



King County

Office of Performance, Strategy and Budget

Chinook Building
401 Fifth Avenue, Suite 810
Seattle, WA 98104

August 24, 2015

Councilmember Joe McDermott
Chair, Budget and Fiscal Management Committee
King County Courthouse

Dear Councilmember McDermott:

On behalf of Executive Dow Constantine, I am writing to request that the Council amend the first omnibus supplemental appropriations ordinance (Ordinance 2015-0232) to include \$250,952 for the replacement of the heating, ventilation, and air conditioning (HVAC) system at the Northshore Public Health Clinic. The HVAC system has completely failed and the Facilities Management Division (FMD) is using temporary equipment to keep the facility habitable.

As you know, the County's 2015/2016 Adopted Budget assumes the sale of this facility and use of the proceeds to help fill the deficit in the Public Health Fund. A report about options for the Northshore facility has been prepared by FMD and is currently under review in your Committee. Initially, FMD recommended that the building be sold "as is," without repair of the HVAC system. FMD subsequently determined it would likely be more cost-effective to replace the system before the building is sold. A principal reason for this is that FMD staff are familiar with the building and the unusual configuration needed for its HVAC system, while a prospective purchaser would not have that knowledge and thus likely would demand a deeper discount in the sale price than it will cost the County to replace the system.

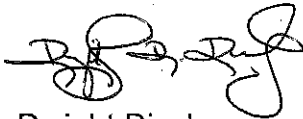
It is probable that a prospective buyer will use the building for similar purposes, such as a health clinic or related offices. The design of the building and the property's zoning support such uses. Thus, installing an HVAC system similar to the current one is the best option. Acting sooner also avoids inflation in the price of the equipment, which is particularly an issue in light of the region's strong construction market.

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Funding for the replacement would come from the General Fund and would be reimbursed from proceeds of the sale. I request that the appropriation be made in the Major Maintenance and Repair Fund (MMRF) as project 1126687.

Please let me know if you have questions. Thank you for your consideration of this request.

Sincerely,



Dwight Dively
Director

cc: Anne Noris, Clerk of the Council
Tony Wright, Director, FMD
Jim Burt, FMD
Wendy Soo Hoo, Council Staff
Katherine Cortes, Council Staff
Amy Tsai, Council Staff
Michelle Allison, Executive's Office
Sid Bender, PSB
Mike Morrison, PSB