Seattle Department of Transportation

2026 Year End Supplemental Proposal & 2027-2028 Proposed Budget Overview

Angela Brady, Acting Director of Transportation
Kris Castleman, Director of Finance and Administration

Seattle City Council Select Budget Committee

City of Seattle

SDOT's Vision

Seattle is an equitable, vibrant, and diverse city where moving around is safe, fair, and sustainable. All people and businesses can access their daily needs and feel connected to their community.



SDOT's Values & Goals

- Safety
- Equity
- Sustainability
- Mobility & Economic Vitality
- Livability
- Excellence
- Maintenance & Modernization

2026 Year End & 2027-28 SDOT Budget – Overview

SDOT's financial outlook for 2026 and the upcoming biennium has changed since the 2026 Adopted Budget. Fiscal challenges include cost growth to labor, materials and contracting, alongside stagnant and declining revenues and over-programming of resources.

- We are making dynamic changes to SDOT's budget to address these challenges head on through our proposed 2026 Year-End Budget Adjustments and the 2027-2028 Proposed Budget to bring budget appropriations in line with available resources
- In doing so we are managing to the goals of maintaining essential services, safety improvements and requirements, basic maintenance, and restoration of transportation infrastructure, while maintaining safety and Levy deliverables
- Aligning with available funding will require broad-based reductions across SDOT that will have impacts, but which are structured to minimize the severity of impact for most individual programs and projects
- The proposed budget changes move SDOT to a more stable financial position and support future financial resilience
- This budget maintains continuity of staff resources to support core services, delivery, and ramp-up activities related to full implementation of the 2024 Transportation Levy, Vision Zero investments, and expanded programs funded by the Seattle Transit Measure

SDOT Current Funding Sources – Restrictions and Stability

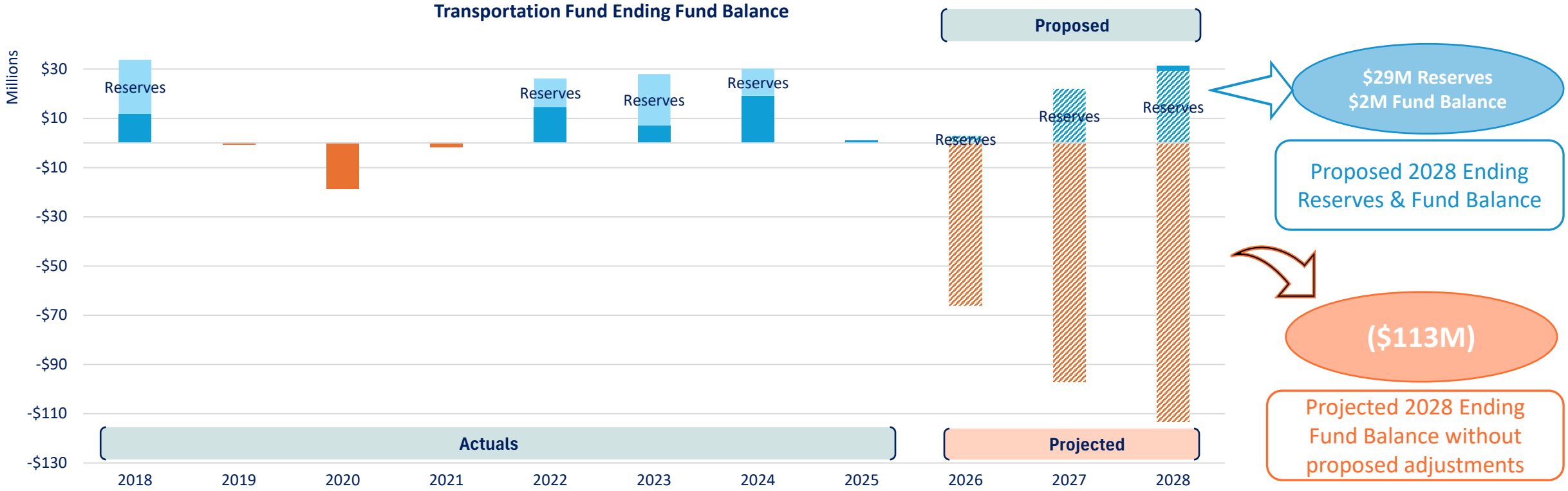
Funding Source	How Restricted?	How Stable?
Transportation Levies	Strict	Stable
Grants, Loans, Partnership Funds	Strict	Variable
Transportation Benefit District - 0.15% Sales Tax	Strict	Variable
Bonds	Strict	Stable
Street Vacation	Strict	Variable
Reimbursable	Strict	Stable
Property Proceeds	Strict	Variable
Street Use & Occupation Fees	Moderate	Variable
Gas Tax	Moderate	Variable
Transportation Benefit District – Vehicle License Fee	Moderate	Stable
Real Estate Excise Tax (REET)	Moderate	Variable
Automated Traffic Safety Cameras	Moderate	Variable
Commercial Parking Tax	Flexible	Variable
General Fund	Flexible	Variable

