

2 ESHB 1991 - S COMM AMD  
3 By Committee on Ways & Means

4 ADOPTED 4/14/99

5 Strike everything after the enacting clause and insert the  
6 following:

7 NEW SECTION. Sec. 1. The purpose of this act is to consolidate  
8 the statutes authorizing the board of regents of the University of  
9 Washington to control the property of the university. Nothing in this  
10 act may be construed to diminish in any way the powers of the board of  
11 regents to control its property including, but not limited to, the  
12 powers now or previously set forth in RCW 28B.20.392 through  
13 28B.20.398.

14 NEW SECTION. Sec. 2. A new section is added to chapter 28B.20 RCW  
15 to read as follows:

16 For the purposes of this chapter, "university tract" means the  
17 tract of land in the city of Seattle, consisting of approximately ten  
18 acres, originally known as the "old university grounds," and more  
19 recently referred to as the "metropolitan tract," together with all  
20 buildings, improvements, facilities, and appurtenances thereon.

21 Sec. 3. RCW 28B.20.382 and 1998 c 245 s 17 are each amended to  
22 read as follows:

23 (1) Until authorized ~~((and empowered to do so))~~ by statute of the  
24 legislature, the board of regents of the university, with respect to  
25 ~~((that certain tract of land in the city of Seattle originally known as~~  
26 ~~the "old university grounds" and more recently known as the~~  
27 ~~"metropolitan tract" and any land contiguous thereto))~~ the university  
28 tract, shall not sell the land or any part thereof or any improvement  
29 thereon, or lease the land or any part thereof or any improvement  
30 thereon or renew or extend any lease thereof for a term ~~((ending more~~  
31 ~~than sixty years beyond midnight, December 31, 1980))~~ of more than  
32 eighty years. Any sale of the land or any part thereof or any  
33 improvement thereon, or any lease or renewal or extension of any lease  
34 of the land or any part thereof or any improvement thereon for a term

1 (~~ending more than sixty years after midnight, December 31, 1980,~~) of  
2 more than eighty years made or attempted to be made by the board of  
3 regents shall be null and void (~~unless and~~) until the same has been  
4 approved or ratified and confirmed by legislative act.

5 (2) The board of regents shall have power from time to time to  
6 lease the land, or any part thereof or any improvement thereon for a  
7 term (~~ending not more than sixty years beyond midnight, December 31,~~  
8 ~~1980: PROVIDED, That~~) of not more than eighty years. Any and all  
9 records, books, accounts, and agreements of any lessee or sublessee  
10 under this section, pertaining to compliance with the terms and  
11 conditions of such lease or sublease, shall be open to inspection by  
12 the board of regents, the ways and means committee of the senate, the  
13 appropriations committee of the house of representatives, and the joint  
14 legislative audit and review committee or any successor committees. It  
15 is not intended (~~by this proviso~~) that unrelated records, books,  
16 accounts, and agreements of lessees, sublessees, or related companies  
17 be open to such inspection. The board of regents shall make a full,  
18 detailed report of all leases and transactions pertaining to the land  
19 or any part thereof or any improvement thereon to the joint legislative  
20 audit and review committee, including one copy to the staff of the  
21 committee, during odd-numbered years.

22 (3) The net proceeds from the sale or lease of land in the  
23 university tract, or any part thereof or any improvement thereon, shall  
24 be deposited into the University of Washington facilities bond  
25 retirement account hereby established outside the state treasury as a  
26 nonappropriated local fund to be used exclusively for the purpose of  
27 erecting, altering, maintaining, equipping, or furnishing buildings at  
28 the University of Washington. The board of regents shall transfer from  
29 the University of Washington facilities bond retirement account to the  
30 University of Washington building account under RCW 43.79.080 any funds  
31 in excess of amounts reasonably necessary for payment of debt service  
32 in combination with other nonappropriated local funds related to  
33 capital projects for which debt service is required under section 4,  
34 chapter . . . (Substitute House Bill No. 1166), Laws of 1999.

