

Mayor Jenny Durkan
Council President Harrell and Members of the City Council
City of Seattle
600 4th Ave
Seattle WA 98004

August 23, 2018

**Levy to Move Seattle
Oversight Committee
Members**

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Oversight Committee Response and Recommendations to SDOT's
2018 Levy to Move Seattle Assessment

Dear Mayor Durkan, Council President Harrell, and Members of
the City Council,

At the Levy Oversight Committee's January 25, 2018 meeting,
SDOT Interim Director Goran Sparrman informed us that the
department was in the process of conducting a significant
assessment of all Levy to Move Seattle subprograms. At our April
25 meeting, Interim Director Sparrman presented initial findings
of this assessment indicating that of the 31 Levy subprograms,
eight are at risk of failing to meet target outcomes promised to
the public.

The Oversight Committee was asked by the Interim Director to
provide direction and recommendations on the eight at-risk
subprograms, considering input from the Bicycle, Pedestrian and
Transit Advisory Boards. At the August 2 meeting, the Levy to
Move Seattle Oversight Committee unanimously approved three
general recommendations and a series of recommendations
related to the eight subprograms considered at risk. Please see
details of these recommendations in Attachment A.

The approved general and subprogram recommendations are the
result of considerable discussion and deliberation by members of
the Oversight Committee and the three modal boards over several
months and many meetings. As a result of committee
deliberations on August 2, some of the final recommendations
attached here may differ from those the modal boards sent us for
our consideration. In all, our process was positive, productive, and
thorough, supported throughout by SDOT staff.

In addition to these recommendations, we feel it is equally, if not more important, for the Oversight Committee to share our observations on what led to SDOT's inability to deliver on promises made to the public as it voted for the Levy to Move Seattle in November 2015. These observations include recommendations to the department, Mayor, and Council on how to move forward in light of these findings.

The most basic function of the Oversight Committee is to serve on behalf of the public as a mechanism to ensure accountability around how Levy funds are spent. It was deeply disturbing to the Committee, though perhaps not surprising, to learn that commitments made to the public in 2015 could not be delivered upon. During the first two years of the Levy, we often experienced frustration in trying to get from staff a clear understanding of Levy expenditures and project delivery. The 2018 assessment has been an important reset of the reality of the Levy for all of us – the City, the Oversight Committee, and especially the public. We offer the following in the hopes of better understanding what went wrong and ensuring it doesn't happen again in the future.

How did we get here? Several external factors beyond SDOT's control have impacted its ability to deliver on Levy commitments including a strong economy and change in federal leadership.

- **Strong economy.** The robust economy has resulted in higher costs to deliver Levy commitments, and is a common challenge facing other agencies.
- **Federal uncertainty.** Policies of the current administration increase the uncertainty of receiving federal grants and other funds. The impact of this uncertainty has not yet manifested itself – grants have been received to date as expected – however out-year expectations are at greater risk.
- **Pricing these factors in moving forward.** While both the robust economy and the change in federal administration were outside the control of SDOT, these factors should have been taken under consideration as the Levy was being developed. SDOT must be more diligent about pricing these factors in when developing future levies.

Failures in developing the Levy package. SDOT was overly optimistic and was not prudent in developing the Levy.

- **Poor cost estimating.** Cost estimates used to establish some subprogram deliverable targets were unrealistic. It remains unclear whether staff behind these estimates knew this at the outset. Such unrealistic estimating also

undermines trust in new numbers and estimates presented by SDOT in this Levy assessment exercise.

- **Overly optimistic leverage projections.** The amount of leverage assumed was far too optimistic and would have been unlikely no matter the federal administration in place, especially as it relates to the transit-plus multimodal corridors subprogram.
- **Curb ramp consent decree.** The cost associated with the Reynoldson et al. v. City of Seattle consent decree the City entered into to resolve a class action lawsuit regarding the construction of curb ramps was not accounted for in Levy estimates even though the City was aware of the potential liability at the time the Levy was developed. The Oversight Committee believes the delivery of curb ramps is an unalloyed good for the city and all of its residents. It is unfortunate, however, that costs related to the settlement were not priced in.
- **Balancing complexity and risk.** The Levy is ambitious, strives to be multimodal, and sets out to achieve multiple, connected outcomes through various subprograms. However, this ambitiousness added complexity—and risk—and created a web of interdependencies among subprograms, which must now be carefully managed. More work remains in this area.

