



Signature Report

June 8, 2004

Motion 11931

Proposed No. 2004-0126.3

Sponsors Gossett

1 A MOTION approving the existing automotive center site
2 as the site of preference for a new office building and Goat
3 Hill as the site of a new replacement parking garage in
4 response to a proviso outlined in Ordinance 14812, Section
5 2.

6
7
8 WHEREAS, the recent study completed by the executive, titled An Approach to
9 Reducing King County Office Space Costs, has concluded that substantial ongoing
10 operating savings would be realized by conversion from leased to owned office space,
11 and

12 WHEREAS, on December 9, 2003, the metropolitan King County council
13 adopted Ordinance 14812, appropriating \$1.2 million to allow the executive to proceed
14 with the second phase of the initiative to construct a new King County office building to
15 realize cost savings, improve operational efficiency, and better serve the public, and

16 WHEREAS, the facilities management division has completed, and the county
17 executive has transmitted, the report outlined in Ordinance 14812, Section 2, and

18 WHEREAS, the report, titled New County Office Building Project Plan, was
19 transmitted to the county council on January 30, 2004, as required, and

20 WHEREAS, the transmitted report includes a scope of work that includes
21 transmittal of a site recommendation from the King County executive to the metropolitan
22 King County council by March 3, 2004, and in accordance with requirements of
23 Ordinance 14812, Section 2, and

24 WHEREAS, the recommended site has a projected development cost significantly
25 below the projected project budget, provides the greatest financial advantages among the
26 three candidate sites and provides the most operational and future development
27 flexibility, and

28 WHEREAS, the county executive transmitted a site recommendation by March 3,
29 2004, as required, and

30 WHEREAS, approval of this site recommendation is critical to the process and
31 schedule for delivery of a new office building, which will significantly reduce the costs
32 of providing downtown office space;

33 NOW, THEREFORE, BE IT MOVED by the Council of King County:

34 The King County executive recommendation to build a new office building on the
35 automotive center site and a new parking garage on Goat hill in response to the provisos
36 related to Ordinance 14812, Section 2, in Attachment A to this motion, is hereby
37 approved.

38 The executive shall transmit a report in response to the following items,
39 concurrent with the July 15, 2004, transmittal of new county office building lease

40 documents and development agreement. Any proposed legislation needed to implement
41 the recommendations in response to these items shall accompany the report:

42 A. Confirm current property entitlements and develop a plan to secure necessary
43 property rights to implement the project as proposed;

44 B. Analyze cost and programmatic benefits of an alley vacation on the Goat hill
45 site to allow the proposed parking structure to extend across the entire site with fewer
46 floors. Indicate project schedule adjustments if required;

47 C. Analyze cost and programmatic benefits of a reduced height of the Goat hill
48 parking structure along Fifth Avenue to achieve a more pedestrian scale and consider
49 design alternatives to maximize the setback along Fifth Avenue;

50 D. Analyze cost and programmatic benefits of stepping the proposed parking
51 structure to align with the natural slope of the Goat hill site;

52 E. Analyze cost and programmatic benefits of extending the pedestrian tunnel
53 connection between the King County automotive center site and the Goat hill site;

54 F. Finalize a relocation plan for the automotive maintenance shop function;

55 G. Investigate feasibility of improving access by the inmate bus to the King
56 County Corrections Facility sally-port from the Goat hill site;

57 H. Provide a feasibility study to relocate the existing inmate skybridge function
58 to a below grade tunnel and circulation system connection between the King County
59 corrections facility and the King County courthouse;

60 I. Provide a parking plan to clarify how the proposed new parking structure will
61 operate;

62 J. Review King County Code parking ordinances to determine if policies, rates or
63 dedication of revenues should be changed. Make recommendations and transmit
64 legislation to dedicate some additional parking revenues achieved through increased
65 efficiency of the new parking facilities to debt service on the new county office building,
66 while allowing revenues diverted to the children and family set-aside fund to grow over
67 time;

68 K. Provide a financing plan for the proposed parking structure on Goat hill and a
69 separate plan for the proposed new county office building on the automotive center site;
70 and

71 L. Provide a revised financing plan which incorporates any impacts caused by
72 any of the proposed changes listed above. The financing plan shall include two

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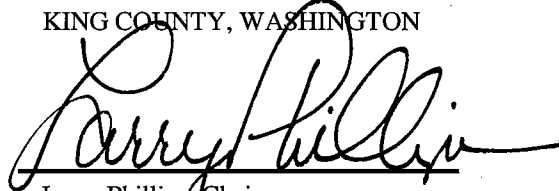
73 scenarios, one to include the possibility of achieving land value recovery and the other
74 without land value recovery.

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Motion 11931 was introduced on 3/15/2004 and passed as amended by the Metropolitan King County Council on 6/7/2004, by the following vote:

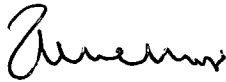
Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



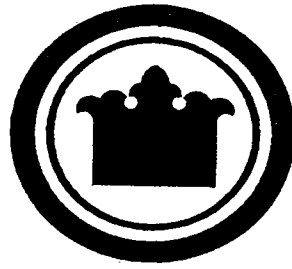
Anne Noris, Clerk of the Council

Attachments A. New County Office Building Site Evaluations and Recommendations

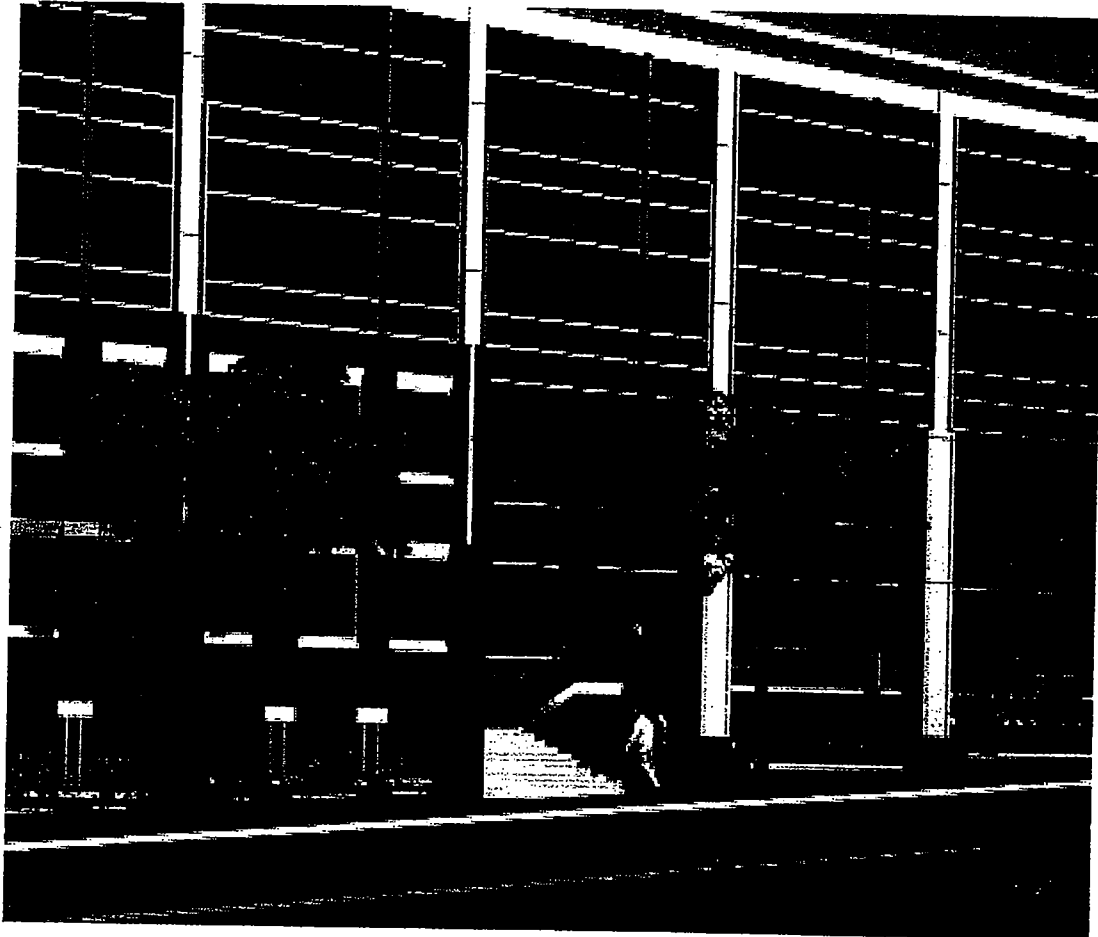
ATTACHMENT A.

2004-126

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**NEW COUNTY
OFFICE BUILDING
SITE EVALUATIONS AND
RECOMMENDATIONS**

Proviso Response #2

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New County Office Building
Site Evaluations and Recommendations

Executive Summary 11931

On December 9, 2003, the Metropolitan King County Council acknowledged the technical foundation and real estate research conducted under the auspices of the Facilities Management Division (FMD), and adopted Ordinance 14812, appropriating \$1.2 million to the next phase of the New County Office Building Project.¹ The New County Office Building proposal involves construction of a new King County office building on county-owned land to accommodate 261,000 square feet of office space. The proposal results in substantial long term savings by converting office space leased in privately-owned buildings to county-owned space.

When the council approved Ordinance 14812, there were several provisos included in the ordinance requiring further analysis and reports in Phase II of the plan. Among those provisos was a requirement that the executive propose, and council approve, the site for the new building. In accordance with the Project Plan submitted to council on January 30, 2004, there are three sites under consideration:

- **Goat Hill Site:** between Jefferson and Terrace Streets and east of 5th Avenue (south of the King County Correctional Facility).
- **King County Automotive Center Site:** existing Parking Garage between Jefferson and Terrace Streets and west of 5th Avenue.
- **North Kingdome Parking Lot Site:** north of Seahawks Stadium.

These sites were evaluated based on cost, schedule impacts, ability to meet program and operational needs, business continuity, ability to meet other King County objectives, designability/constructability, and other ancillary benefits or negative impacts.

Executive Recommendation

In response to proviso described above, executive staff analyzed the three King County-owned sites. It is apparent from the analysis that the King

¹ For further details, please see report titled *An Approach to Reducing King County Office Space Costs* transmitted to council on September 15, 2003.

County Automotive Center is the optimum site for the New County Office Building.

The Automotive Center is close to the current campus, physically connected to the Administration and Courthouse via tunnels, and the least problematic site in terms of soil conditions and development requirements. Developing the Automotive Center site as proposed also includes improvements on the Goat Hill site. Additional parking will be provided with the construction of a new structured parking facility, along with configuring the Goat Hill site for potential future development (such as future correctional facility or jail health expansion). The added parking will meet the needs identified in the pro-forma, as well as replacing all existing parking.

From an economic perspective, the Automotive Center site is the superior option. The added property value and savings that result from replacing an aging, outdated, and inefficient parking structure far outweigh the added construction costs associated with a two building project.

Recommendation

Based on the programmatic, economic, and development advantages, the executive recommends selection of the Automotive Center site for the construction of the New County Office Building.

Background

This report is part of a long-term plan to construct a new county office building. The New County Office Building plan is divided into four phases:

- **Phase I (complete): Evaluation of Options for Reducing Office Space Costs.** This phase was completed with submittal of a report to the council titled *An Approach to Reducing King County Office Space Costs*.
- **Phase II (underway): Site Selection and Predevelopment.** Activities will include evaluation of site alternatives, site selection, preliminary conceptual design work for the new building, and permitting. ***This report fulfills the Phase II site selection requirement in Ordinance 14812.***
- **Phase III: Final Design and Construction.** Activities will include finalizing the design, permitting, and construction.
- **Phase IV: Space Allocation and Occupancy.** Final decisions regarding occupancy of the new building, space allocations, and startup of business operations will occur in this phase.

The \$1.2 million appropriated via Ordinance 14812 allowed the FMD to proceed with the Phase II of the New County Office Building initiative. The new building will result in significant future cost savings, improved operational efficiency, and better public service.

Review of Phase I

The preliminary feasibility phase of this project commenced in the fall of 2002 with an initial funding of \$475,000 to explore options to either purchase an existing building or build a new office building for King County and make recommendations on how the county should proceed. The work also included a Phase II analysis of the Central Steam Plant Feasibility Study. The evaluation process consisted of a series of four separate exploration tracks:

- **Track A. Development of King County Owned Land:** This track explored options for development on King County-owned land primarily through a Request for Qualifications /Request for Proposal process to solicit developers to plan, design and construct a lease-leaseback for a new office building.

After a thorough procurement process, the development firm, Wright Runstad & Company (Wright Runstad), was selected as the developer.

- **Track B. Building Development or Acquisition on Non-County-Owned Land:** This track explored options for development on non-county-owned land and utilized a Request for Proposal process and included acquisition options for both land as well as existing buildings.

A procurement process was followed to evaluate proposals from commercial real estate developers that own and/or control appropriately located property to plan, develop, design and construct a build-to-suit, lease to-own development project. No acceptable proposals were received.

With regard to building acquisition opportunities, a wide net process of selection and narrowing was undertaken in November 2002 that resulted in the identification of a total of 266 buildings and sites as opportunities of interest. The list was narrowed to five final candidates through an iterative process. The five final candidates were subjected to further evaluation that included code, seismic, architectural, mechanical, electrical engineering, cost, and qualitative evaluation necessary to bring the buildings up to an assumed standard. This evaluation was completed in September 2003 with the conclusion that, all things considered, the building acquisition opportunities were not a better deal for the county than building construction options.

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- **Track C. Fast Track:** This track explored time sensitive opportunities that might emerge during the exploration process that required an immediate response.

The Fast Track option was used to assess the feasibility and attractiveness of co-developing with the City of Seattle on the Third Avenue & James Street site (Public Safety Building). Following an analysis by the consultant team, the Public Safety Building site was removed from the Fast Track option and the opportunity was moved to Track B. No other properties were evaluated using the Fast Track option. The City of Seattle ultimately decided not to make a proposal under Track B.

- **Track D. Central Steam:** This track finalized earlier studies that explored the economic viability of a central steam plant and co-generation opportunities for the downtown King County complex and Harborview Medical Center. The central steam plant concept is still under study along with other options of delivering hot water from the new building to adjacent County buildings. As required in Ordinance 14812, a final executive recommendation regarding the steam plant proposal will be transmitted to council by March 31st.

Space Planning and Future Space Requirements

Space planning has been an integral part of this project. The executive transmitted to the King County Council the 2003 Space Plan (Plan) on March 1, 2003. The Space Plan reaffirmed the need to continue efforts to reduce the county's reliance on leased space. The FMD is now developing the 2004 Space Plan that will reconcile 10-year office space need projections with the size and programming of the new office building.

Evaluation of Site Alternatives

The three sites were evaluated against criteria including cost, schedule impacts, designability/constructability, ability to meet program and operational needs, business continuity, ability to meet other King County objectives, and other ancillary benefits or negative impacts.

Figures A.1, B.1, and C.1 are conceptual drawings of a new office building of about 261,000 rentable square feet on each of the sites.

Option A: Goat Hill

The Goat Hill site configuration would provide a total of 985 parking stalls (including the existing Automotive Center garage). For security reasons, the existing King County Automotive Center facility would be dedicated to public parking with office building parking reserved for employees and motor pool cars. This project would likely result in substantial investment in the existing parking garage to blend it better with the architecture of the new

building, upgrade the parking garage to current code, and other investments necessary to continue operating this garage as a public parking facility. Potentially required garage investments are preliminarily estimated at approximately \$4.2 million.

The soil conditions at the Goat Hill site are less than ideal, but the development project team have results of recent drilling and soil studies. Resulting design constraints have been factored into the developments costs.

Option B: Automotive Center

The Automotive Center site, as recommended, would be a two-phase project:

- **Phase 1** would construct a new parking garage on the west half of Goat Hill.
- **Phase 2** would demolish the current King County Parking Garage and build a new office building (with some parking) on that site.

This phased approach would allow for continuous parking for employees and motor pool cars. This alternative would also provide for 985 total parking stalls (the same capacity as Option A).

The first phase will require construction of a "stand-alone" parking garage on the northwest corner of Goat Hill. Upon completion of this new garage, King County's current Automotive Center will be demolished, and a new office building (with zoning-required parking in the lower levels) will be constructed in its place. The two phases will require approximately 25 months to complete.

There are some significant advantages to the Automotive Center site over the Goat Hill site. First, the soils are more stable and more easily re-graded. Second, it is closer to the main King County "campus" (Administration Building and Courthouse) and will be connected to the underground tunnel. Third, views will be less obstructed. Fourth, parking garage security will be more efficiently handled with a separate Goat Hill parking garage (public) and New Office Building parking (government employees only). These advantages, combined with the economic advantages identified in section 2.3 below, argue convincingly that the Automotive Center Site is the best site.

Option C: North Kingdome Parking Lot

A project on the North Kingdome Parking Lot would include one deck of below ground parking and floor sizes slightly larger than those at King Street Center. The total on-site parking capacity includes only 149 slots, and consequently provides for 101 fewer spaces than Options A and B.

Please note that in order to achieve a reasonable floor configuration the building would extend past the south property line, encroaching onto property owned by the Public Stadium Authority (PSA). The Public Stadium Authority has made it clear in a letter to Vulcan, dated February 3, 2004,

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that the encroachment was unacceptable. Although the analysis is presented in this report for comparative purposes, the inability to encroach onto the PSA-controlled property presents a nearly insurmountable hurdle. Furthermore, the analysis makes clear that other site costs make this option unaffordable compared to Options A and B.

Even if encroachment onto PSA property were an option, development of an office building on the North Parking Lot site would be complex and expensive with undue time delays created in securing full and clear title. Additionally, significant efforts would be required to understand project's interface with the monorail plans and other transportation impacts along the east and south boundaries of the property. Items impeding development include:

- Acquisition of property rights to consolidate sufficient land or air rights to properly size the building;
- Elimination of encumbrances against the property;
- Mitigation of site geotechnical conditions;
- Mitigation for environmental and/or archeological conditions;
- Requirement to build parking below grade in an area with a high water table;
- Need for structural enhancements to deal with seismic stability in an area of deep fill.

Economic Attributes

Preliminary cost estimates were developed for each of the three sites. Table 1 summarizes the cost estimates for Options A and B. The North Kingdome Parking Lot site proved especially problematic in terms of the development uncertainties. Preliminary, rough cost estimates for a North Kingdome Parking Lot alternative were prepared and revealed that option would be substantially more expensive than the other two sites. Below are extremely rough estimates related to overcoming obstacles associated with an Option C proposal, if such a proposal were feasible:

• <u>Property Acquisition/Encumbrance Elimination</u>	<u>\$7.7 million</u>
• <u>Geotechnical Mitigation</u>	<u>\$1.5 million</u>
• <u>Seismic Stabilization (Foundation)</u>	<u>\$0.5 million</u>
• <u>Below Grade Parking</u>	<u>\$1.7 million</u>
• <u>Reduced Parking Revenues (101 spaces)</u>	<u>\$3.0 million</u>
• <u>Schedule delay costs (financing impact)</u>	<u>\$2.8 million</u>

The rough estimates listed above provide the reader with an understanding of the projected additional costs associated with the North Kingdome Parking Lot proposal outlined in Option C. Not included above, but a likely additional cost, would be additional construction costs associated with construction schedule delay. The magnitude of this additional cost could be well in excess of \$3.5 million. **Clearly, even if this option were viable, it would exceed the other two options in cost.**

Due to site disadvantages, preliminary economics and development infeasibility of the North Kingdome Parking Lot, further refinements of cost estimates were not done. **Of course, if a proposal were to arise that meets the county's needs, overcomes site disadvantages, and is priced competitively with the other two options, the Executive would consider the proposal.**

Comparison of Options A and B

The economic comparisons between the Goat Hill option (Option A) and the Automotive Center Site (Option B) demonstrate that the Automotive Center Site is superior. The added property value and savings that result from replacing an aging, outdated, and inefficient parking structure far outweigh the added construction costs associated with a two building project. Additional investment to make the existing parking garage safety compliant would require vehicle restraint walls at a cost of approximately \$1.7 million. An aesthetic and architectural enhancement of the existing to blend the existing parking facility with the new office building is approximately \$2.5 million. The total of these items, \$4.2 million, is an approximation of the construction cost differential between the two sites.

Another consideration in providing an "apples to apples" comparison between Options A and B is the fact that the aging parking facility would require significant major maintenance work to be compared on an equivalent value level with the new garage provided in Option B. To provide a reasonable "apples to apples" adjustment, FMD totaled the major maintenance project budgets included in the six-year Major Maintenance Reserve Fund plan. This resulted in a conservative \$2.4 million adjustment for comparative purposes.

More efficient configuration of parking spaces identified in Option B should provide greater parking revenue potential than the Goat Hill option. Finally, this alternative will provide more flexibility with regard to the number of parking spaces ultimately constructed and the revenue to be generated by those spaces.

Another economic difference between Options A and B is the \$10 million value ascribed to the 'development capacity' of that site to accommodate a 261,000 SF building. Alternative B doesn't use the Goat Hill site for that development; rather, it creates that value through redevelopment of the Automotive Center site to its full potential, while saving Goat Hill for future development potential. In no way will the remaining development value of the Goat Hill site be reduced by Option B. In fact, the replacement of

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somewhat low quality surface parking with higher value structured parking and other required site investments that are inherent in the Option B cost estimates will likely decrease the costs of future development, and increase the overall value of the property.

A recap of these two options compared to the initial pro-forma is as follows:

Table 1. Economic Comparisons to Original Pro-forma

Cost Element	Original Pro-forma	Option A Goat Hill Site	Option B Garage Site
Entitlements and Utilities	\$ 865,000	\$ 865,000	\$ 983,000
Shell and Core Architecture	1,331,000	1,331,000	1,720,000
Shell and Core Engineering	898,000	898,000	1,197,000
Shell and Core Construction	43,446,500	39,457,000	46,423,540
Tenant Improvements	14,331,500	14,331,500	16,351,500
Misc Dev Costs/Fees/Contingencies	9,293,710	9,253,815	10,290,030
Total Development	\$70,165,710	\$66,136,315	\$76,965,070
Land	10,000,000	10,000,000	10,000,000
Land Value Escalation – Highest and Best Use			(10,000,000)
Financing	2,500,000	2,900,000	2,900,000
Net Capitalized Interest	6,312,987	6,326,422	5,871,941
Adjustment for KCCF Safety and Architectural Modifications		4,200,000	
Eliminated Major Maintenance Requirements			(2,400,000)
Total Cost of Project	\$88,978,697	\$89,562,737*	\$83,337,011*
Difference from Pro-Forma		584,040	(5,641,686)
Difference from A.4			(6,225,726)

* Assume specialty adds paid from internal service or enterprise funds.

