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Ashwin Bhumbala

Transit Advisory Board

City Councilmember

Rob Saka

*City Budget Office Director,
delegate*

Saroja Reddy

Committee Staff

Katie Olsen

katie.olsen@seattle.gov

(206) 939-0763

The Levy Oversight Committee is an advisory body that monitors revenues, expenditures, and program and project implementation. The Oversight Committee advises the City Council, the Mayor, and SDOT on responding to program and project cost savings or overruns. The Oversight Committee reviews SDOT's program and project priorities and financial plans and makes recommendations to the Mayor and City Council regarding the spending of levy proceeds.

Council Bill 118402

To: Mayor and City Council

From: Move Seattle Levy Oversight Committee

Subject: Recommendations for next Transportation Levy

Date: April 2024

The current Levy to Move Seattle is a nine-year, \$930 million levy that is the largest single source of funds for SDOT's budget. Approved in November 2015, it expires at the end of 2024. The Levy Oversight Committee (LOC) is pleased to submit recommendations that reflect on lessons learned from the current levy and consider future needs of Seattle's transportation system.

The LOC strongly recommends a future levy when the current levy expires at the end of 2024. The rationale for this recommendation is based on the success of the current levy and the need for ongoing funding. The complete rationale is articulated in Appendix A.

The LOC would be remiss if it stopped there.

- The levy is not sufficient to meet Seattle's transportation infrastructure requirements. We recommend a transportation package, **including a future levy**, that would address our markedly deteriorating infrastructure. After many years of under-investment in basic road and bridge maintenance, our arterials, non-arterials, and bridges need a significant course change to arrest their decline, and begin to catch up on these needs. (Please see the [2020 Asset Status & Condition Report](#) for SDOT's own account of the condition of Seattle's transportation assets.)
- The levy is also not sufficient to meet Seattle's safety goals. We recommend that a future transportation package, including a future levy, address the ongoing deaths and serious injuries sustained by people using all transportation modes. Despite the City's goal of ending traffic deaths and serious injuries on city streets by 2030, traffic fatalities have steadily increased over the last ten years. (The [Vision Zero Top-to-Bottom Review](#) provides detailed information.)

Appendix B covers additional funding sources that could supplement property taxes for transportation projects.

Summary of LOC recommendations

The LOC recommends:

1. Considering the Seattle Department of Transportation (SDOT) will meet goals of 27 of 30 Levy to Move Seattle programs by the time it expires, the LOC strongly recommends a future transportation package that includes a bold levy with increased funding over current levy.

2. The LOC recommends the city explore a broader transportation package that considers other revenue sources in addition to the levy to address deteriorating roadways and bridges.
3. The LOC recommends the city also adopt funding tools that support a variety of projects and programs (see appendix B for alternative funding approaches).
4. SDOT should be prepared to increase staff capacity quickly as needed to execute the next levy.
5. Racial and Social Equity is a high priority in considering where SDOT should focus its efforts.
6. The LOC recommends the next levy not overpromise and ensure flexibility through its lifetime. Bold leadership from city leaders will be needed to successfully implement future transportation programs.
7. Considering the size and breadth of transportation levies, the LOC recommends improving the oversight function for future levies. The ability for a future LOC to request audits of levy-funded transportation programs will be necessary to improve oversight capacity. Specific funding should be included in the next Levy Ordinance to provide for a future LOC to request and conduct audits of levy-funded transportation programs.
8. The next levy should be additive to current City transportation funding and should not supplant current general funds. Maintaining the general fund floor and inflating over the life of the levy, as occurs in the current levy would prevent supplantation of transportation funding.

Background

The Levy Oversight Committee is an advisory board composed of members of the Seattle community representing diverse interests. The Ordinance requires the Committee to provide ongoing oversight to SDOT and periodic advice to the Mayor and City Council, and the Seattle Department of Transportation regarding the levy. In particular, the enabling Ordinance states:

Between January 1 and April 30 of 2024, the Oversight Committee is requested to make a recommendation to the Mayor and City Council regarding the advisability of proposing to the voters of Seattle another levy to authorize additional property taxes for implementation of transportation improvements.

