## STAFF REPORT

|  |  |  |  |
| --- | --- | --- | --- |
| **Agenda Item:** | 5 | **Name:** | Wendy K. Soo Hoo |
| **Proposed No**.: | 2018-0259 | **Date:** | June 27, 2018 |

**SUBJECT**

Proposed Motion 2018-0259 would acknowledge receipt of a proviso response report on the costs and schedule for tenant improvements at King County’s new records storage warehouse. The Council authorized the Executive to enter into a lease for a consolidated records storage facility and appropriated in December 2017.[[1]](#footnote-1)

**SUMMARY**

Proposed Motion 2018-0259 would acknowledge receipt of a proviso response report on the updated estimated costs and schedule for tenant improvements at the County’s new records storage facility. The current estimated tenant improvement costs are slightly less than the originally estimated costs of $2.2 million and the work is estimated to be complete in August 2018. The report meets the requirements of the proviso and no issues have been identified. Approval of the motion would release the $1 million that is currently restricted for the tenant improvement project.

**BACKGROUND**

Ordinance 18622 authorized the Executive to execute a new lease intended to support Records operations and allow for the consolidation of additional County agency warehouse space at 7272 West Marginal Way South in Seattle.

Ordinance 18632 provided approximately $3.8 million in appropriation authority for tenant improvements for the new Records Center warehouse and capital improvements at the existing Archives building located east of downtown Seattle.

At the time the Council was deliberating on the proposal to lease the warehouse in south Seattle and authorize the appropriation for tenant improvements, Facilities Management Division estimated the tenant improvement costs at $2,223,088 million. However, the lease did not include a scope of work or estimated construction cost for the landlord’s portion of the project. The Council approved the lease and the appropriation, but included a proviso restricting the expenditure of $1 million until the Council, by motion, acknowledges receipt of a report on the cost and schedule for the tenant improvements. The Executive was required to transmit the report within 30 days of receiving the work cost estimate from the landlord.

**ANALYSIS**

Proposed Motion 2018-0259 would acknowledge receipt of a report on updated tenant improvement costs including the landlord’s estimated project costs. The current estimated project cost is $2,221,323, which is slightly less than anticipated at the time the Council approved the lease and appropriation request. The project is currently anticipated to be complete by the end of August 2018.

The landlord’s work cost estimate was received by the Facilities Management Division on April 18, 2018 and the report was transmitted on May 15, 2018 within the 30-day period required by the proviso.

The report meets the requirements of the proviso and no issues have been identified. Approval of the motion would release the $1 million that is currently restricted for the tenant improvement project.

**ATTACHMENTS**

1. Proposed Motion 2018-0259 (with attachments)
2. Transmittal Letter

**INVITED**

1. Tony Wright, Director, Facilities Management Division

1. Ordinance 18622 and Ordinance 18632 [↑](#footnote-ref-1)