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Recommendation

It is the Executive's recommendation to move forward with the New County Office Building plan to construct an office building on the King County Automotive Center site, and to provide structured parking on the Goat Hill. The total cost of this proposal is consistent with the original pro-forma included in the New County Office Building Project Plan.

Site Evaluations and Recommendations

Section 1

Background

On December 9, 2003, the Metropolitan King County Council acknowledged the technical foundation and real estate research conducted under the auspices of the Facilities Management Division (FMD), and adopted Ordinance 14812, appropriating \$1.2 million to the next phase of the New County Office Building Project.¹ The full text of Ordinance 14812 is contained in Appendix A for reader convenience.

The New County Office Building proposal involves construction a new King County office building on county-owned land to accommodate 261,000 square feet of office space. The proposal results in substantial long term savings by converting office space leased in privately-owned buildings to county-owned space. The New County Office Building plan is divided into four phases:

- **Phase I (complete): Evaluation of Options for Reducing Office Space Costs.** This phase was completed with submittal of a report to the council titled *An Approach to Reducing King County Office Space Costs*. Ordinance 14812 was adopted based upon the executive's recommendations in that report.
- **Phase II (underway): Site Selection and Predevelopment.** Activities will include evaluation of site alternatives, site selection, preliminary conceptual design work for the new building, and permitting. Funding for Phase II was appropriated via Ordinance 14812. This report fulfills the site selection requirement in the ordinance.
- **Phase III: Final Design and Construction.** Activities will include finalizing the Master Use Permit (MUP) process, obtaining required design approvals, commencing design

¹ For further details, please see report titled *An Approach to Reducing King County Office Space Costs* transmitted to council on September 15, 2003.

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development and construction drawings, obtaining the building permit(s), and commencing construction.

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- **Phase IV: Space Allocation and Occupancy.** Final decisions regarding occupancy of the new building, space allocations, moving, and startup of business operations will occur in this phase.

The \$1.2 million appropriated via Ordinance 14812 allowed the FMD to proceed with the Phase II of the New County Office Building initiative. The new building will result in significant future cost savings, improved operational efficiency, and better public service.

1.1 Review of Phase I

The preliminary feasibility phase of this project commenced in the fall of 2002 with an initial funding of \$475,000 to explore options to either purchase an existing building or build a new office building for King County and make recommendations on how the county should proceed. The work also included a Phase II analysis of the Central Steam Plant Feasibility Study. The evaluation process consisted of a series of four separate exploration tracks:

- **Track A. Development of King County Owned Land:** This track explored options for development on King County-owned land primarily through a Request for Qualifications /Request for Proposal process to solicit developers to plan, design and construct a lease-leaseback for a new office building.

In March 2003 the county issued a Request for Qualifications (RFQ) (108-03RLD) soliciting responses from qualified developer teams to plan, design and construct a lease-leaseback for a new office building on King County-owned land (Goat Hill, Automotive Center, or other county-owned site). A total of seven (7) responses were received and evaluated based on the criteria defined in the RFQ. Three short-listed finalists were selected and invited to propose on a Request for Proposal (RFP). The RFP was issued on May 22, 2003 in accordance with RCW 36.34.205 and KCC 4.56.160 (E). Short-listed finalists included Hines Interest Limited Partnership, Opus Northwest, L.L.C. and Wright Runstad & Company.

RFP proposal responses from all three RFQ short-listed finalists were received on June 5, 2003. A review panel selected the firm of Wright Runstad & Company (Wright Runstad) as the County's developer.

- **Track B. Building Development or Acquisition on Non-County-Owned Land:** This track explored options for development on non-county-owned land and utilized a Request for Proposal process and included acquisition options for both land as well as existing buildings.

On May 22, 2003 the county issued an RFP (125-03RLD) soliciting proposals from commercial real estate developers that own and/or

control appropriately located property to plan, develop, design and construct a build-to-suit, lease to-own development project.

"Appropriately located property" was defined in the RFP as bounded by 8th Avenue on the east, Alaskan Way on the west, University Street on the north and Royal Brougham Way on the south. The RFP assumed an IRS tax code revenue ruling "63-20" bond financing strategy will be used on the project. A single RFP proposal response was received on June 5, 2003 from Opus Northwest, L.L.C. The non-county-owned proposal property was located at 5th Avenue between Terrace and Yesler Streets and is adjacent to the county-owned Goat Hill property. The proposal was found unacceptable due to the high cost of the land (\$20 million compared with the \$10 million land value attributed to the county-owned Goat Hill site).

With regard to building acquisition opportunities, a wide net process of selection and narrowing was undertaken beginning in November 2002 that resulted in the identification of a total of 266 buildings and sites as opportunities of interest. In February 2003 the list of opportunities of interest were screened and resulted in a master list of 41 buildings and sites as the most promising opportunities. A short list of 11 buildings and sites was developed by May 2003. A further narrowing of the short list to five buildings occurred in August 2003.

The five final candidates were subjected to further evaluation that included code, seismic, architectural, mechanical, electrical engineering, cost, and qualitative evaluation necessary to bring the buildings up to an assumed standard. This evaluation was completed in early September 2003 with the conclusion that, all things considered, the building acquisition opportunities were not a better deal for the county than building construction options.

- **Track C. Fast Track:** This track explored time sensitive opportunities that might emerge during the exploration process that required an immediate response.

In December 2002 the consultant agreement was amended to use the "Fast Track" option to assess the feasibility and attractiveness of co-developing with the City of Seattle on the Third Avenue & James Street site (i.e. the Public Safety Building). Following an analysis by the consultant team, the Third Avenue & James site was removed from the Fast Track option and the opportunity was moved to Track B. No other properties were evaluated using the Fast Track option and the City of Seattle ultimately decided not to make a proposal under Track B. See Appendix B for matrix of positive and negative attributes of the Public Safety Building site.

- **Track D. Central Steam:** This track finalized earlier studies that explored the economic viability of a central steam plant and co-generation opportunities for the downtown King County complex and Harborview Medical Center.

The central steam plant concept is still under study along with other options of delivering hot water from the new building to adjacent County buildings. As required in Ordinance 14812, a final executive recommendation regarding the steam plant proposal will be transmitted to council by March 31st. In addition to the original steam plant option, the report will examine other alternatives for delivery of steam and/or hot water to the King County Courthouse complex.

1.2 Space Planning and Future Space Requirements

Space planning has been an integral part of this project. The executive transmitted to the King County Council the 2003 Space Plan (Plan) on March 1, 2003. The Space Plan reaffirmed the need to continue efforts to reduce the county's reliance on outside leased space. The potential range of staffing outcomes for King County departments over the next 10 years did not result in a significant reduction in office space needs in spite of the recent and expected future annexations and incorporations. Rather, the staffing forecast showed a slight growth in space needs as the probable outcome. In short, staffing reductions caused by the current plight of the county's Current Expense Fund and annexations was projected to affect primarily suburban specialty locations with required staff reductions for staff located downtown likely to be offset by staffing increases projected by those agencies not reliant on the Current Expense Fund. The FMD is now developing the 2004 Space Plan that will reconcile 10-year office space need projections with the size and programming of the new office building.

1.3 Proviso Requirement for Siting Analysis

When the council approved Ordinance 14812, there were several provisos included in the ordinance requiring further analysis and reports as part of Phase II of the plan. Among those provisos was a requirement that the executive propose, and council approve, the site for the new building. In accordance with the Project Plan submitted to council on January 30, 2004, there are three sites under consideration:

- **Goat Hill:** between Jefferson and Terrace Streets and east of 5th Avenue (south of the King County Correctional Facility).
- **King Automotive Center (County Parking Garage):** between Jefferson and Terrace Streets and west of 5th Avenue.
- **North Kingdome Parking Lot:** north of the Seahawks Stadium.

These sites were to be evaluated based on cost, schedule impacts, ability to meet program and operational needs, business continuity, ability to meet other King County objectives, designability/constructability, and other ancillary positive or negative impacts.

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1.4 Executive Response

In response to proviso described above, FMD and the development firm, Wright Runstad, have analyzed the three King County-owned sites. It is apparent from the analysis that the King County Automotive Center is the optimum site for the New County Office Building. It is close to the current campus, physically connected to the Administration and Courthouse via tunnels, and the least problematic site in terms of soil conditions and development requirements. Developing the Automotive Center site as proposed also includes improvements on the Goat Hill site. Additional parking will be provided with the construction of a new structured parking facility, along with configuring the Goat Hill site for potential future development (such as future correctional facility or jail health expansion). The added parking will meet the needs identified in the pro-forma, as well as replacing all existing parking.

The factors considered for each site, and an evaluation against the selection criteria are contained in this report. Detailed spreadsheets and other supporting documentation are available upon request.

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Evaluation of Site Alternatives

In accordance with the Project Plan submitted to the council on January 30, 2004, the three sites under consideration are:

- **Goat Hill:** between Jefferson and Terrace Streets and east of 5th Avenue (south of the King County Correctional Facility).
- **King County Automotive Center:** between Jefferson and Terrace Streets and west of 5th Avenue.
- **North Kingdome Parking Lot:** north of the Seahawks Stadium.

These sites have been evaluated against criteria including cost, schedule impacts, designability/constructability, ability to meet program and operational needs, business continuity, ability to meet other King County objectives, and other ancillary positive or negative impacts.

2.1 Siting Concepts

Although design work on the New County Office Building is not scheduled to begin until after site selection, preliminary concept work was required to evaluate the feasibility of development for each of the sites, as well as to estimate comparative costs. The architectural firm of Zimmer Gunsul Frasca (ZGF), under the direction of Wright Runstad, prepared block diagrams with defined building attributes for each of the three sites.

2.1.1 Option A: Goat Hill Site

Figures A.1 through A.6 are conceptual drawings show an office building of about 261,000 rentable square feet on the Goat Hill site. This configuration would provide a total of 985 parking stalls (including the existing Automotive Center garage). For security reasons, the existing King County Automotive Center facility would be dedicated to public parking with office building parking reserved for employees and motor pool cars. This project would likely result in substantial investment in the existing parking garage to blend it better with the architecture of the new building, upgrade the parking garage to current code, and other investments necessary to continue operating this garage as a public parking facility. Potentially required garage investments are preliminarily estimated at approximately \$4.2 million.

2.1.2 Option B: King County Automotive Center Site

Figures B.1 through B.8 show an office building of about 261,000 rentable square feet on the Automotive Center site. This would be a two-phase project:

Phase 1 would construct a new parking garage on the west half of Goat Hill.

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- **Phase 2** would demolish the current King County Parking Garage and build a new office building (with some parking) on that site.

This phased approach would allow for continuous parking for employees and motor pool cars. This alternative would provide for 985 total parking stalls (the same capacity as Option A).

2.1.3 Option C: North Kingdome Parking Lot

Figures C.1 through C.5 show a new office building of about 261,000 rentable square feet on the northeast quadrant of the Kingdome Parking lot. The northwest quadrant of the North Kingdome Parking Lot was not considered because of the long-standing interest of the Pioneer Square community in having a substantial housing development on this site. Reservation of the northwest quadrant represents what the King County Executive believes is the minimum acceptable reservation of property for housing (with least impact from the railroad transportation corridor located to the east of the North Kingdome Parking Lot).

The project would include one deck of below ground parking and floor sizes slightly larger than those at King Street Center. The total on-site parking capacity includes only 149 slots, and consequently provides for 101 fewer spaces than Options A and B.

Please note that in order to achieve a reasonable floor configuration the building would extend past the county's south property line, encroaching onto property owned by the Public Stadium Authority (PSA). The Public Stadium Authority has made it clear in a letter to Vulcan, dated February 3, 2004 (Appendix C), that the encroachment was unacceptable. Although the analysis is presented in this report for comparative purposes, the inability to encroach onto the PSA-controlled property presents a nearly insurmountable hurdle. Furthermore, the analysis makes clear that other site costs make this option unaffordable compared to Options A and B.

2.2 Development Considerations

Each of the three sites has characteristics that would affect development (design and construction).

2.2.1 Option A: Goat Hill Site

Construction on Goat Hill would occur on the northwest corner of the site and would not require a vacation of the alley nor street right of ways. Given the sloping grade of the site, the building would be constructed mostly above grade, thereby saving considerable expense in excavation. Additionally, the views from offices located above the parking levels would be enhanced. The soil conditions at the Goat Hill site are less than ideal, but the project development team have results of recent drilling and soil studies. Resulting design constraints have been factored into the development costs.

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In the meantime, Martin Selig has developed design documents for a 270,000 square foot office building (17 stories high) on the southwest corner of Goat Hill; the project was recently approved by Seattle's Design Review Board. Mr. Selig has determined it is not in his best interest to obtain an alley or street vacation for his project. FMD staff does not know when that office building might begin construction, but construction is unlikely to commence until significant pre-leasing has taken place. (At this time, there are no known signed tenants.) On the other hand, the building could receive its Master Use Permit within a few months of achieving construction financing. The Selig proposal is virtually identical to the Opus/Selig proposal previously submitted to the County in Phase I, Track B described at Section 1.1. That proposal was not financially competitive because of the price of the land and development costs.

2.2.2 Option B: King County Automotive Center Site

Construction of this option would occur in two phases. The first phase will require construction of a "stand-alone" parking garage on the northwest corner of Goat Hill. Upon completion of this new garage, King County's current Automotive Center will be demolished, and a new office building (with zoning-required parking in the lower levels) will be constructed in its place. The two phases will require approximately 25 months to complete.

There are some significant advantages to the Automotive Center site over the Goat Hill site. First, the soils are more stable, and more easily re-graded. Second, it is closer to the main King County "campus" (Administration Building and Courthouse) and will be connected to the underground tunnel. Third, views will be less obstructed. Fourth, parking garage security will be more efficiently handled with a separate Goat Hill parking garage (public) and New Office Building parking (government employees only). These advantages, combined with the economic advantages identified in section 2.3 below, argue convincingly that the Automotive Center Site is the best site.

2.2.3 Option C: North Kingdome Parking Lot

The size and height restrictions of each lot are important factors in assessing the viability of each parcel and are particularly restrictive on the North Kingdome Parking Lot. Given the site limitations, the optimum building configuration is presented as Figure C-3. This configuration would create an L-shaped project similar in feel to the King Street Center and a Class A office building. This plan would require acquisition of property from the Public Stadium Authority (PSA), an option that is not likely, given the clear indication from the PSA that they have no intention of relinquishing any of their North Kingdome Lot property. (See Appendix C.) Even if encroachment onto PSA property were an option, development of an office building on the North Parking Lot site would be complex and expensive with undue time delays created in securing full and clear title. Additionally, significant efforts would be required to understand project's interface with the monorail plans and other transportation impacts along the east and south boundaries of the property. Items impeding development include:

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- Acquisition of property rights to consolidate sufficient land or air rights to properly size the building;
- Elimination of encumbrances against the property, particularly the need to replace about 250 parking spaces required for Seahawks Stadium;
- Mitigation of site geotechnical conditions;
- Mitigation for environmental and/or archeological conditions;
- Requirement to build parking below grade in an area with a high water table;
- Need for structural enhancements to deal with seismic stability in an area of deep fill.

2.3 Economic Attributes

Preliminary cost estimates were developed for each of the three sites. Table 1 summarizes the cost estimates for Options A and B. The North Kingdome Parking Lot site proved especially problematic in terms of the development uncertainties outlined in Section 2.2 above. Preliminary, rough cost estimates for a North Kingdome Parking Lot alternative were prepared and revealed that option would be substantially more expensive than the other two sites.

2.3.1 Brief Discussion of Option C

A brief summary of a preliminary range of estimates for the North Kingdome Parking Lot is provided below. **Notwithstanding the highly speculative nature of the development assumptions, it is currently infeasible to site an office building on the North Kingdome Parking Lot that will meet the county's requirements.** Consequently, cost estimates for the North Kingdome Parking Lot were not developed to the same level as for Options A and B. Option C estimates are provided below to demonstrate that there are cost items for that option that would not be a consideration in Options A or B. Below are extremely rough estimates related to overcoming obstacles associated with an Option C proposal, if such a proposal were feasible:

• <u>Property Acquisition/Encumbrance Elimination</u>	<u>\$7.7 million</u>
• <u>Geotechnical Mitigation</u>	<u>\$1.5 million</u>
• <u>Seismic Stabilization (Foundation)</u>	<u>\$0.5 million</u>
• <u>Below Grade Parking</u>	<u>\$1.7 million</u>
• <u>Reduced Parking Revenues (101 spaces)</u>	<u>\$3.0 million</u>
• <u>Schedule delay costs (financing impact)</u>	<u>\$2.8 million</u>

The rough estimates listed above provide the reader with an understanding of the projected additional costs associated with the North Kingdome Parking Lot proposal outlined in Option C. Not included above, but a likely additional cost, would be additional construction costs associated with construction schedule delay. The magnitude of this additional cost could be well in excess of \$3.5 million. **Clearly, even if this option were viable, it would exceed the other two options in cost.**

Property Acquisition/Encumbrance elimination: The building configuration shown in Figure C.3 would encroach onto PSA property. If the county were to acquire and utilize the encroachment area outright, it would need to secure title to approximately 21,200² square feet of property and eliminate encumbrances against that property by providing replacement parking for parking currently on the property. We estimate that total cost at a minimum of \$1,500,000. If the PSA is unwilling to sell, as they have indicated (according to representatives of the PSA, this acquisition may be a prohibited by their originating legislation (see Appendix C)).

Any development on the North Parking Lot site would require the construction of replacement parking for 250 or more parking stalls. Construction costs are currently estimated at \$6.2 million.

Mitigation for Unknown Site Conditions (Geotechnical, Environmental, Archeological): The budget for the project would have added costs and would need a substantial contingency to cover unknown soils conditions. Our experience during construction of the King Street Center tells us that this area has substantial landfill and a long history of varied uses that normally require a fairly high contingent amount to cover unknowns found during excavation. In order to construct an underground garage in this location, dewatering is required which is a delicate and expensive operation. The status of surrounding buildings would need to be continually monitored at added cost and appropriate mitigation paid if neighboring buildings showed any signs of damage during construction. Add-on costs and contingencies are estimated at \$1.5 million.

Below Grade Parking: The cost for constructing the parking component of the building is substantially higher than the other two sites because one deck of parking would be below grade in an area of fill with a high water table. These added costs, when compared to the cost of parking at the other sites being considered, is estimated at almost \$1.7 million.

Parking Revenue Loss: The adopted pro-forma (and Options A and B) included 250 net additional parking spaces with income value of \$30,000 each. This proposal has only 149 spaces, resulting in a revenue loss of \$3,000,000.

Seismic Stabilization (Foundation): Soil conditions at the site would require add on costs to ensure that future seismic events would not result in

² The estimated building footprint of the encroachment would be 12,500 square feet. This estimate assumes the full lot width and that there would be no parking available to the PSA in the office building courtyard.

costly repairs of superficial damage. The site conditions lend themselves to partial liquefaction and higher than average ground movement during earthquakes. These conditions can be mitigated by increased foundation work, but at a price currently estimated at around \$500,000.

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Delay Costs - Financing: A development on the North Parking Lot will delay the delivery of a new office building by at least one year. Currently, the interest risk associated with a one-year delay would cost about \$2.8 million to eliminate.

A proposal for a variation of Option C was developed by Vulcan. This concept would limit the footprint of the New County Office Building to the North half of the North Kingdome Parking Lot, thereby not encroaching on the PSA parking lot. The concept would be a five-story building, with a portion of the top three stories extending into airspace above the PSA property. The block diagram for this proposal did not indicate support columns on the PSA property. However, from a structural design standpoint, such supports would be necessary, creating an encroachment onto PSA property. The block diagram of the building does not meet the county's programmatic requirements for the following reasons:

- The cantilever concept for the top three floors is not "constructable." Vertical columns at the south perimeter of the building will be necessary, causing an encroachment onto PSA property and probably some loss of parking.
- The North Lot is part of the Pioneer Square historic district, and it will be difficult to design this configuration in a compatible architectural style.
- It lacks the "view value" of Options A and B. This reduces its relative market value.
- Floor to floor heights are 13 feet-8 inches. This is much too low for floorplates of 51,000 +/- square feet. Such a building would be highly compromised. It would result in a very negative environment for occupants and would greatly diminish its market value.
- Security issues (such as truck bombs under the overhang).
- It would be expensive and perhaps risky to construct underground parking at this site considering the water table and historic environmental issues. It would be particularly expensive and difficult, if not impossible, to accommodate the 250 parking spaces required in the pro-forma.
- There would be likely delays of construction as development issues are negotiated (legal, land use, neighborhood, historic, PSA parking mitigation, transportation (monorail, WSDOT, Sound Transit, SeaTran, bus layovers), etc.)

Due to site disadvantages, preliminary economics, and development infeasibility of the North Kingdome Parking Lot, further refinements of cost estimates were not done. **Of course, if a proposal were to arise that meets the county's needs, overcomes site disadvantages, and is priced competitively with the other two options, the Executive would consider the proposal.**

2.3.2 Comparison of Options A and B

The economic comparisons between the Goat Hill option (Option A) and the Automotive Center Site (Option B) demonstrate that the Automotive Center Site is superior. The added property value and savings that result from replacing an aging, outdated, and inefficient parking structure far outweigh the added construction costs associated with a two building project. Additional investment to make the existing parking garage safety compliant would require vehicle restraint walls at a cost of approximately \$1.7 million. An aesthetic and architectural enhancement of the existing to blend the existing parking facility with the new office building is approximately \$2.5 million. The total of these items, \$4.2 million, is an approximation of the construction cost differential between the two sites.

Another consideration in providing an "apples to apples" comparison between Options A and B is the fact that the aging parking facility would require significant major maintenance work to be compared on an equivalent value level with the new garage provided in Option B. To provide a reasonable "apples to apples" adjustment, FMD totaled the major maintenance project budgets included in the six-year Major Maintenance Reserve Fund plan. This resulted in a conservative \$2.4 million adjustment for comparative purposes. Future total Major Maintenance Replacement Fund revenues might be less than forecast in the current MMRF financial plan, nevertheless the elimination of the need for the \$2.4 million is recognized as a true savings for comparison purposes. The actual major maintenance need goes away.

More efficient configuration of parking spaces identified in Option B should provide greater parking revenue potential than the Goat Hill option. Finally, this alternative will provide more flexibility with regard to the number of parking spaces ultimately constructed and the revenue to be generated by those spaces.