The factors to be considered by the Oversight Committee in making any such recommendations will include, but are not limited to: (a) the City's success in project implementation, including its ability to manage and control project costs; (b) the availability of alternative revenue sources that provide a more direct link between the tax or fee paid and the use of the City's transportation system; and (c) the underlying need for funding to support the uses identified in Section 6. The Mayor and the Council will consider any timely recommendations that may have been made by the Oversight Committee.

What follows are LOC recommendations about the factors outlined in the ordinance as well as additional thoughts about management of the Levy and oversight challenges. The Levy to Move Seattle includes an emphasis on creating a walkable, transit-rich city; promoting a transportation system that helps fight climate change, nurtures vibrant economy and communities, and improves public health; providing safe infrastructure for all road users, especially pedestrians; reinforcing the City's bridges and structures; maintaining streets that can carry an increasing number of people and goods; and integrating and prioritizing the implementation of modal plans. These values helped inform the following comments and recommendations.

SDOT's ability to implement projects

The role of the LOC is to "serve as a vital mechanism of accountability on how levy revenues are spent." The 2015 ballot measure voters approved indicated that it would fund "bridge seismic upgrades, transit corridor and light rail access projects, pedestrian and bicycle safety projects, synchronized traffic signals, street maintenance and repair, freight projects, and neighborhood street fund projects."

The good news is that 27 of the 30 levy programs are on track to meet or exceed goals identified in 2015. Two of the programs not meeting goals (multi-modal improvements and connections to the future Graham Street light rail station) are complex programs that require coordination with other agencies, who may be on different timelines. Meeting goals for 86% of programs is a significant accomplishment considering the many set-backs over the past eight years including the closure and repair of the West Seattle bridge requiring SDOT's focus; revenue shortfalls, especially in 2020; a concrete worker's strike; and a pandemic.

The following is not an exhaustive list of levy programs but ones that the LOC is highlighting as successes and/or for which recommendations are offered. Since this document will be completed in the first quarter of 2024, the list may not include notable projects that may be completed with the remainder of levy funds.

- **Lander Street Overpass:** The Lander Street bridge was built over mainline railroad tracks in the SODO neighborhood, improving freight mobility and local access. The project cost less than budgeted in 2020.
- **Fairview Bridge:** The new bridge opened in 2021 and replaced a decaying wooden structure which no longer met seismic standards. The new bridge includes improvements to pedestrian and bike infrastructure.
- **John Lewis Memorial Bridge (Northgate Pedestrian Bridge):** The bridge opened in 2021 and created an essential pedestrian and bike link between the new Northgate Light Rail station and the west side neighborhoods of I-5. The project included the planting of 464 trees.
- **Road maintenance:** While levy road maintenance goals are being met, a future levy and funding plan should address our markedly deteriorating infrastructure. After many years of under-investment in basic road and bridge maintenance, our arterials, non-arterials, and bridges need a significant course change to arrest their decline and begin to catch up on these needs. Please see the [2020 Asset Status & Condition Report](#) for SDOT's own account of the condition of Seattle's transportation assets.
- **Smaller programs** such as Safe Routes to School, Freight Spot Improvements, and the Neighborhood Street Fund should continue to be supported and SDOT should consider expanding them.

- **Safe Routes to School:** This equity-focused, multi-pronged approach to increasing safety for students walking and biking to school does a great deal with a relatively small budget. During every year of this levy, the SRTS program exceeded their goal of 9-12 projects per year with 41 projects completed in one of the years.
- **Freight Spot Improvements:** The levy includes funding for small freight projects, primarily in the Manufacturing and Industrial Centers (MICs). This fund has provided funding each year for priority improvements such as safer lane channelization, truck parking, legacy rail track removal and other projects.
- **Neighborhood Street Fund:** At the time that this document was written, SDOT completed 25 Neighborhood Street Fund projects, meeting the goal outlined in 2015. If all projects planned are completed, the program will exceed the goal. During the last cycle, SDOT is implementing projects in traditionally underserved neighborhoods in the city. The LOC strongly commends construction in traditionally underserved neighborhoods.
- **Partnership with Seattle Public Utilities:** While SDOT regularly partners with SPU on a variety of projects, two levy-defined goals were for projects in South Park and in Broadview. Both projects not only improved drainage in places that frequently flooded, but they also reconstructed streets to include sidewalks and new trees. When building new sidewalks, partnerships with SPU can reduce SDOT project costs related to stormwater.
- **Tree Replacement:** Not only has SDOT replaced every tree removed due to disease or safety with two new trees, as outlined in the original goals, as of 2023 they had planted more than 3,007 new trees and had to remove 1,398 trees.

