

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

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*Table 1: Budget Overview*

	A	B	C	D = C - B	E = D / B
	2013	2014	2014	2014	2014
Expenditures	Adopted	Endorsed	Proposed	\$ Adds (\$ Decreases)	% Adds (% Decreases)
Bridges & Structures	\$7,479,475	\$7,718,832	\$9,048,552	\$1,329,720	17%
Department Management	\$1,210,932	\$1,233,026	\$1,629,334	\$396,308	32%
Engineering Services	\$2,293,658	\$2,155,438	\$1,633,548	(\$521,890)	(24%)
General Expense	\$30,919,702	\$34,434,729	\$32,866,203	(\$1,568,526)	(5%)
Mobility-Operations	\$35,582,724	\$36,371,846	\$39,831,887	\$3,460,041	10%
ROW Management	\$13,733,268	\$13,623,961	\$19,848,368	\$6,224,407	46%
Street Maintenance	\$23,166,774	\$23,611,177	\$21,516,006	(\$2,095,171)	(9%)
Urban Forestry	\$4,610,768	\$4,757,205	\$4,647,608	(\$109,597)	(2%)
<b>Total O&amp;M BCLs</b>	<b>\$118,997,300</b>	<b>\$123,906,213</b>	<b>\$131,021,505</b>	<b>\$7,115,292</b>	<b>6%</b>
Major Maint./Repl.	\$48,823,999	\$50,914,000	\$50,170,004	(\$743,996)	(1%)
Major Projects	\$129,602,000	\$195,968,520	\$171,917,003	(\$24,051,517)	(12%)
Mobility-Capital	\$23,570,000	\$21,192,000	\$54,119,439	\$32,927,439	155%
<b>Total Capital BCLs</b>	<b>\$201,996,000</b>	<b>\$268,074,519</b>	<b>\$276,206,445</b>	<b>\$8,131,926</b>	<b>3%</b>
<b>Grand Total</b>	<b>\$ 320,993,299</b>	<b>\$ 391,980,732</b>	<b>\$ 407,227,950</b>	<b>\$15,247,218</b>	<b>4%</b>
FTEs	727.5	727.5	770.5	43	6%
Revenues	2013 Adopted	2014 Endorsed	2014 Proposed	2014 \$ Adds (\$ Decreases)	2014 % Adds (% Decreases)
Bonds	\$34,301,043	\$15,003,776	\$28,378,000	\$13,374,224	89%
Charges for Service	\$61,785,170	\$69,969,559	\$60,131,764	(\$9,837,795)	(14%)
Fees	\$7,118,000	\$7,187,000	\$7,469,365	\$282,365	4%
General Subfund Support	\$36,701,168	\$38,976,028	\$40,424,670	\$1,448,642	4%
Grants	\$41,751,855	\$59,703,159	\$57,461,692	(\$2,241,467)	(4%)
Private Contributions	\$500,000	\$0	\$0	\$0	n/a
Property Sales	\$0	\$15,400,000	\$1,976,527	(\$13,423,473)	(87%)
School Zone Cameras	\$0	\$0	\$7,088,500	\$7,088,500	n/a
Taxes	\$129,442,909	\$165,884,909	\$166,010,701	\$125,792	0%
Transfers - Other Funds	\$20,145,125	\$18,293,357	\$31,890,412	\$13,597,055	74%
Use of Fund Balance	(\$10,751,970)	\$1,562,944	\$6,396,318	\$4,833,374	309%
<b>Grand Total</b>	<b>\$ 320,993,300</b>	<b>\$ 391,980,732</b>	<b>\$ 407,227,949</b>	<b>\$ 15,247,217</b>	<b>4%</b>

**Introduction:**

Seattle Department of Transportation (SDOT)’s revenues in the 2014 Proposed Budget will increase by approximately \$15 million or 4% compared to the 2014 Endorsed Budget. SDOT’s operating and maintenance BCLs grew by \$7.1M or 6% while the capital BCLs grew by \$8.1M or 3%.

SDOT’s revenue growth in 2014 includes use of a \$10.3M increase in Real Estate Excise Tax (REET II) revenues from the City’s Cumulative Reserve Subfund. Historically, REET II revenues have not been a particularly stable funding source. REET II must be used for capital projects, but \$3.9M in REET II funding is programmed in 2014 to free up other more flexible funding sources (Commercial Parking Tax and Vehicle License Fees) for other purposes.

Another large source of added revenue is the one-time use of \$4.1M in fund balance from the Bridging the Gap Levy Lid Lift. Most of this Levy Lid Lift funding supports activities that are planned to become ongoing efforts. Also, the General Subfund support for SDOT increased by about \$1.5M.

The 2014 Proposed Budget includes 43 new positions for SDOT. Some (14) of these are supported by increased revenue from reimbursable work. Other positions (7) were created as temporary positions in 2013 in lieu of contracting with consultants; these would be converted from temporary positions to permanent positions. The balance (22) would work on a range of activities including: Downtown access, transit planning, public right-of-way management, and others.

