

Seattle BEPS U.S. DOE Award Update

Green New Deal Oversight Board Meeting
October 28, 2024



Timeline and Funding

- “Inflation Reduction Act of 2022 (IRA) - Assistance for The Adoption of The Latest and Zero Building Energy Codes”
 - U.S. DOE State and Community Energy Programs
- **17.2 Million** – For enhanced outreach and support; not capital funds to buildings
- **9 Years from Jan 2025 – Dec 2033** with project close-out through Sept 2034
- Currently in contract negotiations with U.S. DOE



Who?

- **City of Seattle OSE** is the prime
- **Sub-Recipients**
 - **Building Potential** – customer support and new Building Operator Certification (BOC) BEPS curricula + scholarships
 - **SEI Climate Corps** – 3 community support fellows – direct technical support for building owners/managers
 - **Seattle 2030 District** – connect owners to funding via Funding Resource Liaison



Seattle
Office of Sustainability
& Environment



**Building
Potential.**

SEATTLE
2030
DISTRICT®



**CLIMATE
CORPS**

A PROGRAM OF SEI



Project Goals

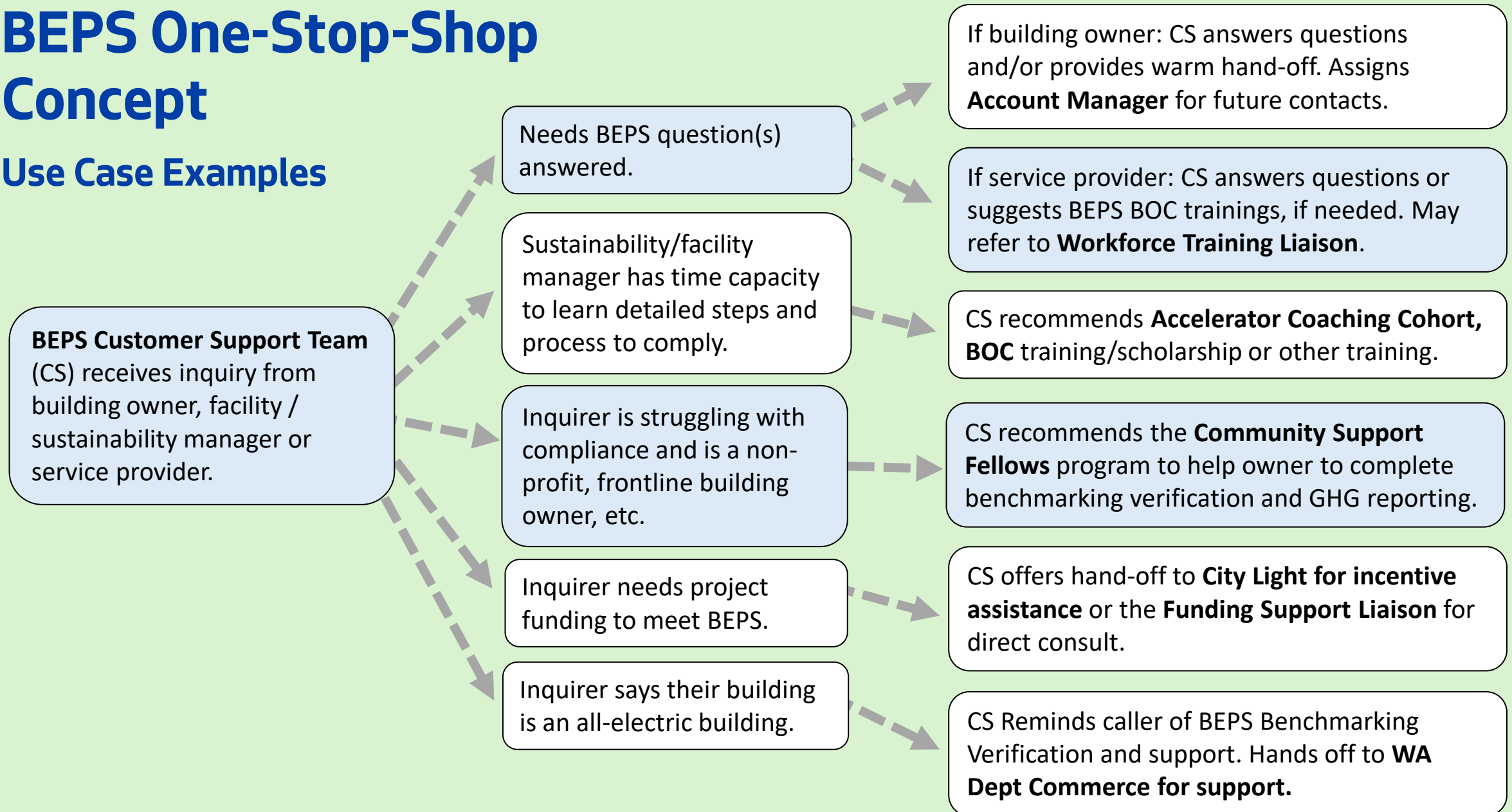
1. **Prioritize support for building owners most at a disadvantage*** to meet the stringent Building Emissions Performance Standards (BEPS) emissions targets and to achieve net-zero emissions by 2041-2050 through programs, tools and resources tailored to their unique needs.
2. **Foster growth and training of the diverse workforce** required by BEPS, both for **building facility managers/operators** and for **energy service providers** hired by building owners.