SDOT now uses Racial and Social Equity Index Mapping as one of the tools available to understand demographic components at the Census tract level. The composite Racial and Social Equity Index considers three basic demographic indicators: race/ethnicity; socioeconomic; and health. The LOC has great hopes that this mapping system will increase the number of trees in areas that need them the most in addition to areas where the most development occurs.

- **Multimodal bridge seismic improvements:** After updating cost estimates, SDOT's Bridge Seismic Improvement program will not meet the original goals of the 2015 levy to "seismically reinforce 16 vulnerable bridges." In 2020, SDOT advised the LOC of the significant deficit between programmed and then-estimated costs, indicating that the cost increases came primarily from significant foundation retrofits that were previously unknown. The LOC concurred with the memo. Among the significant implications, the Ballard and Fremont bridges were dropped off the list of bridges receiving seismic upgrades by 2024. It is expected that 11 of the bridges identified in the original levy plan will be completed plus 5 smaller bridge projects not included in the original list will be completed, for a total of 16 bridges. However, since those 5 bridges replaced larger bridges, the original goal is not exactly met.

Per the City Auditor's 2020 report regarding bridge maintenance, "to address the issue of aging bridge infrastructure, SDOT should develop a strategic bridge preservation program to make the most efficient use of current resources and to develop more effective plans for future needs." Before a bridge maintenance and/or seismic improvement project is put forward for funding by a Citywide levy, SDOT should show that sufficient project concept and cost development have been completed to provide a reasonable possibility of project implementation.

- **Bicycle program:** Since 2015, levy funds were used to make significant investments in a downtown bicycle hub that would only be strengthened with future connections to neighborhoods. It is now possible to begin cycling a block south of the Seattle Center and travel on a 2nd avenue protected bike lane through downtown to King Street Station. There is also a new bike lane on 4th Avenue, another on 9th/Bell which connects to Lake Union and a soon to be constructed waterfront path that will connect downtown to West Seattle, SODO, Interbay and Magnolia.

As part of the levy, voters approved building “approximately 50 miles of new protected bike lanes and 60 miles of greenways, completing over half of the Bicycle Master Plan.” It is expected that this goal will not be reached by the end of 2024, despite improvements to the bike network. Bike program goals will not be met for a variety of reasons including cost increases; differing priorities among some community groups; decisions made by leaders outside of SDOT’s control; lawsuits; staff/crew capacity; and the reliance on partnerships with other agencies.

Additionally, some promised bike projects did not meet the expectations of a safe, convenient, and connected bike route.

There are huge challenges ahead to tackle the thorniest places to build bicycle infrastructure. It is on multilane arterials where cyclists and pedestrians need to access transit stops or light rail stations or on the many bridges in our city where we need to create a safe portion of the roadway for walkers and cyclists. Sharing the roadway may mean narrowing lanes or removing parking.

If completed, 2024 planned bike projects could result in increasing total Levy-funded miles of bike lanes, paths, and greenways built to 80-90% of the original 110-mile goal. Through the end of the Levy, the LOC will closely monitor the bike program’s ability to complete the half dozen projects of protected bike lane/trail projects in the workplan now designed and in the pipeline to begin construction this year. Additionally, the LOC will monitor the ability of the Neighborhood Greenway program to complete over 20 projects for a total of up to 23 miles in 2024, considering less than 8 miles per year were completed in past years.

Instead of the number of bike lanes and greenways added, a future transportation package could measure success according to the connections new bike facilities make, including connections to transit, neighborhood schools, business districts, parks, and bike path networks. SDOT has promised to address disinvestment in the south end, and the LOC fully supports this.

- **Vision Zero:** One of the levy’s goals is to "Provide safe and accessible routes connecting schools, transit hubs, and other destinations," which supports the Vision Zero plan. While the overall safety program is on target for meeting project deliverables, the city is significantly further from the goal of Vision Zero: eliminating all traffic deaths and serious injuries by 2030. In fact, there has been an increase in traffic fatalities during the life of this levy. Since 2015, and not including 2024 YTD, nearly 1,495 people have been seriously injured and 199 people have been killed in traffic crashes.