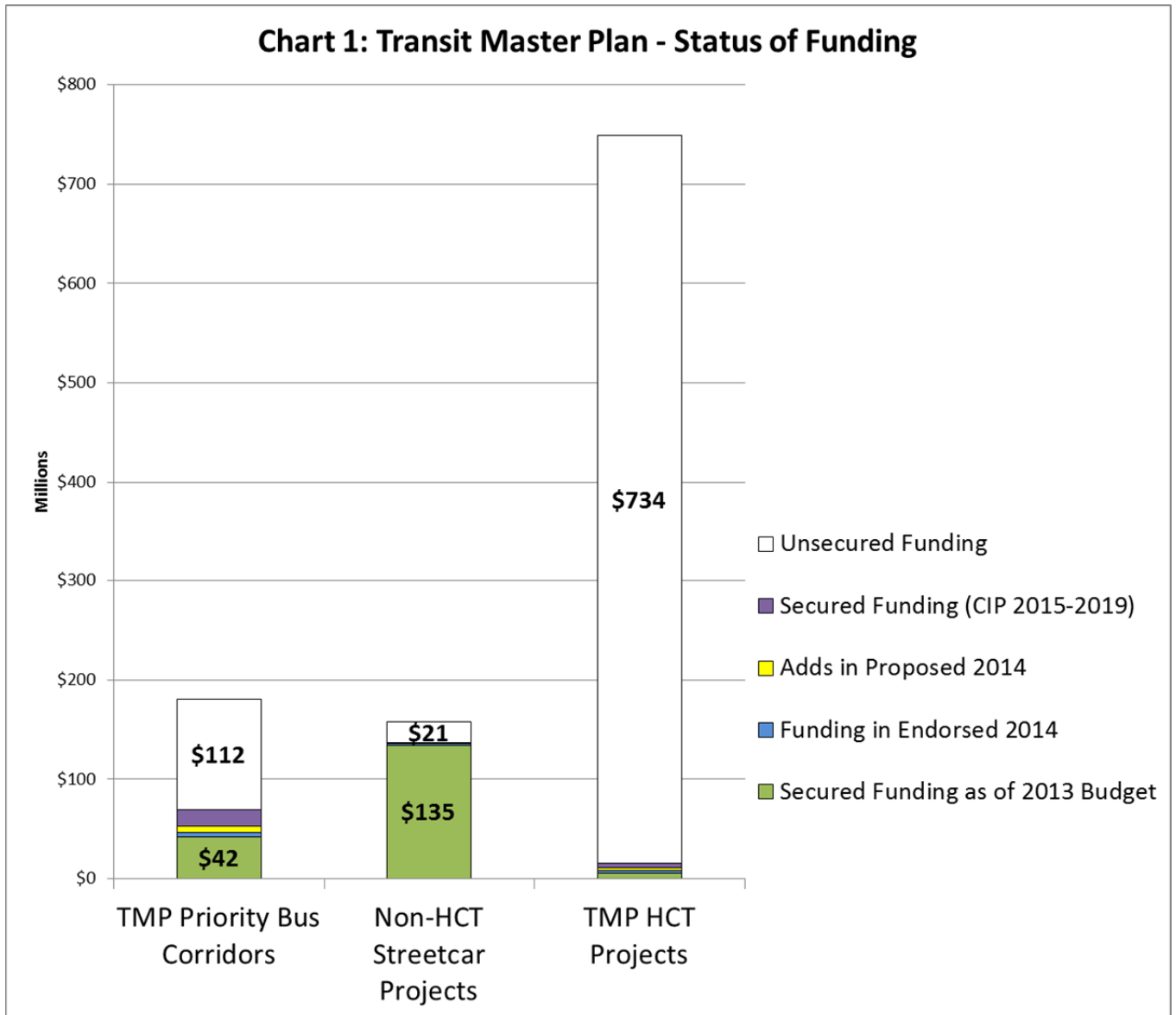
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# 1. Transit Master Plan Implementation (Freeman and Eder)

The Proposed Budget would more than double the level of funding to implement the adopted Transit Master Plan (TMP). The Endorsed Budget included \$8.1M for TMP implementation projects; the Proposed Budget would add another \$10M. Assuming Council adopts the budget as proposed, the cumulative unsecured funding needed to implement the TMP is \$867M.

A detailed list of the projects within each category, capital cost estimates, and funding status is included as [Attachment A](#). Chart 1 summarizes preliminary cost estimates and funding status for three categories of TMP projects.



The TMP prioritizes both High-Capacity Transit (HCT) projects and Priority Bus Corridor projects. HCT projects require a longer planning horizon as well as capital funding

requirements too large for the City to implement without significant funding partnerships with other entities.

Some Priority Bus Corridor projects can be implemented incrementally as funding becomes available. For example, SDOT could use added budget authority to increase the number of intersection treatments in any given corridor to provide additional speed and reliability benefits for buses. Similarly, *design and planning* of HCT (e.g., Ballard to Downtown) and non-HCT streetcar projects (e.g., Broadway Streetcar Extension) can advance faster or further with additional funding. In contrast, *construction* of HCT and non-HCT streetcar projects generally cannot begin until all the construction funding is available.

**Priority Bus Corridors.** The Proposed Budget adds \$6.9M to continue implementation of Priority Bus Corridor improvements identified in the TMP (the Endorsed Budget included \$4.0M).

**Non-HCT Streetcars.** Sound Transit has fully funded the First Hill Streetcar capital project. The Proposed Budget adds \$175k in funding related to a planned new Local Improvement District (LID) for the Broadway Streetcar Extension, the other non-HCT streetcar project (the Endorsed Budget included \$1.6M).

**HCT Projects.** The Proposed Budget also adds a total of \$2.9M for several, separate HCT projects (\$2.5M total in the Endorsed Budget).

There is not yet a 20-year funding plan for securing the \$867M capital funding gap. Similarly, there is not yet a funding plan for supporting the ongoing costs for operations and maintenance of the planned new transit infrastructure. Executive staff indicates that funding in the Proposed Budget includes work – particularly for the HCT projects – that must be completed in order to formulate detailed funding plans.

Table 2: Proposed TMP Implementation Budget Adds

	A	B	C = A + B
CIP Project	2014 Endorsed	2014 Adds	2014 Proposed
TMP Priority Bus Corridors	\$4.0	\$6.9	\$10.9
<b>Subtotal Priority Bus Corridors</b>	<b>\$4.0</b>	<b>\$6.9</b>	<b>\$10.9</b>
First Hill Broadway Extension	\$1.6	\$0.2	\$1.8
<b>Subtotal Non-HCT Streetcars</b>	<b>\$1.6</b>	<b>\$0.2</b>	<b>\$1.8</b>
Ballard to Downtown	-	\$0.2	\$0.2
City Center Connector	\$1.5	\$1.0	\$2.5
Madison BRT	-	\$1.0	\$1.0
Ship Canal Crossing for Ballard to Downtown	-	\$0.5	\$0.5
University to Downtown via Eastlake	\$1.0	\$0.2	\$1.2
<b>Subtotal HCT</b>	<b>\$2.5</b>	<b>\$2.9</b>	<b>\$5.4</b>
<b>Total SDOT Adds</b>	<b>\$8.1</b>	<b>\$10.0</b>	<b>\$18.1</b>

In \$millions

## **2. School Safety Projects and Pedestrian Improvements (Schwab)**

The 2014 Proposed Budget increases capital expenditures for school safety and pedestrian improvement projects by about \$11M above the 2014 Endorsed Budget due to an increase in two principal funding sources: REET II and the new School Zone Camera Fund established last year. In addition, the new School Zone Camera Fund provides about \$0.5M in new support for certain school safety activities in SDOT's operating budget. Table 3 below summarizes the allocation of funding by program area.

