Economic and Revenue Update
Citywide Conditions - Year-to-Date

• Historically, through July (58% of the year), we have only received about 49% of annual revenue.

• Revenues for all city funds combined are down 13.1% or $440 million relative to 2019 levels through week 31 (through 8/1)

• Corona Virus and recession effects differ across funds

• Seattle Center -32%; Parks and Rec -32%*; REET I and II Capital Funds -43%; City Light Fund – 7%; SDCI +4%; GF -16%

• Larger discrepancies when compared to the 2020 Adopted Budget. E.g., the GF is down 22% through July.
# General Fund Revenue Scenarios - Slow Recovery

## Slow Recovery ($1,000s)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>320,736</td>
<td>345,085</td>
<td>340,888</td>
<td>340,894</td>
<td>(4,191)</td>
<td>353,291</td>
<td>355,452</td>
<td>365,600</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>291,961</td>
<td>298,842</td>
<td>233,423</td>
<td>243,496</td>
<td>(55,347)</td>
<td>224,522</td>
<td>240,881</td>
<td>276,851</td>
</tr>
<tr>
<td>Business &amp; Occupation Taxes &amp; Licenses</td>
<td>320,503</td>
<td>315,537</td>
<td>257,531</td>
<td>267,919</td>
<td>(47,618)</td>
<td>246,406</td>
<td>272,823</td>
<td>303,489</td>
</tr>
<tr>
<td>Utility Taxes</td>
<td>212,610</td>
<td>220,557</td>
<td>207,286</td>
<td>204,397</td>
<td>(16,159)</td>
<td>216,037</td>
<td>214,132</td>
<td>226,703</td>
</tr>
<tr>
<td>Court Fines/Parking</td>
<td>67,621</td>
<td>65,705</td>
<td>31,459</td>
<td>27,653</td>
<td>(38,052)</td>
<td>52,128</td>
<td>50,387</td>
<td>64,217</td>
</tr>
<tr>
<td>All Else</td>
<td>174,804</td>
<td>158,400</td>
<td>145,567</td>
<td>135,717</td>
<td>(22,683)</td>
<td>147,227</td>
<td>144,981</td>
<td>150,876</td>
</tr>
<tr>
<td><strong>General Fund Total</strong></td>
<td><strong>1,388,235</strong></td>
<td><strong>1,404,126</strong></td>
<td><strong>1,216,154</strong></td>
<td><strong>1,220,076</strong></td>
<td><strong>(184,050)</strong></td>
<td><strong>1,239,610</strong></td>
<td><strong>1,278,655</strong></td>
<td><strong>1,387,736</strong></td>
</tr>
</tbody>
</table>

| Growth Rate Year/Year               | -12%         | -12%         | 2%         | 5%        | 12%        | 6%        | 12%        | 6%        |

<table>
<thead>
<tr>
<th>Other General Government Revenues</th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Admission Tax</td>
<td>11,384</td>
<td>11,691</td>
<td>3,462</td>
<td>2,845</td>
<td>(8,847)</td>
<td>9,073</td>
<td>8,678</td>
<td>9,527</td>
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<td>Short-term Rental Tax</td>
<td>24,119</td>
<td>10,500</td>
<td>5,600</td>
<td>3,675</td>
<td>(6,825)</td>
<td>8,750</td>
<td>8,313</td>
<td>10,500</td>
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<tr>
<td>Sweetened Beverage Tax</td>
<td>24,119</td>
<td>24,329</td>
<td>16,876</td>
<td>15,367</td>
<td>(8,962)</td>
<td>21,151</td>
<td>20,772</td>
<td>23,970</td>
</tr>
<tr>
<td>Mercer Megablock Sale</td>
<td>-</td>
<td>66,500</td>
<td>66,500</td>
<td>66,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real Estate Excise Tax</td>
<td>100,933</td>
<td>82,958</td>
<td>48,313</td>
<td>42,734</td>
<td>(40,224)</td>
<td>61,645</td>
<td>61,645</td>
<td>75,351</td>
</tr>
<tr>
<td>STBD</td>
<td>34,392</td>
<td>31,299</td>
<td>27,829</td>
<td>25,482</td>
<td>(5,817)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Parking Tax</td>
<td>49,232</td>
<td>45,596</td>
<td>30,321</td>
<td>25,458</td>
<td>(20,138)</td>
<td>43,088</td>
<td>40,580</td>
<td>45,596</td>
</tr>
<tr>
<td>School Zone Camera Fund</td>
<td>9,657</td>
<td>9,666</td>
<td>7,440</td>
<td>5,314</td>
<td>(4,352)</td>
<td>14,219</td>
<td>13,753</td>
<td>13,162</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>253,837</strong></td>
<td><strong>282,539</strong></td>
<td><strong>206,340</strong></td>
<td><strong>187,374</strong></td>
<td><strong>(95,165)</strong></td>
<td><strong>158,290</strong></td>
<td><strong>153,740</strong></td>
<td><strong>178,106</strong></td>
</tr>
</tbody>
</table>

