MANUFACTURING INDUSTRIAL COUNCIL

Sept. 22, 2006

Kate Stenberg
WSDOT, Environmental Manager
Alaskan Way Viaduct and Seawall Replacement Project
999 Third Avenue, Suite 2424
Seattle, WA. 98104

Dear Ms. Stenberg:

C-056-001 The Draft Environmental Impact Statement (DEIS) for the Alaskan Way Viaduct & Seawall Replacement Project is incomplete and inconsistent in identifying and assessing the economic and environmental impacts of the two preferred alternatives. These shortcomings reduce the value and reliability of the DEIS. They must be overcome for the public to be able to evaluate:

1) the actual costs and benefits of the two preferred viaduct alternatives;
2) the actual costs and benefits of potential alternatives to, or modifications of, the two preferred alternatives;
3) the actual need for, and cost of, an appropriate construction mitigation plan, and
4) how viaduct alternatives rank in the context of other transportation priorities for our city, region and state.

If full economic and environmental costs are recognized and assessed, further consideration may be merited for viaduct alternatives or modifications that were previously rejected.

Our specific concerns about the draft EIS follow.

C-056-002 ***1. Failure to assess all environmental impacts of construction-induced traffic congestion***

The DEIS reports that disruptions caused by construction of either alternative would double and even triple peak periods of traffic congestion along the SR 99 corridor and Interstate 5 in Seattle. Congestion of this magnitude would significantly extend the amount of time that hundreds of thousands of cars, trucks and buses would spend in Seattle stuck in stop-and-go traffic jams with idling engines. The DEIS estimates emission impacts before and after construction, but fails to address the pollution that would occur during the periods of construction-related congestion which could extend for five, eight or ten years. Likely impacts would include greenhouse gas emissions, increased gasoline consumption and increases in the amount of petroleum-based pollution winding up in street drainage and runoff systems.

Given our regional commitment to reducing greenhouse gases, this omission is breathtaking.

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C-056-001

Benefits and impacts of alternatives have been discussed in each EIS on this project (Draft, Supplemental Drafts, and Final). Costs, although not strictly an environmental issue, have also been provided in these documents and through other venues. Mitigation measures for construction have been developed in coordination with business and freight interests in the project area and are included with the Final EIS, Chapter 8. The ranking of project alternatives with other regional transportation improvement priorities has been regularly considered by WSDOT and other transportation agencies in the region.

C-056-002

Potential air quality impacts during the construction period have been analyzed in Appendix M, Air Discipline Report, and summarized in the Final EIS.

C-056-003

2. Reduced business productivity

The DEIS finds that 1,200 businesses are located in or adjacent to the viaduct construction zone along SR 99. The DEIS predicts some of these businesses may be forced to close by construction disruptions. The DEIS fails to acknowledge that construction impacts would extend far beyond the 1,200 businesses located in the construction zone. Arterials far removed from the viaduct area would be impacted, with backed-up traffic congestion decreasing the profitability and viability of thousands of additional businesses located throughout large sections of the city.

C-056-004

3. Billion dollar impacts

Seattle businesses generate about $45 billion in taxable business revenue per year, nearly 15 percent of all business revenues generated throughout the entire state. If the Seattle business community loses just 10 percent of its overall productivity due to viaduct-related traffic congestion, the cost would be $4.5 billion for one year, $22.5 billion over five years, and $36 billion over eight years. If lost business productivity reached 15 percent, the loss would be $6.75 billion for one year, $33.7 billion for five years and $52 billion for eight years. The DEIS fails to broach the topic of lost business productivity, although it does attempt to highlight potential benefits associated with the preferred alternatives, as explained in points 4 and 5 that follow.

C-056-005

4. Job Loss

The DEIS estimates the numbers of jobs that could be created in Seattle by construction of either preferred alternative. It fails to recognize that jobs in Seattle will also be lost as result of business disruptions and closures, and the difficulty of retaining or replacing employees who will opt to find employment alternatives in parts of the city or the region that aren't impacted by viaduct construction-related congestion.

C-056-006

5. Lost tax revenues

The DEIS notes that construction of either preferred alternative could result in increased sales tax revenues. The DEIS fails to analyze or even acknowledge that the construction disruptions to businesses would reduce revenues from the sales tax and other tax sources. The magnitude of this impact would be considerable. Businesses within Seattle generate more than $14 billion per year in revenue that is subject to the sales tax. That's far more than any other city in our state. In fact, it is more than the $12 billion in such sales generated in Bellevue, Tacoma and Spokane combined. B&O tax revenues would also decline if Seattle business revenues fell. These impacts would be felt not only by the City of Seattle, but by King County, the State of Washington and other public agencies.

C-056-003

It is acknowledged that there will be difficult times for businesses within the immediate impact area and that the City of Seattle will absorb a certain loss in productivity due to increases in congestion. The indirect economic impacts, such as a decrease in jobs because businesses are struggling, within the Puget Sound Region or outside of the Puget Sound Region and the relocation of businesses are subject to many variables that cannot be quantified as a result of the direct impacts due to construction. These indirect impacts, if they occur at all, are expected to be balanced by the influx of construction dollars into the regional economy and by the potential redevelopment of adjoining parcels in anticipation of the new facility.