**A DOE term that aligns with Justice40 Initiative and Seattle GND Frontline Community Definitions*



BEPS One-Stop-Shop Concept

Use Case Examples



Objectives

Budget Period 1– approx. 2025-2026

- **Increase capacity for BEPS Compliance Assistance** including staff hiring at City and sub-recipients, and external consultant scope development. Compliance Assistance program **supports building owners/managers** and **service providers*** in understanding the BEPS requirements.

Budget Period 2 – approx. 2027-2028

- **Focus BEPS Compliance Assistance program on disadvantaged smaller buildings** due to complete benchmarking verification and greenhouse gas (GHG) reporting by 2030.

**Workforce component: BEPS BOC trainings and BEPS Workforce Liaison position*



Objectives

- **Budget Period 3 –approx - 2029-2030**
 - **Continue focus of BEPS Compliance Assistance program on disadvantaged smaller buildings** due to complete benchmarking verification and greenhouse gas (GHG) reporting by 2030.
 - **Focus enhanced support for disadvantaged owners of larger buildings** finalizing work to meet greenhouse gas emissions intensity target **(GHGIT) deadlines in 2031 and 2032.**



Objectives

- **Budget Period 4 – approx. 2031-2032**
 - Continue BEPS customer support programs, with emphasis on **disadvantaged smaller buildings that are due to meet GHGITs between 2033 through 2035.**
- **Budget Period 5 – approx. 2033-2034**
 - **Futureproof customer support and internal/external City capacity.**
This will likely include a needs assessment for customers to meet future GHGITs and net-zero requirements.



Growing Capacity at OSE

- **Award Program Manager** – OSE, Early 2025
- **Finance and Reporting Spec** – OSE, Early 2025
- **Customer Support** – OSE, Late 2025
 - *Supplements 2 existing City funded positions for the “One-Stop-Shop”*
- **BEPS Workforce & Training Advisor** – OSE, Early 2026
 - *Service provider engagement & training*
 - *BEPS Building Operator Certification (BOC) curricula & scholarships*
 - *Partnerships with entities offering workforce dev. ([PNW BTAC](#), Labor Orgs, Emerald Cities...)*
 - *Partner with certification entities for BEPS Qualified Persons (ASHRAE, AEE...)*
 - *Partner with entities offering facility manager trainings (BOMA, IFMA...)*



Hiring by Sub-Recipients

- **SEI Climate Corps** – 3 Community Support Fellows annually to be placed at OSE for 10 months. Hands on support for owners virtual and in-person. *Starting in 2026*
 - *They become the future climate and BEPS workforce!*
- **Building Potential** - Customer Support – 2 positions – *late 2025*
- **Seattle 2030 District** - Decarbonization Funding Resource Liaison position at Seattle 2030 - – *late 2025*
 - *Includes hours block at a CPA*



Thank you!

Questions or Comments?



Budget Updates – October 2024

City Budget Office



City of Seattle

Agenda

1. Revenue Update
2. Budget Calendar



Economic and Revenue Forecast Update

- Office of Economic and Revenue Forecasts presented to Council October 22
- Full presentation has been shared with Board and can be found [here](#).
- Video of full session can be viewed at the [Seattle Channel](#).



