

# HOUSE BILL REPORT

## HB 3102

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**As Reported By House Committee On:**  
Transportation

**Title:** An act relating to intercity passenger rail service.

**Brief Description:** Providing for the renovation of the King Street station building in Seattle.<sup>323</sup>

**Sponsors:** Representatives Fisher, Mitchell, Edwards and O'Brien.

**Brief History:**

**Committee Activity:**

Transportation: 2/7/00 [DPS].

**Brief Summary of Substitute Bill**

- The Department of Transportation is provided with all the necessary powers to renovate, operate, restore, and maintain the King Street Station, including the power to contract with a public non-profit development entity.
- The King Street Station Facility Account is created.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Edwards, Democratic 2nd Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; DeBolt; Haigh; Hatfield; Hurst; Lovick; Morris; Murray; Ogden; Radcliff; Skinner; Wood and Woods.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Fortunato; Mielke and Schindler.

**Staff:** Penny Nerup (786-7335).

**Background:**

The Washington State Department of Transportation (WSDOT) has been working with the city of Seattle, King County, and several private entities to coordinate the renovation and restoration of the King Street Railroad Station near Pioneer Square and the International District in downtown Seattle. Current renovation plans for the station include its continued use as a train station for Amtrak and freight service, as well as additional use as leased office space and other multimodal uses. Several private entities are also interested in developing the area around the station, should restoration plans go forward.

The WSDOT is interested in partnering with a non-profit development entity, such as the National Development Council, to carry out the King Street Station renovation. Currently, the WSDOT lacks the authority to complete some of the contemplated transactions that would be required in order to move this public-private project forward.

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**Summary of Substitute Bill:**

The WSDOT is authorized to acquire real property on or around the King Street Station building and to contract with a public or private entity for operation, maintenance, renovation, restoration, or management of those properties.

The WSDOT is authorized to use all powers or duties necessary to restore, operate, and maintain the King Street Station and associated real property, including the power to sublease portions of the King Street Station for transportation or other public or private purposes; the power to transfer the WSDOT's interest; and the power to contract with other public or private entities for operations, administration, or maintenance. Should the WSDOT transfer its entire interest in the King Street Station, proceeds must be placed into an account that supports multimodal programs and cannot be placed in an account restricted by the 18 Amendment.

The WSDOT may contract with public or private entities for use of the King Street Station as a multimodal terminal supporting state intercity passenger rail service. Although the contract must define specific financing elements, it is not subject to review by the state finance committee or to the provision that requires that the authority for purchase, lease, or rent of all real estate be done by the Director of General Administration. Contracts executed under this section will expire no later than 30 years after execution at which time the King Street Station will revert to the WSDOT.

The King Street Station Facility Account is created to provide funding needed for renovation, restoration, maintenance, operation, and acquisition of King Street Station as a principle multimodal terminal for intercity passenger rail service. All federal monies, state funds appropriated by the Legislature, grants, gifts, and donations must

be deposited in the account. All receipts from the WSDOT transactions involving capital facility sales, transfers, property leases and rents, incomes, and parking fees associated with the King Street Station, must also be deposited in the account. Interest earned from investment of excess funds must be retained in the account.

Only the Secretary of the WSDOT, or designee, may authorize expenditures from the account, which is subject to allotment procedures under the state budgeting and accounting system, although appropriation is not required. Expenditures must be done solely in this priority order: 1) lease payments under the financing contract; 2) maintenance and operating costs; 3) construction and renovation of the King Street Station and associated structures essential to a multimodal terminal; and 4) acquisition of property for vehicle access and parking, and for pedestrian access.

Finally, the statutes concerning investments and interfund loans are amended to include the King Street Station Facility Account. Other inclusions in those statutes are technical, based upon reviser notes from the previous session.

**Substitute Bill Compared to Original Bill:** The powers granted the Department of Transportation associated with real property are expanded to comport with legal terminology. A clause is added which requires that proceeds from any sale of WSDOT interests in the King Street Station must be placed in an account that supports multimodal programs.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2000.

**Effective Date of Substitute Bill:** The bill contains an emergency clause which takes effect immediately. The bill also contains several effective dates. Please refer to the bill.

**Testimony For:** Working with a non-profit entity has many advantages, as the non-profit can obtain tax-exempt bonds to pay for the restoration. The WSDOT would repay the non-profit entity with lease payments. This project would further the WSDOT's goal of increasing multimodal transportation in a high density area.

**Testimony Against:** None.

**Testified:** Jim Slakey, Washington State Department of Transportation; John Finke, National Development Council; and Maria Barrientos, Barrientos, LLC.