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Time to tell the truth about costs and the viaduct tunnel project

The claim that Seattle is 'on the hook' for AWW replacement project cost overruns is an exaggeration and serves solely to instill fear and doubt. It's time for Seattle's Mayor and those opposed to the regionally approved replacement alternative to face facts; the primary cause of potential cost overruns is intentional delay. Delaying the project only increases the danger of a catastrophe and hurts the economy and Seattle taxpayers.

Our core goal, as taxpayers in the city and state, should be to prevent cost overruns, no matter which government would have to pay for possible increases. Everyone in Seattle is a taxpayer of Washington, and the taxpayers of Washington, are in fact 'on the hook'. Neither the Council collectively nor I individually are in denial about that fact. The Council is keeping a close eye on the agreements between the city and the state that allow the project to go forward. We will thoroughly review those agreements in June and July, once the initial negotiations have been completed.

The Council does not take the possibility of cost increases lightly. We have done our due diligence and a majority of the Council believes strongly, that the risk of overruns has been distorted and overblown in order to kill the project. We are working in partnership with the state to ensure that the project is completed on budget and on time. Only with true collaboration and working in partnership can large projects be completed on budget.

It is crucial that we move forward on the project now to keep it on budget, to protect public safety, and to keep people and goods moving through our region. Demands that the state stop the project and address potential cost overruns are an intentional misdirection. They are also unnecessary from a legal standpoint.

First, the legislation limiting the state's responsibility says nothing about the City, but instead makes a legally meaningless reference to property owners. In addition to being vague, the statement that names 'Seattle area property owners' as responsible for cost overruns has no legal teeth to compel the City to assume cost overruns for a project that the state is managing.

Yes, the state could take future legislative action to force the city to pay for overruns, but

this scenario would set a terrible precedent for all Washington cities and an honest political assessment suggests that such a move would never be approved.

Second, while no one can promise that cost overruns will not occur, they are not 'inevitable' as Mayor McGinn has repeatedly suggested. The most unpredictable element of the project that is likely to escalate in cost is the boring of the tunnel itself. That portion of the project is priced at approximately \$350 million. The \$2.8 billion estimate for the state's construction projects around the Viaduct replacement includes \$415 million in unallocated funds to cover unanticipated risks. So even if the tunnel boring were to double in cost, there would still be nearly \$65 million available for additional cost increases before any overruns would be incurred by anyone.

Today several tunnels exist under the downtown corridor including the Burlington Northern railway and the Third Avenue light rail/busway, as well as multiple sewage and drainage tunnels. We know a lot about what is under downtown Seattle. Furthermore, the ground through which the tunnel will be bored has been studied extensively. Many more drill tests have been conducted for the AWV replacement than were done for the much longer Brightwater tunnels.

Finally, WSDOT has one of the best cost estimating processes in the nation, has an excellent track record on recent projects, and this is a [great time to go out for bids](#). Between March 1, 2009 and February 28, 2010, WSDOT awarded a total of 172 projects. The average amount below the estimate for these 172 projects was 23.8 percent. With design-build projects added in, there were 177 projects that came in a total of 27.3% below estimates.

The first four components of the Viaduct replacement project have been completed under budget, and the contract has just been signed for the South Holgate to South King Street Project – at 25% under the engineer's estimate. Bids for the Sound Transit tunnel to the UW – twice as long and including an underwater crossing of the Ship Canal – came in 20 percent under budget.

Studies of other large projects show that delay and uncertainty are the biggest cause of projects exceeding their budgets. And an adversarial approach only increases those chances. If Mayor McGinn is truly concerned about cost overruns – and not just cynically using fear to try to derail the project – he ought to publicly announce that he will do everything in his power to keep the project moving. That would be the responsible thing to do for the taxpayers, for the city, and for our regional transportation needs.



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