

Traffic Lab

Seattle Mayor Jenny Durkan halts streetcar expansion project as costs jump past \$200M



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2 of 4 Passengers exit the streetcar on Westlake Avenue on Friday. The South Lake Union line opened in 2007;... (Erika Schultz/The Seattle Times) **More** ▾

An initial review of Seattle's streetcar expansion project found that costs have ballooned by \$23 million. Mayor Jenny Durkan ordered an immediate stop to the project on Friday.

By [David Gutman](#) 

Seattle Times staff reporter

Seattle Mayor Jenny Durkan has stopped all work on the city's downtown streetcar expansion and will join with the city attorney to investigate the management of the

project.

A preliminary review of the streetcar project, which [Durkan requested last week](#), found that costs have risen once again. What several years ago was a \$150 million project became a \$177 million project and is now estimated to be more than \$200 million.

“There are too many questions about the true costs of this project and the risks to taxpayers, which is why we must put the brakes on this project,” Durkan said in a statement.



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The streetcar expansion along First Avenue is now facing a potential shortfall of more than \$23 million, according to the mayor’s office.

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“The mayor has directed an immediate ‘stop work’ order for this project,” Senior Deputy Mayor Mike Fong [wrote to the City Council](#) on Friday. “With millions of dollars expected to be spent in the upcoming weeks, this means that we will not move forward with any new contracts and will exercise our options to stop work on contracts that have already been executed.”

He said work would remain stopped until the investigation is complete, cost issues are resolved and “we collectively determine that the project still makes sense.”

Fong attributed the rising costs to both design and construction expenses as well as errors in estimating the cost of new streetcars.

The city signed a [\\$52 million contract last fall](#) for 10 new streetcar vehicles.

The only exception to the work stoppage, Fong wrote, is replacing a water main in Pioneer Square that is seismically vulnerable and would be beneath the new streetcar line.

Durkan’s actions follow a [Seattle Times report](#) earlier this month that the annual cost to operate the new, expanded streetcar system could be 50 percent higher than what the Seattle Department of Transportation (SDOT) had publicly stated.

The full, independent review of the streetcar’s finances that Durkan ordered last week is expected to be complete by mid-June.

Initial cost estimates increased last year by about \$25 million to include public utility work necessary for the expansion. That utility work began late last year along First Avenue in Pioneer Square.

In total, the city has signed contracts worth at least \$90 million, although with options to cancel work not already performed.

The project has received \$50 million in federal funding, and the city had been expecting an additional \$25 million. The rest of the cost is funded with local taxes and utility bills.

Durkan's office said it continues to "communicate closely with federal partners on the project."

The federal money would likely have to be returned if the streetcar line is permanently canceled, a process that could damage the city's credibility when it applies for funding for other projects.

City Councilmember Mike O'Brien, the chair of the council's Transportation Committee and a longtime supporter of the streetcar project, said he agreed with Durkan's decision.

"I have serious concerns about the recent revelations regarding anticipated operating and capital costs," O'Brien said in a statement. "I commit to only allowing this project to proceed if there is compelling evidence that it makes financial sense to move forward."

Councilmember Sally Bagshaw, chair of the Finance Committee, also released a statement in support, saying the public deserves "clarity and transparency" on the project.

The mayor's office will also work with the city attorney on an investigation of the project's management to date.

“We need to understand how the project evolved to the point including timelines and availability of information about escalating operational and capital costs, information flow and the validity of information provided to federal officials,” Fong wrote.

SDOT submitted documents last year — to both the City Council and the Federal Transit Administration — estimating the cost of operating the new streetcar at \$16 million a year. But King County Metro, which runs the city’s streetcars under a contract with SDOT, estimated those costs at \$24 million a year.

Internal documents and emails show SDOT officials brushing aside Metro’s advice and concerns.

The 1.2-mile streetcar line would run along First Avenue, largely in its own lane, connecting the city’s two existing but separate streetcar lines on First Hill and in South Lake Union.

The South Lake Union line — which was pushed for by Paul Allen’s Vulcan development firm and half funded by area property owners — opened in 2007. The First Hill line opened in 2016, a Sound Transit-funded consolation prize after a planned First Hill light-rail stop was scrapped.

SDOT officials projected ridership, which has [failed to meet expectations](#), to grow exponentially when the new line opens in 2020.

Councilmember Lisa Herbold, the streetcar’s most ardent foe on the council, thanked Durkan for pausing the project.

“I remain concerned about potential unsustainable operations shortfalls, which could be millions annually,” Herbold said in a statement.

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