CITY OF SEATAC

THE BRIDGE BUDGET

Guiding Us Across the Gap

Building a Sustainable Financial Future for SeaTac

2027–2028 BIENNIAL BUDGET
Council Study Session – Aug. 11, 2026

THE 2027–2028 CHALLENGE

What Is the Structural Gap?

$1.6M

projected gap in 2027

$4.4M

projected gap in 2028

- The structural gap is the difference between expected revenues and the cost of maintaining current service levels.
- Left unaddressed, the gap widens each year as costs continue to outpace existing revenue.
- Council must weigh strategies that protect financial stability while safeguarding essential services, residents, and local businesses.

Why Now, and How We Bridge the Gap

WHY 2026

- State law requires a balanced budget adopted by December 2026.
- Beginning in October, Council begins decisions before new revenue outcomes are known.
- The City must plan for multiple scenarios while continuing to deliver core services.

1 Expense Management

2 Budget Decisions

3 Revenue Assumptions

4 New Revenue Tools

LEVER 4: NEW REVENUE TOOLS

Public Safety Sales Tax & the B&O Sales Tax

PROPOSITION 1

Public Safety Sales Tax

0.1%

sales & use tax
(10¢ on a $100 purchase)

- If approved: ~$2M annually; ~85% remains with the City
- Restricted by law to public safety uses
- Pending voter approval - November 3, General Election

ADOPTED 2025

Business & Occupation Sales Tax

Current rate: 0.2%

flat rate across business classifications

- Businesses under $200,000 gross income are exempt
- Not on the ballot — Council refines through the budget process
- Effective January 1, 2027

THE ROAD AHEAD

A Path to a Sustainable Financial Future

Fall 2026

Budget Development

Dec. 2026

Budget Adoption
2027–2028

2027

Bridge
Adjustments

Jan. 2028

Mid-Biennial
True-Up

2028

Balanced
Operations

Dec. 2028

Budget Adoption
2029–2030

LOOKING AHEAD TO 2029–2030

Aligning Finances with SeaTac's Vision

With new recurring revenue and continued financial discipline, the City moves from short-term balancing to long-term sustainability.

New Recurring Revenue

- Business & Occupation Sales Tax
- Public Safety Sales Tax
- Other Sources

Financial Stability

- Reduced reliance on the General Fund
- Maintaining healthy reserves

Future Investments

- International Village
- Public safety & human services
- Parks, greenspace & community relations

BUILT ON A TEN-YEAR STRATEGIC PLAN

A Sustainable Financial Future for SeaTac

Questions & Council Discussion

CITY MANAGER'S OFFICE • COMMUNICATIONS