



## Legislation Details (With Text)

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**File created:** 4/28/2020      **In control:** Committee of the Whole

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**Title:** AN ORDINANCE providing for the submission to the qualified electors of King County, at a general election to be held on November 3, 2020, of a proposition authorizing the county to issue its general obligation bonds in the aggregate principal amount of not to exceed \$1,740,000,000 or so much thereof as may be issued under the laws governing the indebtedness of counties, for the purpose of providing funds to pay for public health, safety and seismic improvements for Harborview Medical Center.

**Sponsors:** Joe McDermott, Rod Dembowski, Jeanne Kohl-Welles

**Indexes:** Bonds, Elections, Funds, Harborview, Public Health

**Code sections:**

**Attachments:** 1. Ordinance 19117, 2. A. Health and Safety Improvements for Harborview Medical Center, dated June 23, 2020, 3. A. Health and Safety Improvements for Harborview Medical Center, 4. 2020-0176 Transmittal Letter HMC Bond FINAL, 5. 2020-0176 Signed Transmittal Letter HMC Bond FINAL, 6. 2020-0176 HMC Fiscal Note Final, 7. 2020-0176 ATT5 Revised Fiscal Note.pdf, 8. 2020-0176\_SR\_HMCBond\_Final.docx, 9. 2020-0176\_ATT2\_2020-RPT0054 HMC Recommendation Report.pdf, 10. 2020-0176\_SR\_HMCBond\_6-16-12.docx, 11. 2020-0176 Amd 1, 12. 2020-0176 Amd 2, 13. 2020-0176 A

Date	Ver.	Action By	Action	Result
6/23/2020	1	Metropolitan King County Council	Passed as Amended	Pass
6/16/2020	1	Committee of the Whole	Recommended Do Pass	Pass
5/19/2020	1	Committee of the Whole	Deferred	
4/28/2020	1	Metropolitan King County Council	Introduced and Referred	

AN ORDINANCE providing for the submission to the qualified electors of King County, at a general election to be held on November 3, 2020, of a proposition authorizing the county to issue its general obligation bonds in the aggregate principal amount of not to exceed \$1,740,000,000 or so much thereof as may be issued under the laws governing the indebtedness of counties, for the purpose of providing funds to pay for public health, safety and seismic improvements for Harborview Medical Center.

### STATEMENT OF FACTS:

1. Harborview Medical Center facilities include a state licensed 413-bed hospital owned by King County and operated by University of Washington. The hospital is overseen by a 13-member Board of Trustees. Harborview Medical Center is a comprehensive regional health care facility providing specialized care for a broad spectrum of patients, the control of illness and the promotion and restoration of health. Harborview Medical Center is one of the nation's leading academic medical centers and is the only Level 1 Trauma Center for adults and children serving a four-state region that includes Alaska, Idaho, Montana and Washington. The hospital is maintained as a "public health and safety facility" as defined in RCW 36.89.010. As such, the essential public health and safety services provided by Harborview Medical Center are of benefit to all of the residents of King County.

2. Harborview Medical Center is maintained as a public hospital by King County to improve the health and well-being of the entire community and to provide quality healthcare to the most vulnerable. The mission population, as defined in Ordinance 18232, includes: the non-English speaking poor; the uninsured or underinsured, victims of domestic violence or sexual assault; people incarcerated in King County's jails; people with mental illness or substance abuse problems, particularly those treated involuntarily; people with sexually transmitted diseases; and those who require specialized emergency, trauma or burn care.

3. Nearly 20 years ago, King County voters authorized the county to issue \$193,130,000 in general obligation bonds to fund seismic and public health and safety improvements for Harborview Medical Center. The bond proceeds provided for: construction of an inpatient facility; a 14-story medical office tower; demolition of seismically unsound buildings; and limited renovations of some hospital spaces. The 2000 Harborview Medical Center bonds will be largely paid off by 2024.

4. Over the past 20 years, the growth in population, and changes in medical practice, equipment

and technology, have resulted in the need for upgrades to the facilities of Harborview Medical Center. Between December 2018 and January 2020, the Harborview leadership group, as called for by Motion 15183, conducted analyses on the state of Harborview Medical Center facilities, including the Pioneer Square Clinic, which is part of the Harborview Medical Center owned by King County. The Harborview leadership group was charged with making recommendations on Harborview Medical Center's capital program to the Capital Planning Oversight Committee, the Harborview Medical Center Board of Trustees, the King County executive and the King County council. The Harborview leadership group found that the aging Harborview Medical Center physical plant limits the ability of Harborview and King County to provide care and services to the residents of King County and recommended improvements to the physical plant of Harborview Medical Center.