Strict: Funding sources that either have underlying law that restricts how the money can be used or for which our reallocation is restricted in some way.

Moderate: Funding sources with limited ability to repurpose and have some restrictions.

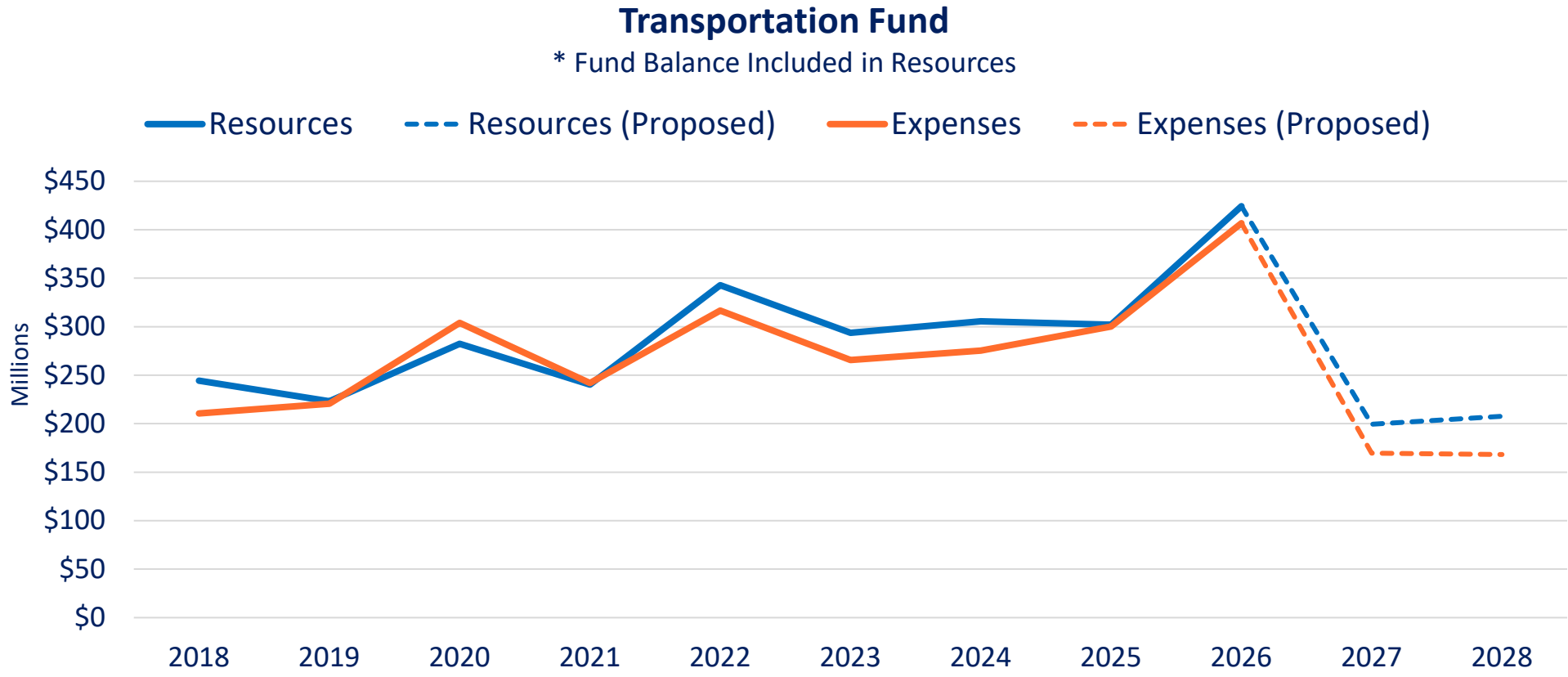
Flexible: Funding sources with few restrictions. Spending must be reasonably justified and follow the typical limitations on using public money.