Failures in managing Levy funds. SDOT was underprepared to deliver on the size and scope of the Levy.

- **Ramp up.** SDOT was not equipped to immediately scale up and ‘hit the ground running’ to deliver on Move Seattle. According to staff, the necessary ‘ramp down’ of the previous Bridging the Gap Levy and anticipation by some of a potential failure of the Levy to Move Seattle at the ballot left SDOT unprepared for the large task ahead when it passed. The result was initial under-delivery against both adopted and revised annual budget numbers. SDOT appears to never have recovered from getting so far behind in the initial year, despite attempts to direct additional resources to Levy management.
- **Organization and culture.** To its credit, SDOT hired outside expertise to examine organization and culture within the department related to Levy project delivery. The CDM Smith report indicates that SDOT’s organizational structure and culture prevented it from making progress and adapting to some of the issues identified above. It is regrettable that this self-examination of the department’s ability to deliver a program of such scope and complexity began more than 18 months after the Levy’s passage and was not initiated much sooner.

- **Lack of transparency and failure to act.** Despite apparently knowing projects could not be delivered at the rate promised in the Levy, SDOT was not transparent about this reality with the Oversight Committee and other modal boards, and failed to take immediate action to adjust expectations by truing up costs and available funding. It wasn't until a new mayor and interim SDOT Director acted by looking closely at these issues did the scale of the problem become more widely known and understood. While the assessment process has been frustrating and discouraging at times, undertaking this task has been critically important and credit goes to the Mayor Durkan, SDOT Interim Director Sparrman, and SDOT staff for addressing the problem.

How do we move forward? The following are the Oversight Committee's recommendations for moving forward.

- **Revise the Levy work plan.** The Oversight Committee, in close collaboration with the Bicycle, Pedestrian, and Transit Advisory Boards, developed three general and a series of findings and recommendations for the eight subprograms considered by SDOT as most at risk for non-delivery of Levy commitments and assessed as part of this process. Those recommendations are attached to this correspondence.
- **Restore funding as possible:** It is unfortunate that many of the subprograms seeing reductions are those that increase safety and options for the most vulnerable user groups of the City's transportation system. Should this trend persist, the Oversight Committee may make further recommendations to reallocate funding from currently unaffected subprograms to backfill those subprograms most affected. In general, we recommend SDOT:
 - **Seek additional funding** for all impacted subprogram areas to restore the department's ability to deliver on Levy to Move Seattle commitments
 - **Program funding decisions should prioritize safety projects and spending.** Prioritizing safety is consistent with Seattle's commitment to Vision Zero and our goal of ending traffic deaths and serious injuries on our streets by 2030.
 - Assess the other 23 subprograms not currently considered at-risk to determine if projects deliver on Levy commitments and are of value to the public. If they don't, **consider reallocating funds from these subprograms to those of most value to the public.**

- **Regarding the transit-plus multimodal corridors subprogram:** We encourage you to be especially thoughtful regarding this subprogram given how central it was in the Levy campaign, the uncertainty that exists due to its dependence on external funding sources, and the need to closely coordinate with King County Metro on investments in these corridors. The issues facing the subprogram overall and within the individual corridors are dynamic and will require difficult policy decisions. SDOT should not rely exclusively on our recommendations but instead closely engage all modal boards, other key stakeholders like Metro, and especially the communities where these investments will occur in determining the allocation of Levy resources.
- **Reset relationships.** SDOT must re-establish trust, not only with the Oversight Committee, but also with the other modal boards and especially with the public. Recent examples outside of this Levy assessment exercise (e.g. SDOT's failure to adequately inform the One Center City Advisory Group or the modal boards on decision-making specific to near-term actions associated with that effort) also speak to the work the department has to do to earn back trust from key stakeholders.
- **Improve management and culture.** SDOT must commit to an almost radical degree of transparency as it relates to Levy assumptions, finances, and performance moving forward. SDOT must also work with the Oversight Committee and other modal boards to identify process improvements that increase transparency and the flow of information.
- **Maintain original Levy promised targets.** Don't lose sight of the original promise to voters by 'moving the goal posts.' We must acknowledge SDOT's failure to deliver on certain targets and update those targets with more realistic outcomes, but it is important to benchmark against the original targets promised to voters. SDOT's annual reports on the Levy going forward should address both initial and revised targets.
- **Consider adding new targets.** There is much to celebrate in the delivery of projects. Targets used when developing the Levy do not always adequately express the goals of some of the subprogram areas. For example, the increased number of curb ramps mandated by the consent decree will result in a significant benefit to citizens of Seattle. SDOT must continue to look for ways of documenting the benefits and performance outcomes produced by Levy resources.
- **Need for more robust project cost tracking.** SDOT must commit to regularly reporting on progress and challenges as projects move through their