Another economic difference between Options A and B is the \$10 million value ascribed to the 'development capacity' of that site to accommodate a 261,000 SF building. Alternative B doesn't use the Goat Hill site for that development; rather, it creates that value through redevelopment of the Automotive Center site to its full potential, while saving Goat Hill for future development potential. In no way will the remaining development value of the Goat Hill site be reduced by Option B. In fact, the replacement of somewhat low quality surface parking with higher value structured parking and other required site investments that are inherent in the Option B cost estimates will likely decrease the costs of future development, and increase

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the overall value and parking revenue potential of the property. A recap of these two options compared to the initial pro-forma is as follows:

Table 1. Economic Comparisons to Original Pro-forma

Cost Element	Original Pro-forma	Option A Goat Hill Site	Option B Garage Site
Entitlements and Utilities	\$ 865,000	\$ 865,000	\$ 983,000
Shell and Core Architecture	1,331,000	1,331,000	1,720,000
Shell and Core Engineering	898,000	898,000	1,197,000
Shell and Core Construction	43,446,500	39,457,000	46,423,540
Tenant Improvements	14,331,500	14,331,500	16,351,500
Misc Dev			
Costs/Fees/Contingencies	9,293,710	9,253,815	10,290,030
Total Development	\$70,165,710	\$66,136,315	\$76,965,070
Land	10,000,000	10,000,000	10,000,000
Land Value Escalation – Highest and Best Use			(10,000,000)
Financing	2,500,000	2,900,000	2,900,000
Net Capitalized Interest	6,312,987	6,326,422	5,871,941
Adjustment for KCCF Safety and Architectural Modifications		4,200,000	
Eliminated Major Maintenance Requirements			(2,400,000)
Total Cost of Project	\$88,978,697	\$89,562,737*	\$83,337,011*
Difference from Pro-Forma		584,040	(5,641,686)
Difference from A.4			(6,225,726)

* Assume specialty adds paid from internal service or enterprise funds.

2.4 Table 2: Comparison of Programmatic Attributes

Option A: Goat Hill	Option B: Parking Garage	Option C: North Kingdome Parking Lot
Second closest to other core buildings	Closest to core buildings	Only adjacent to King Street Center.
Good adjacencies to tenant functions	Best adjacencies to tenant functions	Poor adjacencies to tenant functions
Sized to meet tenant agencies' 10-year needs	Sized to meet tenant agencies' 10-year needs	Likely not sized to meet tenant agencies' 10-year needs
No covered entry to other core buildings	Covered entry to other core buildings	No covered entry to other core buildings
Uses part of growth capacity on Goat Hill	Preserves growth capacity on Goat Hill	Preserves growth capacity on Goat Hill
Fastest building delivery date by 6 months	Second fastest delivery date	Uncertain delivery date
Does not deal with current garage inefficiencies or major maintenance requirements	Deals with current garage inefficiencies, code compliance, aesthetics and eliminates major maintenance requirements	Does not deal with garage inefficiencies, garage code compliance, garage aesthetics or garage major maintenance
Floors highly efficient for a multiple agency building	Floors highly efficient for a multiple agency building	Large floor plates proving somewhat inefficient for multiple agency building, particularly with the blocking provided by an independent developer
Positive working environment with good natural lighting, efficient traffic patterns, and worker friendly work layouts	Positive working environment with good natural lighting, efficient traffic patterns, and worker friendly work layouts	Option C provides fair working environment with adequate lighting, efficient traffic patterns for single tenant floors and opportunity for friendly work layouts. (Unsolicited developer-provided layout provides poor working environment with questionable natural lighting in places, low ceiling heights for the size of the floors, questionable traffic efficiencies for multiple tenant floors and some low quality working layouts).
Excellent public transportation	Excellent public transportation	Transportation hub – Good public transportation
Adjacent public parking creates some security issues	Configuration lends itself to good security	Proximity to large public parking areas, including off-hours parking, creates significant security issues.

125 Recommendation

It is the Executive's recommendation to move forward with the New County Office Building plan to construct an office building on the King County Automotive Center site, and to provide structured parking on the Goat Hill. The total cost of this proposal is consistent with the original pro-forma included in the New County Office Building Project Plan.

It is apparent from the analysis that development of Option B on the King County Automotive Center site is the best option. The Automotive Center is close to the current campus, physically connected to the Administration Building and Courthouse via tunnels, and the least problematic site in terms of soil conditions and development requirements. It is also the best economic choice. Developing the Automotive Center site as proposed also includes improvements on the Goat Hill site. When constructing the parking garage on the Goat Hill Site, it will have the benefit of improving the site for potential future development (such as future correctional facility or jail health expansion).

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Section 3

Next Steps

The FMD team is moving forward according to the project plan for the New County Office Building, as set forth in the first New County Office Building Proviso Response sent to Council on January 30, 2003. It is understood from meetings between FMD and council staff that Council cannot possibly adhere to the timelines set forth in the plan for council review and approval of specific items in the plan. It should be noted that the Council review and approval schedule set forth in the New County Office Building Project Plan was necessitated by funding restrictions in the proviso language. If FMD is to move forward and adhere to the scheduling commitments made to council, and upon which the project financing plan was based, there will need to be some revision of the original expenditure restriction language in the proviso.

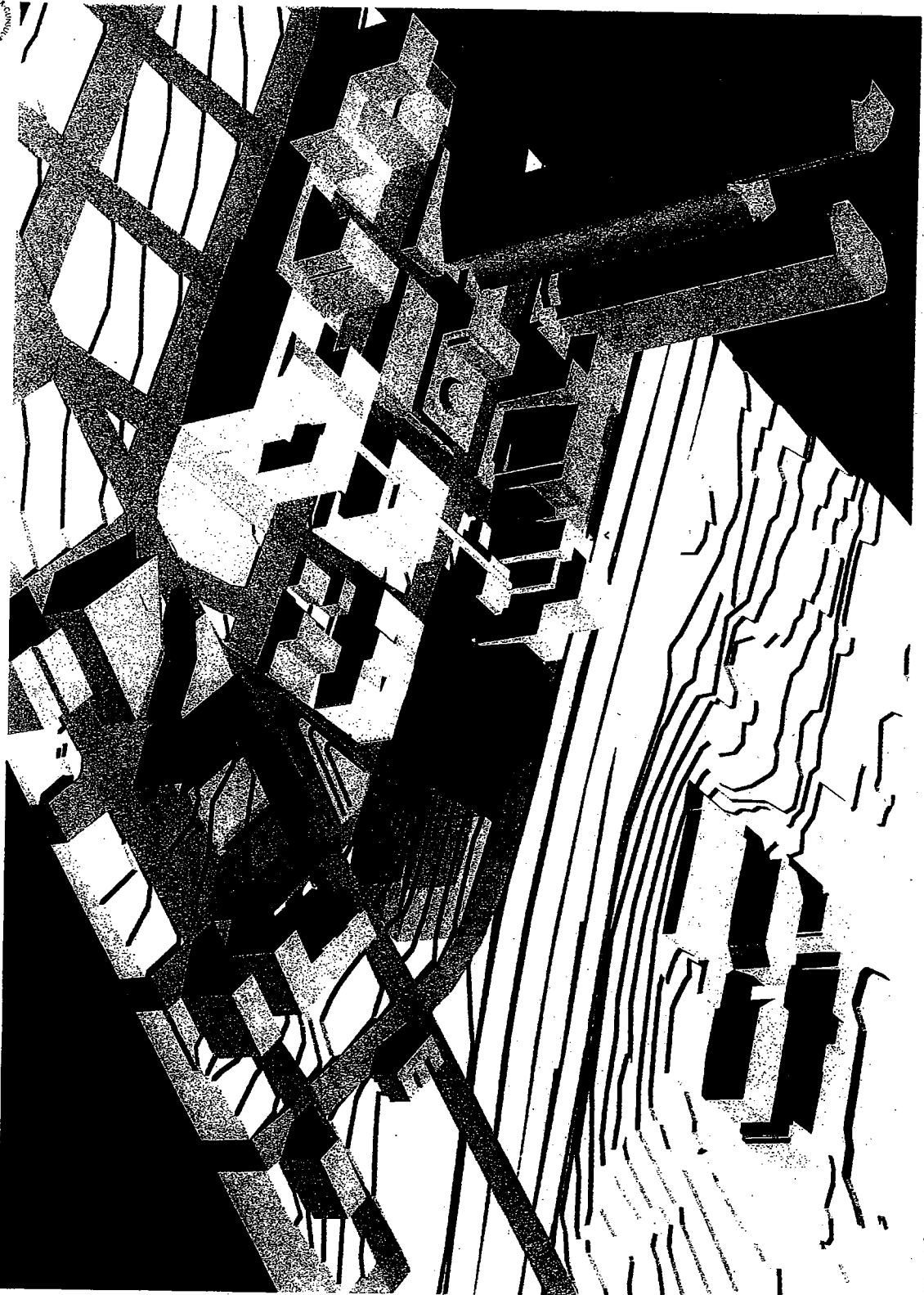
3.1 Required Council Action

On February 26, 2004, the executive transmitted to council an ordinance revising the expenditure restrictions in the provisos to Ordinance 14812. If council approves this (or similar) language, it would allow council adequate review time to consider each of the items set forth in the proviso, and would also allow FMD to adhere to the project schedule. Adherence to the schedule is important due to the significant costs associated with delays.

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OPTION A

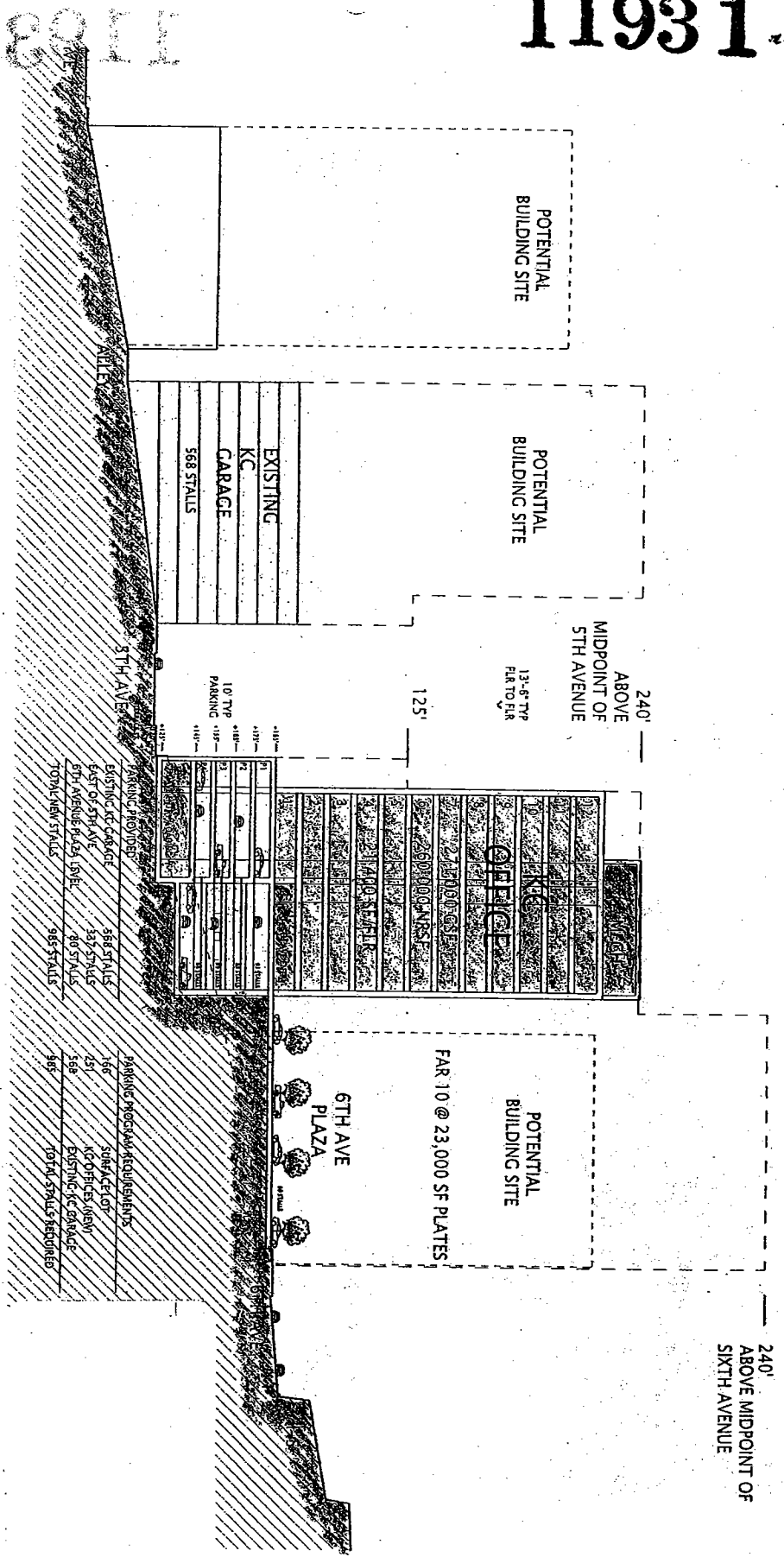
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FIGURE A.1
Goat Hill Site

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FIGURE A2
Goat Hill Site



GENERAL ASSUMPTIONS:
 SITE AREA (WEST OF 5TH AVENUE, 236' X 240')
 ALLOWABLE MAXIMUM FAR (61,440 SF x 1.0 FAR)
 OFFICE GROSS SQUARE FOOTAGE REQUIRED

FAR CALCULATIONS

271,000 CSF	61,440 SF
+106,240 CSF	614,400 SF
377,240 CSF	271,000 SF
0	
-9,485 SF	
-88,775 SF	
278,960 SF	

OFFICE
 PARKING (5 FLOORS @ 28,800 SF EA.)
 TOTAL GROSS SQUARE FOOTAGE
 MECHANICAL (3.5% OF 271,000 SF)
 KC HHS (98% EFFICIENCY OF 87,000 SF)
 TOTAL PROPOSED FAR

PARKING CALCULATIONS

266,000 SF	(CSF LESS 5,000 SF MECH)
x 67 STALLS / 1,000 SF	MIN. REQ. PER CODE
179 STALLS	SUBTOTAL
-27 STALLS	(15% REDUCTION W/ TRANSIT PASSES)
152 STALLS	REQUIRED STALLS FOR NEW KC OFFICE BUILDING

EXISTING KC GARAGE
 EAST OF 5TH AVE
 5TH AVENUE PLAZA (SHE)
 TOTAL NEW STALLS

PARKING PROGRAM REQUIREMENTS

166	SUM OF EXISTING KC OFFICES (NEW)
451	EXISTING KC GARAGE
568	TOTAL STALLS REQUIRED
955	TOTAL STALLS REQUIRED

SECTION

0 25 50 100

2/24/04

FAR AVAILABLE FOR FUTURE PROJECT 335,460 SF

TOTAL FAR USED 278,960 SF

TOTAL PROPOSED FAR 278,960 SF

EXEMPT FROM FAR CALCULATION

REQUIRED STALLS FOR NEW KC OFFICE BUILDING

2/24/04

ZIMMER CLUNSIL FRANK PARTNERSHIP
 ZCF
 ARCHITECTS

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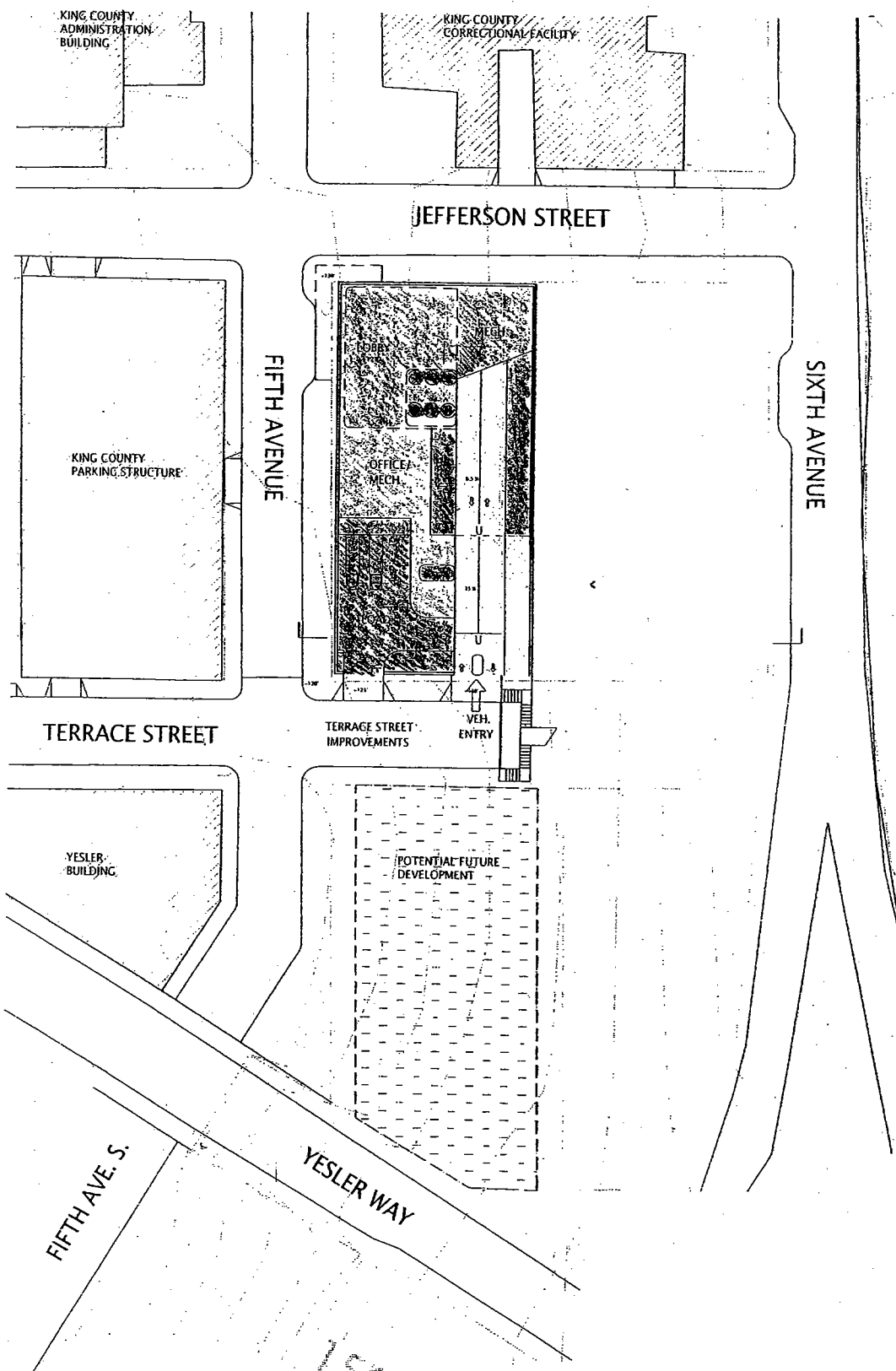
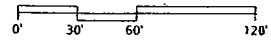


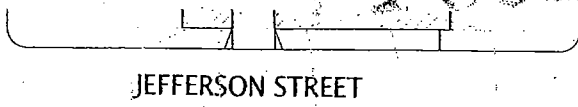
FIGURE A3
Goat Hill Site



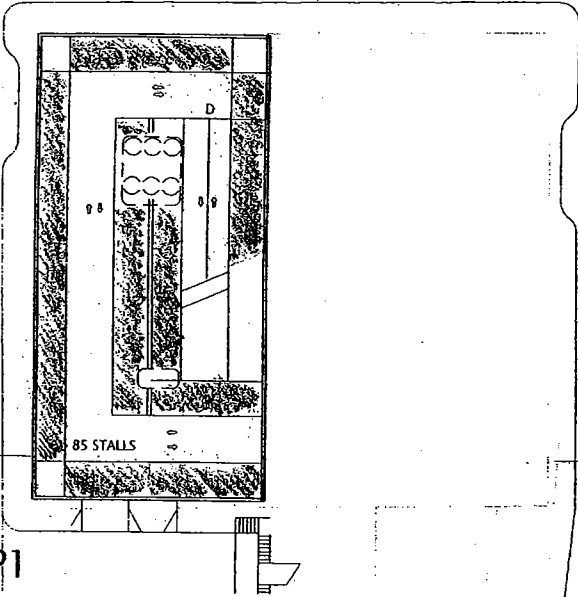
FIFTH AVENUE LEVEL - EL. +125'-0" to EL. +135'-0"



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JEFFERSON STREET

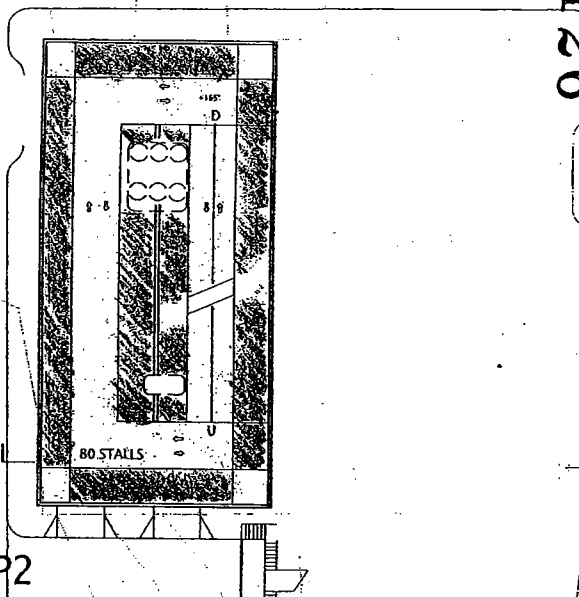


P1

EL +175'-0"



JEFFERSON STREET

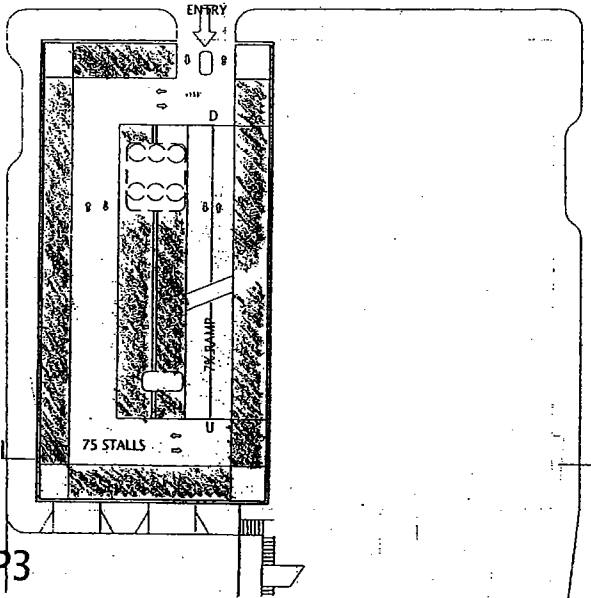


P2

EL +165'-0"

