



CHILDREN'S HOSPITAL AND REGIONAL MEDICAL CENTER MAJOR INSTITUTIONS CITIZENS ADVISORY COMMITTEE

DRAFT MEETING NOTES

Meeting # 8

March 18, 2008

Talaris Conference Center
Cedar Room
4000 NE 41st Street
Seattle, WA 98105

Children's Hospital and
Regional Medical Center
Major Institutions
Citizens Advisory
Committee

Members

Cheryl Kitchin
Delores Prichard
Myriam Muller
Kim O Dales
Kathleen Sabo
Doug Hanafin
Catherine Hennings
Dr. Gina Trask
Karen Wolf
Michael S Omura
Wendy Paul
Yvette Moy
Robert Rosencrantz
Bob Lucas
Cathy Higgins

Alternates

Theresa Doherty
Shelley Hartnett
Christine Barrett

Ex-Officio Members

Steve Sheppard – DON
Scott Ringgold – DPD
Ruth Benfield – CHRMC

Members/Alternates Present

Citizen's Advisory Committee (CAC) for Children's Hospital and Regional Medical Center Meeting of March 18, 2008

Committee Members Present

Catherine Hennings, Vice Chair	Steve Sheppard, DON (ex-officio)	Myriam Muller
Cheryl Kitchen	Delores Prichard	Bob Lucas
Shelley Hartnett	Ruth Benfield (ex-officio)	Scott Ringgold (ex-officio)
Mike Omura	Gina Trask	Wendy Paul

I. Welcome and Introductions

Karen Wolf, Committee Chair, welcomed everyone to the eighth meeting of the Children's Hospital and Regional Medical Center Citizens' Advisory Committee.

Mr. Sheppard stated that three members of the committee had to resign due to conflict of interest: Kathy Higgins, Christine Barrett and Kathleen Sabo. He thanked them for their participation. He said that many had heard about the possible Laurelton Terrace purchase and its potential incorporation into CHRMC boundary expansion. He said the offer that has been made is not typical; it is for far above market value and has other considerations to it, including conditions that relate to this Committee. For that reason, both financial conflict of interest and the appearance of conflict of interest of influencing the Committee towards a certain decision, the City Ethics Office has concurred that it is a clear conflict of interest and it was necessary to ask them to resign. Under the code they will have to be replaced. He stated he hopes they will continue to attend as they have represented an important constituency and it is important to hear their voices. Ms. Wolf offered her thanks to Ms. Higgins, Ms. Barrett and Ms. Sabo for their commitment and work and said their perspective is welcome and appreciated.

II. Presentation on the Current Status of the Planning and Possible Purchase of Laurelton Terrace.

Ruth Benfield, CHRMC thanked the committee for its ongoing hard work And specifically thanked the Design Criteria Subcommittee for their hard work on February 2. As a result, CHRMC has and modified the overlay somewhat to match the sub-committee recommendations while still meeting their growth needs



of 1 ½ million square feet and 600 beds. The sub-committee work will form the basis of some of the discussion that will occur. In addition she stated that the Committee will hear from Laurelon Terrace representative who will give details concerning their positions on the possible purchase.

Ms. Wolf introduced Jan Kirkwood, representative for Laurelon Terrace Property owners to provide a background of the deal with CHMRC. Ms Kirkwood stated that she is an attorney with Williams, Kastner and Gibbs which has represented Children's Hospital on some issues, but that in this case she is speaking as a volunteer consultant to the Board of Directors at Laurelon Terrace, where has been an owner since 1986, long time Laurelhurst resident, and a former Laurelon Board member.

Ms. Kirkwood stated that Laurelon Terrace is 6.7 acres of low lying property directly west of the hospital campus and borders Sandpoint Way. It was built as post-war housing in 1949 of wood frame construction with 136 units in 20 buildings. It has a similar look and feel to the Edgewater Apartments in Madison Park, the Clay Court Apartments in Madison Park and the Shorewood Apartments in Mercer Island. It was converted to condominiums 1979. There have been relatively few infrastructure upgrades and the complex will be 60 years old next year.

