## REVISED STAFF REPORT

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| **Agenda Item:** |  | **Name:** | Nick Bowman |
| **Proposed No**.: | 2017-0426 | **Date:** |  |

**COMMITTEE ACTION**

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| ***Proposed Ordinance 2017-0426.2 providing appropriation authority for tenant improvements and relocation expenses for the proposed new Records Center warehouse at 7272 Marginal Way South, Seattle, as well as capital improvements to the Archives building located at 1215 East Fir Street, Seattle, passed out of committee on November 21, 2017, without recommendation. The ordinance was amended in committee with Amendment 1 to restrict $1,000,000 of Project 1132642’s budget until the Council acknowledges by motion receipt of a report that includes the Work Cost Estimate and Work Schedule for tenant improvements as those terms are described in Exhibit C to the lease agreement that is Attachment A to Proposed Ordinance 2017-0427. The report must include reasons for cost increases exceeding the currently budgeted $2,223,088 and shall be transmitted no more than 30 days after the county has received the work cost estimate from the landlord.*** |

**SUBJECT**

**Proposed Ordinance 2017-0426** would provide appropriation authority for tenant improvements and relocation expenses for the proposed new Records Center warehouse, as well as capital improvements to the Archives building located at 1215 East Fir Street, Seattle.

**SUMMARY**

Proposed Ordinance 2017-0426 would provide approximately $3.8 million in appropriation authority for tenant improvements for the proposed new Records Center warehouse at 7272 West Marginal Way South, Seattle and capital improvements at the Archives building located at 1215 E. Fir Street, Seattle. The Executive has proposed using a portion of the surplus sale proceeds of the existing Records Center warehouse to fund these improvements.

**BACKGROUND**

The King County Records Center and Archive buildings have been located on county owned property at 1215 Fir Street in the City of Seattle, since 1952. The Records and Archive buildings are the County’s third oldest facilities, and are in need of updates, repairs, or replacements of many of its systems, to the point that the buildings are no longer adequate for their current use[[1]](#footnote-1). According to the Executive, the Records building alone is in need of approximately $3 million dollars in major maintenance projects[[2]](#footnote-2)

In July, 2017, the Executive proposed selling the Records center portion of the property to the Seattle Housing Authority (SHA) for redevelopment[[3]](#footnote-3). According to Executive staff, the Yesler neighborhood, where the sale property is located, has been targeted for transformation into a community of opportunity. In the last several years, a Seattle University-led educational partnership has expanded educational opportunities in the neighborhood and the SHA has invested in the restoration and redevelopment of a number of properties to increase affordable housing in the area. With the purchase of the sale property, SHA intends to continue this work; demolishing the existing Records facility and constructing approximately 125 housing units at or below 60 percent of Area Median Income with a focus on family units with 2 to 4 bedrooms.

As transmitted, the proceeds from the sale property would fund capital improvements to the Archives building, as well as, the relocation, tenant improvements, and base rent and operating costs associated with the new Records Center.

**ANALYSIS OF PROPOSED ORDINANCE 2017-0426 (SUPPLEMETNAL APPROPRIATION)**

Proposed Ordinance 2017-0426 would appropriate $1,556,137 to Project 1132641 (DES FMD Archives Building Tenant Improvements) and $2,223,088 to Project 1132642 (DES FMD Records Relocation) for a total of $3,779,225 in the Building Repair/Replacement Fund CIP to support tenant improvements and related costs for the Archives building and the Records Center relocation.

A summary of the Building Repair/Replacement Fund CIP adopted budget for 2017-2018 and supplemental appropriations to date is shown below.

**Building Repair/Replacement Fund CIP $3,779,225**

**2017/2018 Adopted Budget: $14,130,596**

**Supplemental Appropriations: $33,534,203**

**Cumulative Total Appropriation to Date: $46,769,799[[4]](#footnote-4)**

Executive staff reports that the majority of work associated with the tenant improvements for the new Records Center location include office space configurations, efficient high volume shelving, security electronics equipment, network and telecom, and moving costs. For the Archives building, the improvements include expanding customer service space, a doubling of the space with HVAC climate control systems and the installation of high efficiency lighting.

***Amendments***

Amendment 1 would restrict $1,000,000 of Project 1132642’s budget until the Council acknowledges by motion receipt of a report that includes the Work Cost Estimate and Work Schedule for tenant improvements as those terms are described in Exhibit C to the lease agreement that is Attachment A to Proposed Ordinance 2017-0427. The report must include reasons for cost increases exceeding the currently budgeted $2,223,088 and shall be transmitted no more than 30 days after the county has received the work cost estimate from the landlord.

1. 2016 Real Property Asset Management Plan (Ordinance 18428) [↑](#footnote-ref-1)
2. See Attachment 12 [↑](#footnote-ref-2)
3. PO 2017-0377 [↑](#footnote-ref-3)
4. Supplemental Appropriations and Cumulative Total Appropriation reflect the appropriations included in 2017-0395 (2017 2nd Omnibus) which was adopted by the Council on November 6th, 2017. [↑](#footnote-ref-4)