35 **Sec. 4.** RCW 28B.20.394 and 1973 1st ex.s. c 195 s 10 are each  
36 amended to read as follows:

37 In addition to the powers conferred upon the board of regents of  
38 the University of Washington by (~~RCW 28B.20.392 and 28B.20.380, said~~)

1 section 5 of this act, the board of regents is authorized and shall  
2 have the power to enter into an agreement or agreements with the city  
3 of Seattle and the county of King, Washington, to pay to ~~((said))~~ the  
4 city and ~~((said))~~ the county such sums as shall be mutually agreed upon  
5 for governmental services rendered to ~~((said))~~ the university tract,  
6 ~~((as defined in RCW 28B.20.390))~~ which sums shall not exceed the  
7 amounts that would be received pursuant to limitations imposed by RCW  
8 84.52.043 by the ~~((said))~~ city of Seattle and county of King  
9 respectively from real and personal property taxes paid on the  
10 university tract or any leaseholds thereon if such taxes could lawfully  
11 be levied~~((; and any such sums so agreed upon shall be paid from the~~  
12 ~~proceeds and other income from said tract as an item of expense of~~  
13 ~~operation and upkeep thereof: PROVIDED, That in the event that it is~~  
14 ~~determined by a court of final jurisdiction that the provisions of~~  
15 ~~chapter 43, Laws of 1971 first ex. sess., insofar as they affect taxes~~  
16 ~~due and payable in 1972 and 1973 by any lessee of the university tract,~~  
17 ~~are held unconstitutional, the sums paid pursuant to this section in~~  
18 ~~such years shall be refunded in accordance with the provisions of~~  
19 ~~chapter 84.69 RCW; and any provision of RCW 28B.20.392 in conflict~~  
20 ~~herewith is superseded)).~~

21 NEW SECTION. Sec. 5. A new section is added to chapter 28B.20 RCW  
22 to read as follows:

23 In addition to the powers conferred under the original deeds of  
24 conveyance to the state of Washington and under existing law, and  
25 subject to RCW 28B.20.382, the board of regents has full control of the  
26 university tract as provided in this chapter including, but not limited  
27 to:

28 (1) With regard to the whole or portions of the land, the authority  
29 to manage, to improve, to alter, to operate, to lease, to contract  
30 indebtedness, to borrow funds, to issue bonds, notes, and warrants, to  
31 provide for the amortization of and to pay the bonds, notes, warrants,  
32 and other evidences of indebtedness, at or prior to maturity, to use  
33 and pledge the income derived from operating, managing, and leasing the  
34 university tract for such purpose, and to otherwise own, operate, and  
35 control the university tract to the same extent as any other property  
36 of the university;

37 (2) With regard to the whole or portions of any building or  
38 buildings or other improvements thereon or appurtenances thereto, the

1 authority to sell, subject to the terms of any underlying lease on the  
2 land, to manage, to improve, to alter, to operate, to lease, to grant  
3 a deed of trust or a mortgage lien, to contract indebtedness, to borrow  
4 funds, to issue bonds, notes, and warrants, to provide for the  
5 amortization thereof and to pay the bonds, notes, warrants, and other  
6 evidences of indebtedness, at or prior to maturity, to use and pledge  
7 the income derived from operating, managing, and leasing the university  
8 tract for such purpose, and to otherwise own, operate, and control the  
9 university tract to the same extent as any other property of the  
10 university consistent with the purpose of the donors of the  
11 metropolitan tract.

12 **Sec. 6.** RCW 28B.20.396 and 1983 c 167 s 33 are each amended to  
13 read as follows:

14 Bonds issued pursuant to the authority granted under (~~(subdivision~~  
15 ~~(4) of RCW 28B.20.392~~) section 5 of this act:

16 (1) Shall not constitute (a) an obligation, either general or  
17 special, of the state or (b) a general obligation of the University of  
18 Washington or of the board of regents;

19 (2) Shall be(~~(—)~~):

20 (a) Either in bearer form or in registered form as provided in RCW  
21 39.46.030, and

22 (b) Issued in denominations of not less than one hundred dollars;

23 (3) Shall state(~~(—)~~):

24 (a) The date of issue, and

25 (b) The series of the issue and be consecutively numbered within  
26 the series, and

27 (c) That the bond is payable only out of a special fund established  
28 for the purpose, and designate the fund;

29 (4) Shall bear interest, payable either annually, or semiannually  
30 as the board of regents may determine;

31 (5) Shall be payable solely out of(~~(—)~~):

32 (a) Revenue derived from operating, managing and leasing the  
33 university tract, and

34 (b) A special fund, created by the board of regents for the  
35 purpose, consisting either of (i) a fixed proportion, or (ii) a fixed  
36 amount out of and not exceeding a fixed proportion, or (iii) a fixed  
37 amount without regard to any fixed proportion, of the revenue so  
38 derived;

- 1 (6) May contain covenants by the board of regents in conformity  
2 with the provisions of RCW 28B.20.398(2);
- 3 (7) Shall be payable at such times over a period of not to exceed  
4 thirty years, in such manner and at such place or places as the board  
5 of regents determines;
- 6 (8) Shall be executed in such manner as the board of regents by  
7 resolution determines;
- 8 (9) Shall be sold in such manner as the board of regents deems for  
9 the best interest of the University of Washington;
- 10 (10) May be issued under chapter 39.46 RCW.