Ms. Kirkwood stated that Laurelon Terrace is clearly at a crossroads. The cost to operate and maintain it continues to increase. Historically Laurelon has tried to keep its costs as low as possible, but this may no longer be possible and it is predicted that homeowner's fees will double over the next few years. In addition, the reserve contribution, either for rainy day or capital projects, is based on reserve study that was done 10-12 years ago which calls for contributions of \$168,000 per year. The owners have been unable to do this and are actually funding at \$120,000. As a result, the association has no funds to cover major upgrades that are needed. Needed upgrades include: 1) the electrical system which is knob and tube with fuses rather than circuit breakers; 2) installation of a fire suppression system; 3) replacement of the old galvanized pipe water system which is reducing water pressure to the point where installation of washers and disposals and dishwashers is difficult; 4) upgrades to the central heat which is currently provided by one boiler and a backup; and 5) replacement of the sewers as they are 60 years old.

Ms. Kirkpatrick noted that for at least ten years residents have talked of the future of Laurelon and when to start addressing the problems noted above. Many had offered the opinion that the property would eventually end up with hospital. When these people heard that CHMRC was expanding, they thought that the time might be right to approach CHMRC and ask if they were interested in making an offer to buy Laurelon. The board weighed this issue over a number of meetings, realizing that not everyone wanted to move. In the end they decided that they would approach the hospital to see if CHMRC could come up with a palatable offer they could present to the owners.

The board had three goals: 1) to achieve the greatest good for both Laurelon residents and the hospital; 2) to protect the interest of long term seniors, their longevity, their peace of mind and that they would have input/feedback; and 3) to treat everyone equally. They approached the hospital and conducted tough negotiations. She said they feel they have the best deal they can strike. There are some contingencies and they must have the support of 80% of Laurelon residents. There is sponsored legislation in Olympia to help with this issue which would change statutes to treat Laurelon similarly as others are treated statewide. At the present time, Laurelon Terrace owners believe that they are getting a fair price, the neighborhood has an opportunity to control the growth, and the hospital has plenty of room to expand.

Ms. Wolf opened the floor to CAC questions

Myriam Muller said that Ms. Kirkpatrick stated that the contingencies are the same as real estate deals but they are not. One of the contingencies is the hospital approval for the development in Master Plan. This is

not a certainty and she expressed concern that Laurelton Terrace residents may think they are certain to get 2 ½ times market value. There is no certainty as this is contingent upon various City approvals. She asked how this is playing out to owners. Ms. Kirkpatrick responded that was correct and that this is what happens in real estate deals. She said sometimes the inspection contingency doesn't pass. Residents understand this. Ms. Wolf asked Ms. Kirkpatrick to clarify language concerning approval of a Master Plan. Ms. Kirkpatrick said that it basically states a Master Plan needs to be approved which is acceptable to the hospital.

Ms. Wolf asked if they will continue to make capital improvements so people can continue to live there. Ms. Kirkpatrick said they are collecting the reserve as if there is no deal, they are continuing the re-siding contracts and they are doing everything they would have done last year at this time.

Myriam Muller noted Ms. Kirkpatrick said 80% of Laurelton are for this deal; she asked for the exact figure. Ms. Kirkpatrick responded that there was one abstention, three not voting, 12 no vote and the rest were yes; she said that was 120 out of 136 units said yes.

Ms. Kirkpatrick said two out of the three contingencies have occurred. One is the supermajority of Laurelton owners who agree in principle with the concept. The second one is the legislation has passed in Olympia is waiting for the Governor's signature. The only remaining contingency is the approval of the master plan.

Steve Sheppard noted that CHRCM is coming forward with a plan to expand boundaries. He said if in fact there were no sale pending, the Committee could still review this possible. The contingencies are between Laurelton Owners and the institution. The role of the CAC is to weigh whether possible expansion onto the Laurelton Terrace property sufficient benefits to the neighborhood and what mitigation might be needed.

III. CHRCM Space Planning

Editor's Note: Much of this presentation related to drawings of the typical floor plans at other facilities. It was not easily translated into a totally written form.

Ruth Benfield was recognized to talk about space planning and answer previous questions from the CAC. Ms. Benfield said they committed to come back to respond to the Committee's input. She introduced Carl Sonnenberg. Mr. Sonnenberg noted that question have been raised concerning the relationship of CHRCM's space per patient assumptions compared to other children's hospitals.. He provided a comparison to other top ten free-standing children's hospitals in order to help illustrate. He said he is not including some like Johns Hopkins because it is combined with an adult hospital so it cannot be compared apples to apples.

