

John Lovick County Executive 3000 Rockefeller Avenue, M/S 407 Everett, WA 98201-4046 (425) 388-3460 FAX (425) 388-3434

September 1, 2015

Dear Councilmembers,

I'm writing you today regarding the Snohomish County courthouse replacement project. While there is no question we need a new facility to serve the people of Snohomish County and our employees, I have come to the conclusion the City of Everett might not be the appropriate location for a replacement courthouse. My conclusion is based upon the troubling and unprecedented issues that have plagued this project for many months now, as a result of the Everett City Council's Dec. 24, 2014 emergency ordinance unnecessarily imposing off-street parking requirements for government buildings. Most recently, the City Council failed to approve an interlocal agreement between the County and the City despite a previous letter from Mayor Ray Stephanson stating he is "pleased that our staffs have developed a solution to the courthouse parking issue that will meet the intent of the City's parking ordinance and allow the courthouse to proceed within the County's existing budget."

The County has strived to be a good partner to the City of Everett however, the City has not reciprocated and I do not foresee this issue being resolved in a timely or satisfactory manner. County employees have worked faithfully for nearly a year to find a solution to these recently imposed requirements despite the fact there is no rational basis or nexus for imposing such requirements on a replacement structure for an existing public service building which already has existing parking. Further, these latest unnecessary delays imposed by the City of Everett have cost us our contractor and construction crane, and have required us to put a stop on our steel and furniture orders. Such a climate of uncertainty and financial risk is unacceptable for any project, let alone one of this magnitude.

The mayor's most recent letter dated Aug. 26, 2015 appears to bring the County's original and sound position regarding parking full circle. However, previous assurances from the mayor that we had a deal have not been honored.

Given these unfair circumstances imposed upon the County, I recommend to the County Council that the replacement courthouse project be suspended until certainty regarding a location and design can be determined. I realize this endeavor could take several years. Meanwhile, the public and our employees are left to conduct important business in a dilapidated building whose deficiencies have been well documented by county officials and the media. In order to best serve the public, the taxpayers and employees, I recommend the following:

- Beginning in 2016, return to taxpayers the property taxes levied by the County Council for the second phase of the current courthouse project, which is approximately \$4 million annually.
- Allocate a portion of the current bonds to address pressing safety issues within the current courthouse (ADA requirements, elevator replacement, abatement, etc), and to make necessary renovations to the Mission building.
- Allocate the remaining amount of the \$75 million to partially retire the County's outstanding bonds, saving taxpayers nearly \$60 million over the life of the bond.

I directed my team to issue a request for proposals regarding potential new courthouse sites – including outside the City of Everett – sites which will allow the County to construct an appropriately-sized law and justice center to meet the needs of our growing county for decades to come. Responses are expected as early as this week. Whereas the previous administration recommended the issuance of \$75 million in bonds – which were issued in April 2013 – before a building design had been determined and before construction was even underway, I recommend the County wait until these critical components of the project are completed before any additional bonds are issued. Given what has unfolded since December 2014, I am thankful my administration did not issue the second phase of the bonds, despite pressure to do so. I realize this recommendation is not what the County Council approved in 2013 when a majority of its members voted to locate a new \$162 million courthouse across the street from the downtown county government campus. Though I originally recommended a different option located on the current campus north of the existing courthouse, I respected the Council's 2013 decision, and my team and I have worked diligently since then to bring the project to fruition. In fact, the County's project team has successfully developed a project within the County Council's approved \$162 million budget. However, the actions of the City of Everett have rendered this project implausible at present, and I am convinced it is time to move beyond the current plan.

Sincerely,

John Lovick

County Executive

cc: Everett Mayor Stephenson Everett City Councilmembers