

April 16, 2025

The Honorable Shannon Braddock, King County Executive
The Honorable Girmay Zahilay, Chair, King County Council
The Honorable Claudia Balducci, Chair, Committee of the Whole, King County Council
The Honorable Jorge Barón, King County Council
The Honorable Rod Dembowski, King County Council
The Honorable Reagan Dunn, King County Council
The Honorable Teresa Mosqueda, King County Council
The Honorable Sarah Perry, King County Council
The Honorable De'Sean Quinn, King County Council
The Honorable Pete von Reichbauer, King County Council

Dear Executive Braddock and Members of the King County Council:

Oh behalf of UW Medicine I write to provide Harborview Medical Center's initial input on the expenditure of funds from the 2025 Harborview property tax assessment approved by the King County Council in the County's 2025 annual county budget process.

As you know, the University of Washington and UW Medicine leadership worked with the County Executive and County Council in the 2024 State Legislative session to secure county property tax authority up to 20 cents per \$1,000 of assessed property value to support operations, 2020 capital bond projects and other capital infrastructure projects at Harborview Medical Center and Harborview's outpatient clinics.

In the Fall of 2024, as part of its 2025 county budget process, the King County Council assessed 10 cents of this authority, raising a total of nearly \$87 million in annual funding. The Council allocated the 2025 assessment of the tax revenue into three distinct funds, one for operating expenses, (\$46 million), one to supplement the shortfall in the 2020 Harborview Capital Bond Program (\$21 million) and one for major maintenance, repair or replacement for capital projects (\$19 million). The University of Washington and UW Medicine are grateful for this critical investment in Harborview, which comes at a crucial time for the organization.

During the budget process, the Council placed expenditure restrictions on the 2020 Capital Bond Program funding and the "other capital" projects, stating that either fund source "should not be expended or encumbered until University of Washington Medicine provides input to the Executive on a capital spending plan to ensure effective alignment with hospital operations."

In addition, the Council imposed an expenditure restriction on the operating dollars that requires UW Medicine to submit a spending plan to the Harborview Board of Trustees for its approval as part of Harborview's fiscal year 2026 budget process. This will happen in May 2025, and a spending plan for the operating dollars will be forwarded to the Executive and Council shortly thereafter.

In future years, we hope to build a more holistic process for input that brings UW Medicine's perspective on the three funds together; we are currently working with the County Executive to amend the Hospital Services Agreement and hope that this agreement can document such a process.

In the meantime, this letter provides input into capital expenditures as required, and additional information on operating priorities will come to the Council after the Harborview Board of Trustees approves an FY26 budget in May.

2020 Proposition 1 Capital Bond Program Input for 2025 Expenditure:

As you know, the 2020 Capital Bond Program for Harborview faces a significant deficit due to inflationary factors that occurred since the Bond was approved. UW Medicine supports using the \$21 million allocated to the Capital Bond Program in 2025 to fund the construction of the new inpatient bed tower, including the addition of floors and the completion of shelled floors, as recommended in the Ordinance Work Group's (OWG) 2023 report to the King County Council per ordinance 19583. The investment in a new inpatient tower will allow Harborview to continue to meet the needs of our existing patient population and will provide long-needed modernization of inpatient spaces.

Capital Infrastructure (Other Capital Projects) Input for 2025 Expenditure:

Regarding the \$19M in other capital investments in 2025, UW Medicine provided an extensive list of critical capital infrastructure projects during the county council budget process this past Fall, totaling approximately \$320M. UW Medicine supports a subset of those projects as outlined in Table 1 below as the first priorities for the use of the \$19M in tax revenue. These projects total almost \$52 million over multiple years. Several of these projects involve replacement of critical infrastructure on the existing hospital campus, including heating/cooling systems and steam. These systems are beyond their useful life and their replacement will ensure that a failure of one of these systems does not jeopardize current operations.

Project Title	Budget Amount	2025 Est.
DES FMD HMC AUX LOOP CT-3 and 4	13,890,000	3,713,000
DES FMD HMC HVAC CONTROLS	21,960,000	5,458,000
DES FMD HMC NJB MAJOR HEATING VALVES	825,000	825,000
DES FMD HMC JNB HEATING TUBE BUNDLE	313,000	313,000
DES FMD PIONEER SQUARE CLINIC	7,500,000	7,500,000
DES FMD HMC SUBBASEMENT STEAM VALVES	7,331,000	1,191,000
TOTAL	51,819,000	19,000,000

As noted in the above table, Harborview also supports using dollars from the other capital investments fund in 2025 for the purchase and design of a new building to house the Pioneer Square Clinic, a primary care clinic that is part of Harborview's Downtown Programs. Pioneer Square Clinic renovation was identified as a priority in the original 2020 Bond Program. Since passage of the original bond, it has been determined that renovation of the property would be more expensive than purchasing a new property and would reduce the usable space in the existing Pioneer Square Clinic building.


The OWG included the Pioneer Square Clinic as a Tier 2 priority, behind other priorities such as the construction of a new inpatient bed tower and behavioral health services building, and the expansion of the medical respite program. However, we believe a relatively small investment in the purchase of this

property today will result in lower costs in the long term, as it is unlikely we will be able to find a similarly suitable property. UW Medicine supports the purchase of this property in 2025 and recommends that future renovations of the property happen according to the prioritization of the OWG.

The total in the above table represents the estimated cost for all projects listed, some of which will occur over multiple years. The total amount to be used for these projects in 2025 is \$19M.

On behalf of UW Medicine, I am grateful to the County Executive's Office and County Council for all of your collaboration and for considering our input on these proposed expenditures. We appreciate our partnership with King County in service of Harborview's patients and the community.

Sincerely,



Sommer Kleweno Walley, MHA, MA, CCC-SLP
Chief Executive Officer
Harborview Medical Center

cc: Tony Wright, Director of Facilities Management, King County
Kelli Carroll, Special Projects Director, King County Executive's Office
Tom Goff, Director of Local & Regional Affairs, King County Council
Stephanie Fain, Chair, Harborview Board of Trustees
Rhonda Lewis, Chief of Staff, Councilmember Girmay Zahilay
Jeannie McNabb, Chief of Staff, Councilmember Claudia Balducci
Lan Nguyen, Chief of Staff, Councilmember Jorge Barón
Kristina Logsdon, Chief of Staff, Councilmember Rod Dembowski
Cody Eccles, Chief of Staff, Councilmember Reagon Dunn
Erin House, Chief of Staff, Councilmember Teresa Mosqueda
Libby Hollingshead, Chief of Staff, Councilmember Sarah Perry
BrynDel Swift, Chief of Staff, Councilmember De'Sean Quinn
Theo Madura, Chief of Staff Councilmember Pete von Reichbauer