Table 3: SDOT School Safety and Pedestrian Improvement Programs

Program	A		B	C = B - A
	2013 Adopted	2014 Endorsed	2014 Proposed	Proposed vs. Endorsed
<b>Capital Projects</b>				
Pedestrian Master Plan (PMP)				
Implementation	\$5.7M	\$5.3M	\$9.5M	+\$4.2M
PMP – School Safety	\$1.6M	\$0.8M	\$7.4M	+\$6.6M
Sidewalk Safety Repair	\$2.1M	\$2.3M	\$2.3M	0
New Traffic Signals	\$0.3M	\$0.3M	\$0.5M	+\$0.2M
ADA Improvements at Parks	0	0	\$.05M	+.05M
<b>Capital Subtotal</b>	<b>\$9.7M</b>	<b>\$8.7M</b>	<b>\$19.8 M</b>	<b>+\$11.0M</b>
<b>Operating Programs</b>				
School Safety	0	0	\$0.5M	\$0.5M
Other	\$0.2M	\$0.3M	\$0.3M	0
<b>Operations Subtotal</b>	<b>\$0.2M</b>	<b>\$0.3M</b>	<b>\$0.8M</b>	<b>\$0.5M</b>
<b>Grand Total</b>	<b>\$9.9M</b>	<b>\$9.0M</b>	<b>\$20.5M</b>	<b>\$11.5M</b>

SDOT’s Pedestrian Master Plan Implementation Program (CIP Project TC367150) addresses a variety of pedestrian improvements including Americans with Disability Act (ADA) accessibility, pedestrian lighting, sidewalk development and stairway rehabilitation. The base budget for this CIP project is increased by \$4M in REET II and \$200K in BTG levy-lid lift in 2014 to fund:

- Ten blocks of new sidewalks (\$2.5M REET II)
- Repair approximately 25,000 square feet of sidewalks and 50 new ADA ramps (\$1M REET II)
- Pedestrian improvements at the Northgate Light Rail station (\$500K REET II)
- Inspections of existing stairways and ability to respond to stairway hazards (\$200K BTG)

In addition to the increment for sidewalk repair described above, the CIP continues funding for the Sidewalk Safety Repair Program (CIP Project TC365120) at \$2.3M, the same level as in the 2014 Endorsed Budget. Funding for another pedestrian-related CIP project, New Traffic Signals (CIP Project TC323610), is increased by \$150,000 in REET II funds to install a pedestrian signal and sidewalk midblock on Pacific Street Northeast near the Link Light Rail Montlake Station. A new small CIP project has been added with \$45K in REET II funds – ADA Improvements (CIP Project TC367500) – to replace curb ramps at 11 locations that provide access to Seattle parks.

The 2014 Proposed Budget includes \$8.6M in the School Zone Fixed Automated Camera Fund. The Fund was established last year by Ordinance 124230. Table 4 below summarizes how the Fund has been allocated across three departments: SDOT, Seattle Police Department (SPD) and Seattle Municipal Court (SMC).

Table 4: School Zone Camera Fund Allocation in 2014 Proposed Budget

<b>Department/Program</b>	<b>Funding</b>
SDOT	
Operations	\$489,500
Capital (TC367170)	\$6,599,000
<b>Subtotal SDOT</b>	<b>\$7,088,500</b>
SPD Operations	\$1,437,270
SMC Operations	\$93,316
<b>Total</b>	<b>\$8,619,086</b>

The School Zone Camera Fund supports \$489,000 in SDOT Operations to continue 1 FTE School Safety Program Manager added in the 1<sup>st</sup> quarter 2013 supplemental budget and to pay for school zone beacon maintenance and outreach materials. The balance of SDOT funds will be used in the Pedestrian Master Plan – School Safety Project (TC367170) to continue 2 FTE capital program positions requested in the 3<sup>rd</sup> quarter 2013 supplemental budget, to install new cameras at 12 schools, and fund sidewalks at Arbor Heights, Sacajawea, John Rogers, Nathan Hale, Thornton Creek, Eckstein, Wedgwood, Olympic View, and Broadview-Thompson schools, crossing improvements at McDonald International, Bryant and Thornton schools, and the Yesler Terrace Hill Climb near Bailey Gatzert school. (Note: An additional \$767K in BTG levy lid-lift continues base funding in the Pedestrian Master Plan – School Safety Project for pedestrian improvements at 3-4 other schools.)

The School Zone Camera Fund supports about \$1.4M in SPD operations costs including 1 FTE Automated Traffic Enforcement Program Manager, 2 FTE officers for citation review, and camera leasing expenses. It also supports about \$93K in SMC for citation processing by the automated traffic camera vendor and funding for 1 FTE administrative specialist.

In summary, the 2014 Proposed Budget increases funding for implementation of the Pedestrian Master Plan by 127% over the 2014 Endorsed Budget for a total of \$20.5M, principally due to a significant increase in REET and School Zone Camera Fund revenues.

**Options:**

- A. Reappropriate a portion or all of the \$4.2M budget increment for the Pedestrian Master Plan Implementation Project (CIP Project TC367150) to other Council transportation priorities This could be a scalable reduction that SDOT could implement using Pedestrian Master Plan priorities to guide the allocation of remaining funds in this CIP project.
- B. No action - approve the Mayor's proposal.

### **3. On-Street Parking (Eder and Fong)**

The 2014 Proposed Budget assumes no changes to on-street parking rates. It includes no funding for implementing rate changes or other management strategies. The Proposed Budget assumes 2014 parking revenues will be \$37.4M, unchanged from 2013 levels.

In 2010, the Council worked cooperatively with the Mayor and SDOT to establish a new approach for setting on-street parking rates. The new approach raised the City's maximum hourly parking rate to \$4.00 and adopted a new data-based policy for adjusting on-street parking rates. The Seattle Municipal Code (SMC) delegates decision-making authority to the SDOT Director for making rate adjustments in each parking area. Specifically, SMC Section 11.16.121.C. says:

*The Director shall ... adjust parking rates higher (up to the Maximum Hourly Rate) or lower (as low as the Minimum Hourly Rate) in neighborhood parking areas based on measured occupancy so that approximately one or two open spaces are available on each block face throughout the day in order to:*

- 1. Support neighborhood business districts by making on-street parking available and by encouraging economic development;*
- 2. Maintain adequate turnover of on-street parking spaces and reduce incidents of meter feeding in commercial districts;*
- 3. Encourage an adequate amount of on-street parking availability for a variety of parking users, efficient use of off-street parking facilities, and enhanced use of transit and other transportation alternatives; and,*
- 4. Reduce congestion in travel lanes caused by drivers seeking on-street parking.*

Between 2010 and 2013, SDOT spent \$710,000 on annual surveys of parking occupancy, noting hourly parking use in every parking area of the City. The 2014 Proposed Budget includes \$230,000 in SDOT's base budget for another City-wide survey of parking occupancy. The methodology for establishing the target range and for measuring occupancy has evolved over time. In 2011, SDOT primarily adjusted rates up or down. In 2012, SDOT employed other parking "management strategies" in some areas (such as extended time limits, different area boundaries) as an alternative to simply adjusting rates, in an effort to achieve the policy objective of 1 – 2 available spaces.

In a number of parking areas, rates have not changed since 2011 in spite of occupancy remaining above or below the target range. The SMC guidance clearly indicates that rates in these areas should be adjusted up or down, but the SMC does not specify a timeframe for implementing rate changes.

