



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

January 20, 2016

Motion 14501

Proposed No. 2015-0480.1

Sponsors McDermott

1 A MOTION approving the finalized plan for the Chinook
2 building consolidation in response to the 2015/2016
3 Biennial Budget Ordinance, Ordinance 17941, Section 129,
4 Proviso P3, and authorizing the release of \$548,942
5 currently held in reserve for the facilities management
6 division and authorizing the release of \$548,942.

7 WHEREAS, the 2015/2016 Biennial Budget Ordinance, Ordinance 17941,
8 Section 129, Proviso P3, states that \$548,942 of the appropriation for the capital
9 improvement program shall not be expended or encumbered until the executive transmits
10 a finalized plan for the Chinook building consolidation, and motion that approves the
11 plan and the motion is passed by council, and

12 WHEREAS, the King County executive hereby transmits to the council a
13 finalized plan for the Chinook building consolidation and by this motion seeks approval
14 of the finalized plan for the Chinook building consolidation, and

15 WHEREAS, the finalized plan for the Chinook building consolidation is
16 submitted by the facilities management division to fulfill their respective proviso
17 obligations;

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

19 The finalized plan for the Chinook building consolidation, Attachment A to this
20 motion, is hereby approved and the \$548,942 currently held in reserve under Ordinance
21 17941, Section 129, Proviso P3, capital improvement program, are hereby released.
22

Motion 14501 was introduced on 11/16/2015 and passed by the Metropolitan King
County Council on 1/19/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Joe McDermott, Vice Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Facilities Management Division Chinook Building Consolidations Capital Project
Proviso Response

Attachment A

Facilities Management Division
Chinook Building Consolidations
Capital Project
Proviso Response

Ordinance 17941
King County 2015/2016 Budget
Section 129, Proviso P3



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2015 Proviso Response: Chinook Building Consolidation

Summary

The Facilities Management Division (FMD) requested necessary funding in the 2015/2016 budget to implement several moves that would ultimately result in a vacant 9th floor available for other tenants in the Chinook Building. This request was aligned with the King County Strategic Plan and the FMD Real Property Asset Management Plan (RAMP). The objectives of the project were to improve the efficiency of space utilization in the Chinook Building and to reduce operating expenses for both the Department of Public Health (DPH) and the Department of Community and Human Services (DCHS). The expected savings for those Departments were captured in the 2015/2016 Adopted Budget as expenditure reductions. The proposed budget for this project (CIP 1124203) was \$548,942 and was approved by the County Council subject to the submittal, and subsequent Council approval, of a report providing more details about this project.

The original proposed project scope for the Chinook Building Consolidation project was as follows:

- DPH would vacate the large side of one floor by moving functions and reconfiguring Floor 13 (adding 40 work stations) with about ½ of the budget applied to reconfigured work stations,
- DCHS would vacate the small side of one floor (48 workstations), and
- The vacated 9th floor, which consists of 20,720 usable square feet, would be leased to a non-county tenant. The non-County tenant would be responsible for all tenant improvement's (TI's) on their floor.

The assumed non-County tenant was the City of Seattle (City). In late fall of 2014 FMD was actively negotiating with the City with full intentions to lease the 9th floor to the City. Unfortunately, the City formally notified FMD in January 2015 that they were no longer interested in leasing this space from the County. Accordingly, the scope of this project has been revisited over the past several months and concluded with a revised, and broader, proposed scope.

The revised scope of this project will not only achieve the original objectives of being more efficient and reducing operating expenses, but also provides an opportunity to achieve desired co-locations within several County Departments. To address these goals, this project has now been structured into two phases and FMD is ready to move forward with Phase I upon Council approval of this report.

Phase I. The first phase, is very similar to the original proposal. It primarily involves DPH staff consolidations in the Chinook Building on floors 10 through 13. However, this phase also includes moving some DPH staff to the Chinook Building 5th floor and moving a few DPH staff off-site to a field based location. This phase now provides an opportunity to begin consolidating many functions of the King County Information & Technology Department (KCIT) to the Chinook Building 9th floor. Those KCIT functions currently occupy space throughout several locations. This phase is ready to launch in the first quarter of 2016.

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Phase II. The second phase involves several moves of other agencies in the Chinook, King Street Center, and Administration buildings. The primary purpose of this Phase is to reduce operating expenses through better space utilization and, where possible, consolidate and strategically locate staff within the Department of Public Defense (DPD) Director's Office, KCIT, and the Business Resource Center (BRC). This phase would also address projected growth for Chinook tenants. The second phase is currently under study and will not occur until the study is complete, and additional funding is requested and approved.