General Fund Revenues - Baseline Scenario Forecast (\$ millions)

Revenue Source	Actual 2023	October Forecast			Difference from 2025-2026			3 Year Total Difference
		2024	2025	2026	2024	2025	2026	
Property Tax (Including Medic One Levy)	\$377.8	\$382.9	\$388.3	\$403.0		-\$1.2	-\$6.3	-\$7.5
Sales & Use Tax	\$339.9	\$338.1	\$344.0	\$351.0	-\$1.9	-\$4.3	-\$7.5	-\$13.7
Business & Occupation Tax	\$356.3	\$354.0	\$369.5	\$394.6	-\$4.3	-\$10.5	-\$9.7	-\$24.5
Utility Tax - Private	\$43.2	\$37.4	\$34.5	\$33.0	-\$0.3	-\$0.8	-\$0.9	-\$2.0
Utility Tax - Public	\$185.7	\$214.8	\$214.9	\$222.6				
Payroll Tax - 2021 obligations	\$3.6	-\$0.8	\$0.0	\$0.0	\$1.4			\$1.4
Other City Taxes	\$14.1	\$13.5	\$13.8	\$14.3	\$0.1			\$0.1
Parking Meters	\$37.0	\$39.3	\$40.7	\$42.9	-\$0.5	-\$1.0	-\$1.0	-\$2.5
Court Fines	\$24.0	\$18.9	\$24.1	\$24.1	-\$0.8	-\$0.8	-\$0.9	-\$2.5
Licenses, Permits, Interest Income and Other	\$77.5	\$76.1	\$74.0	\$76.7	-\$0.4	\$1.8	\$1.1	\$2.5
Revenue from Other Public Entities	\$19.1	\$19.6	\$20.0	\$20.5				
Service Charges & Reimbursements	\$76.2	\$81.7	\$82.1	\$85.6				
Grants	\$34.1	\$67.8	\$14.7	\$14.7				
Fund Balance Transfers	\$80.5	\$96.1	\$296.9	\$233.4				
Total	\$1,669.1	\$1,739.4	\$1,917.6	\$1,916.3	-\$6.5	-\$16.9	-\$25.2	-\$48.6
Total w/o Grants and Transfers	\$1,554.4	\$1,575.6	\$1,605.9	\$1,668.2	-\$6.5	-\$16.9	-\$25.2	-\$48.6

Note: Revenues highlighted blue are in the purview of the Office of Economic and Revenue Forecasts, forecasts for remaining revenues come from City Budget Office.



General Fund Revenues - Baseline Scenario Forecast

- General Fund revenues were in total revised down by \$48.6 million
 - \$6.5 million (0.4%) for 2024
 - \$42.1 million (1.1%) for the 2025-2026 biennium
- The overall change for the 2025-2026 biennium is negative in large part due to the \$32.1 million lower forecast for Sales and Use Tax and Business & Occupation Tax.
- The downward revisions for these revenue streams are driven by lower forecast for construction activity and slower projected regional employment growth, which leads to lower income and spending as well.



Selected Other Revenues - Baseline Scenario Forecast (\$ millions)

Revenue Source	Actual 2023	October Forecast			Difference from Proposed			3 Year Total Difference
		2024	2025	2026	2024	2025	2026	
Payroll Expense Tax - w/o 2021 obligations	\$315.2	\$406.8	\$440.5	\$466.1	\$2.4	\$10.5	\$14.6	\$27.4
REET	\$47.9	\$58.9	\$66.5	\$85.7	\$1.7	\$2.6	\$5.5	\$9.9
Admission Tax	\$25.3	\$25.7	\$26.5	\$27.2	-\$0.5	-\$0.5	-\$0.5	-\$1.6
Sweetened Beverage Tax	\$21.5	\$20.9	\$21.3	\$21.8				
Short Term Rental Tax	\$11.4	\$11.9	\$12.4	\$13.2	\$0.6	\$0.6	\$0.8	\$2.0
STBD Sales Tax	\$53.1	\$52.8	\$53.7	\$54.8	-\$0.3	-\$0.7	-\$1.2	-\$2.1
STBD Vehicle License Fee	\$16.5	\$19.5	\$20.9	\$21.2				
Commercial Parking Tax	\$51.7	\$52.4	\$54.0	\$54.6				