11 **Sec. 7.** RCW 28B.20.398 and 1983 c 167 s 34 are each amended to  
12 read as follows:

13 (1) Any resolution of the board of regents pursuant to the  
14 provisions of (~~subdivision (4) of RCW 28B.20.392~~) section 5 of this  
15 act shall provide for the creation of a special fund, in conformity  
16 with the provisions of (~~subdivision (5)(b) of~~) RCW 28B.20.396(5)(b).

17 (2) Any resolution authorizing the issuance of bonds pursuant to  
18 the provisions of section 5 of this act, RCW (~~28B.20.390,~~  
19 ~~28B.20.392,~~) 28B.20.396, and 28B.20.398 may contain covenants of the  
20 board of regents to protect and safeguard the security and rights of  
21 the owners of any such bonds such as are then customary in connection  
22 with similar bonds and considered advisable in order to assure the  
23 maximum marketability for said bonds. Without limiting the generality  
24 of the foregoing, any such resolution may contain covenants as  
25 to(~~(—)~~):

26 (a) The creation of a special fund into which the proceeds of all  
27 bonds issued pursuant to the provisions of such resolution shall be  
28 deposited, the terms and conditions upon which payments may be made  
29 from such special fund, and for the payment of interest on bonds issued  
30 pursuant to such resolution from the moneys in said fund;

31 (b) Maintaining rental and leasehold rates and other charges at a  
32 level sufficient at all times to provide revenue (i) to pay the  
33 interest on and principal of all bonds and other obligations payable  
34 from said revenue, (ii) to make all other payments from said revenues  
35 required under the provisions of any resolution adopted in connection  
36 with the issuance of warrants or bonds under section 5 of this act, RCW  
37 (~~28B.20.390,~~ ~~28B.20.392,~~) 28B.20.396, and 28B.20.398 and (iii) to pay

1 the operating, management, maintenance, repair and upkeep costs of the  
2 university tract;

3 (c) Collection, deposit, custody and disbursement of the revenues  
4 from the university tract or any portions thereof including (i) a  
5 specification of the depositaries to be designated, and (ii)  
6 authorization of such depositaries, or other banks or trust companies,  
7 to act as fiscal agent of the board of regents for the custody of the  
8 proceeds of bonds and the moneys held in any funds created pursuant to  
9 section 5 of this act, RCW ((28B.20.390, 28B.20.392,)) 28B.20.396, and  
10 28B.20.398, or any resolution authorizing such bonds, and to represent  
11 bond owners in the event of a default on such bonds or in the event of  
12 a default in the performance of any duty or obligation of the board of  
13 regents in connection therewith, with such power and duty as such  
14 resolution may provide;

15 (d) Creation and administration of reserve and other funds for the  
16 payment, at or prior to maturity, of any indebtedness chargeable  
17 against the revenues from the university tract and for creation of  
18 working funds, depreciation funds, replacement funds, reserves for  
19 extraordinary repairs and any other fund deemed necessary or desirable  
20 to insure the continued profitable operation of the said university  
21 tract;

22 (e) Deposit of collateral security or indemnity bonds to secure the  
23 proceeds (i) of bonds issued pursuant to the provisions of such  
24 resolution and (ii) of all revenues which are pledged to secure the  
25 repayment of bonds issued pursuant to the provisions of such resolution  
26 and (iii) of all moneys deposited in any special fund created under the  
27 authority of section 5 of this act, RCW ((28B.20.390, 28B.20.392,))  
28 28B.20.396, and 28B.20.398 or any covenant thereunder;

29 (f) The obligation of the board of regents to maintain the building  
30 or buildings in good condition and to operate and manage the same in an  
31 economical and efficient manner;

32 (g) The amount and kind of insurance to be carried by the board of  
33 regents in connection with the building or buildings, the companies in  
34 which such insurance shall be carried, the term thereof, the  
35 application of the proceeds of any such insurance, and adjustments of  
36 losses under any such policy of insurance;