The comparison is:

Philadelphia	5,050
Denver	5,350
Houston	4,700
Cincinnati	4,700
CHRCM	3,600 – proposed is 4,000

Only Denver is a replacement hospital, so they are using Denver as the most similar for comparison to Children's. He noted figures came from the facilities departments of the institutions as well as the architects; they are, as much as possible, apples to apples comparison. They excluded the research area because CHRCM doesn't have research on its main campus. If some programs had large clinics they didn't count those.

When they projected CHRCM needs they evaluated each service line, how many operating rooms they would need; how many recovery bays, how many X-ray rooms. He said it actually came out to 3,996 square feet so

they rounded it 4,000 square feet. CHRCM staff noted that at the Denver facility the typical patient room is 300 square feet, with 48 beds on each floor. With direct support facilities such as the nurses stations, supply spaces etc., it totals 986 square feet per bed. Additional spaces include such uses as the operating rooms, exam rooms, diagnostic imaging, radiology, equipment storage spaces and labs, physical therapy and other support spaces. Additional spaces are devoted to boiler rooms and air handling. Staff briefly went over the typical size for each of these uses and again noted that they total just about 4,000 square feet per bed.

CHRCM Staff noted that increasing technology is also driving the increases in space needs. It was noted that the size and complexity of equipment continues to grow.

Mr Sonnenberg also gave a brief presentation of how these sizes might be applied to more closely match the greater setbacks, and lower heights suggested by the CAC's Design Sub-committee. CHRCM staff evaluated these suggestions. Not all of them could be accommodated exactly, but some could. It did not appear that CHRCM could accommodate all of its needs under the sub-committee suggestions. However the potential expansion onto the Laurelton Site provides a variety of opportunities to meet CHRCM's needs in different ways. Ruth Benfield noted that that with incorporation of Laurelton, access from 45th and 50th would likely be eliminated and access focused off of Sand Point way.

Karen Wolf opened the floor to questions from the CAC.

Myriam Muller asked if the hospitals shown were in single family residential areas. Mr Sonnenberg responded that he did not know, but suspected that they were not in single family areas. Ms. Muller also asked if Mr. Sonnenberg responded that that had not been the purpose of his evaluation. Ms. Muller noted that the total number of beds needed clearly drives the total square footage, so that without such a careful evaluation, how can one actually project space needs accurately?

IV. Public Comments

Karen Wolf stated that by previous agreement, the public comment period would start with formal presentation for the Laurelhurst Community Club.

A. LCC Presentation

Peter Eglick was introduced to coordinate this presentation. Mr. Eglick noted that he is a land use attorney who is working with LCC. He has been the attorney for LCC role for about 125 years related to land use planning in this neighborhood. He stated that LCC supports CHRCM's fine work, but that is not the issue on the table. The issue is what is what is responsible major institution planning. The sale itself is not the issue so much as the potential impacts of the development on the community. LCC is concerned with the loss of affordable housing (which they consider Laurelton Terrace to be) and with the impacts of expansion of the major institution boundaries. He noted that a key concern must be the degree to which this proposal benefits the community.

Mr. Eglick introduced Carol Eychaner to briefly review the proposals. Ms Eychaner noted that a great deal of information is coming forward and that too often this is not available until either the day of a meeting or at the meeting. She asked that information be presented earlier. She also noted that there had been some statements that the Early Laurelton Development Alternative might not be in the draft EIS. She strongly suggested that this alternative be in the Draft EIS.

Concerning the possible outline of the Early Laurelton Terrace alternative, she noted that the information presented appeared to establish uniform 160 foot height across the entire area. Given that this increases the size of the MIO by nearly 7 acres, this is surprising.

Peter Eglick stated that he understands that many Laurelton Terrace residents have come to the meeting in response to flyers asking them to state that LCC should not dictate the future of their facility. He stated that LCC has no interest in dictating their futures. They are residents of Laurelhurst as are the other 300 households. LCC does have an interest in an overall plan that is best for the community. Children's has created an arrangement with the Laurelton Terrace residents that essentially puts them in a position of having to have everything accepted to the satisfaction of Children's or the deal does not go through. That was not LCC's idea. LCC thinks that there would have been ways to structure that deal in ways that wouldn't have put the Laurelton Terrace residents in this position. They could have been given a premium above value without the contingencies. However that is what has been done. But neither the Committee nor others should be deterred from doing a full evaluation of this proposal.

