

# Project Funding

Special Committee on AWW & Seawall Replacement  
August 2, 2010

# Funding Proposal: Summary

## Context

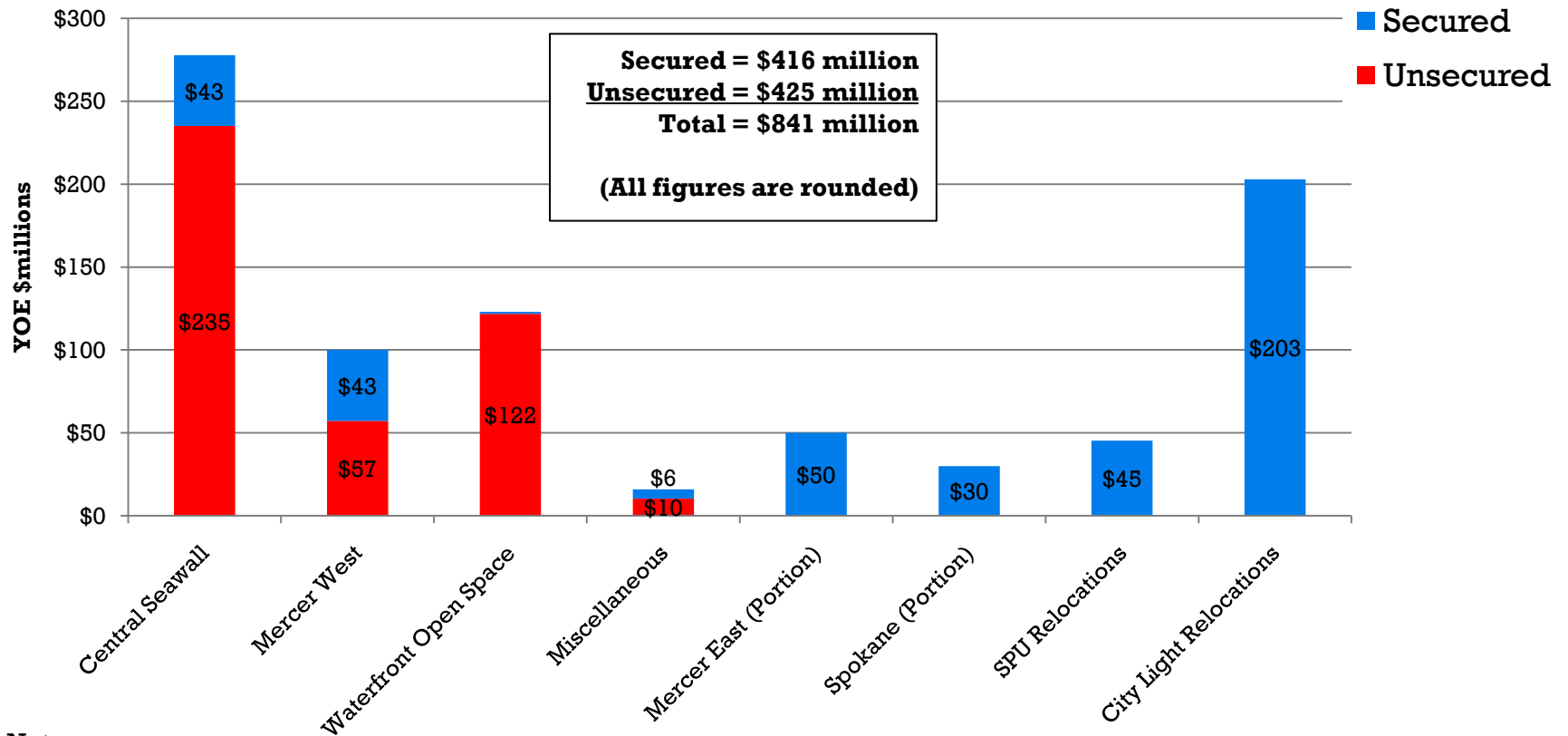
- The City needs an additional \$425 million in project funding.
- Given the City's financial situation this cannot be done without additional resources.
- A combination of City-initiated and voter-approved revenues can provide a balanced approach to the funding challenge.