Transportation Fund: Fund Balance (Including Reserves)



- SDOT's available resources exceeded expenses during 2022-2024, creating a healthy fund balance. SDOT drew on available Transportation Fund balance heavily in 2024 and 2025 to advance key maintenance and safety project delivery goals
- Beginning in 2025 available resources were no longer sufficient to support Transportation Fund needs, declining 2025-2026 revenues further reduced fund balance
- In mid-year 2026 SDOT proposes aggressive action to reduce overspending and begin to restore fund balance including financial reserves

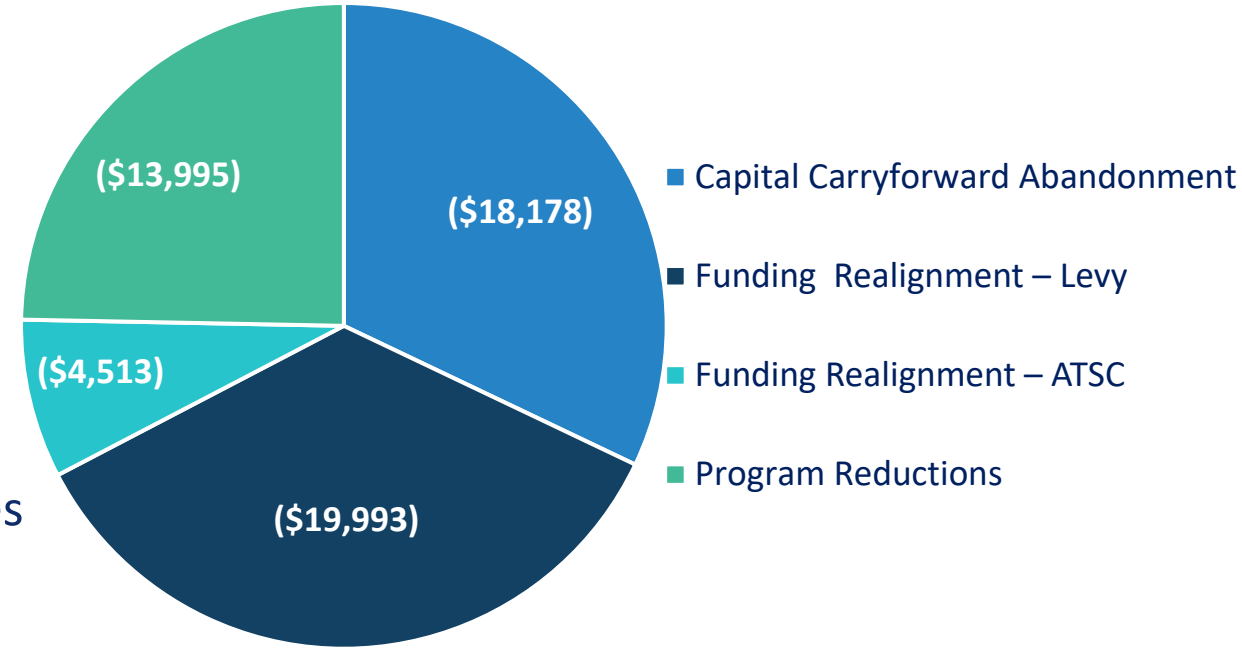
Transportation Fund:
Financial Responsibility & Addressing Resource Constraints