| Grand Total                         | **1,693,891**| **1,742,172**| **1,445,848**| **1,430,804**| **(311,368)**| **1,420,471**| **1,454,966**| **1,591,111**| **1,549,351**|
# Transportation Related Revenues

## Jun-20 Transportation-related Revenue Projections

### ($1,000s)

<table>
<thead>
<tr>
<th>Month</th>
<th>Move Seattle Levy (projected cash rec'd)</th>
<th>CPT -- 10%</th>
<th>CPT -- 2.5%</th>
<th>VLF -- $20</th>
<th>VLF -- $60</th>
<th>Sales Tax -- 0.1%</th>
<th>Schl Zone Cams</th>
<th>Red Light Cams (80%)</th>
<th>Red Light Cams (20%)</th>
<th>On-Street Parking</th>
<th>REET</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>100,262</td>
<td>39,385</td>
<td>9,846</td>
<td>8,598</td>
<td>25,794</td>
<td>30,440</td>
<td>9,657</td>
<td>4,688</td>
<td></td>
<td>38,298</td>
<td>100,933</td>
</tr>
<tr>
<td>2020</td>
<td>101,845</td>
<td>20,366</td>
<td>5,929</td>
<td>7,219</td>
<td>21,657</td>
<td>25,482</td>
<td>5,314</td>
<td>3,005</td>
<td></td>
<td>12,504</td>
<td>42,734</td>
</tr>
<tr>
<td>2021</td>
<td>103,971</td>
<td>32,464</td>
<td>8,116</td>
<td>7,255</td>
<td>Expires</td>
<td>19,529</td>
<td>13,006</td>
<td>3,461</td>
<td>865</td>
<td>26,706</td>
<td>61,645</td>
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<tr>
<td>2022</td>
<td>106,142</td>
<td>33,923</td>
<td>8,481</td>
<td>7,357</td>
<td>27,094</td>
<td>12,022</td>
<td>3,873</td>
<td>968</td>
<td></td>
<td>32,919</td>
<td>75,351</td>
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<tr>
<td>2023</td>
<td>108,359</td>
<td>34,571</td>
<td>8,643</td>
<td>7,460</td>
<td>28,857</td>
<td>12,448</td>
<td>3,846</td>
<td>961</td>
<td></td>
<td>35,923</td>
<td>-</td>
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<tr>
<td>2024</td>
<td>110,621</td>
<td>35,588</td>
<td>8,897</td>
<td>7,564</td>
<td>30,419</td>
<td>12,427</td>
<td>3,827</td>
<td>957</td>
<td></td>
<td>36,139</td>
<td>-</td>
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<tr>
<td>2025</td>
<td>112,931</td>
<td>36,635</td>
<td>9,159</td>
<td>7,670</td>
<td>31,345</td>
<td>12,224</td>
<td>3,808</td>
<td>952</td>
<td></td>
<td>36,037</td>
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<tr>
<td>2026</td>
<td>115,289</td>
<td>37,712</td>
<td>9,428</td>
<td>7,777</td>
<td>32,263</td>
<td>12,057</td>
<td>3,789</td>
<td>947</td>
<td></td>
<td>36,030</td>
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</table>

### Through Week 31 (through Aug. 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actuals</th>
<th>6,555</th>
<th>1,639</th>
<th>2,578</th>
<th>7,733</th>
<th>8,261</th>
<th>2,897</th>
<th>1,868</th>
<th>-</th>
<th>7,778</th>
<th>16,109</th>
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<tbody>
<tr>
<td>2020</td>
<td>53,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