# Funding Proposal: Summary

## Basic Elements of Proposal

- Add a 2.5% increment to the parking tax for debt service on approx \$70M in Councilmanic bonds. This will address 2011 & 2012 needs.
- Seek voter-approval for significant share of Seawall costs. Put measure on ballot in 2011, in order to provide:
  - *More certainty about project costs and other funding sources;*
  - *Clarity about the proposed Seawall design; and*
  - *Sufficient time to complete the City's on-going Strategic Capital Plan.*
- Establish an LID to pay for Waterfront Open Space. The LID would not be authorized for a few years, but planning will continue.

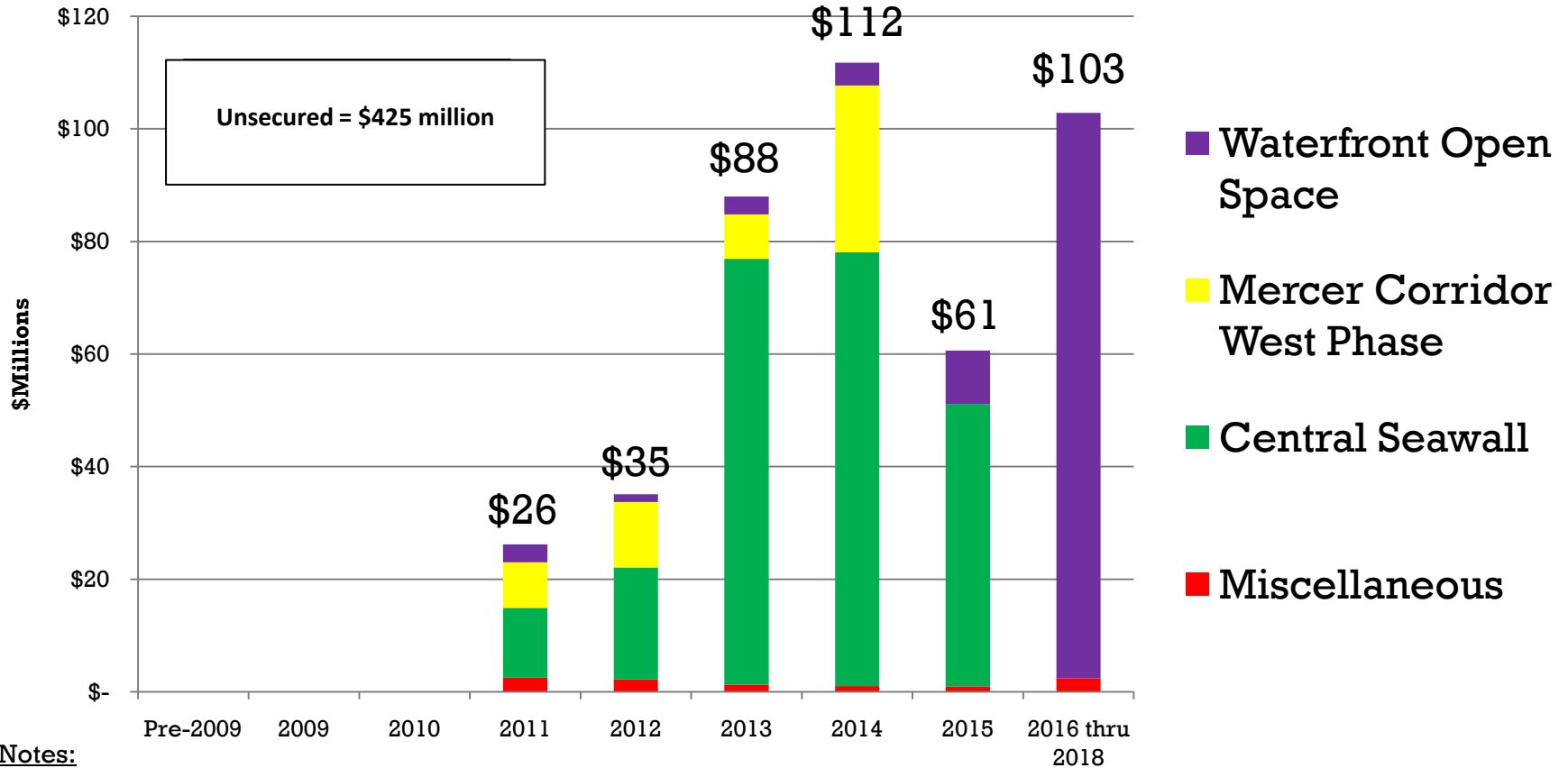
## City-Responsible AWW Projects Funding Status by Project



**Notes:**

1. Does not include "Potential 1st Ave Streetcar."
2. Secured funding includes \$30M from King County Flood District for the Central Seawall.
3. Secured funding includes Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers.
4. Secured funding includes \$290M from WSDOT for surface street reconstruction.
5. Waterfront Open Space unsecured funding needs includes only "base costs" but not costs for full programming.