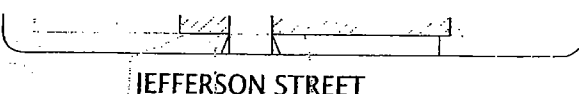


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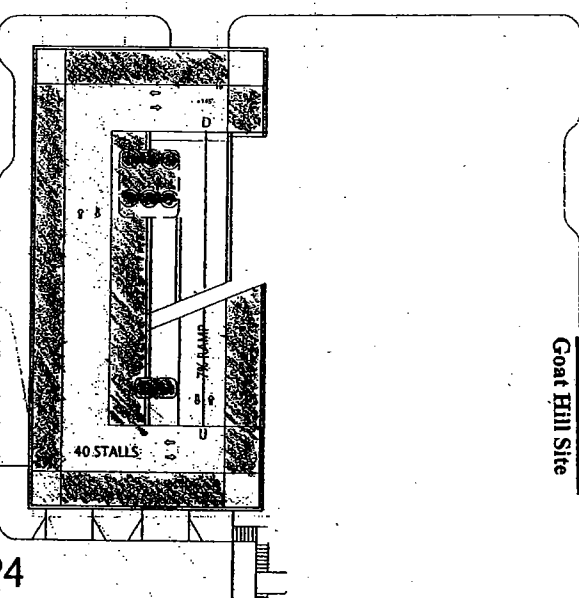


P3

EL +155'-0"



JEFFERSON STREET



P4

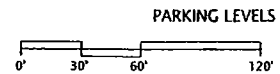
EL +145'-0"

166 STALLS - EXISTING SURFACE KC LOT
152 STALLS - NEW KC OFFICE BUILDING

318 TOTAL STALLS REQUIRED

TOTAL NEW PARKING STALLS (LEVELS P1-P4) = 280 STALLS

FIGURE A4
Goat Hill Site



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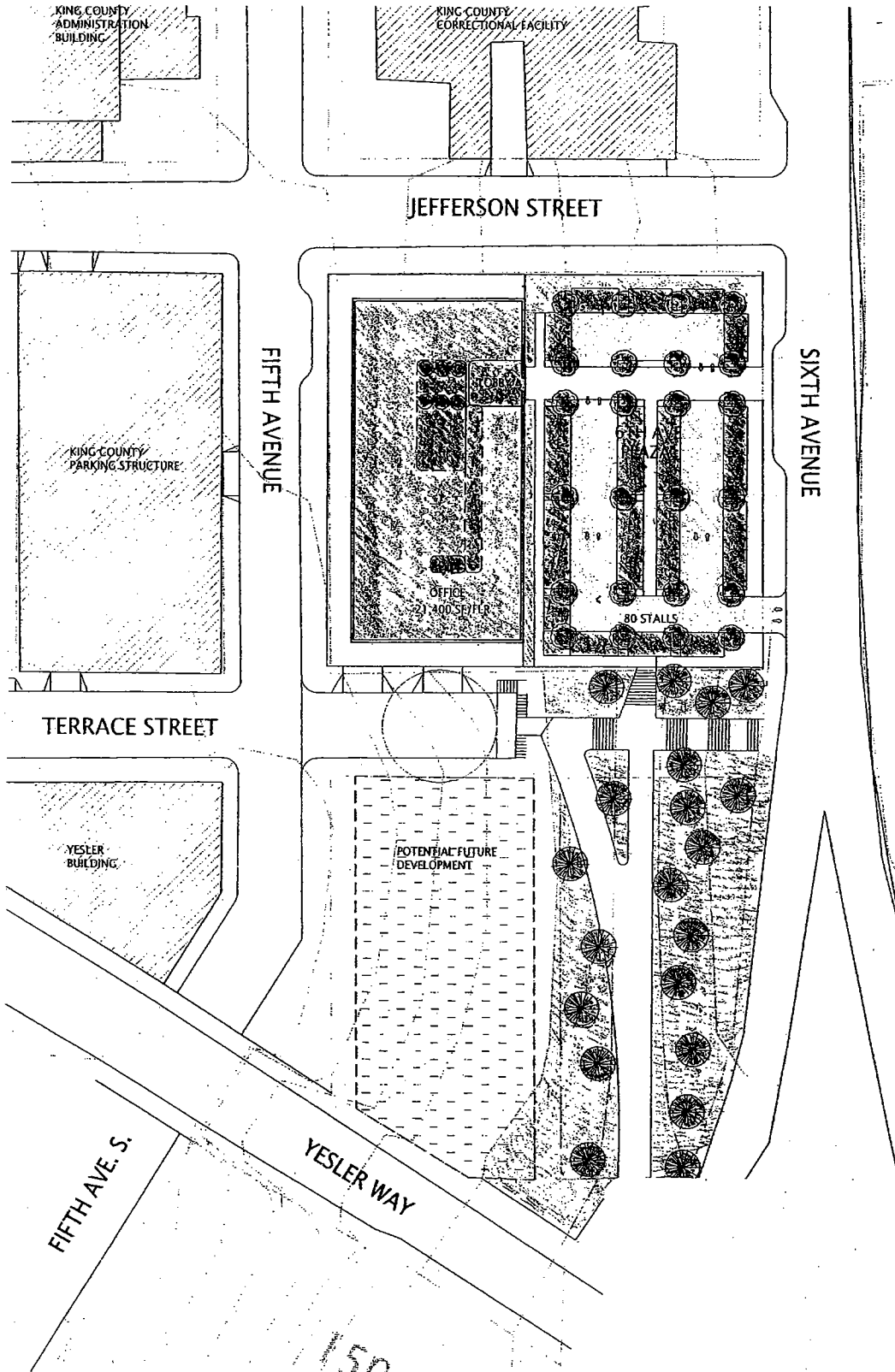
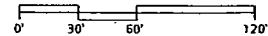


FIGURE A.5
Goat Hill Site



SIXTH AVENUE LEVEL - EL +185'-0"



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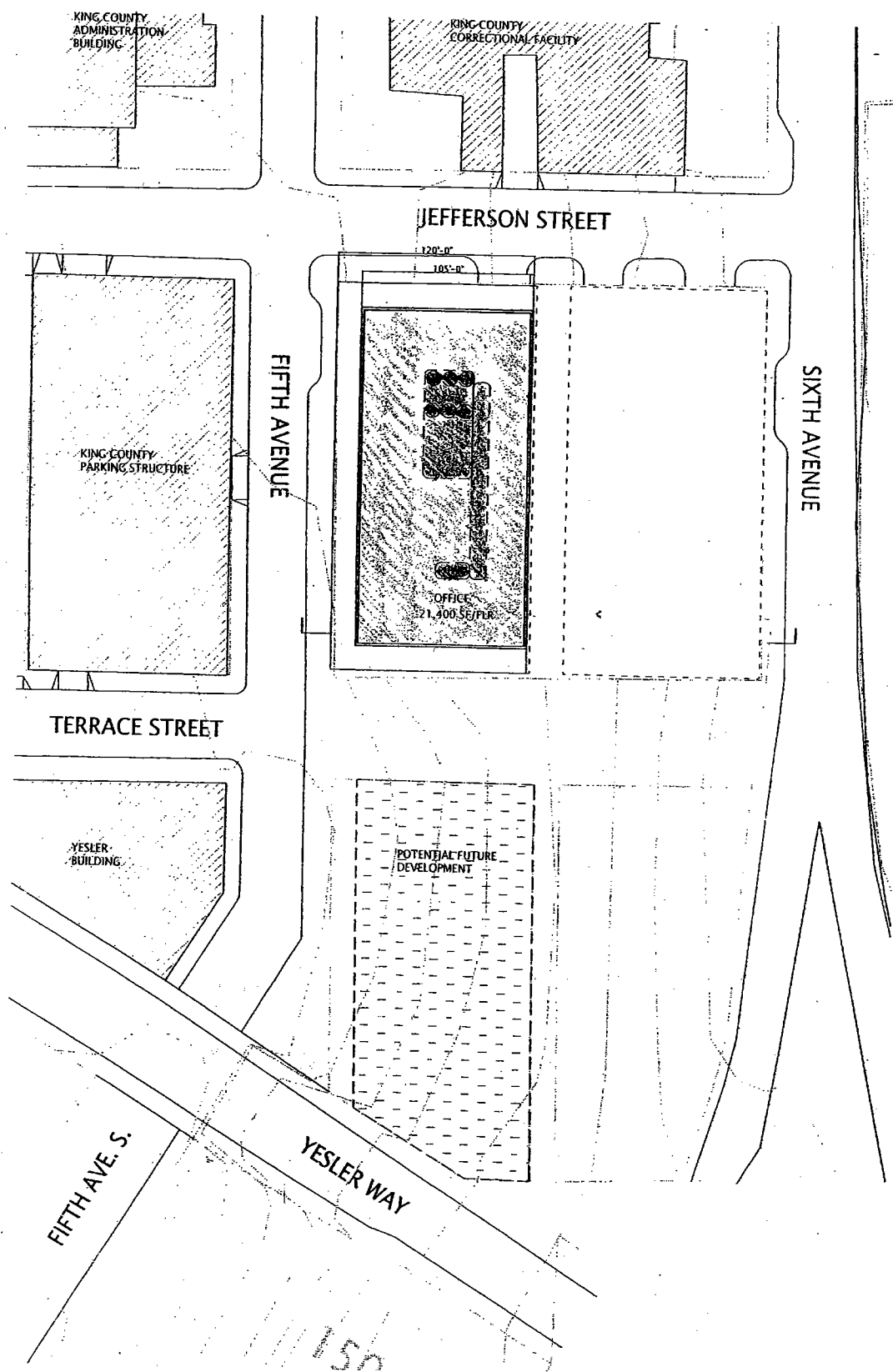
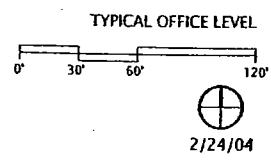


FIGURE A.6
Goat Hill Site



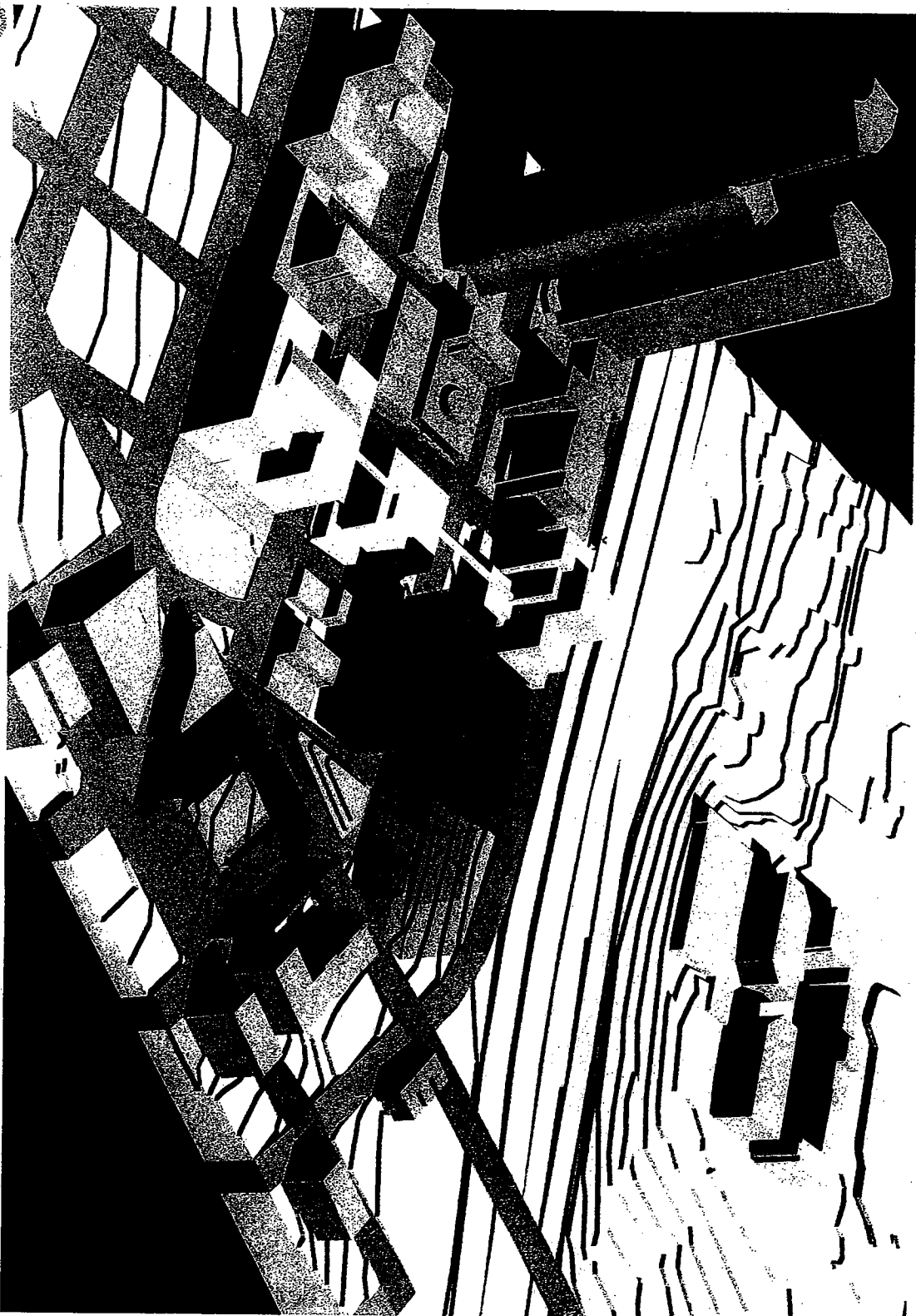
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OPTION B

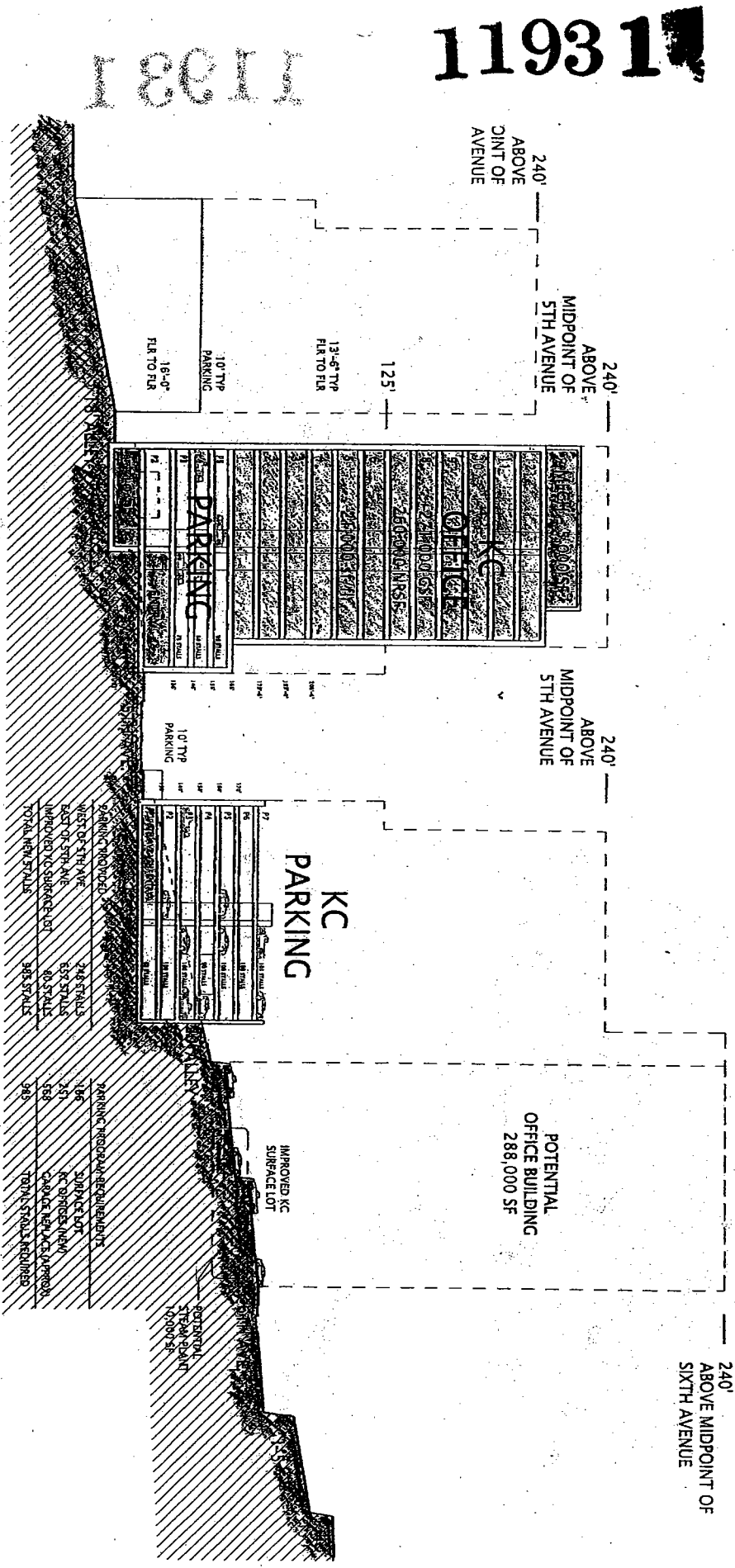


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FIGURE B1
King County
Garage Site

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FIGURE B.2
King County
Garage Site



GENERAL ASSUMPTIONS:
SITE AREA (WEST OF 5TH AVENUE, 120' X 240') 28,800 SF
ALLOWABLE MAXIMUM FAR (28,800 SF X 1.0 FAR) 288,000 SF
OFFICE GROSS SQUARE FOOTAGE REQUIRED 271,000 SF

FAR CALCULATIONS

OFFICE	271,000 GSF
PARKING (4.5 FLOORS @ 28,800 SF EA.)	+129,600 GSF
TOTAL GROSS SQUARE FOOTAGE	400,600 GSF
1/2 FLOOR BELOW GRADE	-14,400 SF
MECHANICAL (3.5% OF 271,000 SF)	-9,485 SF
KC HHS (98% EFFICIENCY OF 87,000 SF)	-88,775 SF
TOTAL PROPOSED FAR	287,940 SF

EXEMPT FROM FAR CALCULATION

PARKING CALCULATIONS

266,000 SF (GSF LESS 5,000 SF ARCH)	MINI. REQ'D BY CODE
4,677 STALLS/1,000 SF	SUBTOTAL
179 STALLS	-22 STALLS (1.5% REDUCTION W/TRANSIT PASSES)
157 STALLS	REQUIRED STALLS FOR NEW KC OFFICE BUILDING



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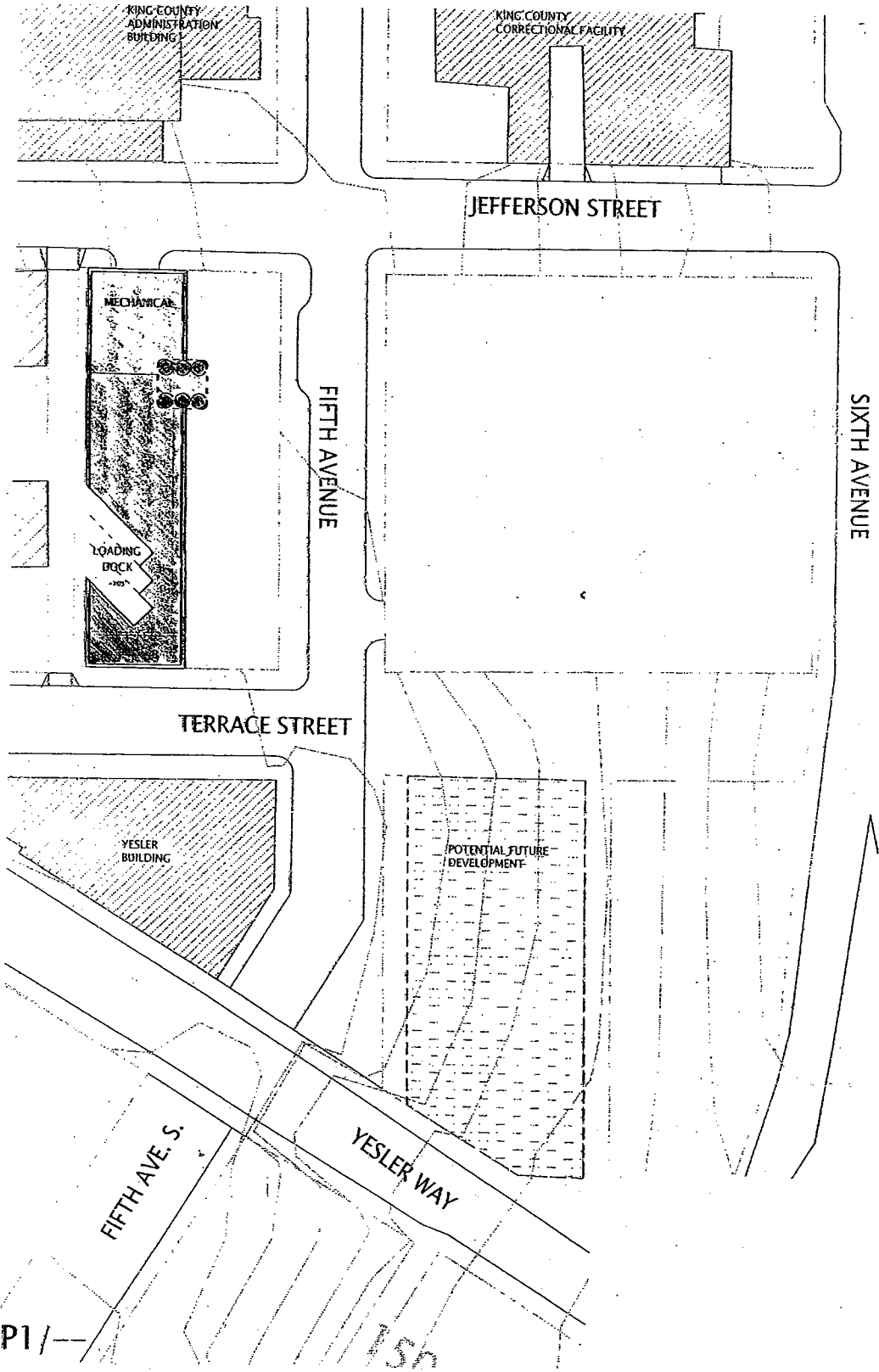
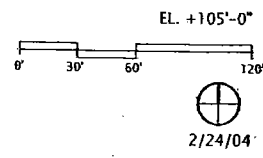