% of Forecast:

- 52.8%
- 32.2%
- 32.2%
- 35.7%
- 35.7%
- 32.4%
- 54.5%
- 62.2%
- 62.2%
- 62.2%
- 37.7%

% of 2019:

- 53.7%
- 16.6%
- 16.6%
- 30.0%
- 30.0%
- 27.1%
- 30.0%
- 39.8%
- 20.3%
- 16.0%
Move Seattle Levy Assessment
2020-2024 Deliverables Plan
Agenda

• Context
• Budget and levy assessment timelines
• LOC assessment feedback
• Program prioritization examples
• 2021-2022 budget development process
• Levy assessment approach
• Next steps
• Feedback and questions
Context
Decline in revenues

• Levy (property tax) revenues are expected to hold fairly steady

• Levy portfolio relies on non-levy revenues (local funds and leverage)

• Declines anticipated for:
  • Vehicle license fees (VLF)
  • Real estate excise tax (REET)
  • Commercial parking tax (CPT)
  • General fund (sales tax and other)
  • Partnership funding
Levy program funding reductions

Levy projects paused due to reduction in non-levy funds

• 2020: $23.4 M levy program reduction
• 2021-2022: further budget reductions
2021-2022 budget development process

• Rapid response to sudden changes in revenue forecasts
• SDOT priority to preserve staff to aid in recovery
• Proposals developed by program
• Comprehensive levy assessment unable to fit into budget timeline; budget draft due from departments June 2020
Levy assessment: what to deliver with remaining funds?

Assessment objectives:

• Align remaining levy investments with levy values
• Identify levy deliverables through 2024
• Validate or modify budget actions
Budget and levy assessment timelines

**Executive Phase**

- **July**
  - Early CBO/OPI/MO review meetings
- **August**
  - Late CBO/OPI/MO review meetings
- **September**
  - Budget decisions to Departments
  - Mid-Sept: Council pre-budget questions
  - Sept 25-27: Budget presentations to Council
- **September**
  - Last week Mayor’s budget speech
  - Early Oct: Council budget questions
  - Late Nov: Council adopts 2021 budget

**Council Phase**

- **July**
  - 2020 Projects Paused
- **August**
  - LOC review of Levy Assessment Methodology; TEW/LOC Introductions; SDOT finalizes Levy Assessment Methodology
- **August - September**
  - SDOT develops data for levy assessment (2020-2024)
- **October**
  - SDOT provides budget briefing to LOC
- **October - November**
  - SDOT develops draft updated deliverable plan/budget
- **Early Dec**
  - SDOT presents updated deliverable plan/budget allocations to the LOC and TEW (invited)
- **December - February**
  - SDOT prepares updated levy plan and budget decisions as needed to incorporate levy assessment outcomes
- **Q2 2021**
  - Move Seattle Levy Portfolio Status Update (summarizes and confirms levy plans for 2021-2024)
Move Seattle Levy budget restrictions

• Local and levy dollars may be transferred within a program by SDOT, and any modifications of deliverables or projects are reviewed with the LOC

• Nine-year appropriation amounts of levy funds for each core levy category (Safe Routes, Maintenance and Repair, and Congestion Relief) may be changed up to 10 percent, but it requires a separate ordinance

• Any levy dollar transfer between the core levy categories that exceeds 10% of the appropriated amount requires a ¾ vote of City Council
LOC assessment feedback (June 2020)

• Transparency

• Factors
  • Project status – complete existing projects before starting new
  • Grants and partnerships – maximize deliverables
  • Equity – address areas we historically underserved
  • Safety
  • Climate change
  • Urban village focus – reduce car dependence
  • Consistency in program prioritization methods
Program prioritization examples

**Vision Zero**
- Quantitative approach for both proactive and reactive program investments (2 years)
- Collision data normalized per mile (70%)
- Average posted speed (5%)
- Race and Social Equity Composite Index scoring (25%)

**BMP Implementation**
- Quantitative and qualitative approach established in Bicycle Master Plan
- Project segments scored on 5 criteria: safety, connectivity, equity ridership, and livability
- Qualitative factors: policy directives, community interest, geographic balance, leverage
- 5-year implementation plan updated annually with Seattle Bicycle Advisory Board