## City-Responsible AWV Projects Unsecured Funding Needs By Year, By Project



**Notes:**

1. Does not include "Potential 1st Ave Streetcar."
2. Secured funding includes \$30M from King County Flood District for the Central Seawall.
3. Secured funding includes Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers.
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5. Waterfront Open Space unsecured funding needs includes only "base costs" not additional costs for full programming.

# Council Decisions

Central Staff Recommendations	Timing
<p data-bbox="92 329 1209 386"><b><u>Funding for AWW-Related City Projects:</u></b></p> <p data-bbox="189 415 852 465">Approximately \$70M in bonds</p> <p data-bbox="189 486 1402 536"><i>New revenue source(s) for \$5M in annual debt service:</i></p> <ul data-bbox="189 558 944 608" style="list-style-type: none"><li>• Commercial Parking Tax at 2.5%</li></ul>	2010
<p data-bbox="92 638 886 695"><b><u>Funding for Seawall Project:</u></b></p> <p data-bbox="189 723 1083 773">\$235M (bond) ballot measure for Seawall</p> <p data-bbox="243 802 305 852">or:</p> <p data-bbox="189 866 1070 916">\$165M (levy) ballot measure for Seawall</p>	2011
<p data-bbox="92 943 1325 1001"><b><u>Funding for Waterfront Open Space Project:</u></b></p> <p data-bbox="92 1029 475 1079">\$200M to \$225M</p> <p data-bbox="92 1100 407 1150">LID formation</p>	2015

# Questions?

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# Pocket Slides

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# AWV Program Funding

	A	B	C
	Total Cost	Funding Identified	Funding Needed
Waterfront Open Space Base Costs*	\$ 123	\$ 1	\$ 122
Central Seawall	\$ 274	\$ 39	\$ 235
S. Spokane St. Viaduct	\$ 30	\$ 30	\$ -
Mercer East	\$ 50	\$ 50	\$ -
Mercer West	\$ 100	\$ 43	\$ 57
Parking Program / Project Services	\$ 16	\$ 6	\$ 10
Utility Relocation Costs	\$ 248	\$ 248	\$ -
<b>Total</b>	<b>\$ 841</b>	<b>\$ 416</b>	<b>\$ 425</b>

All costs rounded to \$millions

\* Does not include costs of additional capital improvements.

# Project schedule

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

## Elliott Bay Seawall:

Environmental Process/Permitting

Alternatives Development

○ Preferred Seawall Alternative(s) selected

Design

U.S. Army Corps of Engineers Feasibility Study (S. Washington to Broad Street)

Seawall Construction (S. Washington to Pine Street)

