

FUNDING AND PRIORITIZATION PROCESS

Seattle Transportation's services, projects and programs are funded through a variety of revenue sources, including local City funds, state gas tax revenues, vehicle license registration fees, state and federal grants, Public Works Trust Fund loans, partnerships with private organizations and other public agencies, and City bond proceeds.

Providing an adequate source of funding for transportation is an ongoing concern for the City. State gas tax revenues, which are shared among local governments, have not grown with the rate of inflation and Seattle's share has been, and continues to be, diluted by statewide municipal incorporations.

City Transportation Priorities

The general priority for the City's transportation resource allocation is:

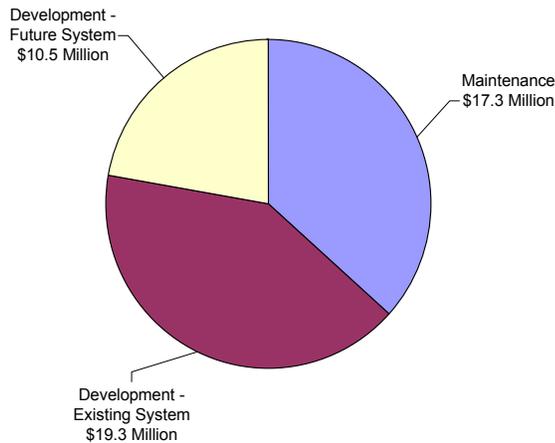
- Operations and Preventative Maintenance
- Major Maintenance and Safety
- Mobility Enhancements and Additions to the transportation system

Seattle Transportation's goal is to fully fund the annual needs of operations and preventative maintenance services, to fund the current annual and some portion of the deferred major maintenance and safety programs and projects, and to fund some portion of the mobility enhancements programs and projects. More specifically, in making capital investments in its infrastructure, the City tries to balance three goals:

- Rehabilitating existing facilities to avoid the higher cost of deferred maintenance (also called Major Maintenance);
- Increasing the capacity of existing facilities to meet growing demand (also called Development - Existing System); and
- Developing new facilities to provide additional services (also called Development – Future System).

The following chart shows how Seattle Transportation's Capital Improvement Program (CIP) allocated funding to these three areas in 2001:

Figure 18. 2001 CIP by Program Category



Development of the Transportation Capital Improvement Program

In developing the Transportation CIP, Seattle Transportation uses the following process to select projects for funding.

Project Identification. Seattle Transportation identifies potential projects based on a variety of sources, including:

- Computer-based analysis of pavement conditions;
- Field surveys of signals, structures and other elements of the transportation system;
- Neighborhood plans and studies;
- Requests from citizens and neighborhood groups; and
- Analysis of special focus areas, such as freight mobility.

Project Screening. Within the framework of the adopted Transportation Strategic Plan, Seattle Transportation assesses potential projects against the following specific criteria:

- Contribution to the maintenance and preservation of the existing transportation system;
- Reduction of major traffic hazards and enhancement of safety; and
- Increase in overall mobility.

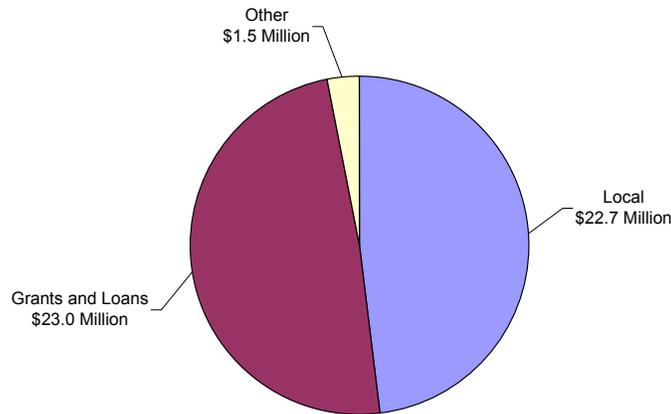
Grant Evaluations. Seattle Transportation actively pursues opportunities to obtain state and federal grant funds. Because many grants require matching local funds, Seattle Transportation must consider the demand on local funds that these grant-eligible projects create, and balance that demand with other needs. Grants funds are only available for capital projects.

Project Prioritization. Finally, Seattle Transportation ranks potential projects and programs through a tiered process that compares the cost of each project/program to its ability to reduce maintenance costs or increase mobility. Projects are then selected based on available transportation funding to create a proposed spending plan that is within budget constraints. The department's proposed budget is then sent to City Council for adoption.