Robert Rosencrantz asked for additional clarification of whether the new Early Development of Laurelton Terrace Alternative would be incorporated into the DEIS and if not would it be the subject of a Supplemental Draft EIS. There is no commitment on the table to produce a supplemental so that incorporation into the draft would be best. Mr. Rosencrantz suggested that CHJRM be asked to commit to covering such an alternative in the DEIS. Ruth Benfield responded that the alternative will be subject to all appropriate review.

B. General Public Comments

Comments of Charla Buerkle – Ms Buerkle stated she sold her condo at the beginning of the year because it was getting less affordable and the condition of the facility was deteriorating as it aged. She stated that this is not affordable housing. She noted that the expansion of boundaries could provide benefit to Children's Hospital. She noted that she had felt no pressure from CHRM and noted that they are willing to compensate those who will have to move.

Comments of Allene Caddy – Ms Caddy said she has lived in Laurelton Terrace for 30 years. She said she grew up in Laurelhurst and supports the LCC. The deal proposed by Children's is not signed and is still tentative. She suggested that the CAC continue to evaluate the benefits to the broader community of this development. If it is determined that this sale is not acceptable, then so be it. Others might want to acquire the complex to build a high rise affordable housing which might be more acceptable to the community.

Comments of Gisella Schimmelbusch – Ms. Schimmelbusch said she has been a Laurelhurst resident for 43 years and has spoken to the committee repeatedly. Nothing she has heard tonight changes her opinion. What would be public benefit to expand? Traffic still wouldn't go away. She asked what will happen in 15-20 years, that a future CHRM still faces same dilemma. There is no large public benefit, traffic, overbuilding, crowding hillside. She suggested that Children's inpatient facility be built somewhere else such as the Denny Triangle, South Lake Union. With the single inpatient hospital being built elsewhere this campus could be used for different purposes. She said there is no cost estimate for this construction, Laurelton construction. Children's hasn't explored other alternatives.

Comments of Jim Cole – Mr. Cole stated that he has lived in Laurelton Terrace for 20 years and Laurelhurst for 50 years. He said Children's is trying to save lives; to build contiguous space seems like a good way to go. He said in the end it's the kids that count.

Leonard Gost – Mr. Gost stated the purchase price of Laurelton should be at time of sale without contingency. Children's should fight their own battles.

Comments of Michael Pearlman – Mr. Pearlman stated that he agrees with the comments of Ms. Schimmelbusch. He noted that information presented tonight show that construction on a clean site is more cost effective. His recommendation is for a second campus. The services Children's present provides are invaluable. In addition they have presented information that they are at a 98% occupancy rate. However, if they are bursting, then why have they filed litigation against Swedish to block that institution from building more pediatric beds?

Comments of Tom Savage – Mr. Savage stated that he lives north of campus. He said he has concerns about NE 50th, and asked if there will be adjustment to street to accommodate shadowing. He said greater setbacks should be planned.

Comments of Mary Hodgson – Ms. Hodgson stated that she has been a Laurelton resident for 15 years. It is an aging complex and it is an opportunity for Children's to expand. She stated that it was her observation that while they often preface their statements with support for CHRM, many are simply saying that they object to having a growing children's hospital in their neighborhood. Children's is here; it is a good opportunity to do what is right.

Comments of Bill Hutchinson – Mr. Hutchinson stated that the Laurelton Community Club's comments revolved around process. The slide show, contingencies of Laurelton; they are legitimate. Laurelton wants to own the process themselves. The bigger question is whether Children's expanding into Laurelton, is a public benefit. He stated that he sees this as a great public benefit, and suggested that the public not lose forest for trees talking about process.

Comments Herman Siqueland – Mr. Siqueland stated that he currently resides in Edmonds, but that he sold his condo at Laurelton Terraces to Children's. He received a fair price, still has option if deal goes through of getting more. He said he bought first house in 1961 in Laurelhurst for \$15,300 and the next one in 1966 for \$24,500. Each of those houses is now worth more than \$500,000. Real estate values have not been hurt in Laurelhurst by the expansions of Children's. Children's was here then, prices went up. Children's benefits both Laurelhurst and the entire region. It serves far more than the citizens of Laurelhurst or Seattle, or Washington. Instead it benefits a many state area. Its health and ability to expand is important.