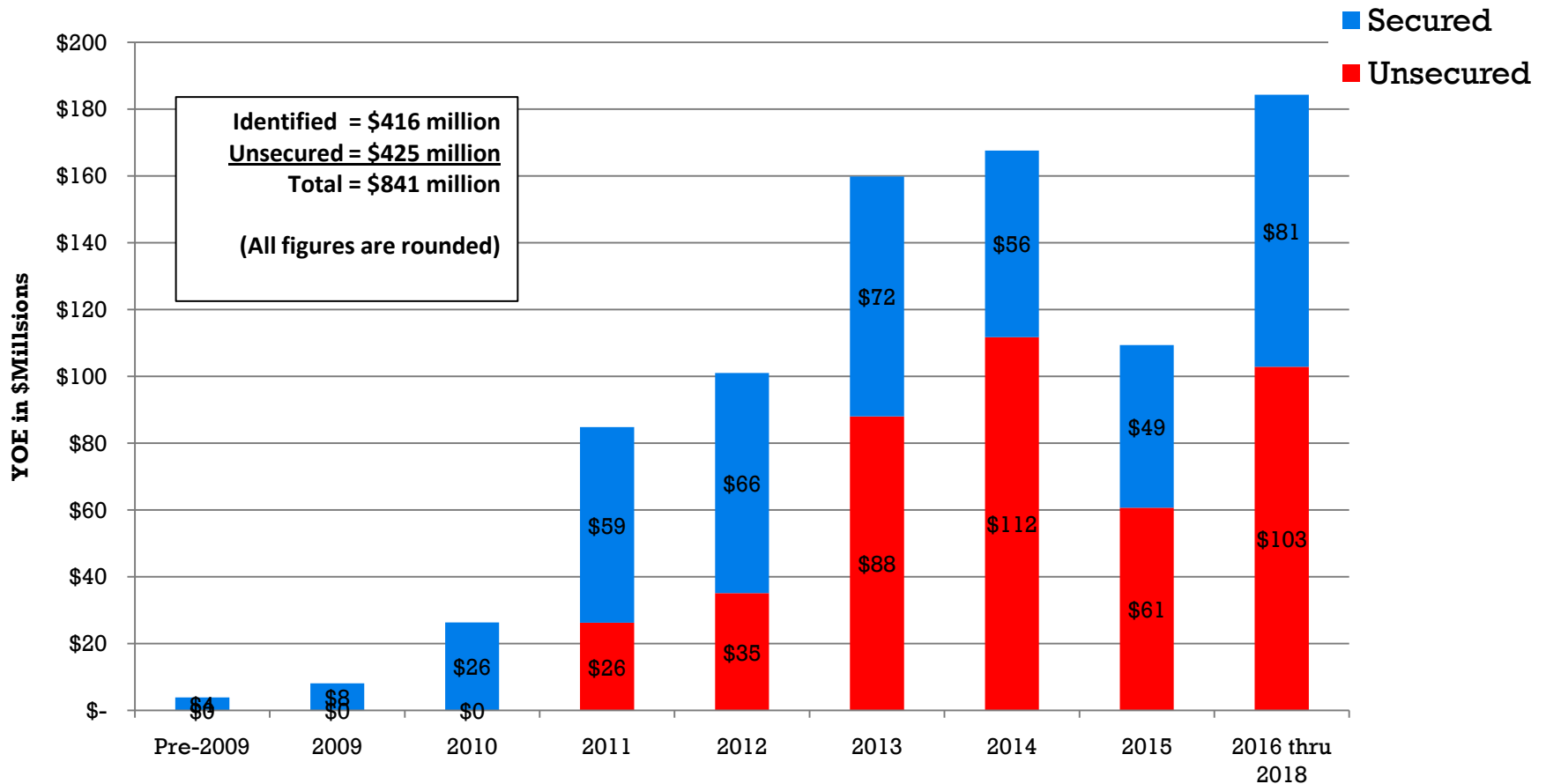
## Central Waterfront Public Space and Streets:

Design Construction

## Proposed Bored Tunnel:

Design Construction

## City-Responsible AWV Projects Funding Status By Year



**Notes:**

1. Does not include "Potential 1st Ave. Streetcar"
2. Secured vs. Unsecured and cash flow needs based on Executive's characterization
3. Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers counted as secured funding.
4. Mercer East (\$50M) and Spokane (\$30M) are both secured funding; cash flow split 50% in 2010 and 50% in 2011.

# Funding Options (Assuming LID)

	<b><u>Option 1:</u></b> <b>(Mayor's Proposal)</b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>
Property Tax	<b>\$235 million</b> 30-year Bond \$50/household/year	<b>\$165 million</b> 9-year Levy \$75/household/year	None
Commercial Pkg Tax	<b>\$70 million</b> 2.5% increment	<b>\$140 million</b> 5% increment	<b>\$70 million</b> 2.5% increment
Veh. License Fee	None	None	<b>\$235 million</b> ~\$45/vehicle
<b>Total New Revenues</b>	<b>\$305 million</b>	<b>\$305 million</b>	<b>\$305 million</b>

**Voter Approval  
Needed**

**60%**  
Property Tax

**50%**  
Property Tax

**50%**  
Veh. License Fee

Options provide examples of packages that would fully fund City's AWW commitments. Funding elements can be scaled & combined in a variety of ways.

# Conclusions & Recommendations

## **New AWVSR funding source(s) needed.**

- \$70M from a new funding source for non-Seawall AWVSR projects (assuming a \$122M+ LID and a \$235M voter-approved measure).
- Maintaining current AWVSR schedule requires either additional funding or significant reprogramming of GSF.

## **Total 2011 and 2012 funding gap is \$61M.**

- \$32M of this gap is Seawall-related.
- \$29M of this gap is related to other City AWV funding responsibilities.

## **Strategy for seeking voter-approval needed soon.**

- Property tax bond, property tax levy, and/or vehicle license fee.
- Timing – 2010 or 2011 (If 2010, Council action by early August.)