

1 **2SSB 6404** - H COMM AMD TO APP COMM AMD (H-5291.2) **ADOPTED 3-22-00**

2 By Committee on Appropriations

3 On page 255, after line 2, insert the following:

4 **Sec. 1042.** 1999 c 379 s 905 (uncodified) is amended to read as
5 follows:

6 ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL
7 CONTRACTS. The following agencies may enter into financial contracts,
8 paid for from operating revenues, for the purposes indicated and in not
9 more than the principal amounts indicated, plus financing expenses and
10 required reserves pursuant to chapter 39.94 RCW. When securing
11 properties under this section, agencies shall use the most economical
12 financial contract option available, including long-term leases, lease-
13 purchase agreements, lease-development with option to purchase
14 agreements or financial contracts using certificates of participation.
15 The director of general administration shall ensure that the clustering
16 of state facilities and the collocation and consolidation of state
17 agencies take place where such configurations are economical and
18 consistent with agency space needs. Agencies shall assist the
19 department of general administration with facility collocation and
20 consolidation efforts.

21 State agencies may enter into agreements with the department of
22 general administration and the state treasurer's office to develop
23 requests to the legislature for acquisition of properties and
24 facilities through financial contracts. The agreements may include
25 charges for services rendered.

26 The alternative finance authorization granted in this section and
27 in section 222(2)(j), chapter 309, laws of 1999, do not imply
28 commitments or guarantees that the legislature will provide for future
29 expenses of properties and facilities acquired, constructed, or
30 improved through financial contracts. The legislature will convene an
31 interim workgroup to develop a policy for the use of alternative
32 financing contracts and implications for future operating budget
33 impacts. The office of financial management shall develop a

1 standardized procedure for alternative financing contracts that
2 incorporates the findings of the legislative workgroup, including a
3 full assessment of all acquisition and operating costs, and proposed
4 revenue sources for such expenditures. In the 2001-03 budget request
5 from the governor, the office of financial management shall not forward
6 to the legislature requests for alternative financing contracts that
7 fail to fulfill the information requirements developed under this
8 section.

9 (1) Department of general administration:

10 (a) Enter into a financing contract in the amount of \$9,435,000
11 plus financing expenses and required reserves pursuant to chapter 39.94
12 RCW, to purchase an existing office building and associated land in
13 Yakima for use by state agencies.

14 (b) Enter into a financing contract in the amount of \$4,621,000
15 plus financing expenses and required reserves pursuant to chapter 39.94
16 RCW, to purchase an existing office building and associated land in
17 Kelso for use by the department of social and health services and the
18 employment security department.

19 (2) Department of corrections: Enter into a financing contract on
20 behalf of the department of corrections in the amount of \$2,300,000
21 plus financing expenses and required reserves pursuant to chapter 39.94
22 RCW to purchase or construct a correctional industries transportation
23 services warehouse.

24 (3) State parks and recreation: It is the intent of the
25 legislature that the operating revenues of the department provide the
26 primary source of funds necessary to meet financing contract
27 obligations for the projects financed under this authority. In
28 addition, state parks and recreation is authorized to pledge to make
29 payments from appropriated funds pursuant to chapter 39.94 RCW:

30 (a) Enter into financing contracts on behalf of state parks and
31 recreation in the amount of \$500,000 plus financing expenses and
32 required reserves pursuant to chapter 39.94 RCW to construct cabins at
33 Cama beach.

34 (b) Enter into financing contracts on behalf of state parks and
35 recreation in the amount of \$250,000 plus financing expenses and
36 required reserves pursuant to chapter 39.94 RCW to complete
37 improvements at the interpretive center/store at Deception Pass.

1 (c) Enter into financing contracts on behalf of state parks and
2 recreation in the amount of \$1,000,000 plus financing expenses and
3 required reserves pursuant to chapter 39.94 RCW to purchase and install
4 additional yurts and cabins state-wide.

5 (d) Enter into financing contracts on behalf of state parks and
6 recreation in the amount of \$500,000 plus financing expenses and
7 required reserves pursuant to chapter 39.94 RCW to construct a day use
8 shelter at Lake Sammamish.

9 (e) Enter into financing contracts on behalf of state parks and
10 recreation in the amount of \$500,000 plus financing expenses and
11 required reserves pursuant to chapter 39.94 RCW to improve campsite
12 electrification state-wide.