development process, especially as the true cost to deliver these projects comes into greater focus, potentially forcing trade-offs between desired outcomes.

- **Role of the Oversight Committee.** The Oversight Committee needs to raise its game at holding SDOT accountable. This means ensuring that progress is being made specific to this Levy assessment exercise and the eight subprograms most impacted, but also monitoring the other 23 subprograms to ensure that Levy resources are delivering the type of transportation system we all value. In the future, this may mean recommendations for re-allocating funding between subprograms if existing issues, especially safety-related issues, persist.
- **New SDOT Director.** It is unfortunate that SDOT has been without a permanent leader while addressing these significant issues with the Levy. The department would benefit from having certainty about its leadership, a point of accountability for correcting issues specific to the department's organization and culture, and someone charged with restoring trust with the public and key stakeholders. The selection criteria for a new SDOT director must include leadership of the highest ethical standards and a commitment to transparency and effective working relationships with bodies such as the Oversight Committee, modal boards, and transportation-related citizen advisory groups.

It has been almost three years since the voters approved the Levy to Move Seattle. This assessment indicates that the department and the City are at an inflection point—what happens from here is likely to be significant in restoring trust that the department can deliver on Levy promises and whether voters will be willing to make such a substantial commitment of resources in the future. While we are committed to our oversight role moving forward, we encourage you to hold the department accountable and do your part in earning back the public's trust that their tax dollars are wisely spent.

Sincerely, on behalf of the Levy to Move Seattle Oversight Committee,

Alex Krieg

Betty Spieth-Croll

Alex Krieg
Co-Chair (2018/19)

Betty Spieth-Croll
Co-Chair (2016-18)

Cc: Goran Sparrman, Interim Director, SDOT
Elliot Helmbrecht, Levy Outreach and Accountability Manager

Attachment A: Levy to Move Seattle Oversight Committee Subprogram Assessment Findings and Recommendations

ATTACHMENT A: LEVY TO MOVE SEATTLE OVERSIGHT COMMITTEE SUBPROGRAM ASSESSMENT FINDINGS AND RECOMMENDATIONS

August 2018

Subprogram: Arterial Major Maintenance (AMM)

Original Levy Commitment

Repave 65 targeted locations every year, totaling about 70 lane miles of arterial street, with a repair and maintenance program run by city crews.

Findings

SDOT cannot meet the original Levy commitment in this subprogram because:

- After the voters approved the Levy to Move Seattle in 2015, the City of Seattle entered into a consent decree (Reynoldson, et al. v. City of Seattle), which commits SDOT to delivering 1,250 of curb ramps annually. The original funding plan for this subprogram did not anticipate costs associated with delivering additional curb ramps, which affects SDOT's ability to meet the original Levy commitment.
- Funds from this subprogram are being used to build more curb ramps than the original funding plan assumed due to the consent decree
- Rising costs due to local market conditions that were not anticipated in 2015

Recommendations

- Establish a new estimate (including assumptions to establish new estimates and escalation factors) for how many lane miles of arterial streets can be delivered given available funds, including annual benchmark goals, by August 2018
- Count the number of curb ramps delivered using this subprogram as a Levy output
- Consider and propose additional metrics that may be more appropriate for how SDOT delivers the AMM subprogram as lane miles may not accurately capture the total range of improvements

Subprogram: Arterial Asphalt & Concrete (AAC)

Original Levy Commitment

Repave up to 180 lane miles of arterial streets.

