

KING COUNTY  
HARBORVIEW BOND CAPITAL PROGRAM COST  
STUDY



**King County**

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KING COUNTY COUNCIL COMMITTEE OF  
THE WHOLE

MARCH 6, 2023

## ATTENDEES

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- Tony Wright, Director, King County Facilities Management Division (FMD)
- Leslie Harper Miles, Bond Program Office Director, King County FMD
- Kimberly McHugh, Senior Vice President, Project Management, Cumming Group
- John Lett, Senior Program Director, Vanir Construction Management

# HARBORVIEW BOND PROGRAM

## 2020 BOND PROJECT GOALS

### NEW TOWER

- Single Patient Rooms
- Expanded Emergency Department
- Operating Room Expansion
- Observation Unit
- Pharmacy/Gamma/Angio

### CO-LOCATE BEHAVIORAL HEALTH SERVICES

- Existing and Expanded Behavioral Services
- Behavioral Health Institute Programs
- Crisis Intervention

### EXISTING HOSPITAL SPACE RENOVATION

- Expand Public Health Spaces & Clinics
- Medical Examiner and TB Clinic
- Right-size ITA Court Space

### HARBORVIEW HALL SEISMIC RENOVATION

### CENTER TOWER SEISMIC RENOVATION

### PIONEER SQUARE SEISMIC RENOVATION

### EAST CLINIC DEMOLITION



- Illustration is a point in time rendering provided by HDR
- Final placement of buildings is subject to King County, Harborview & City of Seattle approvals.

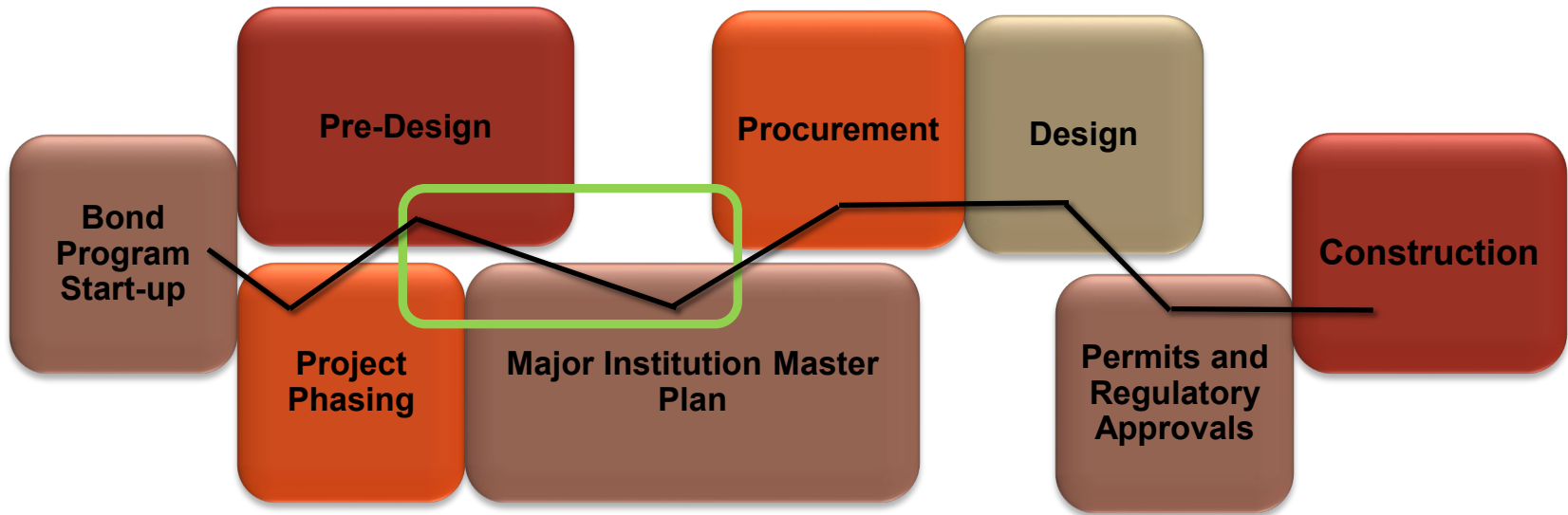
• \$1.74 BILLION

- NEW SPACE ESTIMATE 648,380 SF
- RENOVATED SPACE ESTIMATE 558,840 SF

\*SUBJECT TO CHANGE; ESTIMATE INCLUDES SITE IMPROVEMENTS AND OTHER COSTS

# BOND PROGRAM: WE ARE HERE

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# HARBORVIEW BOND PROGRAM COST STUDY

The Executive proactively sought a cost study to update the cost assumptions used to establish the bond program

As with most major capital projects around the country, the bond program is facing financial pressures from the impacts of inflation, labor, and supply chain issues

Vanir Construction Management, the Bond Program project management firm and Cummings Management Group, a Vanir subconsultant with extensive local and national healthcare industry knowledge conducted the Cost Study

# BOND PROGRAM COST STUDY

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- ❑ Updated project costs now exceed bond generated revenue by an estimated \$938M for the \$1.74B bond project
- ❑ The updated cost projections result in limited ability to deliver Bond projects envisioned in 2020
- ❑ Without significant additional revenue, the project scope must be revisited

# BOND PROGRAM COST STUDY

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- ❑ **Week of February 6<sup>th</sup>:** the Executive, Councilmembers, UW Medicine leadership, and Trustee leaders received briefings on the Cost Study findings
- ❑ **Week of February 20<sup>th</sup>:** the Executive met with the Chair of the Council, UW Medicine leadership, and Trustee leaders to affirm his commitment to Harborview and patient care and discuss how together, we move forward together; Harborview Board of Trustees received overview of Cost Study at its regular meeting
- ❑ **Week of February 28<sup>th</sup>:** the Executive and the Chair of the Council met with UW Medicine leadership and Trustee leaders to continue to discuss key issues and next actions; Council staff and Auditor Office staff met with the County's bond team and the consultants to review and discuss the Cost Study Report

# CONTINUING AND NEXT ACTIONS

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- ❑ The Executive continues to collaborate with leadership of the Council, UW Medicine and Trustees on this work
- ❑ Proposed legislation has been introduced by the Council that calls for Executive to report to the Council on revised scope for the bond program within bond revenues
- ❑ The Executive Office is developing a project plan to produce the report called for by the proposed Ordinance
- ❑ We continue to explore options to increase revenue and/or creative financing opportunities



# DISCUSSION: CUMMING GROUP COST STUDY