**Harborview MEI 2000 Bond Projects**

Analyst: Sam Porter

|  |  | **2023-2024 Proposed** |  | **2025-2026 Projected** |  | **2027-2028 Projected** |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  | $27,592,644 |  | $0 |  | $0 |
| **Expenditures** |  | $27,592,644 |  | $0 |  | $0 |
| **Major Revenue Sources:** HMC/MEI 2000 Bond fund balance, LTGO bonds. |

**Description**

Harborview Medical Center (HMC) is a 413-bed hospital and trauma center serving as the only Level 1 trauma center for Washington, Alaska, Montana, and Idaho. The hospital is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington. In 2000, Council passed Ordinance 13947 which placed a $193 million bond on the November ballot that was adopted by voters. Proceeds spent on demolition of seismically unsound buildings, construction of replacement buildings, seismic renovations and retrofitting and street improvements.

**Summary of Proposed Budget and Changes**

The proposed budget would allocate $27.6 million to the HMC/MEI 2000 Projects budget and make technical changes closing out four bond projects. Of this allocation, $25 million would be LTGO bonds to construct four outpatient operating rooms in the Ninth and Jefferson Building and the remainder would be backed by fund balance from the 2000 bond. Of the remaining 2000 bond revenue, $1.39 million of the allocation for this budget would pay the election costs of the 2020 HMC levy, $350,000 would be allocated to the single patient room expansion project funded through the 2021 and 2022 HMC Capital Improvement Project budgets, and $1.2 million would support additional planning work to inform the 2020 bond projects. According to Executive staff this amount would be used to produce a more detailed and updated analysis of HMC operational costs and lines of business to maximize revenue and capacity to inform the pre-design phase of the bond funded construction projects.

**Key Issues**

**Issue 1 – Proposed Expenditure To Pay 2020 HMC Bond Election Costs**

The proposed budget allocates approximately $1.39 million to reimburse King County Elections for costs associated with the November 2020 election. Ordinance 19117[[1]](#footnote-1) placed the 2020 bond on the November 4, 2020, ballot and included elections costs as eligible expenses under Section 1, C, as other costs incurred in connection with the improvements identified in Attachment A to the Ordinance. Executive staff have stated that the allocation of $1,386,750 can be removed from the HMC/MEI 2000 Bond Fund (3791). Executive staff stated that the payment to the Elections Department can be made directly from property tax collections and as such no additional appropriation is needed to the HMC 2020 Bond Fund (3750).

A technical amendment will be needed to address this issue.

**Issue 2 – Proposed Expenditure To Pay 2020 HMC Bond Planning**

The proposed budget would allocate $1.2 million to provide more detailed planning support for the facility design development of the 2020 bond. Ordinance 13896[[2]](#footnote-2) placed the 2000 HMC/MEI bond on the September 2000 ballot and states that if all authorized projects have been accomplished or were found to be impractical "the county may apply the bond proceeds or any portion thereof to the payment of principal of and interest on the Bonds or to other capital improvements, as the council, by ordinance and in its discretion, shall determine." Executive staff indicate that all improvements have been completed or were deemed impractical, and the bonds have been paid off. Therefore, remaining proceeds from the 2000 HMC/MEI bond may be expended on capital improvements at the council's discretion.

It is a policy choice for the council to consider whether to use remaining 2000 HMC/MEI bonds on 2020 HMC Bond planning as proposed in the budget. Planning for the 2020 HMC bond is an eligible expense under the HMC 2020 Bond. Additionally, the allocation of $1,386,750 described in Issue 1 may also be expended on capital improvements at the council's discretion. Executive staff also indicate that the $350,000 proposed to be expended on the single patient room expansion is also a policy choice.

1. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=4420195&GUID=EC4B4B66-6924-4FDC-BBDF-A8708840BC8D&Options=Advanced&Search=> [↑](#footnote-ref-1)
2. <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=549615&GUID=1A71DBEC-94F3-401F-9E43-59EF1A0F7ECF&Options=Advanced&Search=> [↑](#footnote-ref-2)