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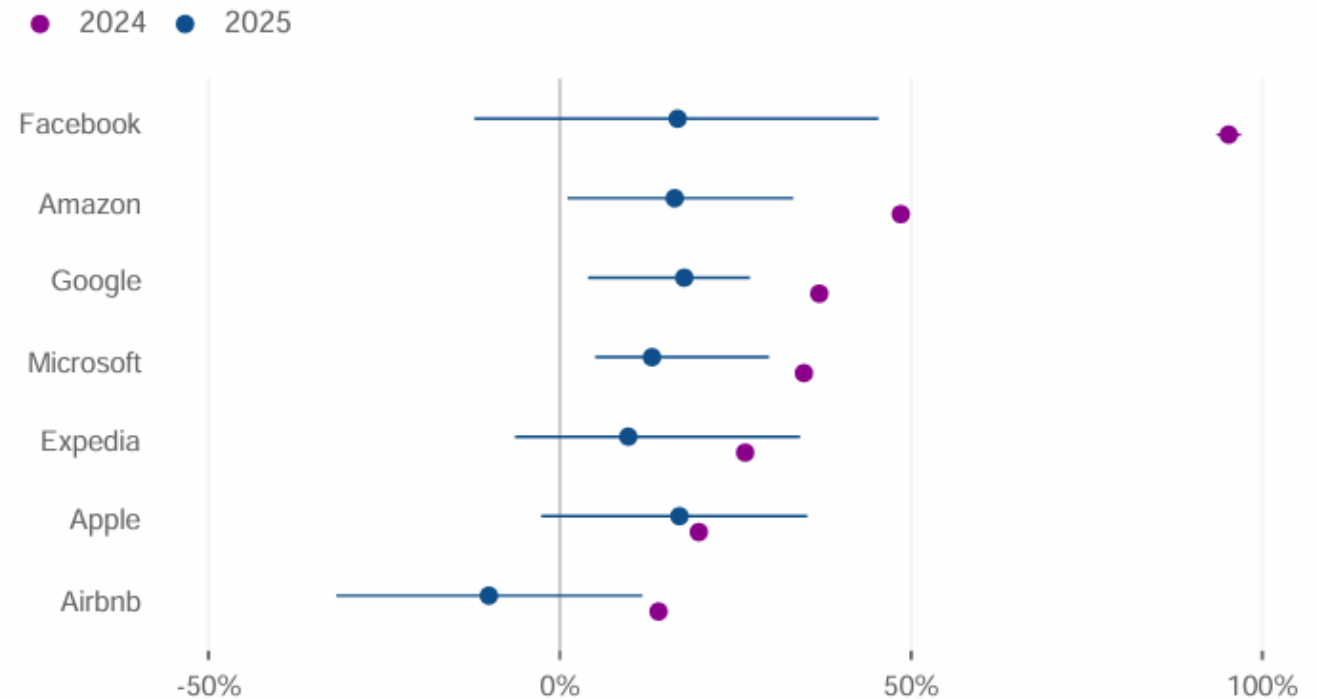


Payroll Expense Tax Forecast

- Payroll Expense Tax forecast was revised up.
- Rising stock prices of tech companies are increasing value of stock grants that are subject to the tax.
- As in past, this continues to dominate the effects of employment changes - due to layoffs since 2022, as well as the reported 17% decline in Amazon's headcount in Seattle city from its peak in 2020.
- S&P Global expects the S&P 500 index to grow 25.8% in 2024 in the baseline scenario. Stock market is then expected to grow only 5.4% in 2025 and decline 3.6% in 2026.
- In the pessimistic scenario the S&P 500 index grows 1.3% in 2025, declines 2.3% in 2026.