13 (f) Enter into financing contracts on behalf of state parks and
14 recreation in the amount of \$750,000 plus financing expenses and
15 required reserves pursuant to chapter 39.94 RCW to develop additional
16 campsites state-wide.

17 (4) Community and technical colleges:

18 (a) Enter into a financing contract on behalf of Green River
19 Community College in the amount of \$1,526,150 plus financing expenses
20 and reserves pursuant to chapter 39.94 RCW for remodel of the Lindbloom
21 student center building.

22 (b) Enter into a financing contract on behalf of Highline
23 Community College in the amount of \$2,070,613 plus financing expenses
24 and required reserves pursuant to chapter 39.94 RCW for the purchase of
25 the Federal Way Center, currently being leased by the college.

26 (c) Enter into a financial contract on behalf of Green River
27 Community College in the amount of \$100,000 plus financing expenses and
28 required reserves pursuant to chapter 39.94 RCW to purchase
29 approximately 1.5 acres of land adjacent to the westside parking lot.

30 (d) Enter into a financing contract on behalf of Grays Harbor
31 Community College in the amount of \$600,000 plus financing expenses and
32 required reserves pursuant to chapter 39.94 RCW for the purchase and
33 remodeling of the Riverview School and 2.83 acres of property,
34 currently being leased by the college.

35 (e) Enter into a financing contract on behalf of Everett Community
36 College in the amount of \$1,500,000 plus financing expenses and
37 required reserves pursuant to chapter 39.94 RCW for the remodeling of
38 the fitness center.

1 (f) Enter into a financing contract on behalf of Tacoma Community
2 College in the amount of \$1,697,000 plus financing expenses and
3 required reserves pursuant to chapter 39.94 RCW for a 10,000 gross
4 square foot addition to the existing student center.

5 (g) Enter into a financing contract on behalf of Spokane Community
6 College in the amount of \$3,840,000 plus financing expenses and
7 required reserves pursuant to chapter 39.94 RCW for a 20,000 gross
8 square foot addition and remodeling to the existing Lair student
9 service building costing \$6,000,000. The balance of project cost will
10 be cash from student and activity fees and enterprise funds.

11 (h) Enter into a financing contract on behalf of Big Bend
12 Community College in the amount of \$150,000 plus financing expenses and
13 required reserves pursuant to chapter 39.94 RCW for the exchange of 10
14 acres of land with Grant county.

15 (i) Enter into a financing contract on behalf of Green River
16 Community College in the amount of \$7,500,000 plus financing expenses
17 and required reserves pursuant to chapter 39.94 RCW for purchase and
18 development of property in the downtown Kent area.

19 (j) Enter into a financing contract on behalf of Columbia Basin
20 Community College in the amount of (~~(\$1,000,000)~~) \$1,500,000 plus
21 financing expenses and required reserves pursuant to chapter 39.94 RCW
22 for a 10,000 gross square foot student services auditorium.

23 (k) Enter into a financing contract on behalf of Yakima Valley
24 Community College in the amount of \$375,000 plus financing expenses and
25 required reserves pursuant to chapter 39.94 RCW for a 2,700 gross
26 square foot addition and remodeling to the existing student union
27 building costing \$1,400,000. Prior to commencing, the college shall
28 prepare and present a business plan describing the financing of the
29 complete project to the state board for community and technical
30 colleges, the office of financial management, and the legislative
31 fiscal committees.

32 (l) Enter into a financing contract on behalf of Peninsula
33 Community College in the amount of \$2,500,000 plus financing expenses
34 and required reserves pursuant to chapter 39.94 RCW for a 10,000 gross
35 square foot addition to the student union building.

36 (m) Enter into a financing contract on behalf of Whatcom Community
37 College in the amount of (~~(\$2,500,000)~~) \$3,000,000 plus financing
38 expenses and required reserves pursuant to chapter 39.94 RCW for a

1 20,000 gross square foot addition and remodeling to the existing
2 extended learning/work force facility costing \$4,388,000. Prior to
3 commencing, the college shall prepare and present a business plan
4 describing the financing of the complete project to the state board for
5 community and technical colleges, the office of financial management,
6 and the legislative fiscal committees.

7 (n) Enter into a financial contract on behalf of Green River
8 Community College in the amount of \$350,000 plus financing expenses and
9 required reserves pursuant to chapter 39.94 RCW to purchase Lea Hill
10 park from King county.

11 (o) Enter into a financial contract on behalf of Bellevue
12 Community College in the amount of \$4,000,000 plus financing expenses
13 and required reserves pursuant to chapter 39.94 RCW for replacement of
14 the Robinswood school. This authority is provided in addition to the
15 appropriation in section 761 of this act.