Findings

There are significant risks facing SDOT's ability to deliver the original Levy commitment in this subprogram because:

- SDOT anticipated delivering portions of the 180-mile original Levy commitment using leveraged funds from the transit plus multimodal corridor subprogram. Because these funds are at extreme risk, it may jeopardize SDOT's ability to meet the original 180-mile commitment.
- The original AAC paving project list that SDOT published during the Levy outreach period in 2015 (while not a formal Levy commitment) must be updated to reflect new conditions (including current construction market conditions).
- The original funding plan for this subprogram identified \$19M in leveraged funds, which appears to have been an over-optimistic assumption. SDOT now anticipates only \$8M in leverage funds. Levy and local sources are also less than originally anticipated in this subprogram, resulting in an updated funding plan with \$15M less than the original funding plan across levy, local, and leverage sources.

Recommendations

- Develop and publish an updated paving list with a detailed explanation of any changes, with a focus on those now being covered by AAC funds, including annual benchmark goals, by August 2018
- Identify near-term pavement repairs for corridors from the original list that are deferred given new conditions
- Align the updated paving list with other Levy subprograms to leverage and maximize the delivery of benefits and original Levy commitments in this and related subprograms
- Increase or restore local funding (greater than or equal to \$3M) that was identified as part of the original Levy funding plan

Subprogram: Bridge Replacement – Planning & Design

Original Levy Commitment

Plan and design high-priority bridge replacements to begin construction after 2024. Of the funds identified in this element, up to \$10 million of total funding (local, levy, leverage) may be used for implementing near-term pedestrian and bicycle safety projects on bridges being studied for replacement (in addition to funding provided for pedestrian and bicycle safety projects in other elements).

Findings

SDOT cannot meet the original Levy commitment in this subprogram because:

- The original funding plan for this subprogram was \$34M. The updated funding plan is only \$15M, reflecting leverage opportunities that are no longer assumed.
- The preliminary list of bridges that SDOT published during the Levy outreach period in 2015 (while not a formal Levy commitment) must be updated to reflect new conditions.

Recommendations

- Develop and publish an updated list of bridges to be planned and designed with a detailed explanation for any changes by August 2018
- Allocate \$5M to complete near-term bicycle and pedestrian safety projects as highlighted in the February 2018 Bridge Safety Analysis Report (the original Levy committed “up to \$10M of total funding (local, levy, leverage)” from this subprogram for these types of projects)

Subprogram: New Sidewalks

Original Levy Commitment

Build 150 new blocks of sidewalks, filling in more than 75% of the sidewalk gaps on priority transit corridors citywide with an emphasis on creating accessible routes for those with disabilities and for the elderly.

Findings

SDOT’s ability to deliver the original Levy commitment in this subprogram is at risk because:

- The cost to complete the level of new sidewalk investment is greater than originally anticipated primarily because 100 blocks of low-cost sidewalks were added as Levy deliverables without additional funding.

Recommendations

- Prioritize new sidewalks using the Pedestrian Master Plan Implementation Plan process for the remaining six years of the Levy, with a goal of providing at least 250 new blocks of sidewalk (a mix of traditional and low-cost)
- Continue to implement cost-saving designs and projects (without compromising safety)
- Partner with other projects to share the costs of delivering new sidewalks

Subprogram: Sidewalk Safety Repair

Original Levy Commitment

Repair up to 225 blocks of damaged sidewalks in our urban centers and villages

Findings

There are significant risks facing SDOT's ability to deliver the original Levy commitment in this subprogram because:

- SDOT counts "one block" as equal to one full block face of a sidewalk, or multiple small repairs totaling the area of a typical block face (i.e. 1,500 square feet).
- If repairs continue to be measured this way, the funding allocated to this subprogram will not be adequate to deliver the original Levy commitment.
- A majority of the subprogram budget is allocated towards spot repairs that make sections of sidewalks safer. On average, SDOT completes approximately 1,000 spot repairs each year.