Predicted stock price changes

Year-over-year expected change in stock price; low, average and high estimates



Source: Wall Street Journal, stock price targets from analyst ratings



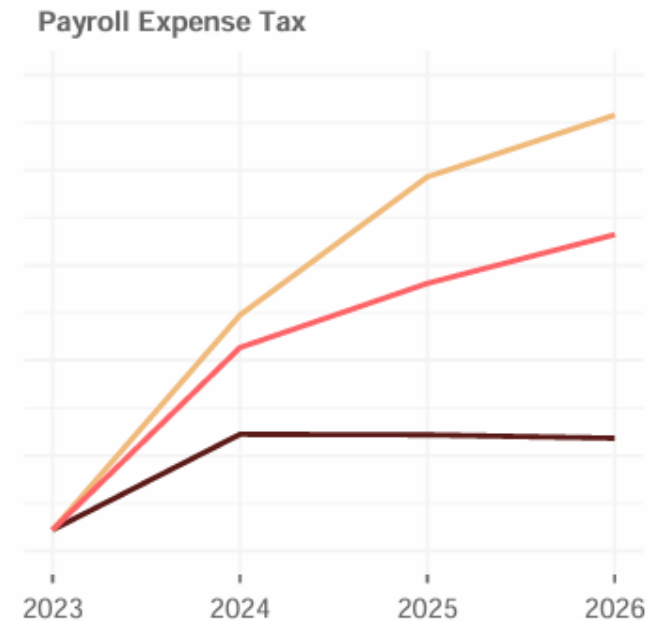
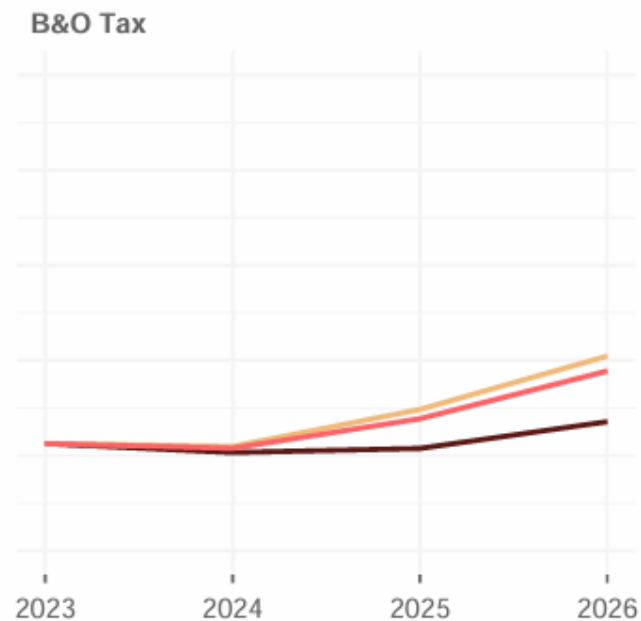
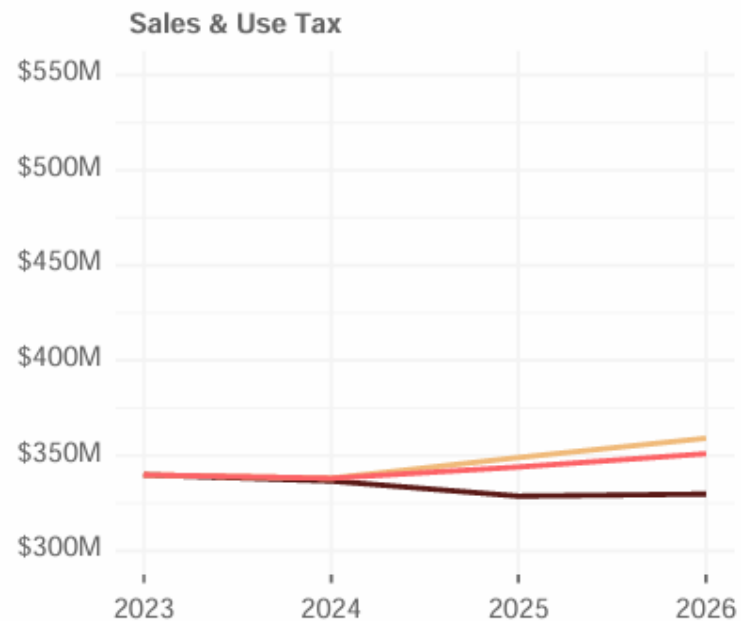
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How Do Forecasts Vary Across Scenarios?










Tax Revenue Forecasts, Scenario Comparison

Millions of dollars

■ Baseline ■ Optimistic ■ Pessimistic



2025-26 Budget Adoption Calendar

Week 0	21 October  Central Staff Presentation 9:30 AM	22  Revenue Forecast Update Joint Meeting Select Budget Committee & Forecast Council 9:30 AM	23	24	25
	28 October	29	30  Chair's Balancing Package 9:30 AM	31 <div>Internal Councilmember Proposed Amendments by 5 PM</div>	1 November
Week 1	4 November	5 Election Day	6	7	8
Week 2	11 November Veterans' Day	12  Public Hearing 5 PM	13  Budget Amendments 9:30 AM each day	14  Discussion & Voting on Councilmember Amendments	15 
	18 November	19  Budget Committee Final Actions 9:30 AM	20	21  Special City Council Meeting Final action on 2025-2026 Budget 2 PM	22



Questions

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City of Seattle