5. A majority of Harborview Medical Center's facilities are aging and out of date in terms of modern medical best practice standards for infection control and privacy. Due to facility configuration, Harborview Medical Center often operates at 100 percent capacity, and critical surge capacity and emergency department capacity are limited. The majority of the medical center's patient beds are in double patient rooms or multi patient wards. On average, 50 patient beds per day cannot be used due to modern infection control requirements for shared rooms. A new inpatient facility would increase single bed capacity and enable Harborview Medical Center to meet modern infection control and privacy standards. It would provide surge capacity for the hospital to effectively respond to a disaster or mass casualty event.

6. Harborview Medical Center is the designated disaster control hospital for the region. The Harborview Medical Center facilities include older masonry buildings that would suffer significant damage during an earthquake. Building collapse or inaccessibility of buildings after an earthquake would negatively impact facility operations during a disaster by limiting

availability of services and posing life-safety risks to patients, employees and visitors.

Seismically stabilizing buildings allows the facilities to continue to operate during an earthquake and protects patients, employees and visitors to the campus.

7. King County has a growing number of people experiencing unmet and complex behavioral health needs, including substance use disorders. The King County suicide rate has increased by an estimated 18 percent in the last decade. Clinical space is at capacity in Harborview Medical Center facilities. Untreated behavioral health conditions can result in increased involvement in the justice system through repeated jail bookings, and use of involuntary commitment, as well as homelessness. Increasing and improving behavioral health spaces in the Harborview Medical Center facilities would result in improved behavioral health care through expanding space capacity and providing space for research and training on behavioral health matters. The proposed bond measure would allow for the expansion of addiction services by twenty percent and the integration of substance use disorder treatment with academic medicine through fellowships aimed to increase positive outcomes through treatment.

8. Individuals who are homeless or marginally housed stay in the hospital longer than clinically indicated because they have nowhere else to go to receive lower-acuity medical and recuperative care. There is a very small number of respite beds in King County, resulting in a need that exceeds supply. The lack of medical respite beds increases morbidity and mortality among homeless and marginally housed patients, as well as acting as a bottleneck for discharge from emergency departments and hospital beds.

9. To protect and advance the public health and safety services provided at Harborview Medical Center facilities, including its role as the designated disaster control hospital for the region, King County requires public health, safety and seismic improvements to Harborview Medical Center facilities, as further described in Attachment A to this ordinance (collectively, "the

Improvements").

10. The recommendations of the Harborview leadership group are the basis of the Improvements. Harborview's Capital Planning Oversight Committee approved of the Harborview leadership group recommendations on February 14, 2020. The Harborview Board of Trustees approved the Harborview leadership group recommendations on February 27, 2020. The King County executive transmitted the Harborview leadership group recommendations to the King County council on April 7, 2020.

11. Harborview Medical Center provides substantial economic benefit to King County, employing over 4,450 individuals.

12. As illustrated by the 2020 pandemic COVID-19, there is a critical need in King County for expanded medical facilities with greater capacity for infectious disease control. The Improvements include facility improvements that prioritize infection control through construction of single patient rooms, modernized and expanded emergency department and upgraded infrastructure.

13. Construction of the Improvements will create an estimated 7,700 jobs. The construction is subject to King County's Master Community Workforce Agreement approved by Ordinance 18672, which would create an estimated 2,300 opportunities for apprenticeship and local hire.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

**SECTION 1. Findings - Authorization of Capital Improvements.**

A. The county council hereby finds that all of the Harborview Medical Center facilities in the county are a "public health and safety facility" as defined in RCW 36.89.010, and finds further that the essential public health and safety services provided by this facility are of general benefit to all the residents of King County. To minimize disruptions in the public health and safety service provided by Harborview Medical Center, the county council therefore further finds that the best interests of all of the residents of the county require the

county undertake and finance public health, safety and seismic improvements to Harborview Medical Center facilities, as further described on Attachment A to this ordinance and incorporated herein by this reference (collectively, "the Improvements").

