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SENATE BILL 5657

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State of Washington

55th Legislature

1997 Regular Session

By Senator Strannigan

Read first time 02/05/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to long-term leases of real estate on behalf of  
2 state agencies; and reenacting and amending RCW 43.82.010.

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

4 **Sec. 1.** RCW 43.82.010 and 1994 c 264 s 28 and 1994 c 219 s 7 are  
5 each reenacted and amended to read as follows:

6 (1) The director of general administration, on behalf of the agency  
7 involved, shall purchase, lease, lease purchase, rent, or otherwise  
8 acquire all real estate, improved or unimproved, as may be required by  
9 elected state officials, institutions, departments, commissions,  
10 boards, and other state agencies, or federal agencies where joint state  
11 and federal activities are undertaken and may grant easements and  
12 transfer, exchange, sell, lease, or sublease all or part of any surplus  
13 real estate for those state agencies which do not otherwise have the  
14 specific authority to dispose of real estate. This section does not  
15 transfer financial liability for the acquired property to the  
16 department of general administration.

17 (2) Except for real estate occupied by federal agencies, the  
18 director shall determine the location, size, and design of any real  
19 estate or improvements thereon acquired or held pursuant to subsection

1 (1) of this section. Facilities acquired or held pursuant to this  
2 chapter, and any improvements thereon, shall conform to standards  
3 adopted by the director and approved by the office of financial  
4 management governing facility efficiency unless a specific exemption  
5 from such standards is provided by the director of general  
6 administration. The director of general administration shall report to  
7 the office of financial management annually on any exemptions granted  
8 pursuant to this subsection.

9 (3) The director of general administration may fix the terms and  
10 conditions of each lease entered into under this chapter, except that  
11 no lease shall extend greater than twenty years in duration. The  
12 director of general administration may enter into a long-term lease  
13 greater than ~~((five))~~ ten years in duration upon a determination by the  
14 director of the office of financial management that the long-term lease  
15 provides a more favorable rate than would otherwise be available, it  
16 appears to a substantial certainty that the facility is necessary for  
17 use by the state for the full length of the lease term, and the  
18 facility meets the standards adopted pursuant to subsection (2) of this  
19 section. The director of general administration may enter into a long-  
20 term lease greater than ten years in duration if an analysis shows that  
21 the life-cycle cost of leasing the facility is less than the life-cycle  
22 cost of purchasing or constructing a facility in lieu of leasing the  
23 facility.

24 (4) It is the policy of the state to encourage the ~~((collocation))~~  
25 colocation and consolidation of state services into single or adjacent  
26 facilities, whenever appropriate, to improve public service delivery,  
27 minimize duplication of facilities, increase efficiency of operations,  
28 and promote sound growth management planning.

29 (5) The director of general administration shall provide  
30 coordinated long-range planning services to identify and evaluate  
31 opportunities for ~~((collocating))~~ colocating and consolidating state  
32 facilities. Upon the renewal of any lease, the inception of a new  
33 lease, or the purchase of a facility, the director of general  
34 administration shall determine whether an opportunity exists for  
35 ~~((collocating))~~ colocating the agency or agencies in a single facility  
36 with other agencies located in the same geographic area. If a  
37 ~~((collocation))~~ colocation opportunity exists, the director of general  
38 administration shall consult with the affected state agencies and the  
39 office of financial management to evaluate the impact ~~((collocation))~~

1 colocation would have on the cost and delivery of agency programs,  
2 including whether program delivery would be enhanced due to the  
3 centralization of services. The director of general administration, in  
4 consultation with the office of financial management, shall develop  
5 procedures for implementing ((~~collocation~~)) colocation and  
6 consolidation of state facilities.

7 (6) The director of general administration is authorized to  
8 purchase, lease, rent, or otherwise acquire improved or unimproved  
9 real estate as owner or lessee and to lease or sublet all or a part of  
10 such real estate to state or federal agencies. The director of general  
11 administration shall charge each using agency its proportionate rental  
12 which shall include an amount sufficient to pay all costs, including,  
13 but not limited to, those for utilities, janitorial and accounting  
14 services, and sufficient to provide for contingencies; which shall not  
15 exceed five percent of the average annual rental, to meet unforeseen  
16 expenses incident to management of the real estate.

17 (7) If the director of general administration determines that it is  
18 necessary or advisable to undertake any work, construction, alteration,  
19 repair, or improvement on any real estate acquired pursuant to  
20 subsection (1) or (6) of this section, the director shall cause plans  
21 and specifications thereof and an estimate of the cost of such work to  
22 be made and filed in his or her office and the state agency benefiting  
23 thereby is hereby authorized to pay for such work out of any available  
24 funds: PROVIDED, That the cost of executing such work shall not exceed  
25 the sum of twenty-five thousand dollars. Work, construction,  
26 alteration, repair, or improvement in excess of twenty-five thousand  
27 dollars, other than that done by the owner of the property if other  
28 than the state, shall be performed in accordance with the public works  
29 law of this state.

30 (8) In order to obtain maximum utilization of space, the director  
31 of general administration shall make space utilization studies, and  
32 shall establish standards for use of space by state agencies. Such  
33 studies shall include the identification of opportunities for  
34 ((~~collocation~~)) colocation and consolidation of state agency office and  
35 support facilities.

36 (9) The director of general administration may construct new  
37 buildings on, or improve existing facilities, and furnish and equip,  
38 all real estate under his or her management. Prior to the construction  
39 of new buildings or major improvements to existing facilities or

1 acquisition of facilities using a lease purchase contract, the director  
2 of general administration shall conduct an evaluation of the facility  
3 design and budget using life-cycle cost analysis, value-engineering,  
4 and other techniques to maximize the long-term effectiveness and  
5 efficiency of the facility or improvement.

6 (10) All conveyances and contracts to purchase, lease, rent,  
7 transfer, exchange, or sell real estate and to grant and accept  
8 easements shall be approved as to form by the attorney general, signed  
9 by the director of general administration or the director's designee,  
10 and recorded with the county auditor of the county in which the  
11 property is located.

12 (11) The director of general administration may delegate any or all  
13 of the functions specified in this section to any agency upon such  
14 terms and conditions as the director deems advisable.

15 (12) This section does not apply to the acquisition of real estate  
16 by:

17 (a) The state college and universities for research or experimental  
18 purposes;

19 (b) The state liquor control board for liquor stores and  
20 warehouses; and

21 (c) The department of natural resources, the department of fish and  
22 wildlife, the department of transportation, and the state parks and  
23 recreation commission for purposes other than the leasing of offices,  
24 warehouses, and real estate for similar purposes.

25 (13) Notwithstanding any provision in this chapter to the contrary,  
26 the department of general administration may negotiate ground leases  
27 for public lands on which property is to be acquired under a financing  
28 contract pursuant to chapter 39.94 RCW under terms approved by the  
29 state finance committee.

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