

1 AN ACT Relating to the 1063 block replacement project; amending  
2 2013 2nd sp.s. c 19 ss 1109 and 7014 (uncodified); creating new  
3 sections; making an appropriation; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. The legislature finds  
6 that the 1063 block replacement project has increased in cost from  
7 its original proposal. About eighty percent of the operating budget  
8 impact of the project if reauthorized would be imposed on the  
9 transportation budget appropriation for the state patrol. The  
10 legislature intends to coordinate the consideration of the  
11 authorization of the new building with the consideration and  
12 development of the transportation budget.

13 NEW SECTION. **Sec. 2.** The sum of ten million dollars, or as much  
14 thereof as may be necessary, is reappropriated for the fiscal  
15 biennium ending June 30, 2017, from the state building construction  
16 account--state to the department of enterprise services for the  
17 continued development of the 1063 block replacement project and is  
18 subject to provisions of section 1109, chapter 19, Laws of 2013 2nd  
19 sp. sess.

1        NEW SECTION.    **Sec. 3.**    ACQUISITION OF PROPERTIES AND FACILITIES  
2 THROUGH FINANCIAL CONTRACTS. (1) The following agencies may enter  
3 into financial contracts, paid from any funds of an agency,  
4 appropriated or nonappropriated, for the purposes indicated and in  
5 not more than the principal amounts indicated, plus financing  
6 expenses and required reserves pursuant to chapter 39.94 RCW. When  
7 securing properties under this section, agencies shall use the most  
8 economical financial contract option available, including long-term  
9 leases, lease-purchase agreements, lease-development with option to  
10 purchase agreements, or financial contracts using certificates of  
11 participation. Expenditures made by an agency for one of the  
12 indicated purposes before the issue date of the authorized financial  
13 contract and any certificates of participation therein are intended  
14 to be reimbursed from proceeds of the financial contract and any  
15 certificates of participation therein to the extent provided in the  
16 agency's financing plan approved by the state finance committee.

17        State agencies may enter into agreements with the department of  
18 enterprise services and the state treasurer's office to develop  
19 requests to the legislature for acquisition of properties and  
20 facilities through financial contracts. The agreements may include  
21 charges for services rendered.

22        (2) Department of enterprise services: Enter into a financing  
23 contract for up to \$69,000,000 plus financing expenses and required  
24 reserves pursuant to chapter 39.94 RCW to construct a new office  
25 building at 1063 Capitol Way South, Olympia.

26        **Sec. 4.**    2013 2nd sp.s c 19 s 1109 (uncodified) is amended to  
27 read as follows:

28        **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

29        1063 Block Replacement (91000016)

30        The appropriation in this section is subject to the following  
31 conditions and limitations: The appropriation in this section is  
32 provided solely for predesign and bridging documents, design,  
33 competition honoraria, project management, demolition, and other  
34 planning activities including permits. The predesign must specify the  
35 tenants of the building as directed by the office of financial  
36 management. The predesign must indicate the estimated annual cost  
37 increase for state agency tenants compared to the cost of their  
38 existing leases. The estimated cost increase may take into account

1 estimated cost savings in staff costs and other costs that may result  
2 in more efficient building design and layout of office space. The  
3 director of the office of financial management must review these cost  
4 estimates and submit a report to the appropriate committees of the  
5 legislature indicating the budget increase that would be required  
6 sixty days prior to executing any construction contracts for the  
7 building. The lease for any prospective tenant may not be extended  
8 beyond the anticipated occupancy date of the building. (~~The building~~  
9 ~~will be alternatively financed as authorized in section 7014 of this~~  
10 ~~act.~~)

11 Appropriation:

12	State Building Construction Account—State. . . . .	\$13,000,000
13	Prior Biennia (Expenditures). . . . .	\$0
14	Future Biennia (Projected Costs). . . . .	\$0
15	TOTAL. . . . .	\$13,000,000

16 **Sec. 5.** 2013 2nd sp.s. c 19 s 7014 (uncodified) is amended to  
17 read as follows:

18 ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL  
19 CONTRACTS. The following agencies may enter into financial contracts,  
20 paid from any funds of an agency, appropriated or nonappropriated,  
21 for the purposes indicated and in not more than the principal amounts  
22 indicated, plus financing expenses and required reserves pursuant to  
23 chapter 39.94 RCW. When securing properties under this section,  
24 agencies shall use the most economical financial contract option  
25 available, including long-term leases, lease-purchase agreements,  
26 lease-development with option to purchase agreements or financial  
27 contracts using certificates of participation. Expenditures made by  
28 an agency for one of the indicated purposes before the issue date of  
29 the authorized financial contract and any certificates of  
30 participation therein are intended to be reimbursed from proceeds of  
31 the financial contract and any certificates of participation therein  
32 to the extent provided in the agency's financing plan approved by the  
33 state finance committee.