Funds Available for Transportation Projects

Seattle Transportation funds its projects and programs through a variety of sources, including local funds, state and federal grants, partnerships with other agencies, and debt financing. The chart below shows the proportion of each for the year 2001.

Figure 19. 2001 CIP by Fund Source



Local Funds for Transportation Projects

Local revenues include disbursements from the General Fund, Cumulative Reserve Fund, and a percentage of the State Gas Tax and Vehicle License Fees. State or federal grants require matching funds, so local funds must be dedicated to each project to provide full funding of a CIP project. Table 12 summarizes the sources of local funds for the 2001 CIP.

Table 12. 2001 Local Revenue Sources

Source	Amount	Notes
Gas Tax – Arterial City Street Fund (ACSF)	\$1,736,000	Restricted to capital improvements and repair of arterials and city streets.
Gas Tax - City Street Fund (CSF)	\$8,119,000	May be used for any street or road purpose, including maintenance.
Cumulative Reserve Fund	\$3,536,000	Normally \$2.9 million, but 2001 included extra for neighborhood projects.
General Fund	\$6,786,000	Varies greatly from year to year.
Vehicle License Fees	\$2,556,000	Can be used for both CIP and Operations & Maintenance.
Total	\$22,733,000	

Source: SeaTran, February, 2002

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Grant and Loan Funding Sources for Transportation Projects

Seattle Transportation aggressively pursues state and federal grant funds for transportation projects. The Transportation Improvement Board is the major source of state grants and is funded through bonds backed by gas tax revenues. Federal grants are funded through a 6-year appropriation (the current version is called TEA-21) and are distributed and administered at the state and regional levels. The state-sponsored Public Works Trust Fund awards very low-interest loans for some bridge and road projects. Table 2 summarizes grant and loan funding sources for Seattle Transportation projects. Since the amount received varies each year, average annual amounts are provided.

Table 13. Grant and Loan Funding Sources for Transportation Projects

Grant Source	Types of Projects	Average annual amount for Seattle
Transportation Improvement Board (state)		
▪ Arterial Improvement Program	Intersection, signal, safety, with some paving and pedestrian improvements	\$4,300,000
▪ Transportation Partners Program	Multiple funding partners, freight mobility	\$1,300,000
▪ Ped Safety and Mobility Program	Sidewalks	\$200,000
TEA-21 (federal)		
▪ Regional	Regional priorities, arterial and multimodal	\$3,600,000
▪ Countywide	Local priorities, arterial/major maintenance, some programs	\$3,000,000
▪ FTA	Transit (monorail, streetcar)	\$550,000
▪ Enhancements	Bike, ped, historic preservation	\$380,000
▪ Statewide Competitive	Emphasis on freight	\$1,360,000
▪ Hazard Elimination	Spot safety improvements	\$200,000
▪ Bridge Committee	Bridges	\$2,500,000
▪ National Highway System	Maintenance on specific routes	\$1,000,000
Public Works Trust Fund Loan	Infrastructure major maintenance; bridge projects	\$2,000,000
Sum of Averages		\$20,390,000

Source: SeaTran, February, 2002

Private Funding

New development projects are often required to make transportation-related improvements to mitigate the potential impacts of a project. Currently, the City of Seattle's only authority for these requirements is the State Environmental Policy Act (SEPA). The City has proposed demonstration mitigation programs in the University District and South Lake Union areas that would provide the City with additional authority to exact funds from private development. Depending on the outcome of the demonstration programs, the mitigation programs could be extended to other areas in the city, including Ballard. Until that time, the City's SEPA authority could be used to require either full or partial funding from private developers for those projects that would serve or benefit them.

Incorporating Plan Recommendations into the Funding Process

Recommendations in this plan were screened against the available funding opportunities, including local and grant sources. Improvements that are eligible for existing funding programs or projects have been identified. (See Table 11 in the Implementation Section.) Opportunities to fund specific projects through developer contributions have also been identified in this study. Improvements that would require grant funding or reprogramming of local funds will be added to Seattle Transportation's list of unfunded needs and will be evaluated for funding as opportunities arise. This list currently includes approximately \$135 million per year in unfunded major maintenance, safety, and mobility needs, and given the limited funding available, some projects will remain unfunded.