C-056-004

The cost of congestion is not calculated as a function of the size of a regional economy but as the time lost due to increases in travel time. Some travelers may also choose to alter their choice of destination to avoid travel impacts. The discussion of travel delays presented in the Final EIS accounts for this loss of utility (i.e., selection of alternate or less desirable destinations) for travelers. With the exception of freight mobility, this increase in travel time typically happens during peak rush hour and has the effect of spreading the duration of rush hour. The increase in travel time and loss of utility are converted to dollars based upon lost wages and value of time lost. The discussion of the cost of congestion is presented in Appendix L, Economics Discipline Report, of the Final EIS.

C-056-005

Comment acknowledged. Please see the response to Comment C-056-003.

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C-056-007 *6. Unmitigated losses*

Some share of Seattle's losses would be offset by gains in other cities and parts of the region that would pick up new business and workers displaced from the central city, but not all loses could be offset. Hundreds of businesses are located in Seattle because the city is home to a convergence of industrial infrastructure that includes the Lake Washington Ship Canal, the Duwamish Waterway, Fishermen's Terminal, Port of Seattle marine cargo facilities, Boeing Field and great proximity to both State Route 99 and I-5. Businesses that depend on this infrastructure will be hard pressed to relocate because similar infrastructure is not available in any other part of the state.

The economic value of these businesses was suggested by a 2005 study measuring the economic impact of the Port of Seattle. The study included a survey of more than 9,500 people engaged in some aspect of Seattle's marine cargo sector and the survey identified the community where each worker lived. Only 14 percent lived inside Seattle and only 18 percent more lived somewhere else in King County. The other 68 percent lived outside of King County where other communities reap the benefit of Seattle-based paychecks that are used to pay for everything from housing, groceries and clothes to cars, taxes and college tuitions. If these operations are disrupted, you can't assume they will simply relocate to Tacoma. Many other industrial sectors depend on proximity to Seattle's industrial and commercial infrastructure and these businesses will be hit hard by the congestion. The nature of these businesses requires most employees to perform tasks at specific locations and few jobs within these sectors lend themselves to telecommuting.

C-056-008 *7. Practical value of full analysis*

The failure to fully account for likely economic and environmental impacts reduces the ability of the general public and elected decision-makers to weigh the full range of viaduct alternatives, potential modifications to alternatives and related project needs. How can we know there is an adequate mitigation program for construction if we don't have adequate information about the extent of the mitigation that might be required? How can we assess viaduct alternatives if we lack the basis to understand and weigh their potential costs and benefits? How can you ask the public to support funding for either preferred alternative while failing to acknowledge they may have such negative impacts on Seattle's job and business base? If full costs are accounted for, some viaduct alternatives that were earlier ruled out may be found to offer much greater public cost-benefits than either of the preferred alternatives.

The viaduct does not exist in a vacuum. Washington residents face an enormous backlog of badly needed transportation projects including the need to rehabilitate the Evergreen Point Floating Bridge, complete Sound Transit, expand I-405, repave I-5, finish SR 509, save the

C-056-006

The economic analysis did address City of Seattle and King County revenue generated and lost by the project (parking meters, property tax base, sales tax) that can be tied to elements under the direct control of the project.

The economic analysis did address the impacts to businesses during construction, especially to those businesses in business districts of special concern (Central Waterfront and Pioneer Square); however, the analysis did not analyze whether a particular business would pay more, less, or the same in sales taxes, because predicting the performance of an individual business is beyond the scope of the analysis. See Appendix L, Economics Discipline Report, of the Final EIS for the current economic analysis for the proposed build alternatives.

C-056-007

Probable significant adverse impacts are not expected for either the Port of Seattle or the Ballard/Interbay industrial areas with the exception of a decrease in freight mobility and increase in congestion for truck traffic as they use alternative freight routes. The loss of freight mobility will have a resultant loss in productivity, which is discussed in the Economics Discipline Report of the Final EIS as a cost of congestion. With the exception of mitigation measures to address congestion in the project area, there is little that the project can do to mitigate impacts to businesses that are not located in the immediate construction corridor but rely on the existing roadway network to maintain a thriving business.

The indirect economic impacts, such as a decrease in jobs providing family wages, within the Puget Sound Region or outside of the Puget Sound Region and the relocation of businesses are subject to many variables that cannot be quantified as a result of the direct impacts due to construction. These indirect impacts, if they occur at all, are expected to be balanced by the influx of construction dollars into the regional

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C-056-008 South Park Bridge, enhance Metro bus service and increase SR 167. The final viaduct alternative must be pursued in the most cost-effective manner possible because it will consume so much of the public funding that must be spread among so many worthy projects. The DEIS does not provide adequate information to judge the full cost effectiveness of either preferred alternative.

Please contact us if we can answer any questions about these issues.

Sincerely,

Rob Adamson, Co-chair
Manufacturing Industrial Council

John Odland, Co-chair
Manufacturing Industrial Council

economy and by the concurrent redevelopment of adjoining parcels in anticipation of day of opening.

C-056-008

The environmental documents and related information on this project provided to the public gives a complete picture of reasonable choices the lead agencies face and their potential effects. Mitigation for construction impacts has been developed in coordination with business and freight interests along the corridor and will continue to be refined throughout the construction process. Negative effects from construction appear unavoidable, but the lead agencies are committed to minimizing them to the practical extent. These effects have been described for the public and decision-makers, as have the costs of the project.