In a future levy, Vision Zero program successes should be measured by outcomes related to reduced traffic deaths and serious injuries, not only by the number of projects completed. Future levy projects should target areas with highest need. These areas include major arterials serving many modes of varying sizes, such as Rainier Ave S, Aurora Ave, MLK Way S, 4th Ave S, and Lake City Way. Making changes to roads so that they are safer for all users is often controversial and SDOT needs city leaders to back them up when changes are planned.

- **Transit plus multimodal improvements:** The levy proposal promised the completion of “7 transit plus multimodal corridor projects, redesigning major streets with more frequent and reliable buses, upgraded paving, signals and other improvements to improve connectivity and safety for all travelers, whether walking, biking, driving, or taking transit.” The program has had mixed results, with some projects expected to be completed after the levy expires. Projects completed include the Delridge Rapid Ride H Line, Route 7, and Route 44. By the end of 2024, the levy-funded portion of the Madison Rapid Ride G Line should be completed, Route 48 should begin construction, and Route 40 should be at final design.

Many projects, particularly transit projects, take a long time to implement and they often include large federal grants. Future transit goals will be difficult to achieve if all the projects included in a final Seattle Transportation Plan continue to be subject to the current amount of process. Having a process is of course necessary due to the immense complexity and number of moving parts in these projects, however, adjustments to the process are needed to ensure SDOT can complete due diligence while not delaying much needed transit improvements.

- **Light rail connections:** While not a distinct levy program, four light rail connection-related projects were included in the levy goals: South Graham Street, Mt Baker, U District, and Northgate. As noted above, the John Lewis Memorial Pedestrian Bridge was completed and should be highlighted as a significant levy success. Connections to the other three stations have had limited success, as of early 2024. In 2024, the Seattle City Council provided \$1.5 million in Levy funds to support construction of the NE 45th Bridge I-5 Crossing Improvements." This project was scaled back to not include protected bike lanes due to WSDOT operational needs. While short-term projects for the Mt Baker project were completed, in line with levy goals, they have not made significant improvements for people walking and biking, at the time this letter is being completed. SDOT plans to make more improvements in 2024. Since Sound Transit shows the South Graham Street light rail station opening in 2031, and since there were some levy revenue shortfalls in 2018, this project was delayed beyond 2024.

Light rail connections are critical for the future transportation picture of the city. Done right, these connections are expensive and require extensive coordination with Sound Transit and other relevant agencies including Metro and WSDOT.

- **Workforce Development and Diversity:** The Move Seattle Levy funded necessary infrastructure and provided pathways out of poverty through access to apprenticeship, good family wage jobs and put money and resources back into our community. Eleven levy funded projects were completed under the City of Seattle Community Workforce Agreement, which contains requirements for implementing the City’s Priority Hire program. Priority Hire requires apprenticeship utilization, prioritizes workers living in City of Seattle and King County economically distressed zip codes and establishes goals for hiring a more diverse and inclusive workforce. According to Seattle FAS, these projects included 811,660 labor hours including 28% of those hours for workers in economically distressed city of Seattle and King County ZIP codes generating \$9.4M in wages and benefits.

General program implementation recommendations

In addition to recommendations about specific programs outlined above, the LOC recommends the following about program implementation, in general.

- **Don't over-promise:** To gain widespread voter support, the current levy promised something for everyone, sometimes without sufficiently developed plans to ensure a reasonable chance of construction within the budget proposed. For future levies, there should be high confidence that projects proposed for implementation should be constructable within the budget and timeline of the levy.
- **Continue to ensure flexibility:** The Levy to Move Seattle ordinance includes the following statements about the ability to reassess and adjust appropriation amounts:

"The nine-year appropriation amounts of Levy Proceeds for each core category established in this Section 6 may be changed by up to ten percent of the amount listed for each core category by separate ordinance, after the Levy Oversight Committee has been given an opportunity to comment. The nine-year appropriations amount of Levy Proceeds for each core category established in this Section 6 may be changed by more than ten percent of the amount listed for each core category by a 3/4 vote of City Council."

"Within a budget year the City is authorized to reallocate unexpended and unencumbered funds from one program to another within each of the three core categories by making operating budget transfers consistent with Seattle Municipal Code 7 5.08.020."