Recommendations

- Acknowledge that the way SDOT currently counts 'blocks' doesn't adequately measure desired safety and other outcomes and sets unrealistic expectations for amount of work that can be accomplished
- Work with the Seattle Pedestrian Advisory Board to align this deliverable in a way that sidewalk safety repairs are completed, and set an annual and overall deliverable target to deliver as many sidewalk safety repairs as possible within available funding
- Prioritize repairs following a methodology similar to that in the Pedestrian Master Plan Implementation Plan rather than through a complaint driven process, and use the results of the Sidewalk Condition Assessment to identify locations in need of repair

Subprogram: Curb Ramps & Crossings

Original Levy Commitment

Make curb ramp and crossing improvements at up to 750 intersections citywide creating accessible routes for those with disabilities and the elderly.

Findings

There are significant risks facing SDOT's ability to deliver the original Levy commitment in this subprogram because:

- The cost to improve intersections is greater than originally anticipating, reflecting a rise in the cost for curb ramps and because most intersections require multiple ramps as opposed to other, lower cost improvements (e.g. curb bulbs, pedestrian signal push buttons).

Recommendations

- Implement strategies (e.g. centralize design for efficiency) for reducing the cost of designing and constructing curb ramps and intersection improvements
- Include crossing improvements funded by other, relevant Levy subprograms (e.g. Arterial Major Maintenance, Pedestrian Safety) to deliver the original Levy commitment

Subprogram: Bicycle Master Plan

Original Levy Commitment

Build approximately 50 miles of new protected bike lanes (PBLs) and 60 miles of greenways, completing over half of the Bicycle Master Plan citywide network.

Findings

There are significant risks facing SDOT's ability to deliver the original levy commitment in this subprogram because:

- The original levy goals for the bike subprogram were not in alignment with the Bicycle Master Plan (BMP) and fell short of what is needed to keep the City on track to complete the bicycle network by 2035, as called for in the BMP.
- SDOT has been slow in constructing bicycle facilities and spent less than budgeted in the first two years of the levy. The pace of development must be expedited in order to complete the BMP on time (or even to meet the original levy goals).
- The average cost to build bicycle infrastructure is higher than the levy assumed.

Recommendations

- Work with the Seattle Bicycle Advisory Board on an annual basis to develop a 5-year BMP implementation plan, with projects selected taking into consideration stakeholder priorities, level of traffic stress, the quantitative analysis outlined in the 2014 Bicycle Master Plan, other modal plans, other projects in development, and additional funding opportunities
- Document how SDOT will fully fund and complete a proportional share (from a cost perspective) of the BMP network and programs each year, so that the entire citywide and local connector network may realistically be completed by the BMP milestones of 2030 and 2035
- Prioritize downtown bicycle network and connecting the urban villages on the citywide network

Subprogram: Transit-Plus Multimodal Corridors

Original Levy Commitment

Complete seven transit-plus multimodal corridor projects, redesigning major streets with more frequent and reliable buses, upgraded paving, signals, and other improvements to improve connectivity and safety for all travelers, whether walking, biking, driving, or taking transit

Findings

SDOT faces significant risks to deliver the original Levy commitment in this subprogram and, regardless of their ability to meet the original Levy commitment, what SDOT does deliver will not align with expectations created during the campaign. The reasons for this finding are as follows:

- Inaccurate funding assumptions: the original cost estimates for the seven corridors are no longer accurate and, in some cases, have more than doubled. In addition, the original funding plan for this subprogram assumed significant federal matching funds, and the

current federal funding environment indicates that a potentially large portion of these assumed funds are unlikely to materialize.

- Increased project delivery timelines: local construction timelines, as well as the federal funding process, are taking longer than anticipated. This creates uncertainty that all seven transit-plus multimodal corridors will be complete by the end of the Levy.
- Expansion of project scope: Community engagement during and after the passage of the Levy has led to the transit-plus multimodal corridor scopes expanding beyond what the Levy originally envisioned.

Recommendations

- Provide updated information on the status of the seven transit-plus multimodal corridor projects that indicate current budget, secured resources, planned multimodal components, and key issues and risks by August 2018
- Because the Madison, Delridge, Roosevelt/Eastlake, and Rainier corridors are the furthest along in the planning and design process, prioritize these for a more robust treatment with available resources
- Produce alternative designs with Levy-only and secured funds on all seven corridors
- Align spending in this subprogram with other Levy subprograms (specifically the AAC and relevant pedestrian and bicycle subprograms), as well as other city resources to maximize the benefits and create a resilient network along the seven transit-plus multimodal corridors