

December 3, 1994

Introduced By: von Reichbauer,
Sims

d:/roof
clerk 12/6/94

Proposed No.: 94-162

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ORDINANCE NO. **11587**

AN ORDINANCE appropriating \$18,554,700 to the Building Repair and Replacement Fund to cover cost overruns associated with the Kingdome repair and renovation project, amending ordinance 11130, Section 117 and Attachment 2, as amended.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings of Fact:

A. The King County executive transmitted a request to the council to disappropriate \$1.8 million from the stadium capital improvement program; and

B. The King County executive requested the council not act on his disappropriation request in order to provide emergency funds to repair the Kingdome ceiling tiles.

C. The King County council wishes to use the executive's disappropriation request as a vehicle for providing more funds for cost overruns associated with the Kingdome repair and renovation project; and

D. In 1992, the King County council appropriated \$5.5 million for Kingdome roof replacement; and

E. On July, 19, 1994, four ceiling tiles fell resulting in the closure of the Kingdome; and

F. On July 29, the King County executive requested \$5 million to remove the remaining tiles from the Kingdome ceiling, provide temporary acoustical treatments, and humidity control, lighting adjustments and consultant costs; and

G. On September 6, 1994, the King County executive requested another \$34 million for the Kingdome repair and renovation project and infrastructure systems study; and

1 H. The council's Budget & Fiscal Management Committee
2 conducted hearings on the proposed appropriation request on
3 September 7, 8, 9 and 12 to expedite council review; and

4 I. During the council's one week deliberation of the
5 executive's \$34 million request, the King County executive
6 and his representatives testified that:

7 1. \$32.5 million plus the \$12.3 million already
8 appropriated for Kingdome repairs would be sufficient to
9 repair the ceiling and roof; and

10 2. the Kingdome ceiling and roof repair job would
11 be entirely completed by November 6, 1994; and

12 3. a state of emergency existed and it was
13 necessary to waive competitive bidding and formal
14 solicitation requirements and minority and women's business
15 enterprises requirements associated with procurement
16 contracts that were necessary to re-open the Kingdome and
17 restore public confidence in the Kingdome facilities; and

18 4. the proposed roof and ceiling repair work will
19 have a useful service life of 25 years; and

20 5. all of the proposed repair work will be
21 certified by a professional engineer registered by the State
22 of Washington and backed by the engineer's "errors and
23 omissions" insurance coverage; and

24 6. it was necessary to treat the Kingdome ceiling
25 and roof repairs as a system needing simultaneous emergency
26 repair; and

27 J. During the council deliberation of the executive's
28 \$34 million request, the council also heard testimony from
29 experts which advised that the executive's design on the
30 exterior roof was flawed, there was no need to panic and
31 treat the entire re-roofing of the exterior roof as an
32 emergency, and that the ceiling and roof repair work could be
33 completed for substantially less than \$34 million; and

1 K. The King County council approved the executive's
2 request for \$34 million provided that:

3 1 the executive or the acting Kingdome director
4 appear before and provide a report to the council's Budget &
5 Fiscal Management Committee and demonstrate compliance with
6 the specific project completion milestones described in the
7 work plan proposed by the acting Kingdome director; and

8 2. the executive appoint, subject to council
9 confirmation, individuals to serve on a Kingdome financing
10 commission for the purpose of developing a financial plan;
11 and

12 3. a county auditor shall be assigned to the
13 Kingdome staff for the duration the repair project to provide
14 a weekly, independent accounting of repair expenses. The
15 auditor was to provide a weekly written report of repair
16 expenditures to the Budget & Finance Committee.

17 4. the executive provide a \$3.3 million Kingdome
18 contingency fund in the 1995 current expense budget to pay
19 for the \$1.5 million infrastructure study and for
20 unanticipated repair work. The \$3.3 million reserve is
21 equivalent to the annual debt service needed to retire the
22 \$32.5 million bond issue in the event that the legislature
23 does not provide new stadium revenues.

24 L. On September 21, 1994, the King County executive
25 requested a \$40 million line of credit to pay for tenant
26 claims and cost associated with the Kingdome renovation
27 project; and

28 M. On October 26, the King County auditor estimated
29 that the Kingdome renovation project could be as much as \$15
30 million over budget; and

31 N. On November 15, the executive submitted a request
32 for \$18.5 million to finish the Kingdome renovation project,

1 and announced a new mid March 1995 completion target date for
2 the Kingdome renovation project; and

3 O. On December 1, 1994, the King County executive
4 transmitted an ordinance requesting to extend the \$40,000,000
5 line of credit to \$65,000,000; and

6 P. With regards to the original \$5.5 appropriation for
7 Kingdome re-roofing, the executive has improperly diverted
8 approximately \$600,000 to fund exhibit hall improvements; and

9 Q. With regards to the \$32.5 million appropriation for
10 Kingdome repair and renovation, the executive has incurred
11 approximately \$5 million in expenses above and beyond the
12 \$32.5 million legal appropriation authority set by the
13 council; and

14 R. The executive has already spent approximately \$5
15 million of his \$18.5 million request, thereby substantially
16 limiting the council's ability to consider other options for
17 completing the exterior portion of the roof; and

18 S. The executive did not have the systems in place to
19 monitor and control project cost and to identify trends
20 leading to cost overruns.