37 (h) Limitations upon the amount of additional bonds, warrants and  
38 other obligations payable out of the revenues from the building or  
39 buildings which may be thereafter issued and the terms and conditions

1 upon which such additional bonds, warrants or other obligations may be  
2 issued;

3 (i) Limitations upon the creation of additional liens or  
4 encumbrances on the building or buildings or the personal property used  
5 in connection therewith;

6 (j) The terms and conditions upon which the building or buildings,  
7 or any part thereof, may be sold, mortgaged, leased or otherwise  
8 disposed of, and the use or other disposition of the proceeds of any  
9 such sale, mortgage or lease;

10 (k) The methods of operation, management and maintenance of the  
11 building or buildings;

12 (l) Accounting and auditing and the keeping of records, reports and  
13 audits with respect to the building or buildings;

14 (m) The amendment or modification of any resolution authorizing the  
15 issuance of bonds pursuant to the provisions of section 5 of this act,  
16 RCW ((~~28B.20.390, 28B.20.392~~)) 28B.20.396, and 28B.20.398, including  
17 the terms and conditions upon which such amendment or modification may  
18 be effected and the number, amount or percentage of assenting bonds  
19 necessary to effectuate the same;

20 (n) Limitations upon the use of space or facilities in the building  
21 or buildings without payment therefor; and

22 (o) Such other matters as may be necessary or desirable to insure  
23 a successful and profitable operation of the building or buildings.

24 (3) The term "building or buildings" as used in ((~~subdivision~~))  
25 subsection (2) of this section means the building or buildings or  
26 improvements upon the university tract with respect to which the  
27 revenues are pledged, under the terms of the resolution, to secure the  
28 payment of bonds issued under such resolution.

29 (4) The provisions of section 5 of this act, RCW ((~~28B.20.390,~~  
30 ~~28B.20.392~~)) 28B.20.396, and 28B.20.398 and of any resolution adopted  
31 in conformity with the provisions of this section shall constitute a  
32 contract with the owners of warrants or bonds issued pursuant thereto,  
33 and the provisions thereof shall be enforceable in any court of  
34 competent jurisdiction by any owner of such warrants or bonds by  
35 mandamus or any other appropriate suit, action or proceeding at law or  
36 in equity.

37 (5) Bonds issued pursuant to the provisions of section 5 of this  
38 act, RCW ((~~28B.20.390, 28B.20.392~~)) 28B.20.396, and 28B.20.398 may be  
39 redeemed, at the option of the board of regents, at such time or times,

1 upon such terms and conditions, and at such premiums as the board of  
2 regents specifies in the resolution.

3 (6) If the board of regents fails to pay the required amounts into  
4 the special fund, established in conformity with (~~subdivision~~)  
5 subsection (2) of this section, the owner of any bond or bonds affected  
6 thereby may maintain an action against the board of regents to compel  
7 compliance with the terms of the resolution in this respect.

8 (7) Pending the preparation and execution of any bonds the issuance  
9 of which is authorized under the provisions of (~~subdivision~~)  
10 subsection (2) of this section, temporary bonds may be issued in such  
11 form as the board of regents determines.

12 NEW SECTION. Sec. 8. The following acts or parts of acts are each  
13 repealed:

14 (1) RCW 28B.20.390 (Additional powers of regents as to old  
15 university grounds--Definitions) and 1969 ex.s. c 223 s 28B.20.390;

16 (2) RCW 28B.20.392 (Additional powers of regents as to old  
17 university grounds--Enumeration of) and 1969 ex.s. c 223 s 28B.20.392;  
18 and

19 (3) RCW 43.79.090 (Rentals to building fund--Use of fund) and 1965  
20 c 8 s 43.79.090.

21 NEW SECTION. Sec. 9. This act is necessary for the immediate  
22 preservation of the public peace, health, or safety, or support of the  
23 state government and its existing public institutions, and takes effect  
24 immediately."

25 ESHB 1991 - S COMM AMD  
26 By Committee on Ways & Means

ADOPTED 4/14/99

27  
28 On page 1, line 1 of the title, after "tract;" strike the remainder  
29 of the title and insert "amending RCW 28B.20.382, 28B.20.394,  
30 28B.20.396, and 28B.20.398; adding new sections to chapter 28B.20 RCW;  
31 creating a new section; repealing RCW 28B.20.390, 28B.20.392, and  
32 43.79.090; and declaring an emergency."

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