- In 2012, SDOT changed rates in 6 areas based on observed occupancy (4 increases; two decreases). SDOT did not change rates in 9 areas although observed occupancy was below target ranges; SDOT indicated at the time that other parking management



strategies were a more appropriate first step prior to implementing further rate changes. The [2012 Adopted Budget](#) (p. 31) says: “In some cases, time limits are extended in lieu of lowering rates because, based on the June 2011 data collection, further rate decreases are not likely to generate parking demand.”

- In 2013, there were rate changes in the Chinatown/International District area but nowhere else.
- The [2014 Proposed Budget](#) (p. 397) “assumes that parking rates will not change [in 2014] until the City undertakes a thoughtful evaluation of the implications of time-of-day pricing and other parking pricing strategies.”

The occupancy study conducted during 2013 would inform rate changes that may eventually be made in 2014. Central Staff analysis finds that half of the parking areas in the 2013 report had observed daytime occupancy either above or below the target range. This analysis assumes that SDOT would use existing pay stations (*i.e.*, no replacement equipment capable of charging different rates by time of day) and calculates target ranges and daytime peak occupancy using methodologies described in the 2013 occupancy study.

Strict application of the rate-setting provisions in the SMC would therefore lead to 2014 rate changes in up to half of the parking areas. Based on past experience, SDOT may identify exceptional circumstances for why one or more of the areas should have different rate adjustments than indicated by the 2013 occupancy study.

An additional 3 parking areas had observed occupancy in 2013 below the target range where the rate is already at the minimum “operational” rate (\$1.00). All three of these areas had observed occupancy below the target range in 2011 and 2012. One conclusion may be that paid parking in some areas is no longer necessary to achieve the policy objectives articulated in the SMC.

The Proposed Budget indicates that in 2014 the Executive plans to “consult with the Parking Sounding Board and solicit community input to evaluate time of day parking pricing methods,” and “the Mayor will collaborate with Council on parking policy and rate changes.”

In brief, the Executive indicates that there is enough uncertainty about potential changes to parking policy, methodologies, and technologies that the Executive decided the 2014 Proposed Budget should not assume any on-street parking rate changes, any added costs to implement rate changes, or any adjustment to revenues associated with rate changes.

**Options:**

- A. Add the issue to Council’s 2014 work program to consider potential changes to SMC such as:
  - i. *Methodology:* Are there changes in how to measure target ranges and/or occupancy?

- ii. *Timing:* When should rate changes occur when occupancy is outside a target range?
- iii. *Remove pay stations:* When should an area no longer have paid parking?
- iv. *Governance:* Are there other models that Council wishes to explore for setting on-street parking rates?

B. No action.

#### **4. Pay Stations (Eder and Fong)**

Even with the uncertainty about potential SMC changes in 2014 (as described above in [On-Street Parking](#)), the 2014 Proposed Budget includes funding to begin replacing all 2,200 of the City's aging pay stations over a three year period. SDOT estimates the total cost of replacement will be \$30M.

The oldest pay stations in SDOT's existing inventory will be 10 years old at the end of 2014, and all 2,200 pay stations will reach the end of their useful life in the next 3 years. SDOT's Proposed 2014-2019 Capital Improvement Plan (CIP) includes a plan to lease replacement pay stations with new equipment.

Responses to a Request for Proposals are due in November and will help SDOT evaluate tradeoffs between a long-term lease and purchasing new pay stations outright. SDOT expects to evaluate not only the initial acquisition cost but also the warranties and overall costs of operation and maintenance, including parts and service.

The Proposed CIP assumes a 7 year lease that would cost a total of \$30M. The Proposed CIP includes \$25M of the total \$30M, corresponding to the first six years of estimated installation and lease costs. The lease will extend beyond the CIP's 6-year time frame.

SDOT staff expects that pay station vendors will be able to provide replacement equipment nimble enough to handle any potential changes to parking policy and methodologies. However, Council may wish to proviso pay station spending until after the Executive and Council have sorted out what changes – if any – may be in store for parking rates.

##### **Options:**

- A. Proviso the \$1.3M in 2014 pay stations appropriations.
- B. No action.

#### **5. Paving (Fong)**

Last fall, the Council added \$2M to the 2014 Endorsed Budget for arterial (\$1M) and non-arterial paving (\$1M) maintenance projects. This brought the total budget for ongoing street

maintenance to approximately \$15.9M. The 2014 Proposed Budget includes an additional \$2M in REET II funding plus an additional \$0.4M for Arterial Asphalt and Concrete Program (AACP). Table 5 below summarizes the allocation of funding by program area.

Table 5: SDOT On-Going Paving Maintenance Program Areas

Program	A			B	C = B - A
	2012 Adopted	2013 Adopted	2014 Endorsed	2014 Proposed	Proposed vs. Endorsed
Arterial Major Maint.	\$4.0M	\$6.0M	\$6.9M	\$7.9M	+\$1.0M
Non-Arterial Concrete	\$0.4M	\$0.9M	\$0.9M	\$1.4M	+\$0.5M
Non-Arterial Asphalt	\$0.1M	\$0.8M	\$1.8M	\$2.3M	+\$0.5M
Pothole Repair	\$1.8M	\$2.0M	\$2.0M	\$2.0M	No Change
Street Surface Maint.	\$2.8M	\$2.2M	\$2.2M	\$2.2M	No Change
Chip Seal	0	\$1.8M	\$1.8M	\$1.8M	No Change
Crack Seal	0	\$0.5M	\$0.3M	\$0.3M	No Change
<b>Subtotal Street Maint.</b>	<b>\$9.1M</b>	<b>\$14.0M</b>	<b>\$15.9M</b>	<b>\$17.9M</b>	<b>+\$2.0M</b>
Arterial Asphalt & Concrete Program (AACP)	\$14.3M	\$11.9M	\$18.9M	\$8.2M	(\$10.7M)
23 <sup>rd</sup> Avenue Corridor (Transfer from AACP)	0	0	0	\$7.9M	+7.9M
AACP Paving Reserve	0	0	0	\$3.2M	+\$3.2M
<b>Subtotal AACP</b>	<b>\$14.3M</b>	<b>\$11.9M</b>	<b>\$18.9M</b>	<b>\$19.3M</b>	<b>+0.4M</b>
<b>Grand Total</b>	<b>\$23.4M</b>	<b>\$25.9M</b>	<b>\$34.8</b>	<b>\$37.2M</b>	<b>+2.4M</b>

In addition to the 7 smaller street maintenance and paving programs, SDOT's CIP includes the AACP. This project focuses on major resurfacing or reconstruction where grants and other partnership funds are sought. The annual funding appropriations fluctuate significantly from a few million dollars to as much as \$30M. For 2014, the AACP has an \$8.2M budget and an additional \$3.2M in reserve pending project level decisions to be made next year. Additionally, \$7.9M was transferred from the AACP to the new 23<sup>rd</sup> Ave. Corridor project. Given that the AACP projects are typically large-scale projects, the 7 smaller street maintenance and paving program areas listed in the table above are generally more flexible and scalable on an annual basis.

