



King County

Dow Constantine

King County Executive

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December 1, 2022

The Honorable Claudia Balducci
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits a feasibility assessment report on King County's ability to facilitate the public manufacture of concrete in response to Motion 16078.

As required, the report includes results of a study to determine the feasibility of King County's ability to partner with other public agencies to facilitate manufacture of concrete for use in public building and construction. The assessment report considers elements necessary for public manufacture, possible properties on which to locate a facility, a survey of jurisdictions that might be interested in partnering with the County, possible fiscal impact, an analysis of operations, policy, and legal issues, and opportunities that may benefit private entities. The report includes a description of two possible options for concrete production facilities considering these factors.

In developing the report, the Department of Natural Resources and Parks (DNRP) commissioned a study from consulting firm HDR Engineering, Inc., which developed the study with information provided from the Port of Seattle, the Washington State Department of Transportation, Sound Transit, the City of Seattle's Department of Transportation, Seattle Public Utilities, and Seattle City Light. The consultant also received information from concrete admixture suppliers, including Lehigh Hanson, Ash Grove Cement Company, Standard Industries (formerly W.R. Grace), and Sika USA, as well as concrete manufacturers Cadman, Inc., Stoneway Concrete, and CalPortland.

As required, the report provides an independent study of requirements and related costs for King County to construct and operate a concrete manufacturing facility. The consultant analyzed two potential options for the County to consider: Option 1 is a small-scale plant for King County projects at a site located in Issaquah. Option 2 is a larger-scale plant for King County projects, as well as other projects planned by other public partner entities.

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The consultant found in both cases that the costs of building and operating these facilities would result in the production of concrete at a higher cost than what is currently available on the market. Based on HDR's results from both concrete-plant options and the absence of interest seen from potential partners in an Option 2 scenario, HDR did not recommend moving forward with either option one or two. HDR noted that an Option 2 plan would still be possible, given the potential cost-sharing opportunities with a jointly run concrete operation. It also added that a lack of access to a stable supply of aggregate materials would create cost increases high enough to make the project financially unfeasible. Consequently, the implementation plan requested by Motion 16078 is not included in the materials I am transmitting today.

I understand HDR's analysis and concern that the high costs of securing sufficient aggregate materials to meet the County's demand for concrete would make the project financially challenging due to the oligopoly of the local concrete industry. However, I will continue to pursue and study other opportunities to increase aggregate and continue to explore ways to secure a reliable supply of concrete for the benefit of our infrastructure and economy.

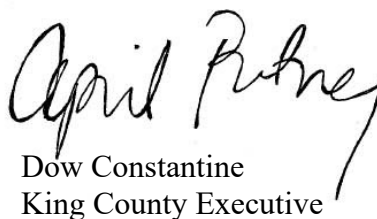
The work outlined in this report furthers the King County Strategic Plan goal of efficient, accountable, regional and local government by aligning funding, policy, and operational goals of King County government with community priorities.

It is estimated that the report required 170 hours to produce, costing approximately \$30,000 in staff hours and \$55,000 in consultant costs. The estimated printing cost for this report is nominal.

Thank you for your consideration of this report.

If your staff have any questions, please contact Christie True, Director, Department of Natural Resources and Parks, at 206-477-4550.

Sincerely,

 for
Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff
 Melani Pedroza, Clerk of the Council
Shannon Braddock, Chief of Staff, Office of the Executive
Karan Gill, Deputy Chief of Staff, Office of the Executive

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Mina Hashemi, Council Relations Director, Office of the Executive
Christie True, Director, Department of Natural Resources and Parks