Comments of Nancy Pritchett – Ms. Pritchett stated that she sold her Laurelton condo to CHRM. It was becoming unaffordable so she had motivation to sell. Dues went from \$100 to \$460 per month. She said it might be more viable because Laurelton wants to determine plan that works for Children's, the neighborhood, community

Comments of Peter Buck – Mr. Buck stated that he is an attorney and represents members of Laurelhurst Community Club of over 100 who have spoken on this issue. He said they have never heard Laurelton Community Club leadership talk about affordable housing. The members he represent absolutely support the idea of the hospital doing what has been proposed tonight. He said it was suggested that Laurelhurst Community Council cares about affordable housing; he said he hasn't seen that. He knows that the Laurelton members do as they have taken efforts to take care of each other at Laurelton and in asking the hospital to make a very strong commitment to take care of affordable housing which the hospital said they have. He said his family has a long history of supporting Children's Hospital. Two speakers for the leadership of Laurelhurst Community Club asked what the public benefits are. He said it is a little late to be asking about that. He suggested looking back over notes from early meetings, at the public statements. They wanted traffic off of 45th and this plan takes traffic off of 45th. They didn't want the high towers close to their home; this plan does that. He said his clients don't need the help of the officers of the Laurelhurst Community Club telling them what is a good or bad deal. He said Laurelton Terrace can take care of each other and

determine what an appropriate deal is. He said they wouldn't be doing this for Wal-Mart; a lot of statements were made by Laurelton members about the value of the hospital.

Comments of Liz Ogden – Ms. Ogden stated that she is the Vice- President of Laurelhurst Community Club She stated that she grew up in Laurelhurst and lives on NE 50th which is one of the two streets that had been promised by the hospital that there would be no entrances or egresses there. She said she notices that the entrance off of 45th is no longer being proposed. However it is unclear if the NE 50th street entrance is still being proposed. She noted that NE 50th is a narrow residential street and urged the hospital to be sure that NE 50th does not have hospital traffic on it. She said to look at setbacks on NE 50th and it looks like they are over 20 feet and that is very close to adjacent neighbors and would block the sun. She said it is unacceptable to have the plan in Supplemental EIS and it should be put into the original draft EIS. She said she appreciates Children's work, public benefit. She said there are seven acres of land and asked where the public benefit of massive structures is. She said she hoped the CAC will discuss public benefit at future meetings.

Comments of Joyce Hinkley – Ms. Hinkley stated that she is resident of Laurelton Terrace and said she doesn't wish to have the Laurelhurst Community Club speaking for her. She said they have been heavy handed and manipulative throughout this process and said she doesn't understand why owners of houses in Laurelhurst think they have to be distinct from any other community in Seattle. She said this is a public process that any other community in a similar situation would go through. She said she is tired of the sense of entitlement that comes from the Laurelhurst Community club. She said she wished for them to cease and desist; and said she is capable of handling her own representation.

Comments of Nate Root – Mr. Root stated that he is Laurelton Resident said his main concern is that the hospital can't move. He said he doesn't want another set of towers and wants to see something shorter especially if they are willing to give up their community to help the hospital grow. He said that now that Laurelton is packaged up and may entertain other offers; he wants appropriate development and not another large residential development. Children's present something that looks good, meets needs; he is concerned about the traffic.

V. **Agendas and Schedules for future meetings**

Steve Sheppard stated that the following dates should be put onto member's calendars: March 18, April 15, May 16, June 3, June 10, and June 24. He said dates and proposed topics are open to change. He said there will also be a transportation workshop on May 6 perhaps with breakout rooms because transportation will be a big issue.

He said the timing on the new alternatives 6 and 7: alternative 6 builds off of what subcommittee did and what committee worked on last time. He said the new –alternative 7 - takes and builds down onto Laurelton Terrace. He said right now they show it as a big block but he said they will be molding and coming up with a real alternative. He suggested that a sub-committee from the CAC meet to look at how this might be done and asked for volunteers. Mr. Omura volunteered to coordinate the sub-committee. Seven people volunteered: Yvette, Delores, Kathryn, Bob L, Michael, Myriam, Doug, Cheryl.

Karen Wolf noted that there is a proposal to have an independent transportation consultant assist the CAC at the May meeting.

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There was further discussion of the schedule and CAC members concluded that the schedule needed to be adhered to even if it impacts summer schedules. It was also noted that the sub-committee recommendations from the proposed March 29 meeting which will be presented to full CAC at the April meeting.

VI Adjournment

No further business being before the Committee the meeting was adjourned.