. The 2012-2017 Proposed CIP anticipates that the Central Waterfront Improvement Fund will need \$7.6M in 2013 and \$10.4M in 2014 in interim financing which also would be repaid from the LID. If an LID ultimately were not formed, these expenses would accrue to the General Fund.

## 8) Budget Legislation

- a. **Central Waterfront Inter-fund Loan Ordinance** (Schwab). Legislation behind Gray Notebook Tab #18 would create a Central Waterfront Improvement Fund and would authorize a \$2.4M Cash Pool Loan to this new fund during 2012 for costs anticipated to be repaid with a future LID. In the event that an LID is not formed as expected, the proposed \$2.4M Cash Pool Loan would not be repaid to the General Subfund.
- b. **SDOT Debt Management Policies Resolution** (Eder). Legislation behind Gray Notebook Tab #17 would rescind the SDOT-specific debt management policies established in Resolution 30636.
- c. **STBD Annual Budget** (Eder). Legislation will be considered by the STBD Board to authorize the annual 2012 budget and spending plan for the STBD. The budget will include \$6.8M in 2012 revenues from the existing \$20 Vehicle License Fee (VLF). These revenues are included in the SDOT’s Proposed 2012 Budget.
- d. **Commercial Vehicle Load Zone Fee Ordinance** (Fong). Legislation behind Gray Notebook Tab #19 would increase Commercial Vehicle Load Zone (CVLZ) fees to \$195 for all permits from current permit fees of \$150 (\$45 proposed increase) for the first permit and \$90 (\$105 proposed increase) for each additional permit.

- e. **Streetcar Inter-fund Loan Repayment Ordinance** (Valles). Legislation behind Gray Notebook Tab #21 would extend the repayment deadline for an inter-fund associated with capital costs to develop the South Lake Union Streetcar project. The Executive has not proposed legislation that revises the terms of a separate inter-fund loan used to pay for operating expenditures associated with the South Lake Union (SLU) Streetcar; however, it is likely this issue will need to be revisited during 2012.

**Attachment A: \$20 VLF in the Proposed 2012 Budget**

	A	B	C = A + B	D	E	F = D + E	G = D - A	H = E - B	I = F - C
	Endorsed 2012			Proposed 2012			Difference		
	Base (Non VLF)	\$20 VLF	Budget	Base (Non VLF)	\$20 VLF*	Budget	Base (Non VLF)	\$20 VLF	Budget
Pavement Preservation	\$4,600,389	\$868,000	\$5,468,389	\$ 4,050,389	\$2,700,000	\$ 6,750,389	\$ (550,000)	\$ 1,832,000	\$1,282,000
Sidewalk Safety Access	\$9,770,263	\$2,395,000	\$12,165,263	\$ 9,520,263	\$2,000,000	\$ 11,520,263	\$ (250,000)	\$ (395,000)	(\$645,000)
Transit Corridor	\$0	\$0	\$0	\$ -	\$900,000	\$ 900,000	\$ -	\$ 900,000	\$900,000
Bike Facility Maint./Impr.	\$4,788,000	\$0	\$4,788,000	\$ 4,585,000	\$1,200,000	\$ 5,785,000	\$ (203,000)	\$ 1,200,000	\$997,000
Other	\$7,219,959	\$3,358,000	\$10,577,959	\$ 9,102,959	\$0	\$ 9,102,959	\$ 1,883,000	\$ (3,358,000)	(\$1,475,000)
<b>Grand Total</b>	<b>\$26,378,611</b>	<b>\$6,621,000</b>	<b>\$32,999,611</b>	<b>\$27,258,611</b>	<b>\$6,800,000</b>	<b>\$34,058,611</b>	<b>\$880,000</b>	<b>\$179,000</b>	<b>\$1,059,000</b>

\* \$20 VLF in Proposed 2012 Budget is consistent with CTAC III recommendations.