

McCaffrey, Rachel

From: McCaffrey, Rachel
Sent: Wednesday, June 24, 2020 8:31 AM
To: McCaffrey, Rachel
Cc: Williams, Lorelei
Subject: A message from Sam - 2020 budget update

Good morning, all,

Please see the message from Director Zimbabwe below my signature. This information will be coming out through the SDOT Blog this morning and a citywide message has been shared by the Mayor, which you may have also seen. We expect there will be questions and we're happy to address these over email since the LOC is not meeting in July, and we can also talk more at the August meeting.

Best,
Rachel



Rachel McCaffrey

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Dear Levy Oversight Committee,

We are writing to inform you that due to the COVID-19 crisis and corresponding financial impacts, the entire City of Seattle is facing a significant budget shortfall including \$300 million . SDOT is no exception, with a projected loss of revenue close to \$55.3 million in 2020. As a result, we must take thoughtful, but immediate action to pause a number of projects as SDOT works to ensure our vision for a more livable, safe and inclusive Seattle still moves forward despite new fiscal realities and timelines.

COVID-19 has already had a historic and detrimental effect on our city, our nation, and our entire global community with ripple effects that will continue to be felt for years to come. We are working to react to and clarify what the pandemic means for the City of Seattle and here at SDOT.

We are a resilient City that will rebuild stronger than ever before, but both Mayor Durkan and I have made it clear that we are facing significant budget impacts in 2020 and beyond due to the significant decline of revenues for the City and our funding partners that will demand difficult tradeoffs on our path to shared recovery. Since the onset of the pandemic in March, we have had to shift resources and respond to emergent public health priorities. As a result, we know that many of our planned accomplishments and spend plans will not be attainable in the short term.

Through Mayor Durkan's leadership, and during my time at SDOT, we have worked hard to ensure that our transportation system meets the needs of communities of color and those of all incomes, abilities, and ages. Our goal is to partner with communities to build a racially equitable and socially just transportation system. We have a long way to go, with room for improvement. But while budget reductions will impact all Seattleites,

it is our commitment to ensure that this process does not disproportionately impact Black people and communities of color.

And while there are many unknowns and questions at this time, we can commit to being transparent, engaged, and keeping you informed as the situation evolves. That is why I am directly reaching out today about upcoming pauses for specific projects outlined in detail below. During this pause we will work to better understand our fiscal constraints, identify immediate cost savings to address budget shortfalls, and establish a thoughtful, equity-first process for 2021 and beyond to inform which projects move forward, when, and in what way. It is possible, however, that some projects paused will not restart if they no longer make sense for the new City we find ourselves in over the coming years.

We are suspending work on enough projects now to address the SDOT revenue shortfall expected for 2020. The possible cost savings in pausing these projects is \$58.3 million, or 8% of SDOT's \$739 million adopted budget. Because the financial situation of SDOT and the City continues to evolve, over the next few months we will develop criteria to guide decision-making around what work will be paused indefinitely and what will continue. As noted earlier, we will prioritize racial and social justice in our transportation system when we develop this criteria.

SDOT's leadership team developed this list as part of the citywide 2020 reductions package assembled by the City Budget Office and the Mayor's Office. The pause list was developed thoughtfully, but within the time constraints we are facing in responding quickly to the COVID-19 crisis, it was also informed by a need to freeze projects funded in 2020, and avoid projects already in construction or where we are leveraging grants and external funding. We do not expect an economic recovery to be swift and quickly restore SDOT's budget to pre-pandemic levels. Projects may still be added or removed from our "pause" list as we further our prioritization efforts and better understand revenue projections.

Each one of our projects started as an idea from the community, an elected leader, or a colleague to drive positive change for a growing Seattle. The amount of time and energy it takes to turn a dot on a map or a line from a master plan into a funded project that is headed for groundbreaking is tremendous. I want to make sure that you know this list does not minimize the advocacy and tireless effort that went into realizing each project. It is rather a reflection of a global pandemic whose impacts have crept into every aspect of our lives.

We need to reduce spending now in 2020 to get the long-term project list right for 2021 and 2022. As we work towards SDOT-wide final decisions to address revenue shortfalls, safety and equity, feedback from the Move Seattle Levy Oversight Committee and other advisory bodies will be key factors in our decision-making. I want to make sure everyone involved in each project listed here is informed of the decision now and has an opportunity to ask questions and discuss the impact.

