

Statement of Mayor Greg Nickels on the Monorail  
September 16, 2005

Hello and welcome to all of you.

Let me begin by saying that this is perhaps the most disappointing day for me since I became Mayor nearly four years ago.

Today I'm withdrawing city support for the Seattle Monorail Project.

As you know, I have been a strong supporter of building a modern monorail system from the beginning. Like so many others in this city, I voted in favor of this project four times. As mayor, I worked closely with the monorail to move the Green Line toward construction. And I personally looked forward to boarding the monorail train on its inaugural trip.

But as mayor, it is my job to act in the best interests of the city.

By now, most are aware of the monorail's problems. The monorail staff earlier this year proposed a risky \$11 billion dollar financing plan that the board rightly rejected.

In the wake of that decision, I said it was necessary to give the monorail board time to restore public confidence in the project and develop a new plan for moving forward.

But, as that time wore on, it became clear that the board had to present a new plan to voters this November to either shorten the line or ask for more money. And that is why I set a Sept. 15<sup>th</sup> deadline.

For me, the pivotal issue is whether the monorail has sufficient revenue to support the project.

To that end, I asked four questions to be answered before a spade of dirt is turned.

- Can the monorail finish building what it starts?
- Is the project financially viable now and in the future?
- Is the estimated \$7 billion financing cost an acceptable price to pay?
- And does this protect the tax payers of Seattle from undue risk?

I appreciate the efforts the agency has made in recent weeks to meet my request. Unfortunately, the recommendation approved by the Monorail Board on Wednesday, and presented to me yesterday, does not meet those tests.

My staff, including Chief Financial Officer Dwight Dively, sat down with agency representatives yesterday to go over the financial plan in detail.

Put simply: the monorail does not have enough money to pay for the project. The financing plan presented to me is not prudent. It relies on a risky assumption that money from car tabs will grow faster than expert economists consider reasonable or prudent. You can't solve a real revenue problem with rosy projections.

What that means is there is a much higher risk that the monorail will be forced to ask for higher taxes in the future, or extend the length of the debt to an unacceptable 40, 50 or even 60 years. It means we are back to the original flawed financial plan the board rejected.

Two other areas also concerned me.

First, the financial plan sets aside no money for monorail operations after 2020. It assumes 100 percent revenue recovery from operations, which is something no other public transit agency in the country has achieved.

Second, cost cuts forced by the monorail's revenue problem have significantly compromised the design and functionality of the system. It is no longer the Green Line promised to voters.

In light of these concerns, I'm taking several steps that I feel are necessary to protect city taxpayers.

First, I am canceling the agreement that grants permission for the monorail to use city streets. Exercising my authority to cancel the Transit Way Agreement is the most direct method for preventing this flawed plan from going forward.

Second, I believe it is fundamentally important that the voters of Seattle have the final say in this project. The people of Seattle know I'm a mayor willing to make tough decisions. In this case, the people have a decision to make, too. The people created the monorail authority and I respect the people's right to have the final say in its fate. It should not be decided in City Hall and it certainly should not be decided in Olympia.

So I have asked the City Council to meet in emergency session on Thursday for the purpose of putting an advisory measure on November's ballot. The measure will ask whether or not the public still believes the monorail should be built in light of the risks now known.

That gives the Monorail board one more opportunity at its Wednesday meeting to do the right thing and put its own measure on the ballot for voters to decide this November. If they are unwilling to do that, then the city will do it for them.

The question before all of us now is where do we go from here?

On my direction, the Seattle Department of Transportation is developing transit alternatives to serve the Ballard and West Seattle corridors. If the monorail is not in Seattle's future, we must find new ways to move people around the city.

But we must do more. It is time for the region to face the fact that the way we fund, prioritize and build transportation projects no longer works.

We have seen successes lately. Sound Transit has turned the corner and the Link light rail line is nearly one-third complete. Earlier this year, the state passed the largest transportation funding plan in its history. That money will pay for half the cost of replacing the Alaskan Way Viaduct with a tunnel. It also provides \$500 million to replace the 520 floating bridge.

But for too long cities, counties, the state and other agencies have competed against each other for money, priority and access to the ballot. Indeed the creation of the Seattle Popular Monorail Authority as an independent new government was a result of Seattle voters' frustration with transportation decision-making gridlock. We need to use this moment to reexamine how we as a region meet our transportation needs.

I believe it is our responsibility as elected officials to come together and make the hard decisions necessary to ensure we build the best transportation system possible for the region.

To that end, I will be calling on my fellow elected leaders in the area to put aside the turf battles and the historic vested interests that led to this flawed approach. We must examine the options for a more efficient and more accountable regional structure to prioritize, fund and build a transportation network that works for all of us.

I'm joined today by Dwight Dively, the city's chief financial officer, and Grace Crunican, director of the Seattle Department of Transportation. We would be happy to answer any questions.