SDOT's paving needs are significant. SDOT estimates that it would need \$37M in annual maintenance funding to *preserve* the arterial street network in its current condition. In order to *improve* arterial street conditions and eliminate deferred maintenance, SDOT estimates that it would need \$65M a year over the next 20-years. The 2014 Proposed Budget for all paving programs (arterial and non-arterial work) is \$37.2M. The Proposed Budget comes close to meeting the arterial network preservation target, but funding for the AACP fluctuates

dramatically from year to year dependent upon funding availability. Whether this level of funding is sustainable is unclear. SDOT's paving budget is still significantly underfunded if any progress is to be made on eliminating backlog and deferred maintenance paving projects.

The Council and Mayor with assistance from the Office of the City Auditor hired a consultant to review SDOT operations in 2013. One area the consultants focused on was the paving program. They recommended that SDOT should conduct a non-arterial pavement condition survey in order to better understand the needs and to tackle the problem strategically. SDOT believes a survey would have two key benefits: 1) better estimating current and future needs; and 2) time maintenance activities to achieve the greatest return on investment.

SDOT estimates that a non-arterial condition survey would cost \$500,000. There is currently no funding in SDOT's budget to carry out this study. The department could certainly identify projects to spend the proposed \$3.7M in funding for non-arterial maintenance in 2014. However, there may be value in doing the condition survey first in order to inform decision making for specific projects in the future. Furthermore, only two years ago, the 2012 adopted budget for non-arterial paving was only \$500,000. With the program growing to \$3.7M (\$1.4M for Non-Arterial Concrete plus \$2.3M for Non-Arterial Asphalt), Council may want to consider whether re-appropriating some funding to do the condition analysis may have greater long-term benefits for future decision-making and potentially for informing the Bridging the Gap renewal prioritization process next year.

**Options:**

- A. Reallocate REET funding from other SDOT priorities to begin tackling arterial paving deferred maintenance projects.
- B. Reallocate \$500k of REET funding from other SDOT priorities or from the non-arterial paving budget to carry out a city-wide non-arterial pavement condition survey.
- C. No action – approve the Mayor's proposal.

**6. 23rd Ave. Corridor (Eder)**

Consistent with briefings offered during 2013, SDOT has included a new 23rd Ave. Corridor project in the CIP. The \$46M project includes a three-lane reconfiguration of the street (with 4 lanes at some intersections), enhanced pedestrian facilities, transit speed and reliability upgrades, and "a greenway facility on a parallel street to facilitate north-south bicycle travel."

As shown in [Attachment B](#), the project will be constructed in three phases:

- Phase 1: John St. to S. Jackson St.
- Phase 2: S. Jackson St. to Rainier Ave. S.
- Phase 3: John St. to E. Roanoke St.

SDOT plans to begin construction on Phase 1 in 2014. SDOT has secured all funding for the contract. The Proposed CIP includes \$35.9M in secured funding, but an additional \$10M is required to construct Phase 2. SDOT plans to begin construction on Phase 2 in 2015.

Phase 1 improvements do not function properly as a standalone project; both Phase 1 and Phase 2 must be constructed to create a three-lane configuration between Rainier Ave. S. and John St. SDOT indicates that Phase 1 must be started as early as possible in 2014 to avoid significant risk the City will lose secured grant funding. The Proposed CIP includes sufficient secured funding only to complete Phase 1. (Phase 3 is fully funded but includes grant funds and local match that cannot be used in other phases.)

Starting Phase 1 construction effectively commits the City to secure an additional \$10M (currently “To Be Determined” funding) for Phase 2. The Executive expects that up to \$10M could come from the Mercer East Corridor in 2014 or early 2015. However, the actual amount is uncertain. If some or all of the \$10M is not available from Mercer Corridor in 2014, the City would need either to reprioritize funding from other projects or to issue bonds to start construction of Phase 2 in 2015.

Table 6 summarizes funding proposed for the project.

Table 6: 23<sup>rd</sup> Ave. Corridor Project Funding

	2013	2014	2015	2016	Total
Transfers from other Projects and grants	\$ 1.5	\$ 8.4	\$ 12.6	\$ 1.5	\$ 24.0
S. Spokane St. Viaduct Savings (3QS)	\$ 5.9				\$ 5.9
REET II (Proposed 2014 Budget)		\$ 2.4	\$ 2.4		\$ 4.8
Transportation Bonds				\$ 1.2	\$ 1.2
Unsecured funding			\$ 10.0		\$ 10.0
<b>Grand Total</b>	<b>\$ 7.4</b>	<b>\$ 10.8</b>	<b>\$ 25.0</b>	<b>\$ 2.7</b>	<b>\$ 45.9</b>

In \$millions

- **S. Spokane St. Viaduct project:**

The Executive proposes to use \$5.9M in additional S. Spokane St. Viaduct project savings for the new 23<sup>rd</sup> Ave. Corridor project. This is in addition to \$15M in project savings that Council re-appropriated to a variety of other transportation priorities in the 1<sup>st</sup> Quarter Supplemental and in Ordinance 124222 (approving supplemental budget authority for SDOT).

- **Mercer Corridor project:**

In the Proposed CIP, the Executive has reduced the cost of the Mercer Corridor project by \$4.9M reflecting new estimates of the final project cost; these costs were to be paid for with future potential surplus land sale proceeds. The Executive estimates there could be approximately \$10M in additional savings from the Mercer Corridor project. The Mercer Corridor project will be physically completed by the end of 2013, but the precise amount of funding available for other projects will not be determined until 2014 or 2015 when the Mercer Corridor project is closer to project close out.

Potential savings from Mercer Corridor could be used either for 23<sup>rd</sup> Ave. Corridor or for other capital purposes, including to fund a portion of the cost of the Mercer West project. The Mercer West project is currently in construction, and \$30.6M of that project’s funding is supported by an interfund loan that is to be repaid through a planned

sale of future potential surplus property (principally, the “tear drop” site at Mercer and Dexter).

**Options:**

- A. Amend the Proposed CIP to add \$10M in secured funding (additional bonding or shift funding from other transportation priorities).
- B. Add a proviso that restricts spending on construction until all \$10M in remaining funding is secured. SDOT reports that a delay in starting Phase 1 could put at risk secured grant funding, and they would revert to the previous 4-lane design.
- C. No action – Approve Mayor’s proposal with no changes; SDOT will proceed with Phase I construction in 2014.

**7. Bicycle Master Plan Implementation (Fong & LaBorde)**

Relative to the Endorsed Budget, the Mayor’s 2014 Proposed Budget includes no additional funding for SDOT’s ongoing Bicycle Master Plan (BMP) programs. (Note: \$1.37M has been moved from the Bike Master Plan Implementation CIP project to the Cheshiahud CIP project.) These programs give Council a benchmark for annual investments toward implementation of the BMP.