16 (p) Enter into a financial contract on behalf of Wenatchee Valley
17 College in the amount of \$500,000 plus financing expenses and required
18 reserves pursuant to chapter 39.94 RCW to purchase two buildings and
19 property contiguous to the college campus.

20 (q) Enter into a financing contract on behalf of Whatcom Community
21 College in the amount of \$1,918,483 plus financing expenses and
22 required reserves pursuant to chapter 39.94 RCW for the purchase of
23 10.71 acres of property for the completion of the Whatcom Community
24 College campus.

25 (r) Enter into a financing contract on behalf of Edmonds Community
26 College in the amount of (~~(\$3,700,000)~~) \$4,150,000 plus financing
27 expenses and required reserves pursuant to chapter 39.94 RCW to develop
28 a music building on the college campus.

29 (s) Enter into a financing contract on behalf of Olympic College
30 in the amount of \$900,000 plus financing expenses and required reserves
31 pursuant to chapter 39.94 RCW for development of off-street student
32 parking.

33 (t) Enter into a financing contract on behalf of Bates Technical
34 College in the amount of \$4,300,000 plus financing expenses and
35 required reserves pursuant to chapter 39.94 RCW for the purchase of a
36 9.41 acre site with an approximately 46,125 square foot broadcasting
37 facility situated on 19th Street in Tacoma. It is the intent of the

1 legislature that \$2,000,000 of this financing contract will be repaid
2 from private donations.

3 (u) Enter into a financing contract on behalf of Renton Technical
4 College in the amount \$1,000,000 plus financing expenses and required
5 reserves pursuant to chapter 39.94 RCW for the purchase of
6 approximately 10 acres within the district boundary to support a future
7 relocation of apprenticeship programs off the main campus.

8 (5) Central Washington University: Enter into a financing
9 contract on behalf of Central Washington University in the amount of
10 \$5,700,000 plus financing expenses and required reserves pursuant to
11 chapter 39.94 RCW for the Central Washington University/Edmonds
12 Community College center.

13 (6) University of Washington:

14 (a) Enter into a financing contract on behalf of the University of
15 Washington in the amount of \$7,500,000 plus financing expenses and
16 required reserves pursuant to chapter 39.94 RCW to finance real
17 property improvements to the Sand Point building.

18 (b) Enter into a financing contract on behalf of the University of
19 Washington in the amount of \$7,500,000 plus financing expenses and
20 required reserves pursuant to chapter 39.94 RCW to finance primate
21 center tenant improvements.

22 (c) Enter into a financing contract on behalf of the University of
23 Washington in the amount of \$12,000,000 plus financing expenses and
24 required reserves pursuant to chapter 39.94 RCW for renovation of Husky
25 Den, the food service in the Husky Union building, and the renovation
26 of the McMahan Hall food service.

27 (d) Enter into a financing contract on behalf of the University of
28 Washington in the amount of \$5,700,000 plus financing expenses and
29 required reserves pursuant to chapter 39.94 RCW for installation of
30 Ethernet wiring and electrical upgrades in Lander Hall and McCarty
31 Hall.

32 (7) Washington state convention and trade center: Enter into one
33 or more financing contracts not exceeding an aggregate total amount of
34 \$27,500,000 plus financing expenses and reserves pursuant to chapter
35 39.94 RCW, for funding unanticipated costs in excess of the
36 \$111,700,000 principal amount of the financing contract authorized in
37 section 802(10)(b), chapter 16, Laws of 1995 2nd sp. sess., for the
38 construction of the expansion of the Washington state convention and

1 trade center as authorized under chapter 386, Laws of 1995. The
2 balance of the expansion project funds shall be provided from interest
3 earnings and public or private funds. The financing contract or
4 contracts representing all or part of the amount authorized by this
5 section shall not be executed without prior written approval of the
6 office of financial management based upon its determination that such
7 financing contract or contracts are reasonably necessary for the
8 expansion project.-

9 Renumber the sections consecutively and correct the title and any
10 internal references.

EFFECT: Creates a legislative interim workgroup to develop a policy for the use of alternative financing contracts and implications for future operating budget impacts. Authorizes 5 new alternative financing projects (3 for the Community and Technical Colleges and 2 for the University of Washington) and increases the authority of 3 existing alternative financing projects for the Community and Technical Colleges.