



Memo

Date: 7/31/2019

To: Move Seattle Levy Oversight Committee & Finance Subcommittee

From: Lorelei Williams, Deputy Director Capital Project Delivery

Subject: Planned Funding Reallocations

Purpose: SDOT seeks to inform the Levy Oversight Committee (LOC) of planned actions to reallocate funding via the 2020 Budget Process, including the 2020-2025 Proposed Capital Improvement Program. These reallocations are to fill funding needs as described below.

Action needed: None; awareness only. The LOC Finance Subcommittee was briefed on July 25, 2019.

Summary of Funding Reallocations

Reallocating from (Levy program ID/program name)	Reallocating to (Levy program ID/program name)	Reallocation Amount
13) Bridge Replacement, Fairview	23) Northgate Bridge	\$7.5M
28) Lander Overpass	23) Northgate Bridge	\$4.105M
18) 23rd Ave Corridor Phase II	29) Heavy Haul, East Marginal Way	\$600K
28) Lander Overpass	29) Heavy Haul, East Marginal Way	\$903K
18) Route 48 Electrification	18) Multimodal Improvements, Route 48 Transit-Plus Multimodal	\$945K

Overview

There are two priority levy projects that SDOT plans to make a transfer of levy monies to fund and one scope modification for funds. SDOT is committed to openness and transparency and would like the LOC to be aware of these actions and be given an opportunity to ask questions or provide feedback.

Northgate Bridge

SDOT plans to make the above noted transfers to fill a funding gap on Northgate Bridge. The Northgate Bridge funding gap is due to additional permitting requirements in the form of a supplemental culvert replacement project, permitting delays, unforeseen costs for WSDOT permits, increased railing procurement costs, and bid's in excess of the engineer's estimate. The excess funds from Lander Overpass and Fairview Bridge programs are due to reduced project costs and these programs will not undergo a change in scope.

The Northgate Bridge project is a cornerstone of the Move Seattle Levy, representing nearly 3% of the entire 9-year levy portfolio and SDOT is deeply committed to building this project. It is imperative to fill this funding gap in order to award the construction contract in July/August 2019 and keep the project on schedule, which is why SDOT believes this is the most responsible use of these funds.

Heavy Haul, East Marginal Way

This project has been segmented into multiple phases and \$600K is needed to fund Phase 1 and match a Transportation Improvement Board (TIB) grant. Additionally, \$903K is needed to fund design of the rest of the corridor and match a Puget Sound Regional Council (PSRC) design grant. These amounts will be transferred from Lander Overpass and 23rd Ave Corridor Phase II, as noted

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above, that are no longer needed due to reduced costs on those projects. Neither program will undergo a change in scope.

Route 48 Transit-Plus Multimodal

The Route 48 Electrification was transferred to King County Metro; therefore, we are planning to direct the surplus funds to support further improvements and match future grant opportunities for the 23rd BRT/Route 48 Transit-Plus Multimodal program.

Levy ordinance background

The Levy ordinance appropriates \$207M of Levy proceeds to programs in the Safe Routes category, \$303M to programs in the Congestion Relief category and \$420M to programs in the Maintenance and Repair category. The Levy ordinance allows the City to reallocate unexpended and unencumbered funds from one program to another within each of the three Levy categories. Up to 10% of these amounts may be changed (moved between programs) by separate ordinance, after the Oversight Committee has been given an opportunity to comment. More than 10% of these amounts may be changed with a $\frac{3}{4}$ vote of the City Council. The proposed reallocations described in this memo do not affect the original Levy ordinance appropriations (as they remain in the same categories) and therefore an ordinance is not necessary.

When considering surplus funds and/or fund transfers within the Move Seattle Levy fund, SDOT will prioritize the transfer of funds as follows:

- 1) Within the same levy program if any of the program's levy deliverables are not expected to meet their levy goal;
- 2) To other program's levy deliverables that are not expected to meet their levy goals; or
- 3) To projects that are ready for construction (ready to be advertised for construction or beyond).

Consistent with the Levy ordinance, in the case where the funds are to remain in their assigned levy category (Safe Routes, Maintenance & Repair, Congestion Relief), SDOT will notify the Levy Oversight Committee and the City Council, and codify any transfers or adjustments of the funds via a Quarterly Supplemental or Budget Ordinance.