FIGURE B.3
King County
Garage Site



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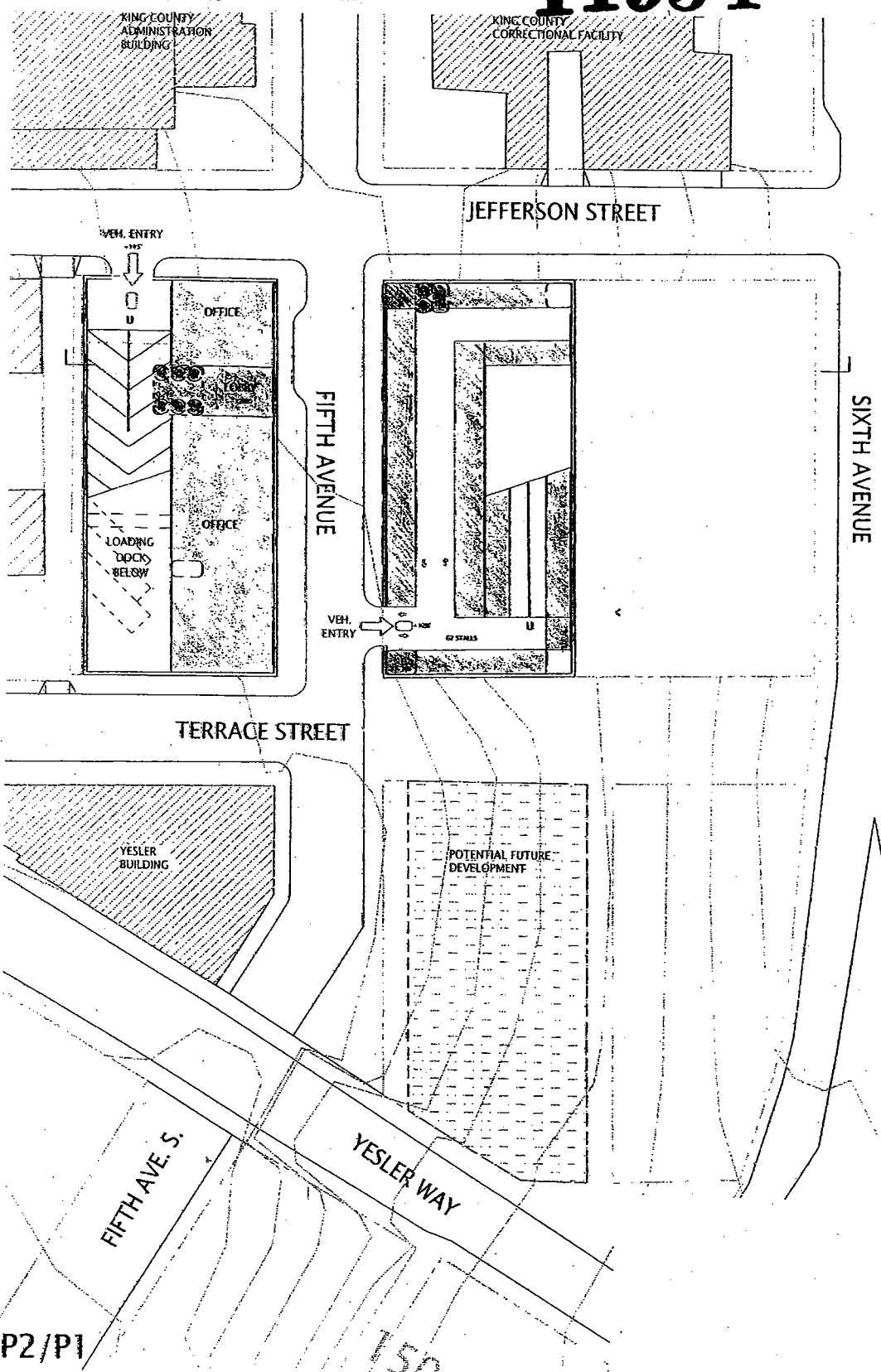
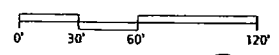


FIGURE B4
King County
Garage Site



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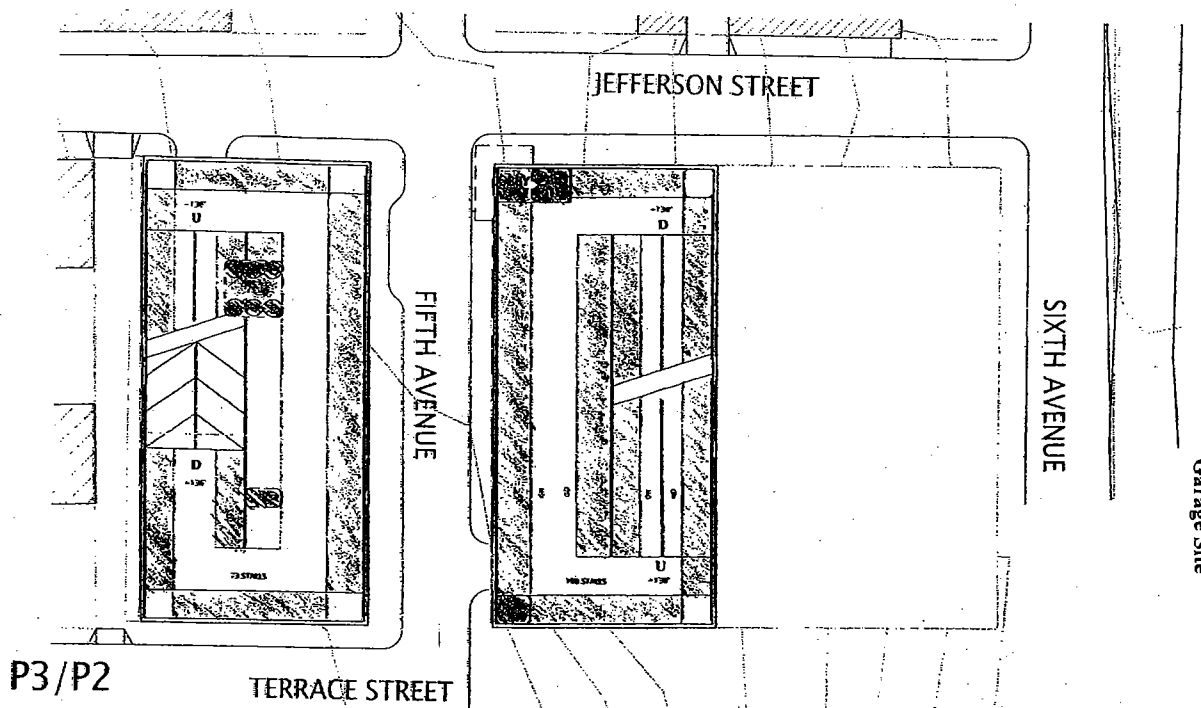
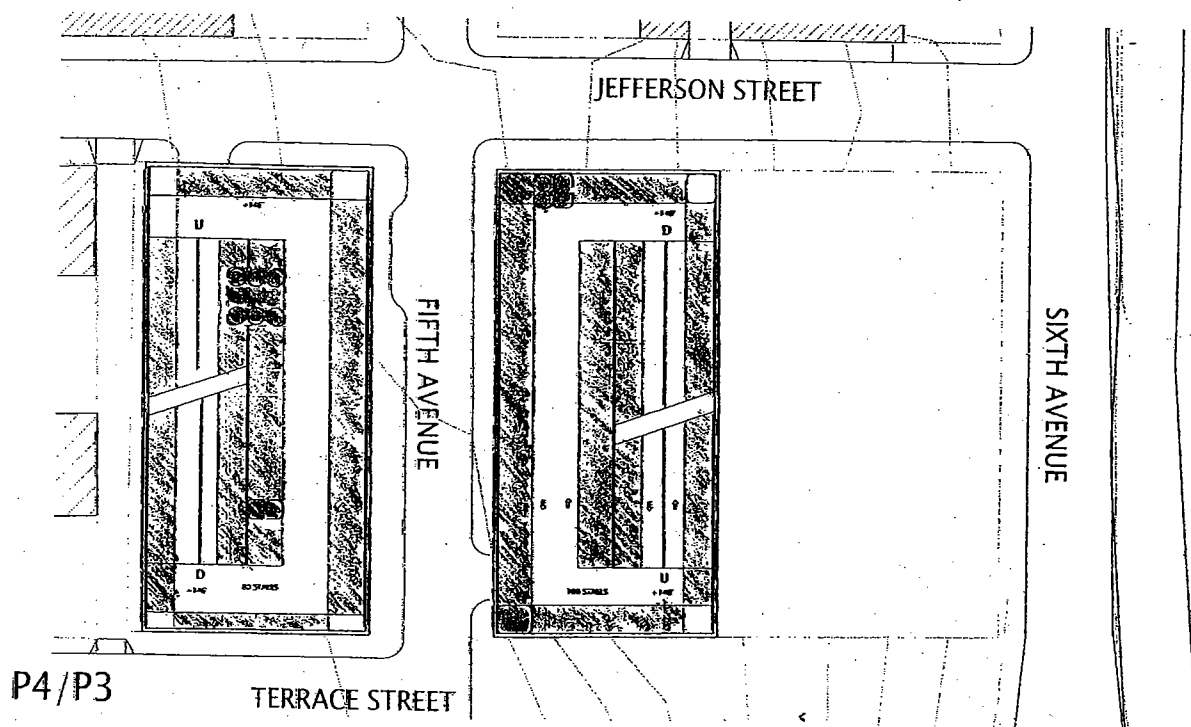
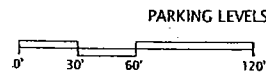


FIGURE B5
King County
Garage Site

366 STALLS - EXISTING SURFACE KC LOT
 152 STALLS - NEW KC OFFICE BUILDING
 568 STALLS - EXISTING KC PARKING STRUCTURE

886 TOTAL STALLS REQUIRED

TOTAL STALLS WEST OF 5TH AVE = 248 STALLS
 TOTAL STALLS EAST OF 5TH AVE = 558 STALLS + 80 SURFACE STALLS
 TOTAL NEW STALLS PROVIDED = 886 STALLS



2/24/04

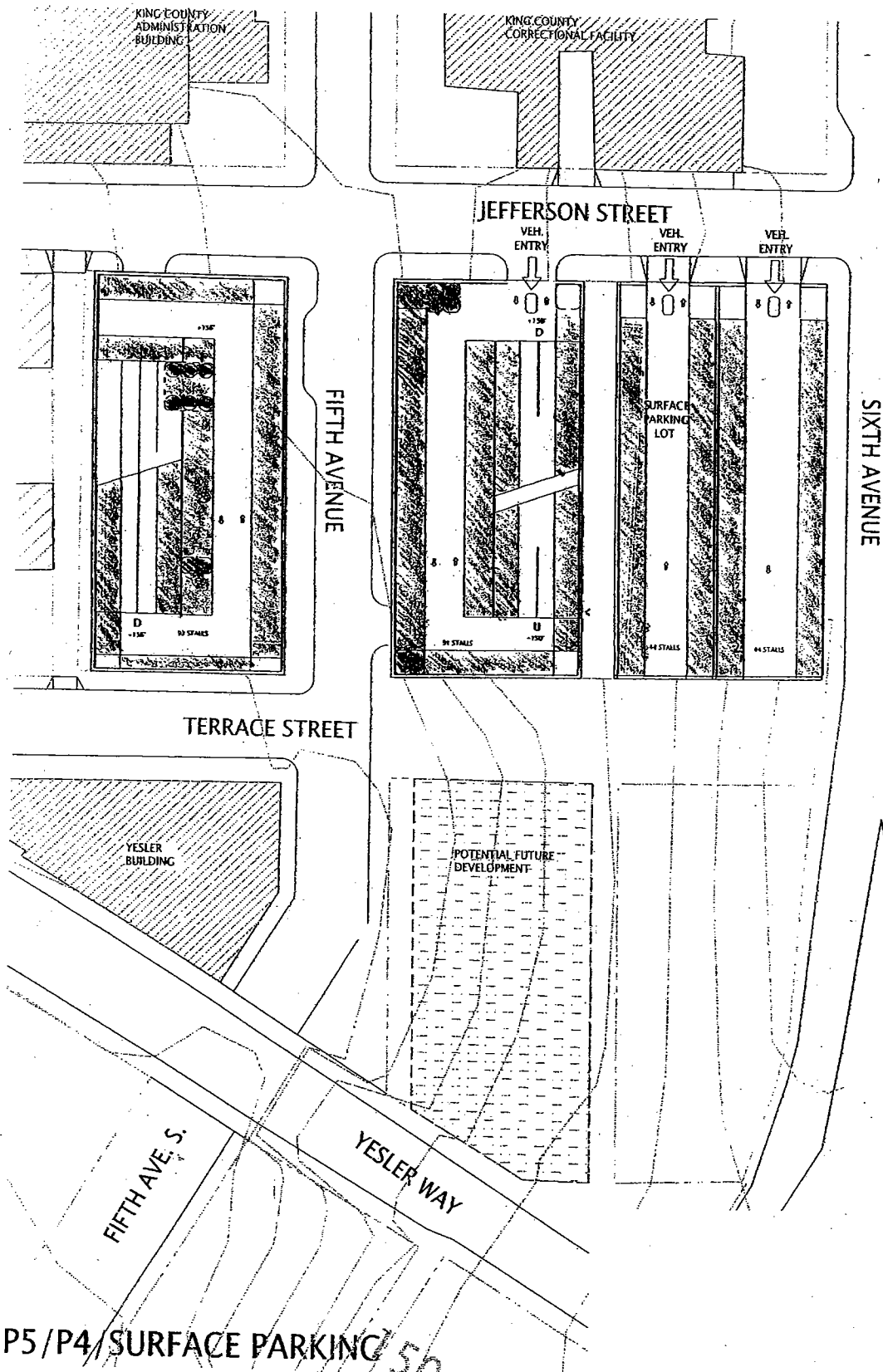
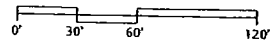


FIGURE B6
King County
Garage Site

P5/P4/SURFACE PARKING 5b



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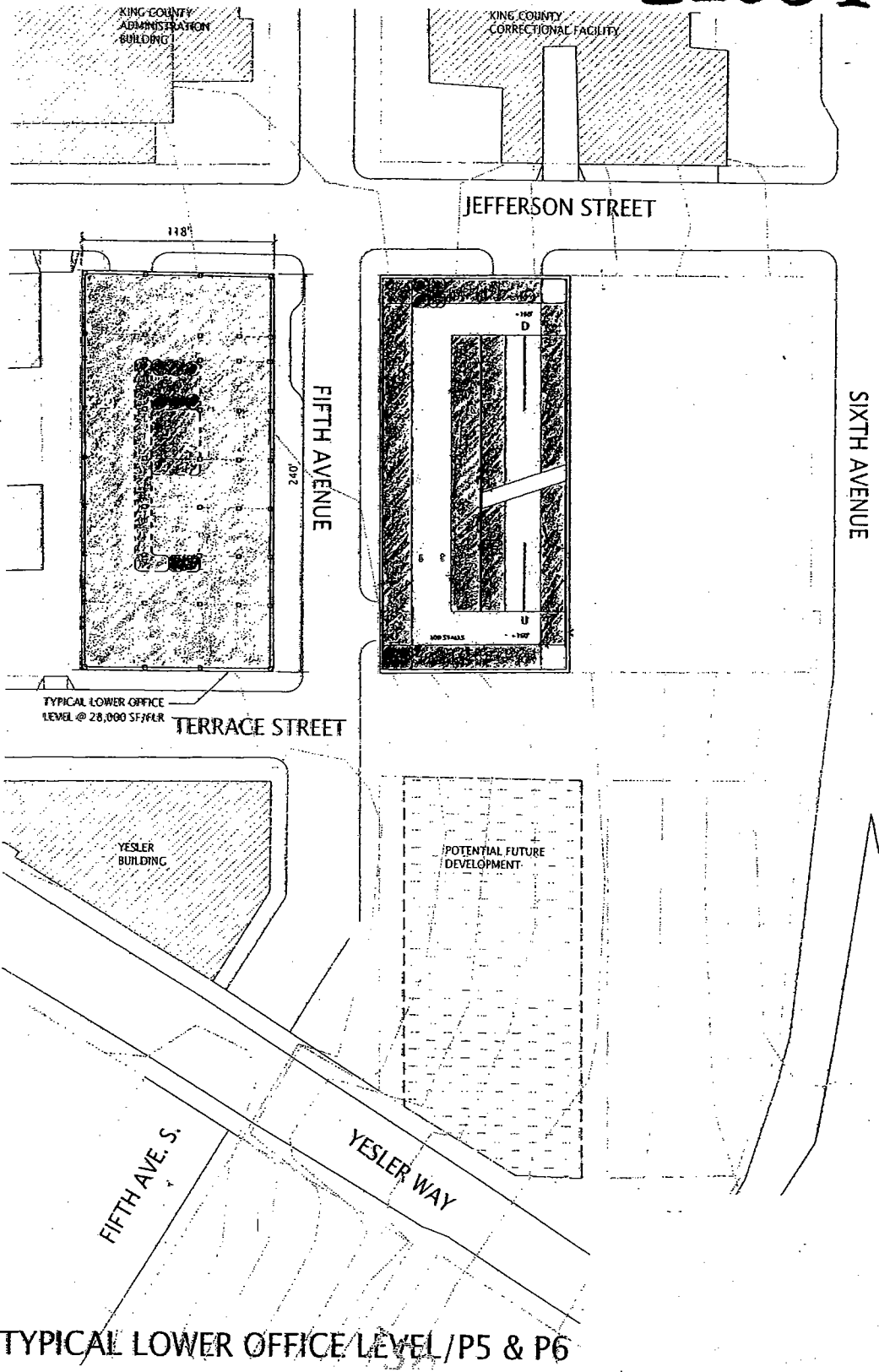
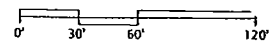


FIGURE B.7
King County
Garage Site

TYPICAL LOWER OFFICE LEVEL/P5 & P6



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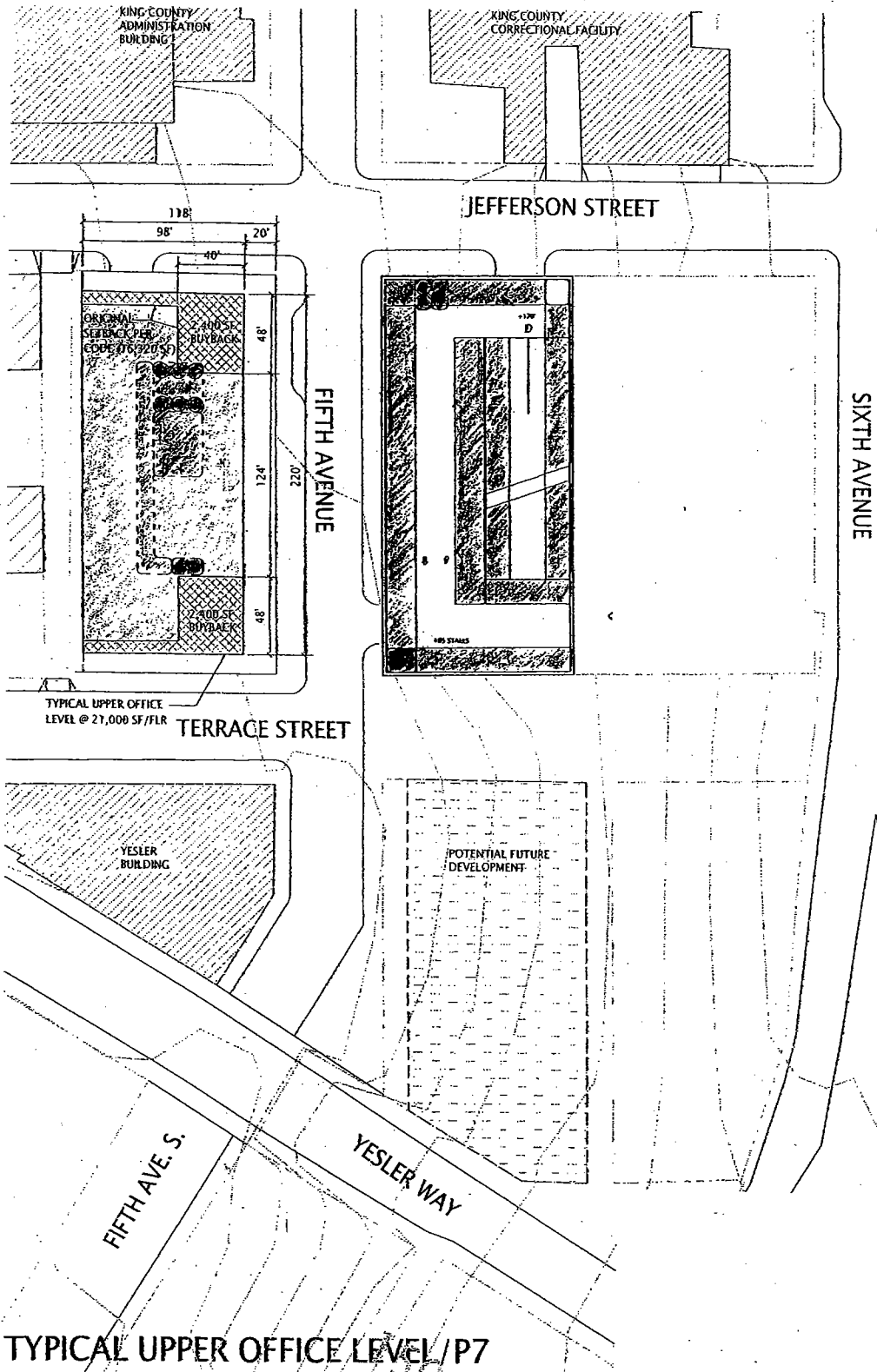
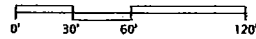


