



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

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.

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13

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
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

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

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

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

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

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

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

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

68 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

74 Fund	Capital Fund Name	Amount
75 3951	Building Repair and Replacement Fund	\$1,212,000

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

79 PROVIDED THAT:

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

83 A. The executive shall submit to the budget and fiscal management committee or
84 its successor a report outlining a project plan for the project. The report shall include a
85 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.

143 SECTION 3. Attachment I to this ordinance hereby amends Ordinance 14517,
144 Attachment B, as amended.
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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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CLERK & CO.
KING COUNTY COUNCIL

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

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