



City of Seattle

Mayor Jenny A. Durkan

June 28, 2018

Dear Seattle Streetcar Coalition:

Thank you for your letter regarding the Center City Connector Streetcar – the Mayor appreciates your perspective and respects your passion for making our downtown a vibrant place to live and work. Since taking office, Mayor Durkan has met and heard from several Pioneer Square businesses regarding transportation challenges downtown, especially as it relates to the streetcar. She has heard about the real disruption to the neighborhood and the toll that construction has taken on residents and businesses. She has many concerns about both the fiscal impacts as well as the impacts on businesses.

In addition, the City and its partners are embarking on a number of projects to rebuild and reimagine downtown Seattle - the viaduct will finally come down, and we'll open the new 99 tunnel. We'll redevelop the waterfront. These opportunities are exciting – as is the fact that we'll renew Seattle Center and improve our arena. We'll expand our Convention Center, construct dozens of new buildings, and begin the process of bringing Sound Transit to all corners of our city. The future of transportation downtown during construction over the next few years will require us working together on transit, safer pedestrian and bicycle infrastructure, and reducing numbers of single-occupancy vehicles downtown during peak times.

All these megaprojects require effective management. As you know, Mayor Durkan asked for preliminary review in March by our City Budget Office on the capital costs of the Center City Connector Streetcar. This preliminary review found that the project was facing a shortfall of approximately \$23 million, which would bring the costs of the project to more than \$200 million. Following the initial review, Mayor Durkan ordered an independent analysis from an outside technical expert to ensure the City and taxpayers know the full costs of both building and operating this large capital project.

Last week, the Mayor was verbally briefed on the initial findings. As part of this briefing, the Mayor asked for a further analysis on technical assumptions, ridership projections, operations and capital costs, funding options as well as more detailed information for additional alternatives for providing transit connections moving forward. In addition, the Mayor asked for a final technical review by City departments including City Budget Office, SDOT, Seattle Public Utilities, and Seattle City Light to verify material costs and labor, utility relocations, and project timelines for a series of options to ensure the final report is accurate for taxpayers. It is expected that the work can be completed in the coming weeks that will outline operating and capital costs as well as funding risks for both the utility and streetcar work. I can assure you that this report will be public as soon as it is finalized.

The Mayor remains committed to ensuring full transparency of costs to taxpayers across our entire city budget as well as major projects. The City of Seattle has a critical and fundamental obligation to spend

taxpayer dollars wisely and an equal obligation and commitment to transparency. Many of you have previously written Mayor Durkan urging full accountability in other parts of the City budget. As you may know, the City will likely need to make additional cuts to next year's budget with current revenue forecasts, which is why the Mayor has asked all our departments to submit budgets with 2%-5% cuts. This will require some tough decisions based on hard and accurate data.

Our office, SDOT, and our utilities look forward to our continued work together, and please be in touch with Deputy Mayor Shefali Ranganathan and Ahmed Darrat, the Mayor's Transportation Policy Advisor, for any additional updates on the streetcar. Finally, we were sorry that the meeting with you and the Mayor had to be rescheduled. As you know there have been several issues that have presented challenges in the calendar. She looks forward to meeting with you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Fong", with a stylized flourish at the end.

Michael Fong
Senior Deputy Mayor
City of Seattle