FIGURE B.8
King County
Garage Site

TYPICAL UPPER OFFICE LEVEL / P7

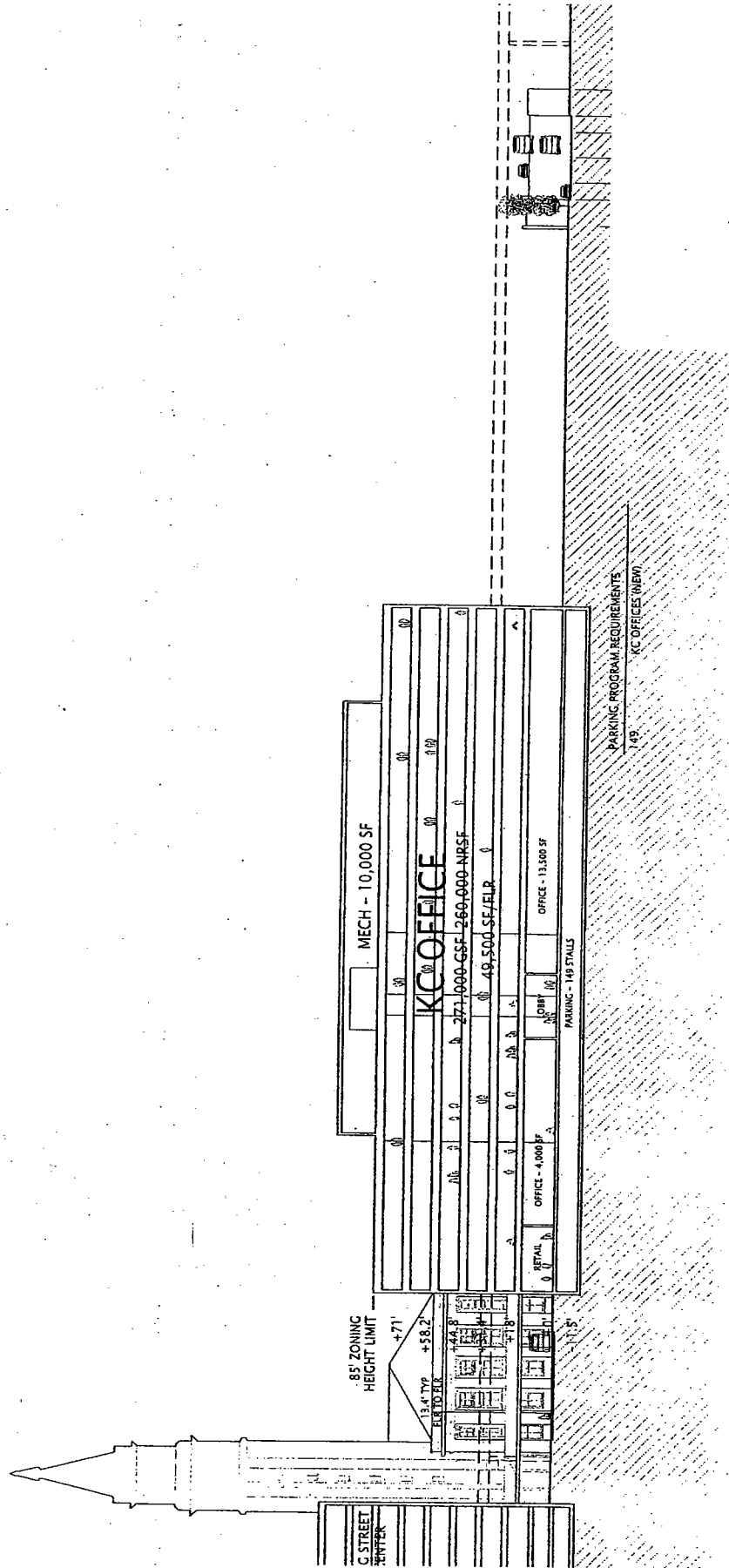


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FIGURE C.1
North Kingdome
Parking Lot

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GENERAL ASSUMPTIONS:

KC LOT (240' x 200')
WELLER STREET BRIDGE EASEMENT (40' x 200')
PSA LOT (235' x 200')
TOTAL SITE AREA
KC GROSS OFFICE SQUARE FOOTAGE

PARKING CALCULATIONS

48,000 SF (GSF LESS 10,000 SF MECH)
8,000 SF ALLOWABLE PER CODE
47,000 SF SUBTOTAL
103,000 SF (15% REDUCTION W/TRANSIT PASSES)
271,000 SF REQUIRED STALLS FOR NEW KC OFFICE BUILDING

OFFICE FLOOR AREAS

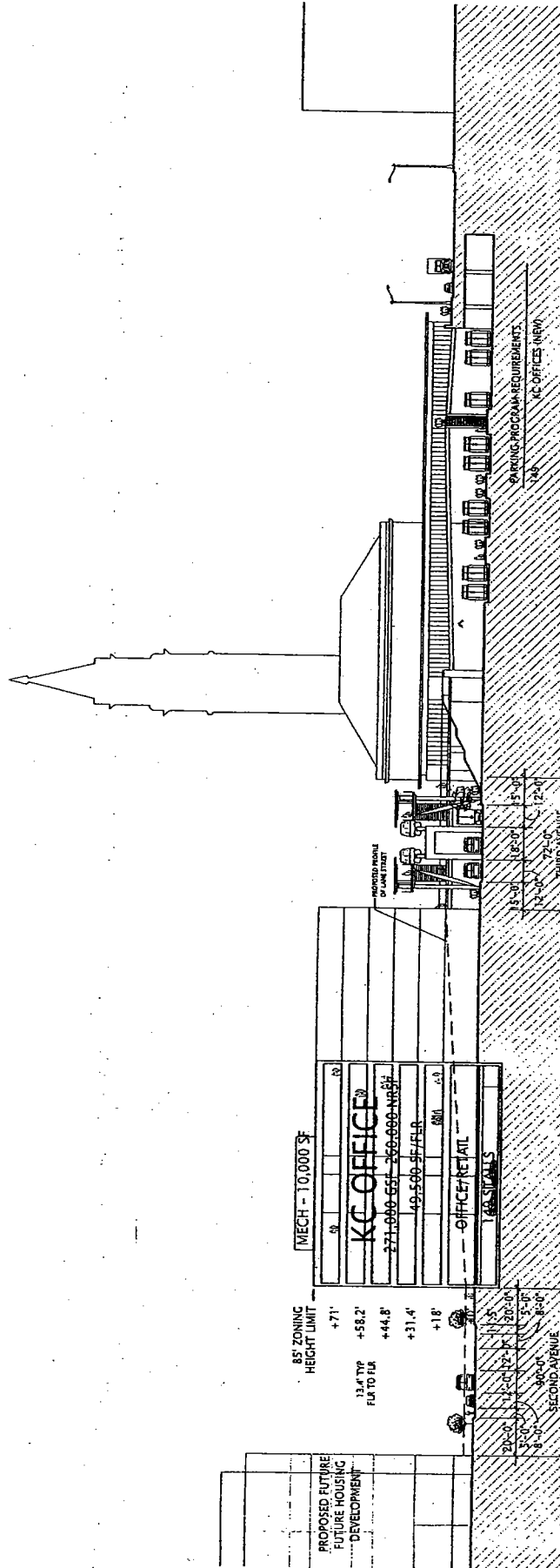
10,000 SF MECHANICAL (25% OF ROOF)
12,600 SF GROUND FLOOR OFFICE/LOADING
49,500 SF EA FIVE OFFICE LEVELS
271,000 SF TOTAL ASSUMED OFFICE GSF

2/13/04



2004-126

FIGURE C.2
North Kingdome
Parking Lot



GENERAL ASSUMPTIONS:
 KC LOT (240' x 200')
 WELLER STREET BRIDGE EASEMENT (40' x 200')
 PSA LOT (235' x 200')
 TOTAL SITE AREA
 KC GROSS OFFICE SQUARE FOOTAGE

PARKING CALCULATIONS
 261,000 SF (GSF LESS 10,000 SF MECH)
 X .67 STALLS / 1000 SF ALLOWABLE PER CODE
 175 STALLS SUBTOTAL
 -26 STALLS (15% REDUCTION W/TRANSIT PASSES)
 149 STALLS REQUIRED STALLS FOR NEW KC OFFICE BUILDING

OFFICE FLOOR AREAS
 10,000 SF MECHANICAL (25% OF ROOF)
 12,600 SF GROUND FLOOR OFFICE/LOADING
 49,500 SF EA FIVE OFFICE LEVELS
 271,000 SF TOTAL ASSUMED OFFICE GSF

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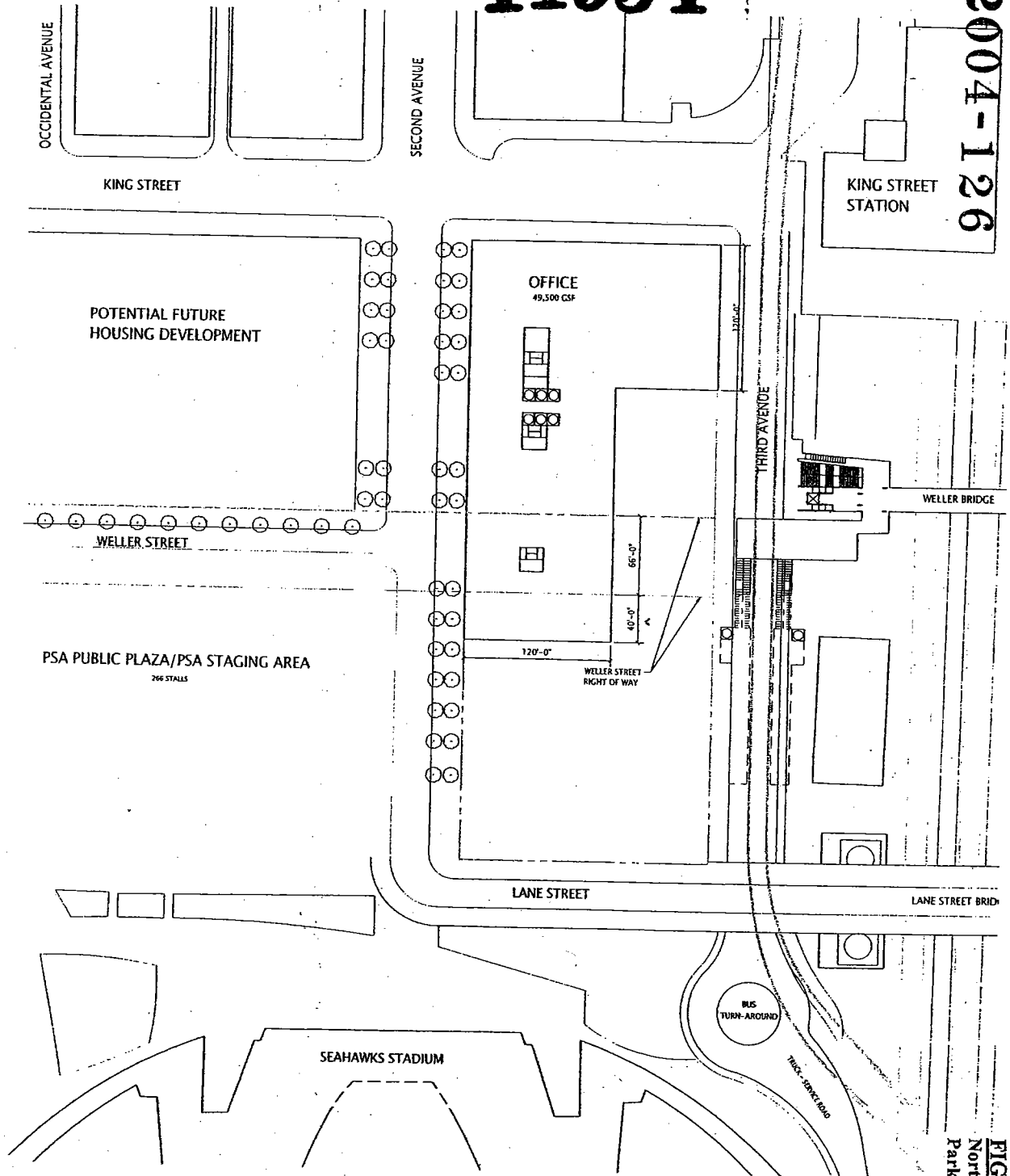
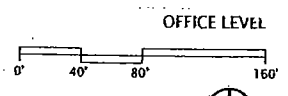


FIGURE C.3
North Kingdom
Parking Lot



2/13/04

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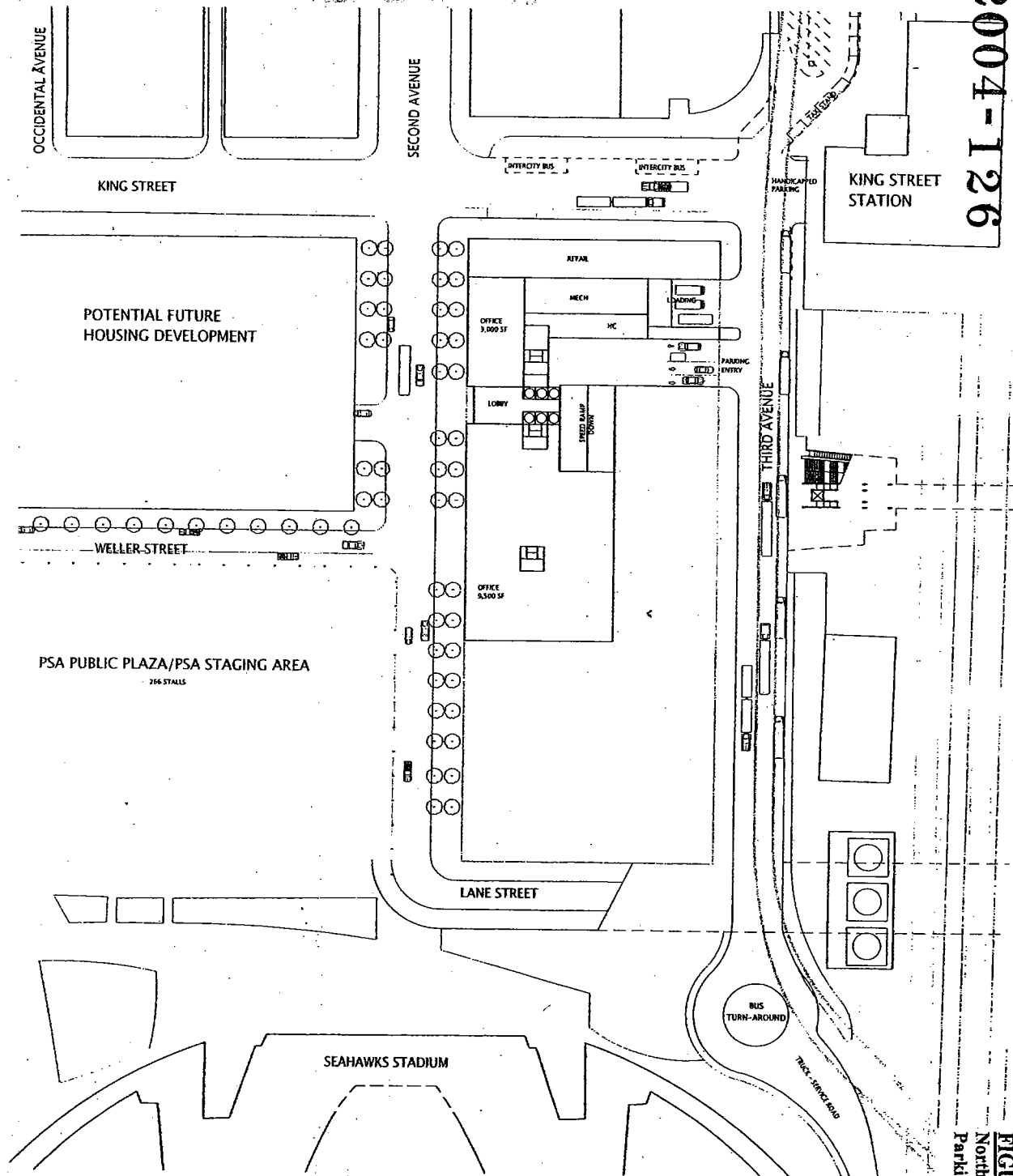
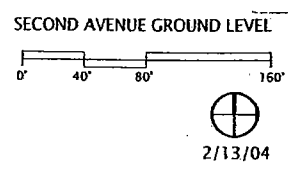
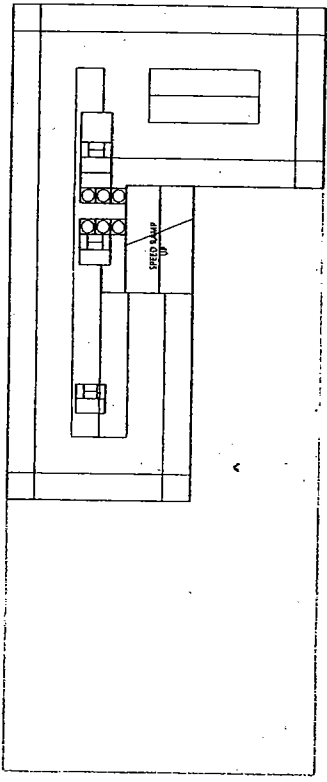
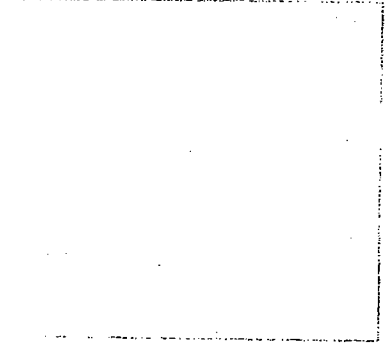
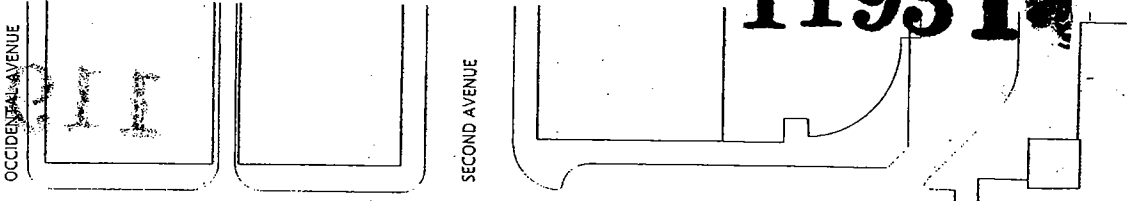


FIGURE C4
North Kingdome
Parking Lot

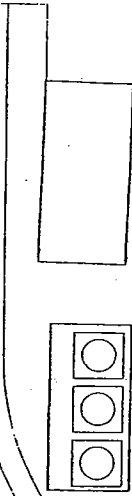
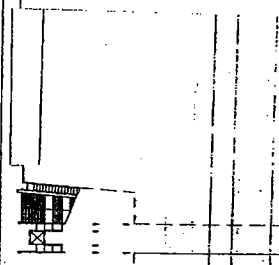


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THIRD AVENUE



BUS TURN-AROUND

TRUCK JUNCT 4000

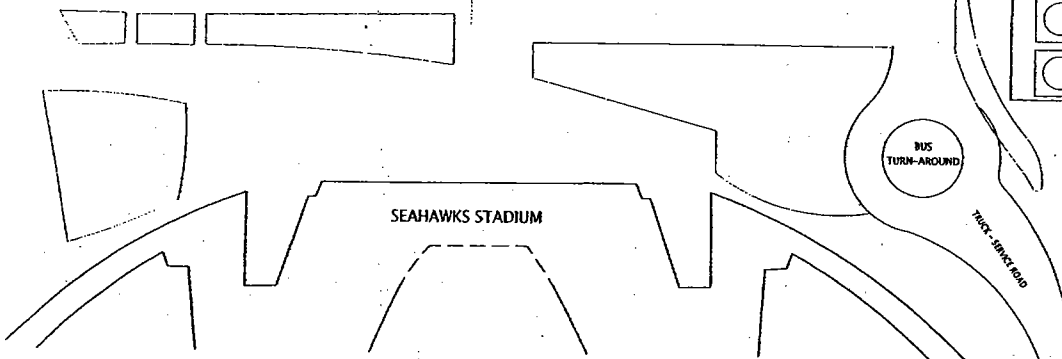
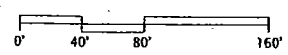


FIGURE C.5
North Kingdom
Parking Lot

BASEMENT PARKING LEVEL



2/13/04





Signature Report

11931

December 9, 2003

Ordinance 14812

Proposed No. 2003-0427.2.

Sponsors Phillips

1 AN ORDINANCE making a supplemental appropriation of
 2 \$1,212,000 to the building repair and replacement fund to
 3 proceed with obtaining a master use permit and preliminary
 4 design of an approximately 261,000-rentable-square-foot
 5 building and a steam plant, authorizing executive staff to
 6 enter into a procurement process to select an appropriate
 7 nonprofit entity to serve as the required intermediary in an
 8 IRS Regulation 63-20 finance structure, pursuant to the
 9 requirements of KCC 4.56.190.B; and amending the 2003
 10 Budget Ordinance, Ordinance 14517, Section 118 and
 11 Attachment B, as amended.

STATEMENT OF FACTS:

14
 15 1. Numerous expert review panels and past studies have concluded that it
 16 is in the county's best financial interest to transition from leased to owned
 17 office space.

- 18 2. A recent study completed by the executive, titled An Approach to
19 Reducing King County Office Space Costs ("the report") has concluded
20 that substantial ongoing operating savings would be realized by
21 conversion from leased to owned office space.
- 22 3. The report has further concluded that additional ongoing savings of
23 significant magnitude would be achieved by constructing a new central
24 steam plant.
- 25 4. The critical functions of the Seattle-King County department of public
26 health, the King County finance and business operations division and the
27 King County information technology division would be located in the new
28 county office building, and perform critical functions that require
29 continuity of business in the event of a major earthquake. To maintain
30 business continuity, an older office building would need to be seismically
31 retrofit to a standard adopted for the King County Courthouse seismic
32 project.
- 33 5. Construction of a new county office building precludes the need for
34 expensive and risk laden retrofit and renovation of older office buildings
35 currently available for acquisition.
- 36 6. Construction of a new county office building provides for a better long-
37 term investment than acquisition of older office buildings currently
38 available for acquisition.
- 39 7. Construction of a new county office building would place all
40 construction risk on the private sector developer, while a retrofit of older

office buildings currently available for acquisition would present a
substantial construction risk to the county.

8. In the event of future King County staffing reductions, a new office
building can more readily be subleased or sold than older office buildings
currently available for acquisition.

9. Construction of a new county office building provides considerable
qualitative benefits to the county, such as: modern systemic approach to
design and construction; best practice floor layout efficiencies; ability to
meet Leadership in Energy and Environmental Design Standards
("LEEDS"); lowest possible life cycle operating costs; appropriately sized
and designed parking facilities; greater value and marketability than an
older building; and an efficient, compact King County Campus.