Some of the many critical infrastructure projects that will continue include the Lander St Overpass, Martin Luther King Jr Way protected bike lane (north of Rainier), Georgetown to South Park bike facility, Fairview Bridge Replacement, the Northgate Bike and Pedestrian Bridge, Delridge RapidRide H Line, Madison BRT/Rapid Ride G Line, bus lane improvements on Rainier Ave S, Safe Routes to School projects, Green Lake and Wallingford Paving Projects, and others. We are inspecting and working on plans to stabilize the West Seattle High-Rise Bridge and are putting together a team to deliver a repair or replacement. We are still maintaining our City's infrastructure through other paving improvements, bridge repairs, tree trimming, planting and landscape maintenance, and signal improvements. The safety of our workers and our community will continue

to be our number one priority. Even during this crisis, we have adapted our work with added safety measures and protocols in place.

We are also continuing to build out a transportation system that enables people of all ages and abilities to bike and walk across the city by making 20 miles of Stay Healthy Streets permanent, and continue to reserve budget for projects as part of our efforts towards quick implementation of a number of active transportation projects we are looking to advance in 2020.

Further, we will preserve our ability to advance paused projects in the future by shifting funds from other projects or as additional funding becomes available.

We are grateful to the voters and taxpayers who supported the creation of the Levy to Move Seattle in 2015. The Levy is the main reason we can continue making the transportation investments our community needs. And while our submitted 2020 reductions package does not include additional revenue, we do not believe we will cut our way out of this shortfall. We will continue to evaluate additional funding options and grant opportunities while simultaneously prioritizing our work within our current budget reality.

We have faced and overcome challenges before as a city and a department, and we will do it again -- together. Thank you.

Sincerely,
Sam

As of today, the following Levy projects are paused until January 2021, and/or pending a final decision in conjunction with the 2021-2022 budget process, sorted by Levy program:

Program 1 – Safety Corridors

- Sand Point Way NE: second phase of this project, including new sidewalks, is paused at final design before advertising construction contract
- 23rd Ave E Corridor-Phase 3 (John St to SR-520): project paused at final design before advertising construction contract

Program 2 – Safe Routes to School

- Thornton Creek Elementary School: pause traffic calming work on 40th Ave NE
- North 130th Street & Ashworth Ave North: pause signal work

Program 5 – Bicycle Master Plan

- Alaskan Way: this project was funded to evaluate design of a bike facility connecting the waterfront to the Elliott Bay Trail; planning work is paused
- Georgetown to Downtown: project paused during route evaluation
- MLK Way S between Rainier Ave S and S Henderson St: project paused during analysis of protected bike lane
- SODO Trail: project paused during final design for a SODO trail extension between Forest and Spokane St
- N 40th St spot improvements: this work is paused prior to implementation of bike spot improvements as part of the N 40th St Paving Project
- 2019 Center City Bike Network spot improvements: this work is paused prior to implementation of enhancements to projects installed in 2019

Program 9 – Arterial Asphalt and Concrete (AAC)

- Market St AAC: pause paving project prior to construction

Program 15 – Bridge Stairway Maintenance

- Contractor-delivered stairways: pause 1-2 projects until future years

Program 18 – Multimodal Improvements

- Fauntleroy Boulevard Project: this project was paused in 2018 to allow SDOT and Sound Transit to coordinate while Sound Transit develops the Link light rail preferred alignment and construction timeframes. With the addition of the unplanned closure of the West Seattle High-Bridge and the associated timeline, it is no longer an appropriate time to perform the scope of work identified in the Fauntleroy Boulevard Project. SDOT remains committed to the improvements in the long term, as funding and other adjacent projects allow

Program 25 – New Sidewalks

- 32nd Ave S: walkway project paused prior to installation

In addition, the following non-Levy capital projects are paused:

- Center City Connector Streetcar: pause project
- Various projects dependent on TNC Tax Revenues: Market to MOHAI (delay Phase 2 of pedestrian lighting project), Thomas St Redesign (pause design at 30%), Fortson Square Redesign (pause design; public realm plaza would not be completed in 2021)
- Slurry Sealing: pause contractor-delivered portion of this project until 2021
- Your Voice, Your Choice: pause work until 2021
- Bike rack installations: pause all remaining bike rack installations for 2020 (approx. 40 spaces)
- ST3 Planning and Design: defer Graham St Station Planning in line with ST schedule
- Mercer West technical support: reduce technical support and traffic control to facilitate art installation
- Pay Stations close-out: project savings
- AWVR and SR-520 locally funded projects: pause spending on projects not reimbursed by WSDOT
- Elliott Bay Seawall savings: project savings
- Seawall Maintenance: reduce funding amount not anticipated to be spent in 2020
- STBD capital projects: Pause a limited set of projects until I-976 decision; other transit reliability projects will continue to be delivered through other available STBD funds and the SDOT Transit Spot Improvement program

Lastly, we have paused work or have taken vacancy savings in the following Operations and Maintenance programs:

- Commuter Mobility
- Engineering Support
- Operations Support
- Parking and curb space
- Street Use Permit and Enforcement
- Street Cleaning
- Tree and Landscape Maintenance