- Proposed current year 2026 budget resizing & 2027-2028 reductions will bring fund expenses into a sustainable balance with sources

2026 Year-End Transportation Fund (TF) Reductions

- Focused reductions in the 2026 Year-End adjustments align budgets with resources
- 2026 One-Time Adjustments ($56.7M):
  - Abandonment of years of accumulated capital carryforward
  - Funding realignment in select programs to reduce TF costs and focus on both Levy and ATSC funded work
  - Reducing some projects and programs, prioritizing preserving staffing to deliver critical services - examples include:
    - Emergency Services – (56%) – mild weather allows these savings
    - Signal Major Maintenance – (39%) – upgrades moved to 2027
    - Bridge Rehab and Replacement Phase II – (16%) – reduces some contingent budgets



2027-2028 SDOT Budget – Reductions Summary

- Necessary reductions address non-levy structural budget gaps and maintain a balanced budget across SDOT's funds.
- These reductions are part of a larger plan to reduce project budgets to match spending projections and delivery timelines.

2027 & 2028 Reductions:

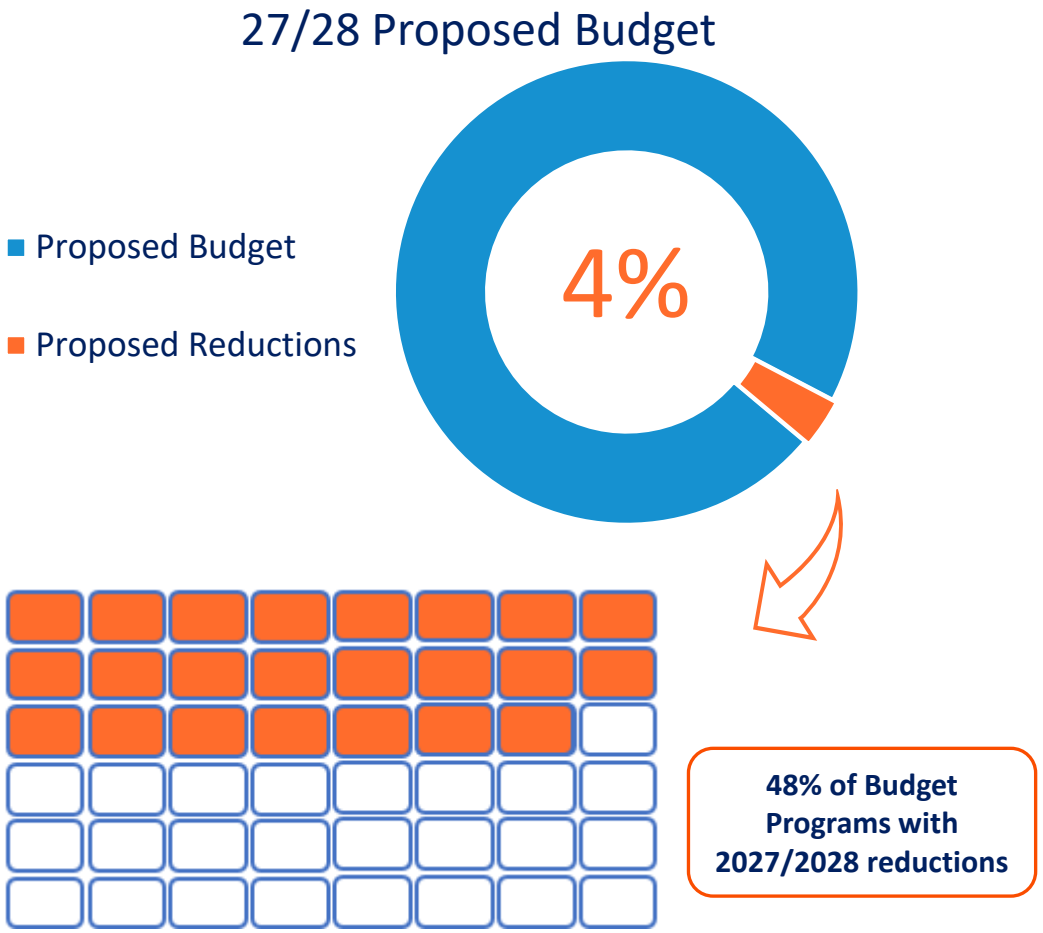
($000s)	2027 O&M Reductions	2027 CIP Reductions	2027 Combined		2028 O&M Reductions	2028 CIP Reductions	2028 Combined
General Fund	($6,133)	$0	($6,133)		($6,324)	$0	($6,324)
Transportation Fund	($9,540)	($11,396)	($20,936)		($8,617)	($12,701)	($21,318)
Real Estate Excise Tax	$0	($1,562)	($1,562)		$0	($2,258)	($2,258)
STBD – Vehicle License Fee	($1,250)	($1,750)	($3,000)		$0	($1,000)	($1,000)
Reductions Total	**($16,923)**	**($14,708)**	**($31,631)**		**($14,941)**	**($15,949)**	**($30,900)**

