



City of Seattle

Edward B. Murray, Mayor

Department of Transportation

Scott Kubly, Director

Levy Oversight Committee Members

- ❖ Kristen Lohse*
- ❖ Betty Spieth-Croll
- ❖ John Coney
- ❖ Jessica Szelag
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- ❖ Allegra Calder
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Freight Advisory
Committee
- ❖ Lydia Heard
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Board
- ❖ Tom Rasmussen
City Councilmember
- ❖ Ben Noble
City Budget Director
- * Committee Chair

May 27, 2015

Edward B Murray, Mayor
 City of Seattle
 600 Fourth Avenue
 PO Box 94749
 Seattle, WA 98124

Tim Burgess, President
 Seattle City Council
 600 Fourth Avenue
 PO Box 34025
 Seattle, WA 98124

Dear Mayor Murray and Councilmember Burgess,

Thank you for this opportunity to make a recommendation on whether the City and the Seattle Department of Transportation (SDOT) met the expectations of the Bridging the Gap Transportation levy.

Bridging the Gap (BTG) is a nine-year \$365 million levy for transportation maintenance and improvements, approved by Seattle voters in 2006. The levy is complemented by a commercial parking tax and funds programs to address the maintenance backlog for paving; sidewalk development and repairs; bridge repair, rehabilitation and seismic upgrades; tree pruning and planting; transit enhancements; and other much needed maintenance work. Funding also supports projects that implement the Bicycle and Pedestrian Master plans, creates a Safe Routes to School Program, improves transit connections and develop neighborhood-driven projects through the Neighborhood Street Fund large project program. Seattle voters were clear that they wanted to see the City address transportation maintenance and improvements, as they passed the BTG levy with more than 53 percent of the vote.

As stated in Ordinance 122232, prior to the end of the levy the BTG Oversight Committee must make a recommendation on whether the City and department met the goals authorized in the BTG legislation. This letter provides that recommendation and offers some observations made and lessons learned from our experience.

The Oversight Committee role as authorized in the legislation is to provide a vital mechanism of accountability for the expenditures of BTG revenues. As a representative body of both the citizens at large and of various transportation interests, we have taken our responsibility to monitor revenues, expenditures, and

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program and project implementation seriously. We have been meeting quarterly and, at times, exceeding the requirements of the legislation by undertaking additional tasks. Throughout the life of the levy, the Oversight Committee has advised the City Council, the Mayor, and SDOT on programs and project cost savings. The committee has had consistent and continuous membership, with some members serving the full 9-year term of the levy. We have reviewed BTG finances and work plans, and worked to refine and improve reporting procedures.

It is the opinion of this committee that SDOT has been a good financial steward and delivered on what it promised by meeting the goals established by BTG legislation. This has been demonstrated through success with project implementation; ability to manage and control costs; and the ability to identify alternative revenue sources and leverage levy funds. One of the key points of BTG was to ensure projects were delivered all across the city as fairly and equitably as possible. We can assure the public that geographic distribution played an important role in the selection of projects and programs built as part of the levy.

Based on these factors and the urgent underlying need for continued funding to support transportation programs and projects, the committee recommends the City seek a robust replacement levy for Bridging the Gap.

The following are some observations and lessons learned from our oversight of Bridging the Gap that may be helpful as you consider a levy renewal:

- **Citizen oversight:** Accountability and transparency are central to maintaining the public's trust when taxpayer money is raised and spent. Engaging a citizen oversight committee as part of BTG not only assured accountability and transparency, but provided a critical mechanism for input from a representative body. In addition to our oversight duties, the committee took on additional responsibilities to review proposed selection recommendations for the Neighborhood Street Fund Large Project program.

The Neighborhood Street Fund Large Project program provides significant funding for projects that are important to neighborhoods. This role was related to BTG and we gladly took on the additional work and are proud of what the program has accomplished. We would urge that a similar oversight committee function be included in a renewal levy, and offer that the committee could serve in expanded capacity.