**Transit Spot Improvements**
- Primarily qualitative approach to program investments (2 years)
- Needs mostly identified by others: City priorities, Metro requests and funding, safety programs
- Equity considers rider demographic surveys and census to identify projects that serve a high number of people with low incomes
Levy Assessment Approach
Assessment approach

**Step 1**
Conduct qualitative assessment of all defined levy deliverables through 2024 (pre-COVID funding levels)
- Map planned projects
- Apply factors

**Step 2**
Determine if individual program prioritization methods and their project rankings align with levy values
- If yes, use this data in Step 3
- If no, combine data from Step 1 and Step 2 for use in Step 3

**Step 3**
Develop remaining deliverable plan
- Develop updated deliverable plan by program
- Identify potential budget shifts between programs and/or levy categories
Qualitative assessment summary

Factors (Y/N)

- In construction
- Partnership funding
- Grant funding
- In an equity focus geography
- Provides an equity focus community benefit
- Improves safety
- Reduces carbon emissions
- In an urban village or center
Next Steps

Levy Assessment

July
2020 Projects Paused

August
LOC review of Levy Assessment Methodology; TEW/LOC introductions; SDOT finalizes Levy Assessment Methodology

August - September
SDOT develops data for levy assessment (2020-2024)

October
SDOT provides budget briefing to LOC

October - November
SDOT develops draft updated deliverable plan/budget

Early Dec
SDOT presents updated deliverable plan/budget allocations to the LOC and TEW (invited)

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SDOT prepares updated levy plan and budget decisions as needed to incorporate levy assessment outcomes

Q2 2021
Move Seattle Levy Portfolio Status Update (summarizes and confirms levy plans for 2021-2024)
Feedback and questions
Contacts

Lorelei.Williams@seattle.gov  |  (206) 330-1595
Tracy.Krawczyk@seattle.gov  |  (206) 255-7351

www.seattle.gov/transportation
Move Seattle Levy Updates
2020 Project Pauses

- Immediate actions required in 2020 to be taken to address reduced revenue
- Only active 2020 work eligible to address
- Email sent to the MSL LOC in June
- Included link in Q2 2020 Levy Report
- Further pauses tied to cuts in 2021-2022 budget process
- Levy assessment will review and validate or propose modifications
- Questions?
2021 Cash flow

• $20M less available in 2021 than planned for project delivery
• Due to timing of construction/cash outlay associated with project delivery schedules
• Anticipated, but options for addressing are unavailable now due to COVID
• Additional deferral of spend and delivery to later levy years to solve
• Details pending and will be shared in October with 2021-2022 budget update
Bridge Seismic Program

• Project Definition Report (PDR) either complete (13) or nearly complete (3)

• PDR:
  • analyzes the structure to determine its seismic deficiencies as is
  • makes recommendations for retrofit
  • analyzes the structure with retrofits in place to ensure that those retrofits will provide the desired level of service (e.g. bridge operational after a 100-year level event, bridge will not collapse after a 1000-year level event-life safety)
  • provides an engineering cost estimate for design and construction of the adopted retrofit strategies
  • 3 bridges already in or proceeding to construction

• 11 of 16 have cost estimates that exceed funding plan; anticipated to scale improvements to deliver to budget

• 2021-2022 funding cuts may exacerbate programmatic fund limitations

• In conjunction with the levy assessment, we will propose revisions to this program
Transit + Multimodal Corridors

- Madison BRT – RapidRide G:
  - SDOT received Readiness Report and addressed all Management Capacity & Capability requirements
  - Seeking Small Starts grant by end of 2020 – finalizing local funding commitments
  - Construction 2021 (pending grant award)
- Roosevelt – RapidRide J:
  - Metro reviewing capital and operating budget; discussions underway
  - FONSI release expected to be delayed
- Delridge – RapidRide H:
  - Under construction, on schedule
- Rt 44 and 40:
  - Online outreach this summer
- Grant updates:
  - RR J: Awarded $4M via PSRC; seeking $6M in State RMG
  - Rt 40: Awarded $4M via PSRC; seeking $4M in State RMG
  - Rt 48: Awarded $1.2M via PSRC
Staff Resource Priorities/Constraints

- Emergency response including WSHB
- ADA consent decree
- Limited crew resources due to COVID continues
- Will continue to result in defer/delay of capital delivery and some O&M activities