The next transportation package should include similar checkpoints and opportunities for adjustments to account for changing circumstances, needs, and priorities that might arise throughout the duration of the levy. For example, the ongoing Covid-19 pandemic, climate change or weather-related emergencies, changing community priorities, other funding or project coordination opportunities that could be leveraged, or other unforeseen circumstances.

- **Assert bold leadership:** Seattle has many plans and checklists that inform the implementation of SDOT's safety programs. Examples include a Complete Streets Checklist, a Vision Zero top-to-bottom review, Pedestrian, Bicycle, Transit and Freight Master Plans (rolled into the Seattle Transportation Plan). Recently, SDOT released the Climate Change Response Framework that includes increasing the number of people who choose to bike, walk, and take transit.

However, these checklists and plans can only be effective when they are actually implemented. Outreach conducted as part of the draft Seattle Transportation Plan indicates that these safety-related proposed changes have widespread support. When future projects addressing safety are planned for implementation, city elected leaders, particularly the mayor, will need to lead the way to ensure they are implemented. SDOT staff need the bold and unwavering support of the mayor and the SDOT director when facing opposition to safety projects when they are based on best practices, industry standards, and ongoing sound data collection and analysis. SDOT has collected a great deal of data about factors contributing to crashes and the successes of completed Vision Zero projects and should continue to do so since city leaders may use it to inform their support.

- **Using sound data is critical to this leadership, support, and accountability** - To build trust with the public and ensure projects produce desired results, SDOT should expand its data collection and analysis practices. This work should include selecting appropriate, impact-driven metrics and statistical analyses to determine needs and gauge the success of projects and programs. SDOT should continue to publish data publicly and make it accessible for all.

- **Continue focus on Racial and Social Equity** - We commend SDOT for their continued commitment and growing capabilities to assess the equity of services provided by the current Levy across the City, especially to historically underserved and disadvantaged populations. We encourage equity to be a focus of the next levy including continued investment in understanding the current and past geographic distributions of SDOT investments in the city, investing where people live and where they work, prioritizing accessibility for people with disabilities, and consistently using equity as a lens when choosing projects to implement in the future.

SDOT's ability to manage and control costs

SDOT's "ability to manage and control costs" has both internal and external influences. Internal issues include levy program/project definition and management, as well as the department's leadership (turnover), management (managing risk), having a well-developed project concept and cost opinion, and culture (transparency).

External influences, beyond SDOT's control, include a strong economy, leading to cost increases and resource constraints, the curb ramp consent decree, and matching funds availability. Early in the 9-year path of the levy, Mayor Durkan called for an assessment of the levy, which was completed in April 2018. The LOC provided recommendations to the mayor and city council in August 2018, leading to a levy "reset".

The more recent five years of levy implementation has provided a different trajectory from the first few years, with stronger internal management and public reporting at SDOT, but workforce shortages slowing projects. External hits came from new issues like the global COVID pandemic and labor issues, and the West Seattle Bridge closure, alongside continuing inflation, and uncertainty of partner/leverage funding.

Prioritization of projects: In these instances, the LOC was sometimes asked to advise on the prioritization of projects. The LOC recognizes that it is a difficult task to objectively select projects for prioritization given the uniqueness of each program in the Levy. In 2020, the LOC reviewed prioritization factors SDOT formed in response to the COVID-19 pandemic and associated staffing and funding shortfalls (see Levy Oversight Letter titled *Response to SDOT's Proposed Prioritization Methodology for Anticipated Budget Impacts Related to COVID* (dated 6/10/2020)). Among the various factors reviewed, the LOC sees that equity, safety, functionality, and associated leveraged funds are among the most important to consider when prioritizing projects.

The LOC recommends that any future levy, project funding be based on a level of development appropriate for project implementation and prioritization factors be developed as part of the levy legislation (rather than in reaction to a shortfall). Developing prioritization factors and scores for projects at the impetus of the levy will help streamline decisions should a shortfall occur at a future date. Including value engineering as part of the implementation process may also increase the flexibility of design and funding.

Leveraging other funds: The current Levy was highly leveraged with other funds (local, state, and federal). When successful, these additional funds increased the scope the Levy was able to deliver to the city. However, leveraging other funds brings uncertainty. Many of the funds that were leveraged were anticipated grants at both the state and federal levels. These grants were not guaranteed at the time when the Levy legislation was passed. Many of these grants come with additional conditions and reviews that have changed the scope and extended the timelines of Levy projects.