10. Consolidating the prosecuting attorney's office into the King County
Courthouse is consistent with the 2003 Space Plan, which designates the
King County Courthouse as a specialty building with heightened security,
housing law, safety and justice functions.

11. Operational efficiencies and better public service can be accomplished
by consolidating the prosecuting attorney's office into the courthouse, and
the finance and business operations division into a new county office
building.

12. Prior to establishing a budget for construction of a new county office
building, it is necessary to perform preconstruction work, such as
alternative site analysis, permitting and preliminary design.

13. Under K.C.C. 4.56.190.B, the request for proposal or invitation to bid documents, for all new leases of real property for a term exceeding five years, must be approved by the King County council, before the advertisement and issuance of the request for proposal or invitation to bid.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 14517, Section 118, as amended, is hereby amended by adding thereto and inserting therein the following:

From several capital improvement projects there is hereby appropriated and authorized to be disbursed the following amounts for the specific projects identified in Attachment I of this ordinance:

Fund	Capital Fund Name	Amount
3951	Building Repair and Replacement Fund	\$1,212,000

SECTION 2. Executive staff is authorized to pursue a procurement process to select an appropriate non-profit entity to serve as the required intermediary in an IRS Regulation 63-20 financing structure, pursuant to the requirements of K.C.C. 4.56.190.B.

PROVIDED THAT:

Of this appropriation for CIP project number 395209, King County Office Building Feasibility, \$400,000 may not be expended or encumbered until the executive submits a report and council approves by motion the following report:

A. The executive shall submit to the budget and fiscal management committee or its successor a report outlining a project plan for the project. The report shall include a summary of the scope of work as defined by tasks and,

86 B. A project schedule indicating start dates and duration for all scope tasks.

87 Project milestone points shall be included indicating quarterly council review points and
88 all required council approval points. Council review and approval of site selection
89 process and recommendation will be required. The schedule shall identify all scheduled
90 deliverables.

91 C. A project budget integrated with project scope tasks and indicating breakdown
92 of budgets by King County staff and consultants. Key project staff shall be identified.

93 D. The report shall include a review of the various options available to King
94 County for possible use of the land liquidity revenues proposed by the executive in the
95 report entitled An Approach to Reducing King County Office Space Costs. The report
96 shall include advantages and disadvantages for each of the options proposed and
97 conclude with a recommended preferred alternative together with reasons.

98 The report must be filed in the form of 15 copies with the clerk of the council and
99 the chair lead of the budget and fiscal management committee or its successor on or
100 before January 30, 2004.

101 PROVIDED FURTHER THAT:

102 Of the appropriation for CIP project number 395209, King County Office
103 Building Feasibility, \$200,000 shall be expended only in quarterly increments of \$50,000
104 after council receives a quarterly report as described below. The quarterly report shall
105 include a project status of tasks and project activities, project budget status, project
106 schedule indicating completed tasks against planned schedule, critical elements, and next
107 steps. The quarterly reports must be filed in the form of 15 copies with the clerk of the
108 council and the chair and lead staff of the budget and fiscal management committee or its

109 successor by March 31, 2004; June 30, 2004; September 30, 2004; and December 13,
110 2004.

111 **PROVIDED FURTHER THAT:**

112 Of the appropriation for CIP project number 395209, King County Office
113 Building Feasibility, \$150,000 may not be expended or encumbered until the executive
114 submits a report and council approves by motion the following report:

115 A feasibility report to convert work release space in the King County courthouse
116 to either office space or other existing compatible courthouse functions. The analysis
117 shall include options to relocate work release to other more suitable space such as the
118 west wing of the King County Corrections Facility or other suitable location in the
119 community. The analysis shall be coordinated with the King County Corrections Facility
120 Integrated Security Project schedule as appropriate and be consistent with the goals of
121 other law safety justice efforts including Adult Justice Operational Master Plan (AJOMP)
122 and Juvenile Justice Operational Master Plan (JJOMP). The analysis shall include capital
123 project cost estimates and a life cycle analysis.

124 The report must be filed in the form of 15 copies with the clerk of the council and
125 the chair lead staff of the budget and fiscal management committee or its successor on or
126 before May 3, 2004.

127 **PROVIDED FURTHER THAT:**

128 Of this appropriation for CIP project number 395210, King County Office
129 Building Feasibility, \$250,000 may not be expended or encumbered until the executive
130 submits a report and council approves by motion the following report:

18011

131 A reevaluation report of the central steam plant feasibility study by R. W. Beck,
132 contained in the report entitled An Approach to Reducing King County Office Space
133 Costs, dated September 15, 2003. The report shall include a response to the report
134 prepared by Seattle Steam entitled Analysis of King County Steam Plant Reports, dated
135 December 2, 2003. The report shall also be coordinated with Seattle Steam Company
136 contract agreements with King County and Harborview Medical Center and include a
137 legal interpretation of the terms of these agreements. The report shall include
138 recommendations and clearly identify how these recommendations comport with the
139 recommendations contained in the report entitled An Approach to Reducing King County
140 Office Space Costs. The report must be filed in the form of 15 copies with the clerk of
141 the council and the chair and lead staff of the budget and fiscal management committee
142 or its successor by March 31, 2004.

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144
145

SECTION 3. Attachment I to this ordinance hereby amends Ordinance 14517,
Attachment B, as amended.

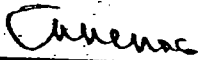
Ordinance 14812 was introduced on 9/22/2003 and passed by the Metropolitan King
County Council on 12/8/2003, by the following vote:

Yes: 11 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Phillips, Mr. Pelz, Mr. Hammond, Mr. Gossett, Ms. Hague, Ms. Patterson and
Mr. Constantine
No: 0
Excused: 2 - Mr. McKenna and Mr. Irons

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 18 day of December, 2003.


Ron Sims, County Executive

Attachments - A. Attachment I, Adopted Ordinance 14517, Section 118: General Capital
Improvement Program, B. An Approach to Reducing King County Office Space

RECEIVED
2003 DEC 18 PM 4:20
CLERK
KING COUNTY COUNCIL

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Attachment I
Adopted Ordinance 14517, Section 118: General Capital Improvement Program

Fund	Project	Description	2003	2004	2005	2006	2007	2008	Total
3951	395209	Building Repair and Replacement Subfund	912,000						912,000
	395210	King County Office Bldg. Feasibility	300,000						300,000
		Steam Plant Feasibility							
		3951 Total	1,212,000						1,212,000

Positive/Negative Attributes of Fast Track Properties

Track C – Fast Track was created to move forward as quickly as possible on opportunities that were perceived as excellent value but extremely time sensitive. The City of Seattle's Public Safety Building site development was the only opportunity considered on this track. After the first phase of feasibility study and negotiations, the project team determined that a suitable New County Office Building could be successfully sited at the location.

However, as development studies and sales negotiations continued, it became apparent that total project costs were likely to be equal to, or significantly higher than, costs projected for a similar project on King County-owned sites. Furthermore, the programmatic advantage of site location was no greater than the King County-owned sites under consideration. Finally, there were a number of emerging issues that would have a tendency to drive costs higher than other opportunities, and the development project team recommended that King County immediately set aside approximately \$150,000 for necessary due diligence during final feasibility studies. As a result, the team concluded that this site no longer be considered as a "Fast Track" solution; it became another site in the Track B study. The Public Safety Building site did not offer compelling economic or programmatic features to warrant "Fast Track" consideration.

Issues Identified In City/County Negotiations:

- The City was clear that they were to be kept whole as to value and costs. Accordingly, negotiations related to the cost of land or property rights would settle on a "market" value that would not fall into the "good deal" category. Furthermore, this position would result in the City claiming reimbursement of any costs they could legitimately allocate to the County building. Again, this was a reasonable position, but removed the possibility of a "good deal" on land and other costs to the County. This position would also result in a sharing of construction risk that would again deviate from our goal to develop a project with no construction risk to the County.
- The City did not want to engage in a project packaged with 63-20 lease/lease back, which eliminates construction risk. Thus, we were concerned about King County's exposure to both increased costs and construction risk.
- The City wanted to retain ownership of the land and the parking garage, which limited King County's ability to leverage parking revenues to the positive advantage of project economics. Also, by controlling the site, the City would reduce King County's ability to use the entire site for programmatic enhancements.

APPENDIX "B"

- The City was expecting a significant grant from Metro Transit to pay for an elaborate bus tunnel entryway. The Department of Transportation, Transit Division Metro Transit made it clear that there is no such grant opportunity available.

1800
The City wanted control over project aesthetics and site development. This would limit King County's ability to consider design options that would create a King County touch on the building or features of positive benefit to King County, but not necessarily consistent with the City vision.

- The City made it clear that the height of the building would need to be limited to the height of the Courthouse and adjoining properties, thereby eliminating the opportunity to create signature view space in the new building. This restriction reduced the potential value and marketability of the new building.

After King County moved this site to Track B, in which developers were to compete for projects on non-County owned property, the City of Seattle declined to propose further study or negotiations. Additionally after initial feasibility was completed, it became clear that the City of Seattle's planned configuration for public parking was contrary to current FEMA guidelines for building security against acts of terror. King County will continue to monitor any future City development on the site, since City parking layouts could jeopardize the perimeter security of the King County Courthouse.

Although development of the New County Office Building on the site of the former City Public Safety Building would give King County the advantage of preserving future development opportunities on the Goat Hill site, the county accomplishes the same result by using the existing Automotive Site with better programmatic and economic gain for King County.



WASHINGTON STATE
PUBLIC STADIUM AUTHORITY

2004-126

11931

February 3, 2004

Ms. Lyn Tangen
Government and Community Relations Director
Vulcan Inc.
505 Fifth Avenue South, Suite 900
Seattle, WA 98104

Mr. Jim Mueller
Real Estate Development Director
Vulcan Inc.
505 Fifth Avenue South, Suite 900
Seattle, WA 98104

RE: North Lot Development Concepts

Dear Lyn and Jim:

Thank you for presenting your North Lot development concepts at the January 22nd Board of Directors meeting of the Washington State Public Stadium Authority (PSA). We wanted to follow up on that discussion to make sure you have a clear understanding of the PSA Board's position. We did not want you to construe the Board's questions and comments as being more supportive of these concepts than, in fact, the Board is.

As we stated in the Board meeting, the PSA Board is charged by law to be stewards of the Stadium and Exhibition Center and in that regard, the Board must take those actions which are protective of the Stadium and Exhibition Center, both for its short and long term futures. In 1998, pursuant to the requirements of the Stadium Act, the PSA determined that the South Half of the North Lot was absolutely necessary for the Stadium and Exhibition Center (without waiving our right to the North Half) and included the South Half in the Project Site. The South Half was needed for parking, staging and future expansion of the facilities. That decision has proved to be correct in many respects. The South Half of the North Lot continues to provide required parking and staging. In addition, the PSA is now seeing that many trade shows are planning to expand, and those expansion plans will increase the demands upon the South Half of the North Lot. The Board is very aware that in the future it may be necessary to construct new improvements upon the

APPENDIX "C"

LEONARD JUNG

BOARD CHAIR

FACE TO FACE

BOARD VICE CHAIR

LILY DREHME

BOARD MEMBER

ROBERT DEGER

BOARD MEMBER

SUE TAYLOR

BOARD MEMBER

JANE JENSEN

BOARD MEMBER

BENSON WONG

BOARD MEMBER

STADIUM STADIUM

&

EXHIBITION CENTER

3100 DECEMBER 31 2004

SEATTLE, WA 98104

(206) 461 2700

(206) 301 9919 FAX

www.stadium.org



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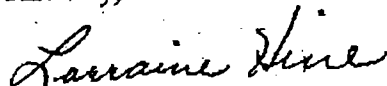
South Half to keep the Stadium and Exhibition Center as the high quality facility that the Stadium Act calls for and that the voters approved funding for.

In light of the above responsibilities of the PSA Board, it is highly unlikely that the Board could support the concept of locating a County office building on a significant portion of the South Half of the North Lot. While your concept calls for replacing the parking lost to development in the North Lot in garages, the concept does not provide adequate staging space and does not deal with the future expansion needs of the Project. Further, in order for the Board to relinquish part of the South Half, the Board would have to determine that a portion of the South Half is no longer needed and is no longer part of the Project Site. The Stadium Act does not allow an office building that is not associated with the Stadium and Exhibition Center to be built on land owned by the PSA (see Section 106(2) of the Stadium Act). The Board does not see that there is any factual basis to conclude that the South Half will be unnecessary for use as part of the Stadium and Exhibition Center.

With respect to the housing component of your development concept, the Board does not oppose housing in this area, so long as the displaced parking is relocated into proximate garages. The Board supports the Pioneer Square neighborhood's desire to have a mixed income housing development in this area.

Please feel free to contact me if you would like to discuss this. The PSA Board will continue to be interested in seeing the evolution of your concepts for development in the North Half Lot area.

Sincerely,



Lorraine Hine
Board Chair

cc: PSA Board Members
Stephen Janik, Ball Janik LLP
Ann Kawasaki Romero, PSA Executive Director



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

8811

Signature Report

December 9, 2003

2004-126

Ordinance 14812

11931

Proposed No. 2003-0427.2

Sponsors Phillips

1 AN ORDINANCE making a supplemental appropriation of
2 \$1,212,000 to the building repair and replacement fund to
3 proceed with obtaining a master use permit and preliminary
4 design of an approximately 261,000-rentable-square-foot
5 building and a steam plant, authorizing executive staff to
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14 **STATEMENT OF FACTS:**

15 1. Numerous expert review panels and past studies have concluded that it
16 is in the county's best financial interest to transition from leased to owned
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- 18 2. A recent study completed by the executive, titled An Approach to
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28 county office building, and perform critical functions that require
29 continuity of business in the event of a major earthquake. To maintain
30 business continuity, an older office building would need to be seismically
31 retrofit to a standard adopted for the King County Courthouse seismic
32 project.
- 33 5. Construction of a new county office building precludes the need for
34 expensive and risk laden retrofit and renovation of older office buildings
35 currently available for acquisition.
- 36 6. Construction of a new county office building provides for a better long-
37 term investment than acquisition of older office buildings currently
38 available for acquisition.
- 39 7. Construction of a new county office building would place all
40 construction risk on the private sector developer, while a retrofit of older

office buildings currently available for acquisition would present a
substantial construction risk to the county.

8. In the event of future King County staffing reductions, a new office
building can more readily be subleased or sold than older office buildings
currently available for acquisition.

9. Construction of a new county office building provides considerable
qualitative benefits to the county, such as: modern systemic approach to
design and construction; best practice floor layout efficiencies; ability to
meet Leadership in Energy and Environmental Design Standards
("LEEDS"); lowest possible life cycle operating costs; appropriately sized
and designed parking facilities; greater value and marketability than an
older building; and an efficient, compact King County Campus.

10. Consolidating the prosecuting attorney's office into the King County
Courthouse is consistent with the 2003 Space Plan, which designates the
King County Courthouse as a specialty building with heightened security,
housing law, safety and justice functions.

11. Operational efficiencies and better public service can be accomplished
by consolidating the prosecuting attorney's office into the courthouse, and
the finance and business operations division into a new county office
building.

12. Prior to establishing a budget for construction of a new county office
building, it is necessary to perform preconstruction work, such as
alternative site analysis, permitting and preliminary design.

13. Under K.C.C. 4.56.190.B, the request for proposal or invitation to bid documents, for all new leases of real property for a term exceeding five years, must be approved by the King County council, before the advertisement and issuance of the request for proposal or invitation to bid.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 14517, Section 118, as amended, is hereby amended by adding thereto and inserting therein the following:

From several capital improvement projects there is hereby appropriated and authorized to be disbursed the following amounts for the specific projects identified in Attachment I of this ordinance:

Fund	Capital Fund Name	Amount
3951	Building Repair and Replacement Fund	\$1,212,000

SECTION 2. Executive staff is authorized to pursue a procurement process to select an appropriate non-profit entity to serve as the required intermediary in an IRS Regulation 63-20 financing structure, pursuant to the requirements of K.C.C. 4.56.190.B.

PROVIDED THAT:

Of this appropriation for CIP project number 395209, King County Office Building Feasibility, \$400,000 may not be expended or encumbered until the executive submits a report and council approves by motion the following report:

A. The executive shall submit to the budget and fiscal management committee or its successor a report outlining a project plan for the project. The report shall include a summary of the scope of work as defined by tasks and,

86 B. A project schedule indicating start dates and duration for all scope tasks.
87 Project milestone points shall be included indicating quarterly council review points and
88 all required council approval points. Council review and approval of site selection
89 process and recommendation will be required. The schedule shall identify all scheduled
90 deliverables.

91 C. A project budget integrated with project scope tasks and indicating breakdown
92 of budgets by King County staff and consultants. Key project staff shall be identified.

93 D. The report shall include a review of the various options available to King
94 County for possible use of the land liquidity revenues proposed by the executive in the
95 report entitled An Approach to Reducing King County Office Space Costs. The report
96 shall include advantages and disadvantages for each of the options proposed and
97 conclude with a recommended preferred alternative together with reasons.

98 The report must be filed in the form of 15 copies with the clerk of the council and
99 the chair lead of the budget and fiscal management committee or its successor on or
100 before January 30, 2004.

101 PROVIDED FURTHER THAT:

102 Of the appropriation for CIP project number 395209, King County Office
103 Building Feasibility, \$200,000 shall be expended only in quarterly increments of \$50,000
104 after council receives a quarterly report as described below. The quarterly report shall
105 include a project status of tasks and project activities, project budget status, project
106 schedule indicating completed tasks against planned schedule, critical elements, and next
107 steps. The quarterly reports must be filed in the form of 15 copies with the clerk of the
108 council and the chair and lead staff of the budget and fiscal management committee or its

109 successor by March 31, 2004; June 30, 2004; September 30, 2004; and December 13,
110 2004.

111 **PROVIDED FURTHER THAT:**

112 Of the appropriation for CIP project number 395209, King County Office
113 Building Feasibility, \$150,000 may not be expended or encumbered until the executive
114 submits a report and council approves by motion the following report:

115 A feasibility report to convert work release space in the King County courthouse
116 to either office space or other existing compatible courthouse functions. The analysis
117 shall include options to relocate work release to other more suitable space such as the
118 west wing of the King County Corrections Facility or other suitable location in the
119 community. The analysis shall be coordinated with the King County Corrections Facility
120 Integrated Security Project schedule as appropriate and be consistent with the goals of
121 other law safety justice efforts including Adult Justice Operational Master Plan (AJOMP)
122 and Juvenile Justice Operational Master Plan (JJOMP). The analysis shall include capital
123 project cost estimates and a life cycle analysis.

124 The report must be filed in the form of 15 copies with the clerk of the council and
125 the chair lead staff of the budget and fiscal management committee or its successor on or
126 before May 3, 2004.

127 **PROVIDED FURTHER THAT:**

128 Of this appropriation for CIP project number 395210, King County Office
129 Building Feasibility, \$250,000 may not be expended or encumbered until the executive
130 submits a report and council approves by motion the following report:

131 A reevaluation report of the central steam plant feasibility study by R. W. Beck,
132 contained in the report entitled An Approach to Reducing King County Office Space
133 Costs, dated September 15, 2003. The report shall include a response to the report
134 prepared by Seattle Steam entitled Analysis of King County Steam Plant Reports, dated
135 December 2, 2003. The report shall also be coordinated with Seattle Steam Company
136 contract agreements with King County and Harborview Medical Center and include a
137 legal interpretation of the terms of these agreements. The report shall include
138 recommendations and clearly identify how these recommendations comport with the
139 recommendations contained in the report entitled An Approach to Reducing King County
140 Office Space Costs. The report must be filed in the form of 15 copies with the clerk of
141 the council and the chair and lead staff of the budget and fiscal management committee
142 or its successor by March 31, 2004.

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SECTION 3. Attachment I to this ordinance hereby amends Ordinance 14517, Attachment B, as amended.

Ordinance 14812 was introduced on 9/22/2003 and passed by the Metropolitan King County Council on 12/8/2003, by the following vote:

Yes: 11 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. Hammond, Mr. Gossett, Ms. Hague, Ms. Patterson and Mr. Constantine

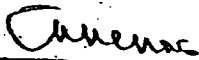
No: 0

Excused: 2 - Mr. McKenna and Mr. Irons

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 18 day of December, 2003.


Ron Sims, County Executive

Attachments - A. Attachment I, Adopted Ordinance 14517, Section 118: General Capital Improvement Program, B. An Approach to Reducing King County Office Space

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KING COUNTY COUNCIL

Attachment I
Adopted Ordinance 14817, Section 118: General Capital Improvement Program

Fund	Project	Description	2003	2004	2005	2006	2007	2008	Total
3951	395209	Building Repair and Replacement Subfund	912,000						912,000
	395210	King County Office Bldg. Feasibility	300,000						300,000
		Steam Plant Feasibility							
		3951 Total	1,212,000						1,212,000

14817

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18211

Positive/Negative Attributes of Fast Track Properties

Track C – Fast Track was created to move forward as quickly as possible on opportunities that were perceived as excellent value but extremely time sensitive. The City of Seattle's Public Safety Building site development was the only opportunity considered on this track. After the first phase of feasibility study and negotiations, the project team determined that a suitable New County Office Building could be successfully sited at the location.

However, as development studies and sales negotiations continued, it became apparent that total project costs were likely to be equal to, or significantly higher than, costs projected for a similar project on King County-owned sites. Furthermore, the programmatic advantage of site location was no greater than the King County-owned sites under consideration. Finally, there were a number of emerging issues that would have a tendency to drive costs higher than other opportunities, and the development project team recommended that King County immediately set aside approximately \$150,000 for necessary due diligence during final feasibility studies. As a result, the team concluded that this site no longer be considered as a "Fast Track" solution; it became another site in the Track B study. The Public Safety Building site did not offer compelling economic or programmatic features to warrant "Fast Track" consideration.

Issues Identified In City/County Negotiations:

- The City was clear that they were to be kept whole as to value and costs. Accordingly, negotiations related to the cost of land or property rights would settle on a "market" value that would not fall into the "good deal" category. Furthermore, this position would result in the City claiming reimbursement of any costs they could legitimately allocate to the County building. Again, this was a reasonable position, but removed the possibility of a "good deal" on land and other costs to the County. This position would also result in a sharing of construction risk that would again deviate from our goal to develop a project with no construction risk to the County.
- The City did not want to engage in a project packaged with 63-20 lease/lease back, which eliminates construction risk. Thus, we were concerned about King County's exposure to both increased costs and construction risk.
- The City wanted to retain ownership of the land and the parking garage, which limited King County's ability to leverage parking revenues to the positive advantage of project economics. Also, by controlling the site, the City would reduce King County's ability to use the entire site for programmatic enhancements.