Proposed 2027-2028 Position Changes

- Limited position changes in the 2027-2028 Proposed Budget.
- Remove seven (7) unfilled sunset positions set to expire 12/31/2026, and two (2) unfilled positions related to the UCT team and General Fund reductions.

Position Title	Number of FTE
Civil Engineer, Senior	(2.0)
Civil Engineering Specialist, Associate	(1.0)
Signal Electrician, Journey-Level	(3.0)
Traffic Sign and Marking Crew Chief I	(1.0)
Maintenance Laborer	(2.0)
Total	**(9.0)**

2027-2028 SDOT Budget – Reductions Spotlight



Proposed adjustments of SDOT's budget results in a 4% overall decrease, a net change of ($48M) over two years. After incorporating the results of all reductions, new revenues and proposed legislation.

Reductions were broad, spread across 48% of all SDOT Budget Programs.

Significant 2027-2028 reductions occurred in the following projects (2-year totals):

Operations
- Street Surface Maintenance (23%) – longer service intervals
- Pothole Repair (10%) – impacts the 72-hour response standard

Capital
- Arterial Major Maintenance (24%) – aligns to historic budget levels
- Structures Major Maintenance (20%) – deferred project delivery schedules

2027-2028 SDOT Budget - Strategic Use of New Revenues

- Automated Traffic Safety Cameras (ATSC)
  - Added 37 school speed zone cameras at 19 locations citywide for 2026/27 school year
  - Executive Order 2026-05 install speed cameras at 4 speed zones in 2027 and evaluate alignment with safety data, equity policies, and community
  - Using SDOT's share to sustain investments in programs that support safety citywide
- King County Transportation District Funds (KCTD)
  - RCW 36.73.065 - KC Transportation District assessed a 0.1% sales tax for 10 years by governing vote
  - City Transportation Improvement Program to distribute 12.5% revenues to cities = $4.7M for Seattle
  - Offsetting reductions for Bridge & Structures Maintenance and Urban Forestry

($000s)	2026 Adopted	2027 Proposed	% Change 2026 Adopted to 2027 Proposed	2028 Proposed	% Change 2027 Proposed to 2028 Proposed
ATSC Fund	$18,039	$31,187	73%	$38,646	24%
KCTD	-	$4,700	100%	$4,700	-