21 SECTION 2. Emergency Declaration Repealed.

22 The Kingdome is open and the King County council repeals the
23 executive's declaration of emergency with respect to all
24 contracts needed to evaluate, repair and re-open the Kingdome
25 facilities. All competitive selection and bidding
26 requirements of K.C.C. 4.16 and state law and the Minority
27 and Women Business Enterprise requirements of K.C.C. 4.18
28 shall apply to all future Kingdome contracts.

29 SECTION 3. Ordinance No. 11130, Section 117, as amended,
30 is hereby amended by adding thereto and inserting therein the
31 following:

32 From the several capital improvement project funds there
33 are hereby appropriated and authorized to be disbursed the

1 following amounts for the specific projects identified in
 2 Attachment No. 2 of this ordinance.

<u>Fund</u>	<u>Capital Fund</u>	<u>Amount</u>
3950	Building and Repair Replacement	\$18,554,700

6 SECTION 4. Ordinance No. 11130, Section 117, Attachment
 7 2, as amended, is hereby amended by adding thereto and
 8 inserting therein the following:

<u>Fund</u>	<u>Capital Fund</u>	<u>Amount</u>
3950	Stadium Repair Project	\$18,554,700

12 PROVIDED THAT:

13 A. The executive or acting Kingdome director shall
 14 continue weekly written reports to the Budget and Fiscal
 15 Management Committee with presentations before the Committee
 16 as requested.

17 B. The King County auditor shall continue monitoring
 18 project expenses.

19 C. The executive shall explore methods of reducing
 20 project cost and improving cost monitoring systems to track
 21 incurred cost against legal appropriation authority. At a
 22 minimum, the executive shall explore: 1)renegotiating all
 23 time and material contracts to fixed fee contracts or fixed
 24 price contracts; 2)bringing on a second sub-contractor on the
 25 roof under a fixed fee contract or a fixed price contract;
 26 and 3)improving productivity and lowering costs with fee
 27 incentives. The executive shall report his findings to the
 28 Budget and Fiscal Management Committee by December 14, 1994,
 29 and tell the council what steps have been taken to reduce
 30 project cost and develop better cost monitoring systems.

31 D. The executive shall develop policies and procedures
 32 for dealing with emergency construction contracts which will:
 33 1)establish criteria under which an emergency can be

1 declared; 2) establish guidelines to be used for negotiating
2 emergency contracts; and 3) require that systems be in place
3 to monitor project expenses.

4 E. The executive agrees to stay within the legal
5 appropriation authority established by the King County
6 council, and the executive further agrees to provide the
7 council sufficient time to deliberate any potential
8 supplemental requests for more funds for more Kingdome or
9 exhibit hall cost overruns.

10 INTRODUCED AND READ for the first time this 21st
11 day of March, 1994.

12 PASSED this 5th day of December, 1994.

13 KING COUNTY COUNCIL
14 KING COUNTY, WASHINGTON

Passed by a vote of 10-3.

Kent Pullen
Chair

17 ATTEST:

18 Gerald G. Peters
19 Clerk of the Council

20 APPROVED this 15th day of December, 1994.

21 Jay Locke
22 King County Executive
23

24 Attachments:



King County Executive
GARY LOCKE

RECEIVED
94 DEC 19 AM 8:45
CLERK
KING COUNTY COUNCIL

December 14, 1994

The Honorable Kent Pullen
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Pullen:

I have signed Ordinance 11587. This \$18,554,700 appropriation was necessary to continue the roof repair project at the Kingdome. I applaud the Council for recognizing this fact and for acting responsibly by appropriating the funds. However, by signing this ordinance, I do not wish to give the false impression that I agree with the content of section 1 of the ordinance, which contains a lengthy list of findings of fact.

The findings overstate the level of assurance given by me and the Acting Kingdome Director regarding the sufficiency of the original \$32.5 appropriation and the estimated completion date. It was our opinion, as we both stated before the Budget and Fiscal Management Committee, that every effort would be made to complete the entire project by November 6, 1994 and within the \$32.5 million budget. Those goals became impossible to achieve for reasons which have been detailed many times on the public record. Never were guarantees made that these goals would be met. In fact, we stated many times that we could not make such guarantees. Therefore, I must note my objection to subsection 1(I) of the Ordinance.

Councilmember Pullen

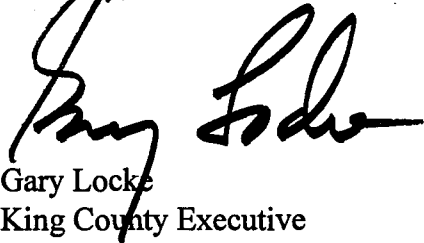
December 14, 1994

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The content of subsection 1(P) is also inaccurate. The exhibition hall improvement funding referred to in this section was \$400,000, which was properly allocated from Kingdome capital funds.

Again, I wish to thank the Council for acting quickly on this very important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Locke". The signature is fluid and cursive, with the first name "Gary" and last name "Locke" clearly distinguishable.

Gary Locke
King County Executive

GL:JKWk
L94348

Enclosure

cc: King County Councilmembers
ATTN: Jerry Peterson, Administrator
Cliff Petersen, Coordinator