In addition to the program areas identified in Table 7 below, other bicycle infrastructure improvement projects exist in the CIP. For example, there is a new \$2.4M budgeted for bicycle improvements as part of the 23rd Avenue Corridor project that are not captured in this table.

*Table 7. SDOT Budget for Bike Master Plan Implementation (2010 – 2014)*

Program	A		B	C = A - B
	2013 Adopted	2014 Endorsed	2014 Proposed	Proposed v. Endorsed
Bike Safety Spot Improvements	\$0.26M	\$0.27M	\$0.27M	-
Bike Master Plan Implementation	\$5.39M	\$5.92M	\$4.55M	<sup>1</sup> -\$1.37M
Urban Trail-Bikeways & Spot Improvements	\$0.66M	\$0.67M	\$0.67M	-
<b>Total</b>	<b>\$6.32M</b>	<b>\$6.86M</b>	<b>\$5.49M</b>	<b>-\$1.37M</b>

Last year, Council added \$1.25M over the biennium (\$1M in 2013 and \$250,000 in 2014) to accelerate specific BMP implementation projects. Those included: 1) Ballard Neighborhood Greenway; 2) Delridge Neighborhood Greenway; 3) West Seattle Lower Bridge Multi-Modal Trail; and 4) Downtown Cycle Track Network. SDOT responded to a SLI last month providing

<sup>1</sup> The federal grant for the Westlake Cycle-track was transferred to the Cheshiahud project.

Council with a status update on each of these projects. In general, each appears to be progressing in accordance to expectations. The one exception being that the downtown cycle track design process was to commence after adoption of a new BMP. The new BMP has been delayed and will not be adopted until the first quarter of 2014.

Among SDOT's budget requests not accepted by the Mayor and CBO is a proposal for accelerating specific projects and advancing BMP implementation in 2014. Council Staff has met with SDOT staff to prepare an updated project list for 2014. This will include summary information on what would be accomplished next year with the current level of funding in the Proposed Budget and what could be realistically achievable in 2014 with additional funding for each project. This will provide a range of options if Council intends to accelerate specific elements of BMP implementation. If there is Council interest for accelerating BMP implementation in 2014, staff will develop options for Round One that a) would first explore opportunities for advancing the four priority projects Council identified during last year's budget process and then b) identify other projects where additional funding would rank highly from SDOT's perspective and most effectively and efficiently advance BMP implementation.

**Options:**

- A. Add funding to accelerate BMP projects in 2014. Request Council Staff to develop options for Round One.
- B. Approve the Mayor's proposal with no changes.

**8. Other Potential Issues**

- A. ***South Park Bridge*** (Eder). In the 3<sup>rd</sup> Quarter Supplemental, SDOT proposed adding 5 new positions for operating and maintaining the new South Park Bridge when it opens in 2014. Council has not yet approved a final version of the 3<sup>rd</sup> Quarter Supplemental. The Executive is completing negotiations with King County on an interagency agreement in which King County is expected to reimburse the City for all costs related to the 5 new FTEs, vehicle use, maintenance supplies, and utility and office supply costs. The 2014 Proposed Budget includes spending \$1,190,000 in added appropriations for the 5 new FTEs and related costs. Council may wish to consider a proviso that ties appropriations to finalizing the King County funding agreement.
- B. ***Fautleroy Green Boulevard Project*** (Hawksford & Eder). The 2014 Proposed Budget includes no adds for the project. The base budget includes sufficient funding for work through July 2014 when SDOT expects to complete 60% design. SDOT reports that it could complete final design by December 2014 if Council added \$1.8M to the project's budget. Construction could begin as soon as early 2015 if Council added a further \$11.4M in 2015.
- C. ***Urban Forestry Plan*** (Noble). See discussion in [Overview of Cross-Cutting Issues and Departments without Identified Issues](#) (p. 6).

## **9. Budget Legislation**

### **A. Central Waterfront Interfund Loan Ordinance (C.B. 117948) (Schwab).**

The Executive transmitted C.B.117948 to increase the interfund loan from the City's cash pool to the Central Waterfront Improvement Fund by \$17,525,000 to a total of \$31,225,000. The interfund loan expires on December 31, 2016 and the expectation is that it will be repaid with proceeds from a Local Improvement District (LID), which is being developed. The increased loan will keep planning and design work moving forward on the many different elements of the Central Waterfront Plan with some approaching 60% design in 2014. If an LID were not to be formed, all expenses covered by the interfund loan and interest on the loan would accrue to the General Fund. Council Resolution 31399, approved in 2012, requests the Executive to submit a Central Waterfront work program for Council review in January 2014, which will provide more detail on how these funds will support the various elements.

Council staff recommends a Do Pass for C.B. 117948.

### **B. School Zone Automated Camera Fund (C.B.117949) (Schwab).**

C.B. 117949 makes technical corrections to Ordinance 123761 passed earlier this year that established the School Zone Fixed Automated Camera Fund. The legislation changes the method for forecasting revenues based on fines and civil penalties projected to be received in the proposed budget year rather than on the prior budget year. The City now has more information on planned expansion of the school zone cameras program and on citations issued over the past year, so this change makes sense and would be in line with the way the City budgets for other revenue sources. Also, the Executive's 2014 Proposed Budget projects revenues for school cameras assuming passage of this ordinance. C.B. 117949 also corrects an errant cross-reference by incorporating language directly into Seattle Municipal Code Section 5.81.010.

Council staff recommends a Do Pass for C.B. 117949.