The Phase I scope achieves additional financial benefit to the County because it creates space in the King Street Center (KSC) to address expanding needs of the Department of Transportation (DOT), and for leasing to an outside party. Several other public agencies have expressed interest in leasing space at King Street Center including Sound Transit and Puget Sound Clean Air Agency. Synchronizing the Chinook Building Consolidations Project and the King Street Center Reconfiguration Project (which has been underway now for a couple years) maximizes efficiency, reduces costs and increases revenue.

This project is not without its challenges. FMD recognizes the dynamic nature of County business and program needs. It also understands that County agencies may face a number of unexpected program changes and demands that will affect their space needs. Structuring this project into two phases provides an opportunity to further address these issues in Phase II.

Accompanying this report is a proposed motion approving this report. With this approval, FMD will have sufficient budget to deliver the Phase I moves. The forecast for expected annual savings for the affected agencies is estimated at \$516,020. Accordingly, the \$548,942 cost of these various moves is recovered through savings in just over one year.

The Proviso – Ordinance 17941, Section 129, Proviso P3

Of the appropriation for capital project 1124203, Chinook building consolidation, \$548,942 shall not be expended or encumbered until the executive transmits a finalized plan for the Chinook building consolidation and a motion that approves the plan and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion.

The plan shall include, but not be limited to:

- A. The number of public health staff moving from the ninth floor;
- B. The finalized Chinook building locations to be occupied by staff moving from the ninth floor;
- C. Any associated moves within the Chinook building related to clearing the ninth floor and moving public health staff;
- D. Any associated moves, if any, by other county agencies from other county buildings;
- E. The cost impacts for all parties being relocated, including any anticipated tenant improvements;
- F. The final occupant selected to occupy the ninth floor; and
- G. The timelines associated with all relocations.

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The executive must file the plan and motion required by this proviso when plans are finalized in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the budget and fiscal management committee, or its successor.

Response to Specific Budget Proviso Questions

FMD has finalized a plan for the Phase I consolidations that addresses the specific questions posed in the budget proviso. Specifically:

- A. The number of public health staff moving from the ninth floor.** There will be 107 public health staff moving off the Chinook Building ninth floor.
- B. The finalized Chinook building locations to be occupied by staff moving from the ninth floor.**

DPH 9 th Floor Unit	Post Move Location
Communicable Disease and Epidemiology	Chinook 12th Floor
Connect 2 Care (C2C)	Chinook 10th Floor
Prevention Administration	Chinook 12th Floor
CHS Healthcare for the Homeless	Chinook 10th Floor
Business Standards and Accountability	Chinook 13th Floor
Chronic Disease and Injury Prevention	Chinook 11th Floor
Health and Human Services Transformation	Chinook 5th DCHS Floor
Jail Health Services	Chinook 13th Floor

- C. Any associated moves within the Chinook building related to clearing the ninth floor and moving public health staff.**

DPH Units	Current Location	Post Move Location
Payroll, Controller, AP/AR	Chinook 12 th Floor	Chinook 13th Floor
Information Technology (HIT)	Chinook 13 th Floor	Chinook DCHS 5th Floor
Prevention	Chinook 11 th Floor	Chinook 12th Floor

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D. Any associated moves, if any, by other county agencies from other county buildings.

KCIT Units	Current Location	Post Move Location
Business Solution Services, Server Storage, and Data Base	Chinook 12 th Floor	Chinook 9th Floor
Business Solution Services, Server Storage, Data Base, and Customer Support Services	KSC 2 nd Floor	Chinook 9th Floor
Business Solution Services, PMO/BA Services, Server Storage, and Data Base	Admin 3 rd Floor	Chinook 9th Floor
Business Solution Services, Customer Support Services	Chinook 4 th Floor	Chinook 9th Floor

E. The cost impacts for all parties being relocated, including any anticipated tenant improvements. The Phase I moves and tenant improvements for DPH are estimated to cost \$548,942.

F. The final occupant selected to occupy the ninth floor. The final occupant selected to occupy the ninth floor is KCIT. FMD is currently negotiating a lease with Sound Transit for the KSC second floor as a backfill for the space vacated by KCIT and other KSC tenant efficiency moves. The expected KCIT moves are shown at D above.