- **Greater flexibility:** BTG established specific percentages for how the money was to be spent (the first \$1.5M annually to be spent on neighborhood projects; no less than 67 percent to be spent on maintenance; no less than 18 percent to be spent on pedestrian/bicycle/safety programs; no more than 15 percent to be spent on transit enhancement). While setting parameters around BTG funds helped to establish trust, it limited the ability of the City to adapt to changing circumstances over the life of the levy. We know that much will change in the coming decade

related to how transportation solutions and greater mobility are achieved. For this reason, we recommend adding greater flexibility on how funds are spent in a renewal proposal.

While we encourage more flexibility in how the funds may be spent, we would recommend establishing two requirements:

1. SDOT will provide a briefing and seek input from the committee on the annual work plans each June to help inform the upcoming year's work plan.
 2. Provide an annual report of levy outcomes and finances each spring.
- **Leverage levy funds:** Another promise of the BTG levy was to leverage the funds to enable larger investments. Over the past almost nine years, the BTG program has leveraged an additional \$363M in grant funding. Having levy dollars available as local match, positioned Seattle to successfully compete and secure significant additional funding for projects. In addition to direct funding from grants, the City was able to establish key partnerships to move projects forward, many of which would not have happened without BTG. We urge the City to continue to leverage levy funds to the extent possible to provide even greater returns to the residents of Seattle.

It is important to note that all of this work was accomplished during the worst recession this country has seen since the 1930's. BTG provided a stable funding source that allowed the City to continue making progress on transportation infrastructure improvements. The levy provided a valuable safety net during this time and still met the promises made by BTG. If not for the levy, we would be very far behind on providing more mode choices and repairing our existing transportation corridors.

Finally, we want to acknowledge a great resulting benefit of BTG: SDOT's implementation of new programs and mechanisms for tracking assets, resources and investments, and ensuring that projects are delivered on time and on budget. As part of the levy, SDOT agreed to develop a comprehensive asset management program. The benefit to the city has been tremendous. The department now has a firm understanding of the assets they own and the condition of those assets. In addition to launching the asset management program, the department established a project controls system within the Capital Project Division. This system provides project managers and department leadership with key information on the status of projects. This system is now being refined and implemented on a department-wide scale. SDOT has met with the committee quarterly since the beginning of the levy to brief the committee on project controls, deliver reports and updates on projects, review yearly work plans, and complete an annual report as required.

The Oversight Committee applauds SDOT staff for their hard work in developing these systems. A special acknowledgement and thanks goes to our BTG staff liaison Krista Bunch who has provided consistent and dedicated support since the beginning

of the levy. The new systems now in place at SDOT and the experience gained by staff over the nine years of BTG will serve the City well if the levy is renewed.

The need for transportation improvements is growing every day in all cities across the nation, and this includes growing and urgent needs in Seattle as we expect an additional 60,000 new residents over the next 10 years. BTG has provided the City with a steady source of funding through a very tough economic cycle that has enabled key improvements to roads, bridges, stairways and sidewalks. BTG funding also supported the development and implementation of the Bicycle, Pedestrian and Transit Master Plans. Each of these plans builds on the foundation established in the previous plans to create a vision for a transportation network that provides viable transportation options for all users of Seattle's roadway. With the development of the Move Seattle Plan, the City has a solid plan to guide investments and to integrate the transportation system for all users whether they ride a bike, walk to transit or to ensure that goods and services are delivered in a timely manner. Seattle is uniquely positioned to be a leader in transportation. We believe this plan is on the right track and should be used to guide spending and project implementation.

Asking the public to step up and provide additional funding is something we do not take lightly. However, over the past nine-years transportation needs have continued to grow as the city has grown and we must continue to make investments in the system if we want to remain a thriving city and region. Moving forward with a replacement levy for BTG will help ensure that Seattle can continue to address the City's transportation challenges and create a strong foundation for our transportation future.

Sincerely,



Kristen Lohse, Chair
BTG Levy Oversight Committee

Cc: Councilmember Tom Rasmussen
Councilmember Nick Licata
Councilmember Sally Bagshaw
Councilmember John Okamoto
Councilmember Jean Godden
Councilmember Mike O'Brien
Councilmember Kshama Sawant
Councilmember Bruce Harrell