## **10. Other Changes that Do Not Warrant Analysis as "Issues"**

### **A. *Vehicle License Fee / Seattle Transportation Benefits District* (Eder & Fong)**

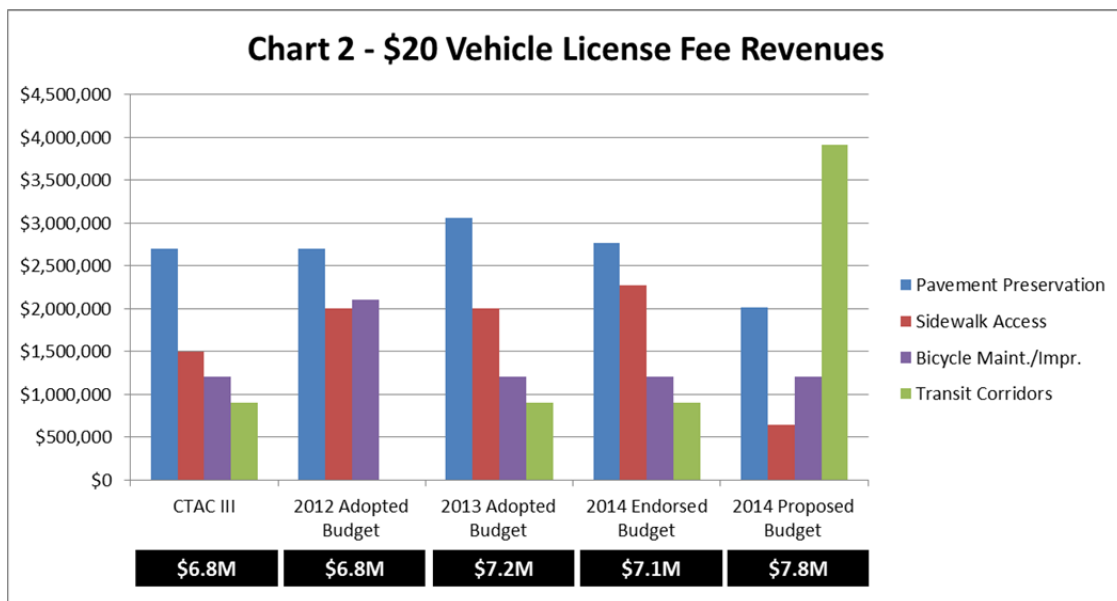
The Proposed Budget would use revenues from the \$20 Vehicle License Fee (VLF) differently than allocated in the Endorsed Budget. There is an additional \$3M of VLF being spent on "Transit Corridors." The additional \$3M for Transit Corridors comes in



part from a \$600k increase in total expected 2014 VLF revenues together with \$2.4M in reductions to “Pavement Management” (\$750k) and “Sidewalk Access” (\$1.6M). The VLF reductions in SDOT’s budget for items in the Pavement Management and Sidewalk Access categories are made up dollar for dollar with added REET II revenues.

[CTAC III’s 2011 letter to Council](#) appears to have anticipated the possibility of a reprioritization: “The Committee’s intent is that this recommendation establish the allocation of the \$20 VLF through 2013. As part of the deliberation on the 2014 Budget, the allocation should be reassessed to take into consideration changing funding needs and any relevant additional transportation recourses.”

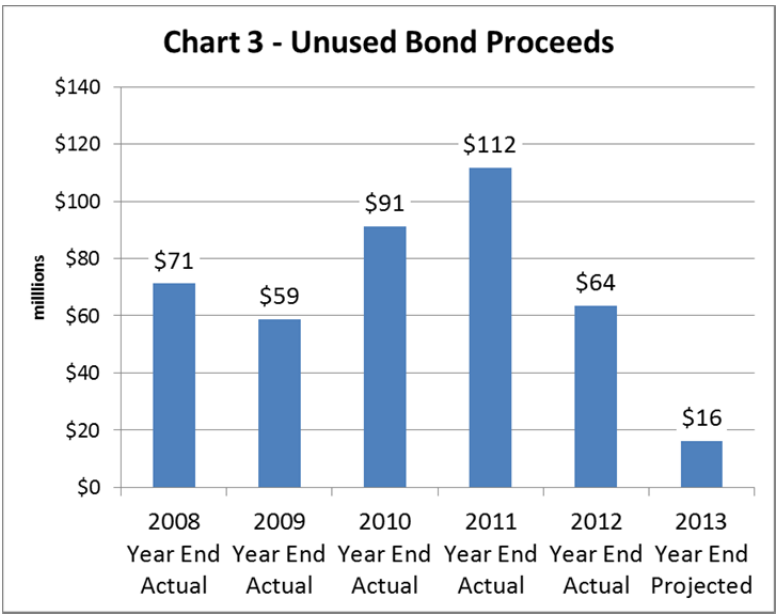
Chart 2 shows CTAC III recommendations and the 2014 Proposed Budget allocation.



B. **Bonds** (Eder & Fong)

The Proposed Budget includes \$29M of 2014 Limited Term General Obligation (LTGO) bonds for SDOT projects, reflecting a \$13M increase over the 2014 Endorsed Budget.

Council did not approve any LTGO bonds in 2013 for SDOT projects. At the time Council was considering the 2013 LTGO bond ordinance, the City Budget Office had recently produced analysis showing SDOT had been accumulating a relatively high level of unspent bond proceeds from prior year LTGO bond issues. Chart 3 shows how this trend has played out since 2008, and it indicates that SDOT now expects to spend down most of the remaining cumulative bond proceeds from previous years by the end of 2013.



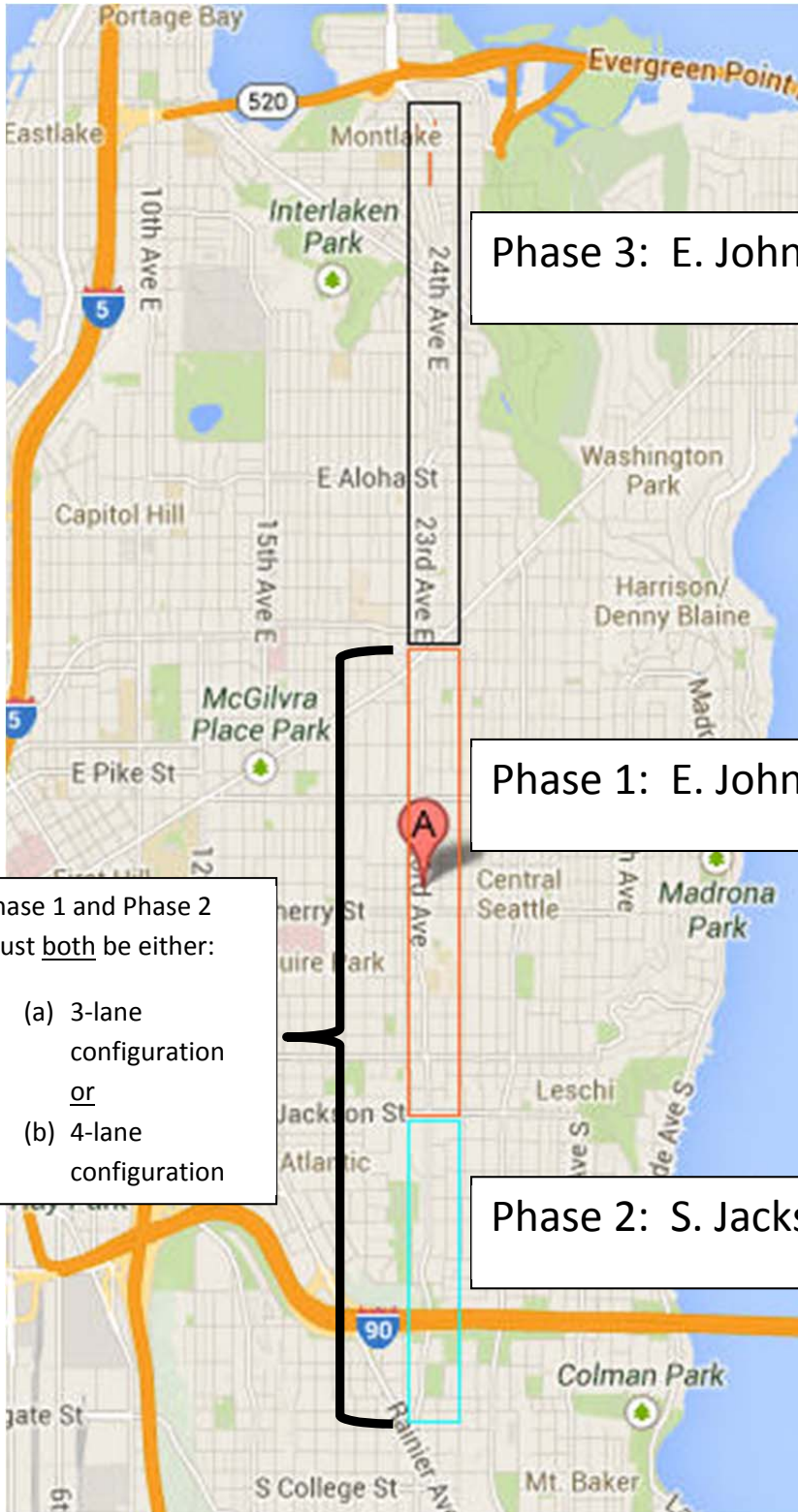
## Attachment A: TMP Project Implementation

