Concerns Mount Over $11.5M Finder’s Fee in Polyclinic Crisis Care Deal

Unanswered Questions Risk Undermining the Success of Crisis Care Centers

SEATTLE, Sept. 30, 2025 – At the September 23 King County Council meeting, Capitol Hill and First Hill residents renewed urgent calls for the Council to address concerns before advancing ordinances tied to the $45 million purchase of the former Polyclinic for a new Crisis Care Center (CCC). The Budget Committee sent the package to the full Council without recommendation, with a vote set for Tuesday, October 7.

Community leaders are urging the Council to slow down to hear and address concerns about:

- The ongoing public safety crisis in Capitol Hill and First Hill — identified by the Seattle City Auditor as among the highest for violence and overdoses — remains unaddressed. Despite years of community input, no plan exists to improve current conditions or ensure a crisis clinic could operate safely in the heart of this area.
- Lack of meaningful outreach to residents, schools, and businesses before siting the center.
- No transparency in how the $45 million deal has been structured and disclosed.
- Serious transaction questions, including unusual fees, missing appraisals, and unbudgeted costs related to the change of use.

These concerns are heightened by the recent King County Auditor’s findings that the Department of Community and Human Services (DCHS) — the department leading this project — has mismanaged millions in public funds and faces significant oversight challenges. To date, there has been no significant fixes to the existing oversight problems, which further erodes public trust and confidence with this critical and sensitive new crisis care center.

Voices from the Community

During last week’s meeting, community members expressed concern and frustration with the process and current legislative timeline, reflected by shifting agenda items and lack of clarity in how Council is approaching this multi-million dollar and 50-year commitment the CCC represents.

“At the September 10 meeting we were told these ordinances would be raised October 7. Imagine my surprise when they suddenly appeared on the September 23 agenda,” said Erin Reinhart, a First Hill resident. “As with the whole process, things have been done in secret. The County has not budgeted for extensive repairs flagged in the Property Condition Report — seismic upgrades, ADA compliance, water damage. Yet DCHS continues to falsely claim the building is essentially turnkey ready.”

“This fee seems particularly unusual and possibly egregious,” said Alan Axelrod, a long-time First Hill resident, referring to the $11.5 million assignment fee to Guntower Capital. “I want to know how a fee equal to 30% of the purchase price for merely assigning a contract was negotiated. Taxpayers deserve transparency."

Council Budget Chair Rod Dembowski echoed those concerns at the meeting: *"I have serious concerns about the financial terms of this purchase… I want the executive branch to provide increased transparency and explanation on how this deal arose and why it makes sense to spend $11.5 million more than seller #1."*

Key Transaction Concerns

- $38.75M purchase includes $11.5M finder's fee to Guntower Capital LLC.
- DCHS projects $62M in levy and HMC bond funds for purchase and upgrades, not including likely seismic, ADA, and energy-code compliance upgrades estimated at $57–80M.
- No independent appraisal has been made public.
- Environmental review was waived despite safety and livability implications.
- Purchase agreement was signed months before disclosure.
- Property Condition Report items (structural, seismic, drainage, mold, water intrusion) remain unaddressed.
- No clear plan for how the full building will be used.

Taken together, these unresolved issues erode public trust, jeopardize safety in a neighborhood already under strain, and risk undermining the long-term success of the Crisis Care Center program itself to provide services to people in need.

Community members will continue raising concerns and awareness ahead of the October 7 vote. Several groups are actively engaging King County Councilmembers in advance of next week's meeting, urging leaders to take a more pragmatic approach that secures both the long-term future of Capitol Hill and the success of the CCC program. Additional updates will be provided to the media in the days leading up to Tuesday's vote.

Watch the Meeting
Councilmember Dembowski's full remarks and other discussion can be viewed here:
King County Council Meeting – Sept. 23, 2025 Dembowski remarks: ~2:38:47

About the Coalition
We are an informal coalition of residents, schools, businesses, property owners, and nonprofits in Capitol Hill and First Hill. With no formal membership or single leader, we collaborate to ensure our voices are heard. We support crisis care as an essential service and are working to ensure King County and City leadership deliver a plan that is transparent, financially responsible, respectful of public input, and safe for patients, nearby vulnerable populations, and schools.