The LOC recognizes that leveraging other funds to expand the scope of a levy is a double-edged sword. It can maximize what the city can do with Levy revenues but also introduces uncertainty into an otherwise predictable revenue stream. The LOC recommends that any future ballot measure for a Levy that plans on leveraging other funds should be clear about the uncertainties that come with these leveraged funds.

SDOT preparedness for future levy: Over the course of the Levy to Move Seattle, there were instances where funding or staffing in certain programs was not sufficient to perform all the projects promised to the voters. During the first two years of the levy SDOT did not produce an accurate spend plan. Some of the funding shortfalls were due to inadequate project development prior to Levy funding recommendations. For instance, this was the situation for the bridges removed from the project list for seismic upgrades in 2020, covered above. The LOC recommends that SDOT take steps to build staff capacity in anticipation of the influx of funding from the next levy.

Availability of alternative revenue sources

While voter-approved property taxes have traditionally been used by the City of Seattle to fund large, multi-year transportation infrastructure packages, alternative revenue sources are available *“to provide a more direct link between the tax or fee paid and the use of the City's transportation system.”* The LOC appreciates the authors of the 2015 Move Seattle ordinance including this question about alternative revenue sources, because property taxes, like most revenue sources, have shortcomings that include not having a direct link to transportation and that there have been substantial property tax increases over recent years.

These disadvantages and the “piling on” of property taxes highlight an opportunity to explore alternative funding sources for at least a portion of any new, large transportation infrastructure package. The LOC urges policymakers to diversify the funding sources to provide a more direct nexus (as implied by Section 9 of the 2015 measure) and to increase the likelihood that voters will more willingly accept an extension of this property tax burden if they see other, new funding sources contributing as well. The LOC explored other revenue sources. That information is in Appendix B (revenue sources).

Thoughts about how the LOC functions

The LOC is limited in its own resources to hold SDOT accountable. Our 16-member body includes 14 unpaid volunteers, a City Council Member, and a City staff person. We are charged with the oversight of 30 distinct SDOT programs and a levy that generates \$930 million in revenue. With the limited amount of time the LOC has to track this large, complex portfolio, we often do not have the capacity needed to conduct deep dives. The LOC sometimes was not able to absorb the depth of information needed for oversight or found itself unable to get the information requested. We, therefore, recommend that the oversight function be organized differently under future levies.

For the next levy, we recommend equipping the LOC with the ability to conduct periodic (annual or biannual) audits of its choosing by an independent auditor. For example, in 2020, the City Auditor completed an audit assessing the physical condition of the city's 77 vehicle bridges and the maintenance investments needed. This audit has since helped the LOC better understand bridge maintenance needs. To enable audits in future levies, we recommend up to 0.15% of the total levy or transportation package revenue be dedicated to this.

Further, subject matter experts should comprise half of the volunteer membership of the LOC. This will bolster the LOC's base understanding of transportation and financial management, while also enabling the LOC to ask more pointed questions.

By way of closing, the LOC appreciates the opportunity to share its views about the current levy and a future levy with the Mayor and City Council. Two appendices follow: "Rationale for a Future Levy, and "Alternative Revenue Sources."

Appendix A: Rationale for future levy

Seattle's vision for the future of our city's transportation system (as outlined in the draft Seattle Transportation Plan) is that it be: easy and safe, convenient, dependable, and affordable to get around for people and goods. This goal requires funding to get there. Here are core values that drive the recommendation to renew the transportation levy:

- **Safety:** As noted earlier in this document, Seattle committed in 2015 to Vision Zero, zero traffic deaths or serious injuries by 2030. Yet the numbers of people injured and killed on our streets have increased. Traffic violence is disproportionately killing and harming people walking, rolling, and biking, people of color, people with disabilities, elders, low-income people, and unhoused people. It's also geographically concentrated in areas that have historically received significantly less infrastructure and safety investments.
- **Equity:** Historic and ongoing neglect and destruction of largely BIPOC and lower income neighborhoods means that there are large areas of the city where it is extremely unsafe and challenging to get where you need to go, particularly when walking, rolling, biking, and accessing transit. It is important that we center the people most harmed and impacted by an unjust transportation system in our future transportation decision-making and investments and that we allow for variations across the city to accommodate for differing community neighborhood needs and priorities.
- **Climate:** Two-thirds of our city's greenhouse gas emissions come from transportation, primarily from private vehicle use. Addressing climate change means improving our transportation system by increasing ease and access to transit and making walking, rolling, and biking the easiest and most convenient ways for people to get around. Simultaneously, it requires reducing the number of trips taken by private vehicles and increasing decarbonization of freight and other large vehicles.
- **Accessibility:** To make our city accessible to those with mobility disabilities, to families with young children, and to elders, we must move faster on building sidewalks, curb cuts, and accessible crossings and maintaining the infrastructure we do have.
- **Affordability:** We need a transportation system that allows people to get where they need to go without having to pay to own and maintain a private vehicle and one that supports goods movement without substantial costs to the end user.