APPENDIX "B"



WASHINGTON STATE
PUBLIC STADIUM AUTHORITY

2004-126

11931

February 3, 2004

Ms. Lyn Tangen
Government and Community Relations Director
Vulcan Inc.
505 Fifth Avenue South, Suite 900
Seattle, WA 98104

Mr. Jim Mueller
Real Estate Development Director
Vulcan Inc.
505 Fifth Avenue South, Suite 900
Seattle, WA 98104

RE: North Lot Development Concepts

Dear Lyn and Jim:

Thank you for presenting your North Lot development concepts at the January 22nd Board of Directors meeting of the Washington State Public Stadium Authority (PSA). We wanted to follow up on that discussion to make sure you have a clear understanding of the PSA Board's position. We did not want you to construe the Board's questions and comments as being more supportive of these concepts than, in fact, the Board is.

As we stated in the Board meeting, the PSA Board is charged by law to be stewards of the Stadium and Exhibition Center and in that regard, the Board must take those actions which are protective of the Stadium and Exhibition Center, both for its short and long term futures. In 1998, pursuant to the requirements of the Stadium Act, the PSA determined that the South Half of the North Lot was absolutely necessary for the Stadium and Exhibition Center (without waiving our right to the North Half) and included the South Half in the Project Site. The South Half was needed for parking, staging and future expansion of the facilities. That decision has proved to be correct in many respects. The South Half of the North Lot continues to provide required parking and staging. In addition, the PSA is now seeing that many trade shows are planning to expand, and those expansion plans will increase the demands upon the South Half of the North Lot. The Board is very aware that in the future it may be necessary to construct new improvements upon the

APPENDIX "C"

FORNATHI DING
BOARD CHAIR

TALL HERRON
BOARD VICE CHAIR

TALY DUNN
BOARD MEMBER

ROBERT DUNN
BOARD MEMBER

SHE TRIN
BOARD MEMBER

JAKE JIMM
BOARD MEMBER

BRYSON WOOD
BOARD MEMBER

STADIUM &
EXHIBITION CENTER
AND OLYMPIAN AVENUE
SEATTLE, WA 98104
(206) 461-2919
(206) 301-7919 FAX
www.stadium.org



- The City was expecting a significant grant from Metro Transit to pay for an elaborate bus tunnel entryway. The Department of Transportation, Transit Division Metro Transit made it clear that there is no such grant opportunity available.
- The City wanted control over project aesthetics and site development. This would limit King County's ability to consider design options that would create a King County touch on the building or features of positive benefit to King County, but not necessarily consistent with the City vision.
- The City made it clear that the height of the building would need to be limited to the height of the Courthouse and adjoining properties, thereby eliminating the opportunity to create signature view space in the new building. This restriction reduced the potential value and marketability of the new building.

After King County moved this site to Track B, in which developers were to compete for projects on non-County owned property, the City of Seattle declined to propose further study or negotiations. Additionally after initial feasibility was completed, it became clear that the City of Seattle's planned configuration for public parking was contrary to current FEMA guidelines for building security against acts of terror. King County will continue to monitor any future City development on the site, since City parking layouts could jeopardize the perimeter security of the King County Courthouse.

Although development of the New County Office Building on the site of the former City Public Safety Building would give King County the advantage of preserving future development opportunities on the Goat Hill site, the county accomplishes the same result by using the existing Automotive Site with better programmatic and economic gain for King County.

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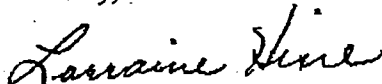
South Half to keep the Stadium and Exhibition Center as the high quality facility that the Stadium Act calls for and that the voters approved funding for.

In light of the above responsibilities of the PSA Board, it is highly unlikely that the Board could support the concept of locating a County office building on a significant portion of the South Half of the North Lot. While your concept calls for replacing the parking lost to development in the North Lot in garages, the concept does not provide adequate staging space and does not deal with the future expansion needs of the Project. Further, in order for the Board to relinquish part of the South Half, the Board would have to determine that a portion of the South Half is no longer needed and is no longer part of the Project Site. The Stadium Act does not allow an office building that is not associated with the Stadium and Exhibition Center to be built on land owned by the PSA (see Section 106(2) of the Stadium Act). The Board does not see that there is any factual basis to conclude that the South Half will be unnecessary for use as part of the Stadium and Exhibition Center.

With respect to the housing component of your development concept, the Board does not oppose housing in this area, so long as the displaced parking is relocated into proximate garages. The Board supports the Pioneer Square neighborhood's desire to have a mixed income housing development in this area.

Please feel free to contact me if you would like to discuss this. The PSA Board will continue to be interested in seeing the evolution of your concepts for development in the North Half Lot area.

Sincerely,



Lorraine Hine
Board Chair

cc: PSA Board Members
Stephen Janik, Ball Jamk LLP
Ann Kawasaki Romero, PSA Executive Director



11931

Metropolitan King County Council
Budget & Fiscal Management Committee

Agenda Item No.: 2
Proposed No.: 2004-0126

Date: June 2, 2004
Prepared By: David Layton

REVISED STAFF REPORT

Proposed Substitute Motion 2004-0126 was reported out of committee with a do-pass recommendation on June 2, 2004

SUBJECT: Proposed Motion 2004-0126 will approve the Executive's recommendation for the Automotive Center Site as the location for the proposed New County Office Building

BACKGROUND:

Today's discussion on the motion to approve the executive's recommendation to locate the proposed New County Office Building on the Automotive Center Site is the next step in a series of legislative review, approval and decision points. The following table

Legislation	Summary	Council Action
Ordinance 14420	Approval to initiate Phase I effort to evaluate options for a new/purchased office building & Phase II Central Steam Plant	07/15/02
Ordinance 14812	Ordinance to approve Phase I recommendation to build a new office building and approved supplemental appropriation of \$1.2 million to proceed into the next phase. Phase II includes site evaluation, site selection, preliminary design, engineering and Master Use Permit application	12/08/03
Proposed Motion 2004-0073	Motion to approve the project plan. The plan includes Phase II scope, schedule, budget and recommendation for recovery of land value.	05/19/04 BFM Committee do-pass
Proposed Motion 2004-0126	Motion to approve the Executive recommended Automotive Center Site as the location for the NCOB.	04/07/04, 05/19/04 & 05/26/04 in Committee
Proposed Motion 2004-XXXX	Motion to approve the report on Work Release space usage. Transmittal due May 3, 2004	
Proposed Ordinance 2004-XXXX	Ordinance to approve proposed 2004 Space Plan. Transmittal anticipated in June 2004.	
Proposed Ordinance 2004-XXXX	Ordinance to approve NCOB Lease Documents and Development Agreement. Transmittal scheduled July 15, 2004	

Previous committee discussions on the Phase II Propose New County Office Building legislation occurred on April 7th and May 19th 2004. A series of sessions were conducted to review site analysis

recommendations on May 5th following the regularly scheduled BFM Committee meeting. Individual committee member reviews were held May 14th and May 21st.

Today you are being asked to approve the Executive's recommendation to locate the proposed New County Office Building on the existing Automotive Center Site. This will allow the design team to complete the preliminary design and engineering necessary to submit an application of a Master Use Permit (MUP).

The next step in Council's review and approval process will be approval of the lease documents and the development agreement which is scheduled for transmittal July 15, 2004. The unique project delivery methodology proposed for this project utilizes a "63-20" provision of the IRS tax code. This delivery method is a lease rather than the traditional design-bid-build or GC/CM delivery methods used for typical capital improvement projects (CIP). Previous "63-20" projects include the Patricia Bracelin Steel Memorial Building which is scheduled to open in June 2004 and the King Street Center Building.

Approval of the lease documents and the development agreement will be Council's last opportunity for a formal approval of the project. Executive staff have proposed a series of informal project review sessions to provide council participation throughout design.

NCOB PHASE II SITE RECOMMENDATION

Proposed Motion 2004-0126

The analysis report entitled *An Approach to Reducing King County Office Space Costs* included preliminary evaluation of three candidate building sites for further site evaluation and final site selection as part of a Phase II effort. These three sites are:

- Option A: Goat Hill Site
- Option B: Automotive Center Site
- Option C: North Kingdome Parking Lot Site

Council adopted Ordinance 14812 In December 2003 which provided a supplemental appropriation of \$1.2 million to proceed with phase II. The Executive transmitted his site selection recommendation on March 4, 2004. **Proposed Motion 2004-0126 would approve the executive's recommended Option B: The Automotive Center Site for the NCOB (Attachment #2).**

Site selection options and recommendation were previously reviewed at the April 7th BFM Committee meeting.

North Kingdome Parking Lot Site Discarded: The April 7th briefing also reviewed the Executive's decision to discard the North Kingdome Parking Lot Site (Option C) as a viable option. The report summarized the overriding development uncertainties and site encumbrances for Option C and concluded in Section 2.3.1, page 10 that:

"Notwithstanding the highly speculative nature of the development assumptions, it is currently infeasible to site an office building on the North Kingdome Parking Lot that will meet the county's requirements."

The bulk of the Executive's site selection analysis focused on a comparison between the two remaining county-owned site options (the Goat Hill Site – Option A and the Automotive Center Site – Option B).

Comparison of Option A and Option B: A cost comparison between the original pro-forma, Option A and Option B is summarized in the following excerpts from *Table 1 Economic Comparisons to Original Pro-forma*; proviso response #2, page viii:

Cost Element	Original 12/03 Pro-forma	Option A Goat Hill Site	Option B Garage Site
New County Office Building			
Entitlements and Utilities	\$865,000	\$865,000	\$983,000
Shell and Core Architecture	\$1,331,000	\$1,331,000	\$1,720,000
Shell & Core Engineering	\$898,000	\$898,000	\$1,197,000
Shell & Core Construction	\$43,446,500	\$39,457,000	\$46,423,540
Tenant Improvements	\$14,331,500	\$14,331,500	\$16,351,500
Misc. Dev. Costs/Fees/Contingencies	\$9,293,710	\$9,253,815	\$10,290,030
Total Development	\$70,165,710	\$66,136,315	\$76,965,070
Financing	\$2,500,000	\$2,900,000	\$2,900,000
Net Capitalized Interest	\$6,312,987	\$5,538,929	\$6,060,939
Total Development w/financing(excl. land)	\$78,978,697	\$74,575,244	\$85,926,009

Existing Automotive Center Garage			
Exterior Enhancement (voluntary)		\$2,521,104	-
Vehicle Restraint (safety)		\$1,666,205	
Seismic Upgrade (safety – funded project)		\$720,000	
MMRF (maintenance – funded projects)		\$1,510,000	-
Subtotal Automotive Center		\$6,417,309	\$0

Total Combined Projects (excluding Land)		\$80,992,553	\$85,926,009
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Existing Automotive Center Garage Projects: The series of planned infrastructure improvements to the existing Automotive Center noted in the table above are summarized in the following table:

Description	Justification	Estimate	Comments
Vehicle Restraint	Safety	\$1,666,205	Seattle Building Code requirement (voluntary-non retroactive). Space Plan policy – <i>To maintain safe and attractive buildings</i>
Exterior Enhancement	Aesthetic	\$2,521,104	Exterior facing to upgrade compatible with NCOB (voluntary)
Seismic Upgrade	Safety	\$720,000	A total of \$1,138,173 appropriated in 2000 through 2003. Remaining unencumbered (03/17/04) \$720,000
MMRF	Maintenance	\$1,510,000	Various 6-year MMRF CIP projects
Total		\$6,417,309	

If the Automotive Center Site (Option B) were selected the MMRF & seismic upgrade projects could be cancelled and funding (+/- \$2.2 million) assigned to either the NCOB project or reallocated for some other purpose.

Several additional Automotive Center Site (Option B) issues were identified and discussed at the April 7th briefing and are summarized in the following table. Costs shown in the following table are included in the cost summaries above.

Demolish existing Automotive Center and Replace	Option B Requirement	\$11.6 million	Premium construction cost (including soft costs) to demolish and rebuild a new parking garage for
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			568 vehicles. Cost is included in the construction cost for Option B
Automotive Center Maintenance Shop Relocation	Option B Requirement	\$2 million	Placeholder Estimate only. Final resolution of the maintenance shop relocation is unresolved at this time.
Property Entitlements		No Allowance	

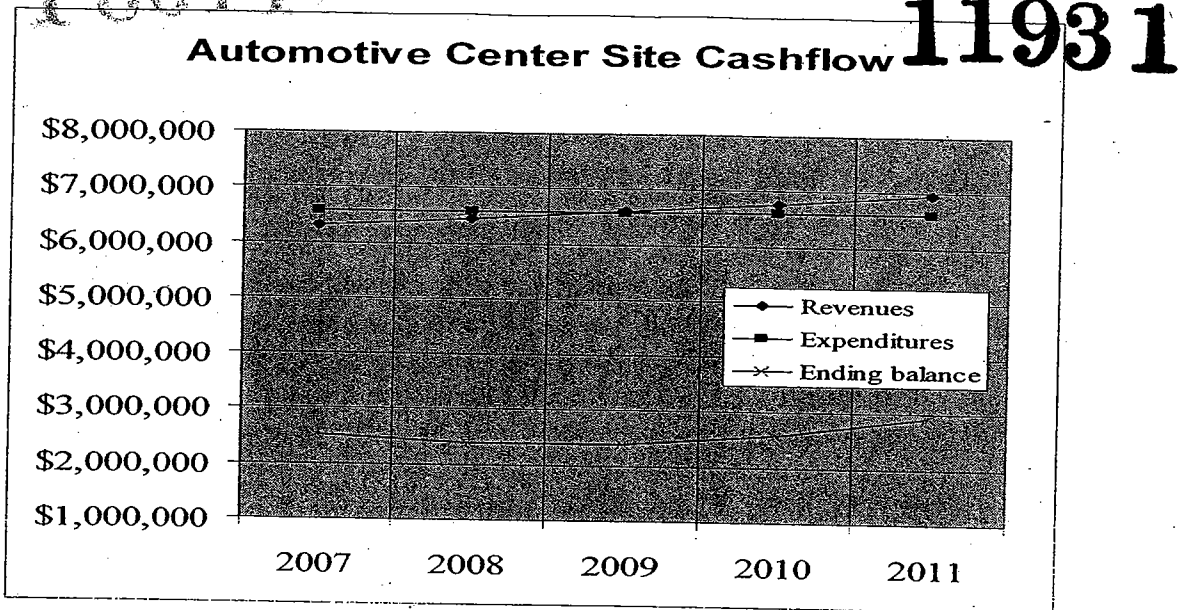
Land Value: The above summaries are exclusive of any county-owned land value assumptions.

Budget Summary: The following table summarizes a comparison between Options A & B which includes a change in the Total Development category due a recent adjustment in the financing assumptions:

Description	Option A Goat Hill	Option B Automotive Center
Total Development (<i>incl. Financing, Excl. land</i>) Minimum Bond Size to Finance	\$74,575,244	\$85,926,009
Costs		
Annual Debt Service (1 st year)	(\$5,424,652)	(\$6,250,314)
MMRF	(\$236,249)	(\$236,249)
Remodel	(\$87,289)	(\$87,289)
Total Annual Costs	(\$5,748,190)	(\$6,573,852)
Rent		
Rent \$/SF (excluding land value)	\$22.02	\$25.19
Value of Land (based on \$10 million) \$/RSF	\$2.79	\$0
Total Rent	\$24.81	\$25.19
CX		
CX Tenant Portion of Debt Service	(\$420,000)	(\$478,000)
Land Value Revenue to CX	\$727,000	\$0
Total Net CX	\$307,000	(\$478,000)

Cash Flow Analysis: The proposed financing plan for the project (Automotive Center site – Option B) is structured to achieve the following:

1. Proposed tenants will be charged market value for space in the NCOB which is planned to be the same as the projected lease costs at the time of move in (2007).
2. The project financing plan is structured to accrue 6-months of capitalized rent before the first debt payment is due which will ensure that the project will always be in a positive cash flow position.
3. Revenues are projected to exceed expenditures after approximately three and a half years.



Proposed Financing Plan: A copy of the proposed debt service financing plan for the Automotive Center Site (Option B) is included in **Attachment #4**. The plan is based on holding the proposed tenant agency lease payments at projected 2007 levels and supplementing these lease payments with a series of other adjustments as follows:

- Revenues for 250 additional parking spaces added by the project.
- Utility savings for existing tenant lease utility pass-through costs compared to NCOB efficiency.
- Rental income from the State reimbursed PAO function occupying Courthouse 4th floor (old Executive space).
- Payments from Motor Pool/Auto Shop for the \$2 million allowance in project cost.
- Hot water net savings for Courthouse, Administration Building & Jail resulting from conversion to a central hot water system.
- NCOB lease term adjustment from 25 years to 27.5 years.

Parking Revenues: The proposed financing plan assumes that parking revenues for 250 new spaces created by this project will be dedicated to NCOB debt service (\$460,000 annually). All existing (relocated) Automotive Center parking and Goat Hill surface parking revenues are not included in the proposed financing plan. Currently, all parking revenues, including the Automotive Center, are dedicated by K.C.C. 3.32.090 (Ordinance 14639 May 12, 2003) as follows:

- A. 44% of parking revenues shall be distributed to the children and family set aside fund for support of health and human services activities and the remainder (56%) shall be distributed to the current expense fund.
- B. It is the intent of the council to annually, during the budget process, identify a portion of the revenue going to the current expense fund to be transferred to the major maintenance reserve fund to support major maintenance projects at the garage and other parking facilities, taking into account the major maintenance model and financial plan;
- C. The department of executive services, facilities internal service fund shall be reimbursed by the current expense fund for expenses associated with the operation of the parking program.

Demolition of the existing Automotive Center parking garage and construction of a new parking structure on Goat Hill changes the underlying conditions upon which the current parking policies were established. This raises several questions:

- Should the parking revenue policy be revisited?

- Should the current parking revenue distribution be revised? Currently 44% of all parking revenues are dedicated to children and family set aside. The percentage was established based on the 2003 funding level of \$588,457. However, parking revenues are likely increase in the proposed new "more efficient" garage.
- Should a portion of the parking revenues from the proposed new parking garage be dedicated to NCOB debt service?

Land Liquidity: The proposed financing plan for the Automotive Center Site (Option B) also does not include recovery for the land value estimated at \$10 million. Recovery of land value was recommended by the *Properties Expert Review Taskforce* (PERT Report) and reaffirmed by the Executive in the NCOB Phase I report (Ordinance 14812), December 8, 2003 and the Phase II Project Plan recommendation (Proposed Motion 2004-0073) January 31, 2004.

Automotive Center Projects: The proposed financing plan for the Automotive Center Site (Option B) does not include existing seismic upgrade or MMRF appropriations (+/- \$2.2 million). These projects will not be necessary if the existing Automotive Center Project is demolished under Option B and reallocation of these funds could help mitigate the NCOB project cost impacts.

Development Analysis: On May 5th a series of demonstration sessions were conducted to review Wright Runstad's analytical and qualitative analysis that led to the recommendation of the Automotive Center Site as the preferred site for the NCOB. The analysis concluded that development of the NCOB on the Automotive Center Site was economically advantageous while preserving future development flexibility on the Goat Hill Site. A copy of Wright Runstad's analysis is included in **Attachment #5**. Wright Runstad's summary of the qualitative advantages of the Automotive Center Site follows:

- Flexibility of future development
- Development potential best meets King County requirements
- Optimizes light & air for entire campus
- Makes a better neighborhood
Pedestrian oriented
- Campus connection
Links Yesler Building to other KC facilities
- Parking separation & security
Preserves a secure tunnel access
- Replaces a sub-standard garage

Review Summary: Review of the site options at the April 7th and May 19 BFM Committee meetings and subsequent individual committee member review sessions on May 5th, May 14th, and May 21st identified a number of unresolved issues. While these issues are not necessarily material to an overall site approval decision, they are nevertheless important considerations in the Council's approval process. A summary of the issues is summarized below:

1. The need for a plan to secure property entitlements.
2. Concern with a 9-story parking structure along 5th Avenue.
3. Consider securing a Goat Hill alley vacation that would allow:
 - Extending the parking structure across the entire Goat Hill Site.
 - Achieve a lower "pedestrian scale" profile along 5th Avenue.
 - Stair-step the parking structure to follow the Goat Hill site slope.
4. Consider extending the secure/weather protected pedestrian tunnel from the Automotive Center Site to the Goat Hill Site.
5. Finalize a relocation plan for the Automotive Center Maintenance Shop function.

6. Consider if improvements to the inmate bus access to the KCCF sally-port can be incorporated into the Goat Hill site improvements.
7. Possible relocation of the inmate skybridge function to a below grade tunnel and circulation system
8. Provide a Parking Plan to clarify how the new parking structure will be operated.
9. Review K.C.C. parking regulations to confirm if policies, rates or dedication of revenues should be updated.
10. Provide a financial plan that shows the proposed parking structure on Goat Hill separate from the proposed New County Office Building on the Automotive Center Site.
11. Reconsider the possibility of achieving land value recovery for Option B.

Reasonableness:***Conditionally Ready for Action***

The economic and qualitative analysis provided by Wright Runstad supports the "business case" for approval of the Automotive Center site. Provided a mechanism is initiated to address the unresolved issues noted above, approval of Proposed Motion 2004-0126 appears to be a reasonable business decision.

Recognizing that the site approval decision is time sensitive, and acknowledging that the issues noted above are important considerations, a Striking Amendment (S1) to Proposed Motion 2004-0126 has been prepared that will:

1. Approve Proposed Motion 2004-0126 (Automotive Center Site – Option B).
2. Provide for a reporting, review, and approval process to allow adequate time to respond to the issues noted above.

Next Steps:

1. **Finalize Review of the Steam Plant Reassessment Report** (Proposed Motion 2004-0186).
Resolution of the steam plant issue will allow the team to move forward with the energy design for the NCOB and the county's downtown complex.
2. **Review of the WER Relocation Report.** Transmittal was due May 3, 2004.
3. **Review of Proposed 2004 Space Plan.** Transmittal is anticipated in June 2004.
4. **Review of Development Agreement and Lease.** Transmittal is anticipated July 15, 2004.

INVITED:

- Kathy Brown, DES Director, Facilities Management Division
- Dave Preugschat, DES Deputy Director, Facilities Management Division
- Jim Napolitano, DES Capital Projects Manager

ATTACHMENTS: