
SENATE BILL 5601

State of Washington

52nd Legislature

1991 Regular Session

By Senators Cantu, McDonald and Bluechel; by request of State Convention and Trade Center and Office of Financial Management.

Read first time February 11, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to the state convention and trade center; amending
2 RCW 67.40.045 and 67.40.090; amending 1990 c 181 s 4 (uncodified);
3 making an appropriation; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 67.40.045 and 1990 c 181 s 3 are each amended to read
6 as follows:

7 (1) The director of financial management, in consultation with the
8 chairpersons of the ways and means committees of the senate and house
9 of representatives, may authorize temporary borrowing from the state
10 treasury for the purpose of covering cash deficiencies in the state
11 convention and trade center account resulting from project completion
12 costs. Subject to the conditions and limitations provided in this
13 section, lines of credit may be authorized at times and in amounts as
14 the director of financial management determines are advisable to meet
15 current and/or anticipated cash deficiencies. Each authorization shall

1 distinctly specify the maximum amount of cash deficiency which may be
2 incurred and the maximum time period during which the cash deficiency
3 may continue. The total amount of borrowing outstanding at any time
4 shall never exceed the lesser of:

5 (a) \$58,275,000; or

6 (b) An amount, as determined by the director of financial
7 management from time to time, which is necessary to provide for payment
8 of project completion costs.

9 (2) Unless the due date under this subsection is extended by
10 statute, all amounts borrowed under the authority of this section shall
11 be repaid to the state treasury by June 30, (~~(1991)~~) 1993, together
12 with interest at a rate determined by the state treasurer to be
13 equivalent to the return on investments of the state treasury during
14 the period the amounts are borrowed. Borrowing may be authorized from
15 any excess balances in the state treasury, except the agricultural
16 permanent fund, the Millersylvania park permanent fund, the state
17 university permanent fund, the normal school permanent fund, the
18 permanent common school fund, and the scientific permanent fund.

19 (3) As used in this section, "project completion" means:

20 (a) All remaining development, construction, and administrative
21 costs related to completion of the convention center; and

22 (b) Costs of the McKay building demolition, Eagles building
23 rehabilitation, development of low-income housing, and construction of
24 rentable retail space and an operable parking garage.

25 (4) It is the intent of the legislature that project completion
26 costs be paid ultimately from the following sources:

27 (a) \$29,250,000 to be received by the corporation under an
28 agreement and settlement with Industrial Indemnity Co.;

29 (b) \$1,070,000 to be received by the corporation as a contribution
30 from the city of Seattle;

1 (c) \$20,000,000 from additional general obligation bonds to be
2 repaid from the special excise tax under RCW 67.40.090;

3 (d) \$4,765,000 for contingencies and project reserves from
4 additional general obligation bonds to be repaid from the special
5 excise tax under RCW 67.40.090;

6 (e) \$13,000,000 for conversion of various retail and other space to
7 meeting rooms, from additional general obligation bonds to be repaid
8 from the special excise tax under RCW 67.40.090;

9 (f) \$13,300,000 for expansion at the 900 level of the facility,
10 from additional general obligation bonds to be repaid from the special
11 excise tax under RCW 67.40.090;

12 (g) \$10,400,000 for purchase of the land and building known as the
13 McKay Parcel ~~((and))~~, for development of low-income housing, and for
14 development, construction, and administrative costs related to
15 completion of the state convention and trade center, including
16 settlement costs related to construction litigation, from additional
17 general obligation bonds to be repaid from the special excise tax under
18 RCW 67.40.090; ~~((and))~~

19 (h) \$300,000 for Eagles building exterior cleanup and repair, from
20 additional general obligation bonds to be repaid from the special
21 excise tax under RCW 67.40.090; and

22 (i) The proceeds of the sale of any properties owned by the state
23 convention and trade center that are not planned for use for state
24 convention and trade center operations, with the proceeds to be used
25 for development, construction, and administrative costs related to
26 completion of the state convention and trade center, including
27 settlement costs related to construction litigation.

28 (5) The borrowing authority provided in this section is in addition
29 to the authority to borrow from the general fund to meet the bond
30 retirement and interest requirements set forth in RCW 67.40.060. To

1 the extent the specific conditions and limitations provided in this
2 section conflict with the general conditions and limitations provided
3 for temporary cash deficiencies in RCW 43.88.260 (section 7, chapter
4 502, Laws of 1987), the specific conditions and limitations in this
5 section shall govern.

6 **Sec. 2.** 1990 c 181 s 4 (uncodified) is amended to read as follows:

7 There is appropriated to the state convention and trade center
8 corporation from the state convention and trade center account, for the
9 fiscal period beginning on the effective date of this section and
10 ending June 30, 1991, the following amounts:

11 (1) \$51,618,000 for development, construction, and administrative
12 costs of completion;

13 (2) \$4,765,000 for project reserves and contingency funds;

14 (3) \$13,000,000 for conversion of various retail and other space to
15 meeting rooms;

16 (4) \$13,300,000 for expansion at the 900 level of the facility;

17 (5) \$8,950,000 for purchase of the land and building known as the
18 McKay Parcel;

19 (6) \$3,000,000 for development of low-income housing. Low-income
20 housing as used in this section shall mean all of the rentable housing
21 units heretofore or hereafter developed by or on behalf of the state
22 convention and trade center located in the city of Seattle which (i) do
23 not exceed an aggregate expenditure by the convention center of three
24 million dollars; (ii) have been defined by the United States department
25 of housing and urban development as affordable to tenants of low
26 income; and (iii) have been found by the state convention and trade
27 center corporation board of directors to be (A) owned and operated by
28 a public or a nonprofit private organization dedicated to low-income
29 housing and (B) reasonably related to effects, of the construction and

1 operation of the convention center upon the availability of low-income
2 housing in the city of Seattle. However, if and when the state
3 convention and trade center has expended at least \$3,000,000 for low-
4 income housing from any and all sources available to it during the
5 1985-91 biennia, any remaining unexpended amounts from the
6 appropriation in this subsection, up to a maximum of \$2,200,000, may be
7 expended for the purpose of settlement costs related to any
8 construction litigation to which the state convention and trade center
9 is a party; ((and))

10 (7) \$300,000 for Eagles building exterior cleanup and repair; and
11 (8) \$2,990,000, or as much thereof as may be necessary, for
12 settlement costs related to construction litigation.

13 **Sec. 3.** RCW 67.40.090 and 1988 ex.s. c 1 s 6 are each amended to
14 read as follows:

15 (1) Commencing April 1, 1982, there is imposed, and the department
16 of revenue shall collect, in King county a special excise tax on the
17 sale of or charge made for the furnishing of lodging by a hotel,
18 rooming house, tourist court, motel, or trailer camp, and the granting
19 of any similar license to use real property, as distinguished from the
20 renting or leasing of real property, except that no such tax may be
21 levied on any premises having fewer than sixty lodging units. It shall
22 be presumed that the occupancy of real property for a continuous period
23 of one month or more constitutes rental or lease of real property and
24 not a mere license to use or enjoy the same. The legislature on behalf
25 of the state pledges to maintain and continue this tax until the bonds
26 authorized by this chapter are fully redeemed, both principal and
27 interest.

28 (2) The rate of the tax imposed under this section shall be as
29 provided in this subsection.

1 (a) From April 1, 1982, through December 31, 1982, inclusive, the
2 rate shall be three percent in the city of Seattle and two percent in
3 King county outside the city of Seattle.

4 (b) From January 1, 1983, through June 30, 1988, inclusive, the
5 rate shall be five percent in the city of Seattle and two percent in
6 King county outside the city of Seattle.

7 (c) From July 1, 1988, through December 31, 1992, inclusive, the
8 rate shall be six percent in the city of Seattle and two and four-
9 tenths percent in King county outside the city of Seattle.

10 (d) From January 1, 1993, until the change date, the rate shall be
11 seven percent in the city of Seattle and two and eight-tenths percent
12 in King county outside the city of Seattle.

13 (e) On and after the change date, the rate shall be six percent in
14 the city of Seattle and two and four-tenths percent in King county
15 outside the city of Seattle.

16 (f) As used in this section, "change date" means the October 1st
17 next occurring after certification occurs under (g) of this subsection.

18 (g) On August 1st of (~~1993~~) 1998 and of each year thereafter
19 until certification occurs under this subsection, the state treasurer
20 shall determine whether seventy-one and forty-three one-hundredths
21 percent of the revenues actually collected and deposited with the state
22 treasurer for the tax imposed under this section during the twelve
23 months ending June 30th of that year, excluding penalties and interest,
24 exceeds the amount actually paid in debt service during the same period
25 for bonds issued under RCW 67.40.030 by at least two million dollars.
26 If so, the state treasurer shall so certify to the department of
27 revenue.

28 (3) The proceeds of the special excise tax shall be deposited as
29 provided in this subsection.

1 (a) Through June 30, 1988, inclusive, all proceeds shall be
2 deposited in the state convention and trade center account.

3 (b) From July 1, 1988, through December 31, 1992, inclusive,
4 eighty-three and thirty-three one-hundredths percent of the proceeds
5 shall be deposited in the state convention and trade center account.
6 The remainder shall be deposited in the state convention and trade
7 center operations account.

8 (c) From January 1, 1993, until the change date, eighty-five and
9 seventy-one-hundredths percent of the proceeds shall be deposited in
10 the state convention and trade center account. The remainder shall be
11 deposited in the state convention and trade center operations account.

12 (d) On and after the change date, eighty-three and thirty-three
13 one-hundredths percent of the proceeds shall be deposited in the state
14 convention and trade center account. The remainder shall be deposited
15 in the state convention and trade center operations account.

16 (4) Chapter 82.32 RCW applies to the tax imposed under this
17 section.

18 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and shall take
21 effect immediately.

22 NEW SECTION. **Sec. 5.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.