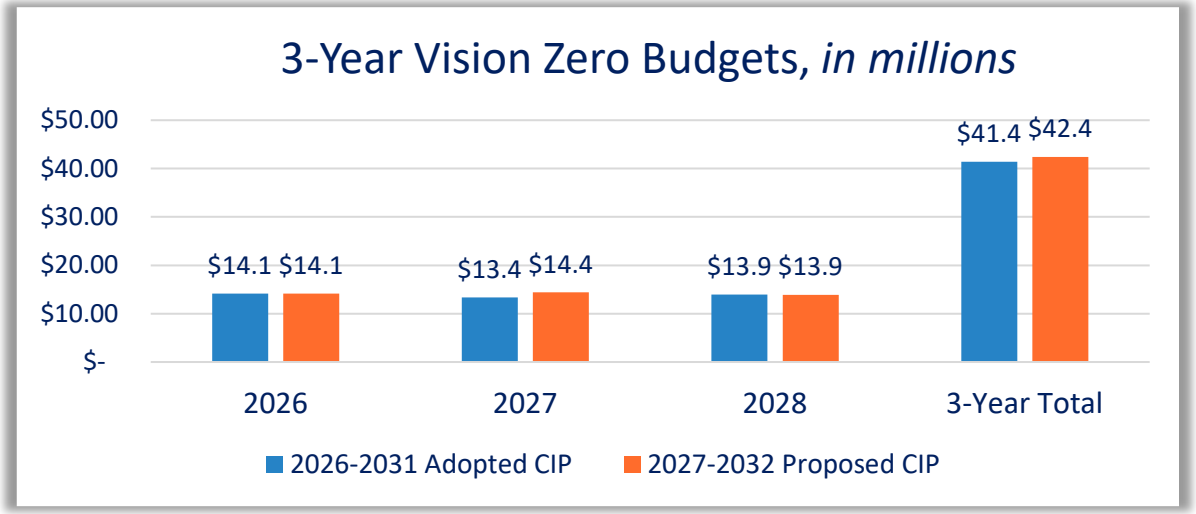
2027-28 SDOT Budget – Proposed Budget Legislation

- Commercial Parking Tax (CPT) rate increase from 14.5% to 17% to provide sustainable funding for Vision Zero investments and basic services such as Signal Maintenance, Urban Forestry, and Emergency Services
- Increasing Street Use Fees & Rates to help cover cost of permitting and inspection services
- Interfund Loan for the Transportation Fund to align with City policy

($000s)	2026 Adopted	2027 Proposed	% Change Adopted to 2027 Proposed	2028 Proposed	% Change 2027 Proposed to 2028 Proposed
CPT Base	$52,100	$53,946	3.5%	$55,778	3.4%
CPT New		$9,282		$9,600	3.4%
Street Use Base	$52,097	$46,450	(11%)	$46,089	(1%)
Street Use New		$3,936		$5,839	48%

Maintaining funding for Vision Zero

- **Vision Zero funding remains a priority for SDOT**
- 3-year proposed funding levels continue





2027-28 SDOT Budget – Seattle Transit Measure (STM)

- **Seattle Transit Measure will further enhance support for key areas for SDOT if passed**
- Examples of efforts that will be supported by the SMT measure in 2027:

Seattle Transportation Benefit District Investments: transit service, low-income transit access, ORCA access, spot improvements, etc.
$77.1M

South Lake Union and First Hill Streetcar Operations

$17.3M

Sound Transit 3 (ST3) staffing, support, investments

$5.2M



SDOT's Ongoing Service Investments & Project Delivery

- **Better transit service:** Seattle Transit Measure currently funds ~180,000 additional Metro trips a year, including 400+ new weekly trips added in August. New paving and bus lane on Denny Way unstuck a major east-west transit route.

- **Sidewalks and accessibility:** Focused on expanding the pedestrian network to keep people safe, including nearly 30 blocks of new sidewalks and walkways and 1,268 wheelchair-accessible curb ramps last year.

- **Street and bridge preservation:** Completed Ballard Bridge and 15th Ave W paving, 3rd Ave street investments to support Downtown, East Marginal Way freight street paving and new path, 11th Ave NE and 12th Ave NE paving, 6 bridge seismic retrofits across the city and rehabilitation work on the Spokane St Swing Bridge.

- **Traffic safety and Vision Zero:** New crosswalks, signals, street redesigns, and traffic calming to lower speeding and reduce crashes. Completed 8 high-collision corridor projects, 41 crossing improvements, and 4 miles of upgraded protected bike lanes.

- **Progress on major projects:** RapidRide J Line in Eastlake has reached 50% completion, the Rt 40 transit corridor is upgrading 13.5-mile route this year, and street reconstruction around the new Pinehurst Station will help people walking, biking, and taking the bus get to the regional Link system.


Questions?
SPEED LIMIT
7 KNOTS


Thank you!