G. The timelines associated with all relocations. The timeline for Phase I is driven by the space requirements of Sound Transit as potential lessee. In order to come to a successful conclusion to these negotiations, the county needs to make available to Sound Transit ½ of KSC 2nd floor by the end of 1st Quarter, 2016 and the entire 2nd floor by the end of 3rd Quarter, 2016. Accordingly Phase I of this project needs to be complete in the first quarter of 2016 and DOT reconfigurations at KSC far enough along in 2016 to not need the 2nd floor for construction surge space. Current estimates are that the Phase I moves will be accomplished in four to six weeks.

Revised Chinook Consolidation Plan – A Chartered Project

Objectives – Phase I

The Phase I scope of this project is essentially the same as the original proposed project. Phase I of the project must, through a series of moves, vacate the 9th floor in the Chinook Building, and backfill that floor with KCIT functions currently located primarily at KSC. The backfill of the 9th floor by KCIT functions currently housed at KSC needs to occur in the first quarter of 2016 to accommodate an outside lease of ½ of KSC floor 2 to Sound Transit.

Project Goals – Phase I

- Create savings for DPH and DCHS in a timely manner.
- Improve the efficiency of occupancies in the Chinook Building.
- Further the current efforts to transform the County's Health and Human Services into a more integrated delivery system through co-location of some DPH and DCHS functions.
- Enhance KCIT services and operations through co-location.
- Enhance opportunities to create savings through outside leasing at the KSC.

Objectives – Phase II

Phase II of the project would address, through a series of moves, consolidation and co-location needs of the Department of Public Defense Directors Office, KCIT, and the Business Resources Center. This project Phase would also address space needs created because of future staff growth associated with new or expanding programs. This project would potentially leverage residual vacant space in the Chinook Building but requires additional study to scope out and cost this Phase.

Project, Process, Agreements and Oversight

In order to achieve success FMD and affected County agencies (DCHS, DPH, and KCIT), need to meet frequently and routinely. This is a chartered project and includes a multi-agency Project Staff Team that has been assembled to deal with all short-term moves in the Chinook Building. Frequent construction meetings will be held with those agencies undergoing minor reconfigurations and moves. This project is sponsored by the County's Real Estate Major Projects Oversight Committee (REMPOC). REMPOC will be providing general policy direction and resolving any unresolved disputes amongst affected agencies. REMPOC members consist of the County Administrative Officer, the Performance, Strategy and Budget Director, the Deputy County Executive and the King County Chief of Operations

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This project management scope involves organization and management of implementation of a series of staff moves and, where necessary, alteration of selected workstations. The following are major tasks that need to be accomplished:

- Preparation of reconfiguration plans and inventory lists.
- Assessment of existing spaces with strategies for improving the usefulness of work spaces.
- Evaluation of Chinook electrical, HVAC, and cabling capacity to ensure that those floors being reconfigured for increased density have adequate infrastructure.
- Acquisition of necessary secondary market modular components to implement the reconfiguration plans. Maximize use of existing modular furniture.
- Move management with close coordination between FMD and affected departments.
- Backfill plan and execution.

Revised Phase I Schedule

Phase I has a four to six week schedule with many of the moves executed concurrently.

Budget to Address Revised Phase I Scope

This project was originally budgeted primarily for DPH moves and consolidations and internal moves of DCHS with a goal of vacating the 9th floor of the Chinook Building. This is still the Phase I plan. FMD is now considering a Phase II to address the business needs of two more departments and one additional division; KCIT, DPD Director's Office and the BRC.

Revised budget: The budget related to the Phase I effort is the same as the original budget:

Figure 1: Chinook Consolidation Project Phase I Budget

Cost Element	Budget
Consultant Design Cost	\$11,875
Construction Cost	\$440,388
Contingency	\$26,638
County Force Administration	\$70,042
Total	\$548,942

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Cost Savings for Chinook Tenants and Payback Period

The Chinook tenants benefit from this project in one of two ways; they either have a reduction in their occupancy expenses or a reduced need for outside leases to address staff growth. Phase I creates savings through a reduction in space charges due to reduced occupancies. Following is a summary of financial benefits achieved by Chinook tenant agencies if this project's short-term move objectives are met.

Figure 2: Financial Benefits Achieved by Chinook Tenant Agencies – Phase I

Agency	Current Chinook Occupancy RSF	Post-Project Occupancy RSF	Reduced Occupancy RSF	Annual Savings*
DPH	106,812	94,959	11,853	\$412,271
DCHS	40,637	37,324	3,313	\$103,749
<i>Total Savings</i>			<i>16,480</i>	<i>\$516,020</i>

RSF = Rentable Square Feet

**The estimated annual savings associated with the preliminary objectives of this project is estimated at \$516,020 and constitutes a payback period of just over one year.*