*in millions		A	B	C1	C2	C=C1+C2	D	E=B+C+D	F= A - E
Status	Category	Estimated Capital Cost <sup>1</sup>	Secured Funding as of Adopted 2013 Budget <sup>2</sup>	Funding in Endorsed 2014	Net Change Proposed 2014	Funding in Proposed 2014	Additional Funds (2015-2019) <sup>3</sup>	Total Identified Funding Proposed 2014-2019 CIP	Unsecured Funding
		Work Already Underway	<b>TMP Priority Bus Corridors</b> <sup>4</sup>	\$ 181.0	\$ 42.1	\$ 4.0	\$ 6.9	\$ 10.9	\$ 16.4
<b>Non-HCT Streetcar Projects</b>									
- First Hill Streetcar	\$ 132.8		\$ 132.8	\$ -	\$ -	\$ -	\$ -	\$ 132.8	\$ 0.0
- Broadway Extension <sup>5</sup>	\$ 25.0		\$ 1.8	\$ 1.6	\$ 0.2	\$ 1.8	\$ 0.2	\$ 3.7	\$ 21.3
<b>Subtotal Non-HCT Streetcar</b>	<b>\$ 157.8</b>		<b>\$ 134.5</b>	<b>\$ 1.6</b>	<b>\$ 0.2</b>	<b>\$ 1.8</b>	<b>\$ 0.2</b>	<b>\$ 136.5</b>	<b>\$ 21.3</b>
<b>TMP HCT Projects</b>									
- City Center Connector (CC1 Option) <sup>6</sup>	\$ 124.0		\$ 1.2	\$ 1.5	\$ 1.0	\$ 2.5	\$ 4.0	\$ 7.7	\$ 116.3
- Ballard to Downtown (with CC2 Option) <sup>7</sup>	\$ 335.0		\$ 2.8	\$ -	\$ 0.2	\$ 0.2	\$ -	\$ 3.0	\$ 332.0
- University to Downtown via Eastlake <sup>8</sup>	\$ 203.0		\$ 0.3	\$ 1.0	\$ 0.2	\$ 1.2	\$ 0.5	\$ 2.0	\$ 201.0
- Madison Bus Rapid Transit <sup>9</sup>	\$ 87.0		\$ 1.0	\$ -	\$ 1.0	\$ 1.0		\$ 2.0	\$ 85.0
- Ship Canal Crossing for Ballard HCT <sup>10</sup>	NA		\$ -	\$ -	\$ 0.5	\$ 0.5	\$ -	\$ 0.5	NA
<b>Subtotal HCT</b>	<b>\$ 749.0</b>		<b>\$ 5.3</b>	<b>\$ 2.5</b>	<b>\$ 2.9</b>	<b>\$ 5.4</b>	<b>\$ 4.5</b>	<b>\$ 15.2</b>	<b>\$ 734.3</b>
<b>Total "Work Already Started" Projects</b>	<b>\$ 1,087.8</b>	<b>\$ 181.9</b>	<b>\$ 8.1</b>	<b>\$ 10.0</b>	<b>\$ 18.1</b>	<b>\$ 21.1</b>	<b>\$ 221.1</b>	<b>\$ 867.2</b>	
Proposed to Start in 2014	<b>TMP HCT Projects</b>								
	No new projects are proposed								
	<b>Subtotal "Proposed to Start" Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Grand Total</b>	<b>\$ 1,087.8</b>	<b>\$ 181.9</b>	<b>\$ 8.1</b>	<b>\$ 10.0</b>	<b>\$ 18.1</b>	<b>\$ 21.1</b>	<b>\$ 221.1</b>	<b>\$ 867.2</b>

**Notes:**

- 1 All cost estimates are from TMP except 3rd Avenue and Ship Canal Crossing. These projects did not have cost estimates in TMP.
- 2 Includes previous appropriation. Also includes ST funds for First Hill Streetcar and Ballard to Downtown.
- 3 Includes identified funds in proposed 2014-2019 CIP; does not include LID or To Be Determined funding.
- 4 Includes \$1M of local funds and additional \$4M state transit grant for new 23rd Ave project. Also includes Transit Corridor Improvements, 3rd Ave and Aurora RapidRide projects.
- 5 Includes funding to study/implement LID, not LID proceeds.
- 6 Includes cost to build CC1 (the 1st Ave. alignment) from TMP. Does not include \$20M To Be Determined for construction proposed for 2017.
- 7 Includes \$75M for CC2 Option (City Center Connector with 4th/5th Couplet); includes \$2M in Sound Transit funding. New 2014 funding for TOD planning.
- 8 Council approved advancing \$300,000 from 2014 to 2013 in supplemental budget. University to Downtown cost estimate excludes cost of City Center Connector; however, TMP assumes presence of either connector option from TMP.
- 9 2014 Proposed Budget includes new Madison Bus Rapid Transit project, which will include \$1M funding approved by Council in 2013 budget within Priority Bus Corridors.
- 10 Shifts Ship Canal Crossing funds from 2015 to 2014. No capital costs are available since study has not commenced.

**Attachment B: 23<sup>rd</sup> Ave. Corridor Project**



Phase 3: E. John to Roanoke Ave. E.

Phase 1: E. John to S. Jackson St.

Phase 2: S. Jackson St. to Rainier Ave. S.

Phase 1 and Phase 2 must both be either:

- (a) 3-lane configuration
- or
- (b) 4-lane configuration