Appendix B: Alternative Revenue Sources

The LOC recommends the city consider and adopt other funding tools to work in tandem with a future levy. Some can benefit short-term projects, such as “safe routes to school,” which are a product of the recent levy, and should be continued by a future levy. Others can benefit multiple generations by funding high value projects, such as bridges. For example, replacement of failing bridges and seismic upgrades of bridges is essential. The cash costs of major rehabilitation or replacement of bridges would be much higher and would consume too much of a single levy. Such projects would benefit from longer term financing such as bonds. Ideally, a transportation funding package would include a mix of funding tools that pay for both shorter term and longer-term high value projects on an annual basis that is affordable on an annual basis.

Below is a list of funding sources that could supplement property taxes for new transportation projects. This list includes recommendations from the [Revenue Stabilization Workgroup report](#), which presented a list of options for new City taxes that the mayor and council could adopt that may help offset potential future budget gaps. Some sources may require the City to lobby the State for changes to state law and some may require voter approval.

This list does not imply that the LOC is recommending or endorsing any of these since they require analysis that the LOC doesn't have the capacity to conduct. The LOC is recommending that these possible revenue sources be studied in addition to Seattle's next transportation levy. Each of these potential revenue sources should be evaluated for legality, potential positive or negative equity implications, sustainability, feasibility, and impact. In addition, the Seattle Race and Social Justice Initiative and relevant advisory boards or commissions should be consulted and engaged with this analysis. For example, some of the sources may require review to ensure they are implemented equitably and do not harm areas that have received less transportation investments than others. Some of the revenue sources may negatively impact other City programs and goals, which should be considered if the mayor and council choose to further analyze them.

- **Bonding:** Government entities commonly finance transportation projects by authorizing transportation bonds, loans which are repaid later. Bonds could be used for larger projects, such as bridges, that are beyond a levy's funding capacity.
- **Tolling on new bridges:** This is a “user fee” that directly connects use of the amenity to the cost of improvements. The bridge tolls could be used to pay down the bonds issued to build the bridge. Bridge tolls could also be used to construct seismic upgrades to existing bridges across the ship canal. In the interest of reducing the burden on lower-income drivers, the City should consider variable pricing and targeted exemptions to this tolling.
- **Transportation impact fee:** Transportation impact fees are fees paid by builders and are used to fund new transportation projects. With additional people living and working in Seattle when new housing or office buildings are built, there is an additional need for transportation-related infrastructure. This funding mechanism is for new projects and used by 70 other cities in Washington State as well as across the nation. The Revised Code of Washington authorizes impact fees and requires cities to use a calculation indicating the nexus between new office and residential projects and their impact on the need for new transportation infrastructure. Since most new housing and offices are currently being developed in dense neighborhoods, which have access to mass transit, sidewalks, and bike lanes, it may be advisable to consider impact fees based on the number of car parking spots in a new development. This would not only bring in revenue for transportation projects but help the city meet climate-related

goals. Transportation impact fees should be designed with a careful equity lens and include exemptions for affordable housing.

