

July 13, 2017

MEMORANDUM

To: Parks, Seattle Center, Libraries, and Waterfront Committee
From: Eric McConaghy, Legislative Analyst
Subject: Funding Agreement between Washington State Department of Transportation and the City of Seattle Relating to the Reconstruction of Alaskan Way and the Construction of Elliott Way (Council Bill 119021)

On July 6, the Office of the Waterfront briefed the Parks, Seattle Center, Libraries, and Waterfront Committee (the Committee) on a funding agreement between the Washington State Department of Transportation (WSDOT) and the City of Seattle relating to the reconstruction of Alaskan Way and the construction of Elliott Way. On July 20, the Committee is scheduled to consider and take action on Council Bill (CB) 119021 that would authorize the Mayor, or the Mayor's designee, to execute Memorandum of Agreement No. GCA 1271 (the MOA) between the City and State regarding the funding of just over \$153 million for the new Alaskan Way and Elliott Way surface streets after the demolition and removal of the Viaduct.

This memorandum (1) provides some background on the proposed MOA and (2) describes key aspects of the agreement.

Background

This proposed MOA is the latest in a series of agreements between the City and the State regarding the replacement of the Alaskan Way Viaduct and the Elliot Bay Seawall. Council's decision on the authorization of this agreement is consistent with past practice regarding funding agreements of this scale. The MOA anticipates future agreements regarding other aspects of the overall replacement project that will also come to Council for consideration for authorization including (1) the demolition of the Viaduct and (2) the decommissioning of the Battery Street Tunnel.

The project scope of the MOA covers the construction of improvements to the City street system between South King Street and Elliott and Western Avenues that will include reconstruction of Alaskan Way, construction of a new surface street to be called Elliott Way connecting Alaskan Way to Elliott and Western Avenues at Blanchard and Bell Streets, and related improvements. The project scope does not include the Marion Street Bridge; the City and the State will address the scope of the bridge at a future date.

Key aspects of agreement

WSDOT will provide \$153 million for construction of traffic lanes (surface streets) and related improvements including: sidewalks, cycle track and bike lanes, intersections, landscaping, lighting, striping and signage, drainage, fire protection, signaling, Americans with Disabilities Act (ADA) compliance, the reconstruction of Columbia and Seneca Streets, and the retrofit of the Lenora Street Bridge. The City will pay for enhancements to the project in addition to the basic standards funded by the State. The overall cost of the project is about \$200 million.

The cost summary for the project described in the MOA shows about \$122 million for construction with \$31 million held in risk reserve. About \$6 million is for pre-construction risk reserve and nearly \$25 million is for construction risk reserve.

The City will be the sole manager of the project. The State will provide funding for the project on a set schedule rather than reimburse the City for incurred costs. The agreement establishes mutual responsibility for delays to the project and associated costs and establishes a dispute resolution process.

In 2009, the City and the State executed a previous memorandum of agreement¹ that estimated the WSDOT funding for the removal of the Viaduct, decommissioning the Battery Street Tunnel, reconstruction of Alaskan Way, the construction of the new portion of Elliot Way, reconstructing connecting streets, related improvements, the Marion Street bridge, and reconstruction of the Lenora Street Bridge at \$290 million. The City has collaborated with the State on controlling the costs of the project, resulting in a reduction of the overall cost estimate for the project.

In addition to the \$153 commitment in the MOA, WSDOT has already provided about \$38 million for design and environmental review. The difference between the \$290 million estimate in the 2009 agreement and the actual cost includes future WSDOT funding related to other aspects of the overall project, such as the Battery Street Tunnel decommissioning, the demolition of the Viaduct to the Council, and improvements to the Marion Street Bridge.

Next steps

If the Committee recommends approval of CB 119021 to the Full Council, then, under standard Council practice, the Full Council could take action on the bill as soon as July 31.

cc: Kirstan Arestad, Central Staff Director
Ketil Freeman, Supervising Analyst

¹ Ordinance 123133, Memorandum of Agreement for GCA No. 6366