B. In accordance with RCW 36.89.040, the county council hereby finds and declares that the proposition authorized to be submitted to the voters by this ordinance and the Improvements authorized thereby and described in this ordinance have for their object the furtherance and accomplishment of a system of public health and safety facilities for the benefit of all the residents of King County and constitute a single purpose.

C. The cost of all necessary design, engineering and other consulting services, inspection and testing, administrative expenses including project administration and election expenses, permitting and mitigation costs and the other costs incurred in connection with the Improvements shall be deemed a part of the costs of the Improvements.

D. The total estimated cost of the Improvements, including the cost of issuing and selling the Bonds provided in this ordinance, is declared to be, as nearly as may be determined, the amount of \$1,740,000,000.

E. The exact timing and specifications for projects included in the Improvements shall be determined by the county.

F. If the county council determines that it has become impractical to acquire, construct or equip any portion of the Improvements by reason of changed conditions, or costs substantially in excess of the amount of the Bond proceeds or other funds estimated to be available, the county shall not be required to acquire, construct or equip such portions and may apply the Bond proceeds to other portions of the Improvements.

G. If proceeds of the Bonds, plus other funds of the county legally available for the Improvements, are insufficient to accomplish all of the Improvements, the county will use the Bond proceeds and other available funds for those of the Improvements deemed by the county council as most necessary and in the best interest of the county.

H. If all of the Improvements shall have been accomplished or duly provided for, or those that are not

accomplished or duly provided for are 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 in furtherance of the public health and safety system, as the council, by ordinance and in its discretion, shall determine.

**SECTION 2. Authorization of Bonds.**

A. For the purpose of providing part of the moneys necessary to pay costs of the Improvements, together with incidental costs and costs related to the issuance and sale of the Bonds, including capitalized interest, the county shall issue and sell its unlimited tax general obligation Bonds in the aggregate principal amount of not to exceed \$1,740,000,000. The Bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the county or exceeding the amount permitted by the constitution and laws of the state of Washington. The balance, if any, of the cost of the Improvements shall be paid out of any money that the county now has or may later have on hand that is legally available for such purpose.

B. The Bonds to be issued shall be issued in such amounts and at such time or times as found necessary and advisable by the county council. The Bonds may be issued in one or more series and shall bear interest payable at a rate or rates not to exceed the maximum rate permitted by law at the time the Bonds are sold. Any series of Bonds shall mature in such amounts at such times within a maximum term of 20 years from the date of issue of the series, but may mature at an earlier date or dates as authorized by the county council and as provided by law. The exact date, form, terms, options of redemption, maturities and conditions of sale of the Bonds shall be as hereafter fixed by ordinance of the county council passed for such purpose. The Bonds shall be general obligations of the county and, unless paid from other sources, both principal of and interest on the Bonds shall be payable out of annual tax levies to be made upon all the taxable property within the county without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. After voter approval of the Bond proposition and in anticipation of the issuance of the Bonds, the county may issue short term obligations as authorized by chapter 39.50 RCW. Proceeds of the Bonds may be used to redeem and

retire short term obligations or to reimburse the county for expenditures previously made for the Improvements.

**SECTION 3. Bonds Election.**

The clerk of the council shall certify the following proposition to the director of elections, in substantially the following form, with such additions, deletions or modifications as may be required by the prosecuting attorney:

KING COUNTY PROPOSITION NO. \_\_\_\_

HARBORVIEW MEDICAL CENTER

HEALTH AND SAFETY IMPROVEMENT BONDS - \$1,740,000,000

The Metropolitan King County Council has passed Ordinance \_\_\_\_\_ concerning this proposition to issue Harborview Medical Center improvement bonds. This proposition would authorize King County to make public health, safety and seismic improvements to Harborview Medical Center facilities, including construction of new buildings, renovation and upgrading of existing facilities and demolition of existing buildings, and to issue \$1,740,000,000 of general obligation bonds maturing within a maximum of 20 years to pay for such improvements and to levy property taxes annually in excess of regular property tax levies to repay such bonds, all as provided in Ordinance \_\_\_\_\_. Should the proposition be:

Approved

Rejected

**SECTION 4. Severability.** In the event one or more of the provisions of this ordinance shall for any reason be held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, and this ordinance and the Bonds shall be construed and enforced as if the invalid provision is separable from and was not contained in this ordinance. Any provision that shall for any reason be invalid shall be deemed to be in effect to the extent permitted by law.