34 State agencies may enter into agreements with the department of  
35 enterprise services and the state treasurer's office to develop  
36 requests to the legislature for acquisition of properties and  
37 facilities through financial contracts. The agreements may include  
38 charges for services rendered.

1 Those noninstructional facilities of higher education  
2 institutions authorized in this section to enter into financial  
3 contracts are not eligible for state funded maintenance and  
4 operations. Instructional space that is available for regularly  
5 scheduled classes for academic transfer, basic skills, and workforce  
6 training programs may be eligible for state funded maintenance and  
7 operations.

8 (1) Community and technical colleges:

9 (a) Enter into a financing contract on behalf of Peninsula  
10 College for up to \$2,000,000 plus financing expenses and required  
11 reserves pursuant to chapter 39.94 RCW to renovate or replace the  
12 Forks satellite building.

13 (b) Enter into a financing contract on behalf of South Puget  
14 Sound Community College for up to \$5,000,000 plus financing expenses  
15 and required reserves pursuant to chapter 39.94 RCW to renovate the  
16 downtown Lacey campus.

17 (c) Enter into a financing contract on behalf of Walla Walla  
18 Community College for up to \$1,000,000 plus financing expenses and  
19 required reserves pursuant to chapter 39.94 RCW to purchase up to  
20 forty acres of land.

21 (d) Enter into a financing contract on behalf of Green River  
22 Community College for up to \$15,000,000 plus financing expenses and  
23 required reserves pursuant to chapter 39.94 RCW to construct a  
24 replacement facility for the student life center.

25 (e) Enter into a financing contract on behalf of Whatcom  
26 Community College for up to \$11,000,000 plus financing expenses and  
27 required reserves pursuant to chapter 39.94 RCW to construct a  
28 student recreation center.

29 (f) Enter into a financing contract on behalf of Spokane  
30 Community College for up to \$3,100,000 plus financing expenses and  
31 required reserves pursuant to chapter 39.94 RCW to construct an  
32 addition to the student services building.

33 (g) Enter into a long-term lease on behalf of Spokane Community  
34 College at Felts Field suitable for the aerospace training center  
35 program, subject to the approval of the office of financial  
36 management as required by chapter 43.82 RCW.

37 (2) Department of enterprise services:

38 ((~~a~~)) Enter into a financing contract for up to \$1,000,000 plus  
39 financing expenses and required reserves pursuant to chapter 39.94  
40 RCW for the modifications to the Yakima office building in

1 preparation for the department of social and health services use of  
2 the building.

3 ~~((b) Enter into a financing contract for up to \$69,000,000 plus  
4 financing expenses and required reserves pursuant to chapter 39.94  
5 RCW to construct a new office building at 1063 Capitol Way South,  
6 Olympia. The building will be delivered using design build, as  
7 defined by chapter 39.10 RCW, with a guarantee for energy, operations  
8 and maintenance performance. The term for performance validation must  
9 not be less than five years. The state may use state employees for  
10 services not related to building performance. Criteria for selecting  
11 a contractor must include life cycle costs, energy costs or energy  
12 use index. The scope of the building shall be between two hundred  
13 thousand and two hundred twenty five thousand square feet of office  
14 space based on the office of financial management's direction for  
15 square feet and tenants identified in the programming phase including  
16 the Washington State Patrol. Tenant lease costs for the building may  
17 not exceed \$26 per gross square foot including debt services and  
18 operating expenses. Proposals must be received by January 31, 2014.  
19 This is phase one of a two phase process that includes future  
20 demolition of the current general administration building and  
21 construction of a similar facility which may include the state  
22 library as a tenant.))~~

23 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
24 preservation of the public peace, health, or safety, or support of  
25 the state government and its existing public institutions, and takes  
26 effect immediately.

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