- **Congestion tax:** As noted in the Revenue Stabilization Workgroup report, the City could toll highly congested roadways. Tolls on local roads are authorized by state law for Transportation Benefit Districts (which exist in Seattle) and the revenue must go toward transportation. In the interest of reducing the burden on lower-income drivers, the City should consider variable pricing and targeted exemptions to this tolling. It could be worth exploring as it would be funding specifically dedicated to transportation purposes and could serve the dual purpose of discouraging driving in areas well served by other modes of transportation.
- **Vacancy tax:** As noted in the Revenue Stabilization Workgroup report, the City could tax vacant single family and/or multifamily residential units and vacant commercial lots/parcels within the City to disincentivize property owners to leave habitable properties vacant. This could increase the supply of available housing and potentially encourage more people to live in Seattle, bring economic activity, and increase use of the transportation system. The report indicates that this tax “likely could be imposed without requiring a ballot measure” and could generate “between \$5 million and \$20 million annually.”
- **Progressive real estate excise tax:** As noted in the Revenue Stabilization Workgroup report, the City could assess an additional tax on property sales over a certain price (particularly high-value properties). The gross annual revenue could be “between \$7 million and \$14 million, assuming a tax on properties valued higher than \$5 million.”
- **Expansion of the automated enforcement camera programs:** Examples include the following: school zone speed enforcement, red light running enforcement, and the “don’t block the box” and transit lane pilot programs. City leaders would need to mitigate inequitable impacts of punitive enforcement and regularly review the implementation of this program to ensure safety and equity goals are being met.
- **Commuter mobility tax:** Similar to impact fees, a commuter tax paid by employers could help mitigate the transportation-related costs created by commuters. New York City levies a Metropolitan Commuter Transportation Mobility Tax paid by businesses that engage in business within NYC jurisdictions. Since commuter impact costs are currently largely borne by people who reside in Seattle, this tax would more equitably distribute commute-related costs to account for all who work in the city.
- **Increase the non-residential parking tax:** This tax could be increased to charge more for private commercial off-street parking. In 2014, an increase in the commercial parking tax from 12.5% to 17.5% was considered by the City Council and it was estimated that, at the time, such an increase would raise an additional \$13million per year.
- **Ultra-low emission zones:** In neighborhoods most impacted by high motor vehicle emissions, develop low emissions zones. In London, people who drive in the zones in a vehicle that does not meet minimum emissions standards are required to pay a daily fee or risk a large fine. The policy would need to be developed so that people who cannot afford to purchase new low emission vehicles could be exempt or receive subsidies to purchase these types of vehicles. Not only would this generate revenue, but it could also have a positive impact on the health of people living in these zones.

- **Personal vehicle registration fees based on weight:** Washington, DC recently adopted higher registration fees for larger personal motor vehicles. Cars weighing more than 3,500 pounds now pay higher registration fees. It is expected that the fees will result in \$9 million in annual additional revenue, once fully implemented. Several states also charge weight-based registration fees. Since heavier vehicles impact city streets more than lighter vehicles (per SDOT presentation about the road maintenance program) and are more dangerous for people and buildings outside the vehicle if they are involved in crashes, Seattle could work with the state to be able to enact weight-based fees that could help the city meet climate goals in addition to generating revenue to mitigate the disproportionate impact heavy vehicles have on the maintenance of our roads.
- **Lobby to include local taxes in HB 1832:** This bill, which proposed a Road Usage Tax (RUC), was introduced into the Washington State House in February 2023 but has not moved forward this year. Ultimately, some means besides a gas tax will need to be incorporated into state law. Local governments can now charge up to a penny a gallon on gas sold in their jurisdictions. While it is unclear when a bill such HB 1832 will become law, some form of it will most likely pass in the near future.
- **Local Improvement District (LID):** This is a funding tool governed by state law, by which property owners pay to help fund the costs of public improvements that directly benefit their property. A LID has been used to fund the Waterfront LID improvements, a multi-year investment in Seattle's central waterfront, and the South Lake Union streetcar.
- **Tax Increment Financing (TIF):** A financing tool that can be used to fund public infrastructure in targeted areas to encourage private development and investment. Local governments can designate an "increment area" surrounding the site of a transportation-related improvement. The property tax portion of assessed property value increases within the area is then allocated to the costs of the improvement. Chicago uses TIF for protected bike infrastructure in TIF areas.
- **Project-specific levies:** Considering the cost of some large projects, including bridge projects, individual levies could be used to pay for them.
- **High Value Capital Gains Tax.**
- **Public-private partnerships:** These contractual agreements between a public agency and a private sector entity could help SDOT deliver specific transportation projects. Public-private partnerships can reduce upfront construction costs and accelerate development. A recent example of a public-private partnership is the one between the city and philanthropists to develop an Elliot Bay waterfront greenway.