

---

**SUBSTITUTE HOUSE BILL 1991**

---

**State of Washington                      56th Legislature                      1999 Regular Session**

**By** House Committee on Capital Budget (originally sponsored by Representatives Murray and Mitchell)

Read first time 03/08/1999.

1            AN ACT Relating to the university tract; amending RCW 28B.20.382,  
2 28B.20.394, 28B.20.396, and 28B.20.398; adding new sections to chapter  
3 28B.20 RCW; creating a new section; repealing RCW 28B.20.390,  
4 28B.20.392, and 43.79.090; and declaring an emergency.

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

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

12            **Sec. 2.** RCW 28B.20.382 and 1998 c 245 s 17 are each amended to  
13 read as follows:

14            (~~Until authorized and empowered to do so by statute of the~~  
15 ~~legislature, the board of regents of the university, with respect to~~  
16 ~~that certain tract of land in the city of Seattle originally known as~~  
17 ~~the "old university grounds" and more recently known as the~~  
18 ~~"metropolitan tract" and any land contiguous thereto, shall not sell~~

1 the land or any part thereof or any improvement thereon, or lease the  
2 land or any part thereof or any improvement thereon or renew or extend  
3 any lease thereof for a term ending more than sixty years beyond  
4 midnight, December 31, 1980. Any sale of the land or any part thereof  
5 or any improvement thereon, or any lease or renewal or extension of any  
6 lease of the land or any part thereof or any improvement thereon for a  
7 term ending more than sixty years after midnight, December 31, 1980,  
8 made or attempted to be made by the board of regents shall be null and  
9 void unless and until the same has been approved or ratified and  
10 confirmed by legislative act.

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

28 NEW SECTION. Sec. 3. A new section is added to chapter 28B.20 RCW  
29 to read as follows:

30 For the purposes of section 5 of this act, RCW 28B.20.394,  
31 28B.20.396, and 28B.20.398, "university tract" means the tract of land  
32 in the city of Seattle, consisting of approximately ten acres,  
33 originally known as the "old university grounds," and more recently  
34 referred to as the "metropolitan tract," together with all buildings,  
35 improvements, facilities, and appurtenances thereon.

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

1 In addition to the powers conferred upon the board of regents of  
2 the University of Washington by (~~RCW 28B.20.392 and 28B.20.380, said~~)  
3 section 5(2) of this act, the board of regents is authorized and shall  
4 have the power to enter into an agreement or agreements with the city  
5 of Seattle and the county of King, Washington, to pay to (~~said~~) the  
6 city and (~~said~~) the county such sums as shall be mutually agreed upon  
7 for governmental services rendered to (~~said~~) the university tract,  
8 (~~as defined in RCW 28B.20.390~~) which sums shall not exceed the  
9 amounts that would be received pursuant to limitations imposed by RCW  
10 84.52.043 by the (~~said~~) city of Seattle and county of King  
11 respectively from real and personal property taxes paid on the  
12 university tract or any leaseholds thereon if such taxes could lawfully  
13 be levied(~~; and any such sums so agreed upon shall be paid from the~~  
14 ~~proceeds and other income from said tract as an item of expense of~~  
15 ~~operation and upkeep thereof: PROVIDED, That in the event that it is~~  
16 ~~determined by a court of final jurisdiction that the provisions of~~  
17 ~~chapter 43, Laws of 1971 first ex. sess., insofar as they affect taxes~~  
18 ~~due and payable in 1972 and 1973 by any lessee of the university tract,~~  
19 ~~are held unconstitutional, the sums paid pursuant to this section in~~  
20 ~~such years shall be refunded in accordance with the provisions of~~  
21 ~~chapter 84.69 RCW; and any provision of RCW 28B.20.392 in conflict~~  
22 ~~herewith is superseded)).~~

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

25 (1) Title to the university tract shall be transferred to the board  
26 of regents of the University of Washington from the state of Washington  
27 within thirty days of the effective date of this act, under sufficient  
28 deed, and the governor is authorized and directed to execute, and the  
29 secretary of state is authorized and directed to attest, such deed.

30 (2) In addition to the powers conferred under the original deeds of  
31 conveyance to the state of Washington and under existing law, the board  
32 of regents has full control of the university tract as provided in this  
33 chapter including, but not limited to:

34 (a) With regard to the whole or portions of the land, the authority  
35 to manage, to improve, to alter, to operate, to lease, to contract  
36 indebtedness, to borrow funds, to issue bonds, notes, and warrants, to  
37 provide for the amortization of and to pay the bonds, notes, warrants,  
38 and other evidences of indebtedness, at or prior to maturity, to use

1 and pledge the income derived from operating, managing, and leasing the  
2 university tract for such purpose, and to otherwise own, operate, and  
3 control the university tract to the same extent as any other property  
4 of the university. However, any sale of the land or of any part of the  
5 land is null and void unless and until approved or ratified and  
6 confirmed by the legislature;

7 (b) With regard to the whole or portions of any building or  
8 buildings or other improvements thereon or appurtenances thereto, the  
9 authority to sell, subject to the terms of any underlying lease on the  
10 land, to manage, to improve, to alter, to operate, to lease, to grant  
11 a deed of trust or a mortgage lien, to contract indebtedness, to borrow  
12 funds, to issue bonds, notes, and warrants, to provide for the  
13 amortization thereof and to pay the bonds, notes, warrants, and other  
14 evidences of indebtedness, at or prior to maturity, to use and pledge  
15 the income derived from operating, managing, and leasing the university  
16 tract for such purpose, and to otherwise own, operate, and control the  
17 university tract to the same extent as any other property of the  
18 university. Any proceeds derived from the conveyance of a building,  
19 buildings, or improvements or appurtenances to, shall be used and  
20 invested in such manner as the board may prescribe in the support and  
21 maintenance of the University of Washington.

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

24 Bonds issued pursuant to the authority granted under (~~(subdivision~~  
25 ~~(4) of RCW 28B.20.392~~) section 5(2) of this act:

26 (1) Shall not constitute (a) an obligation, either general or  
27 special, of the state or (b) a general obligation of the University of  
28 Washington or of the board of regents;

29 (2) Shall be(~~(—)~~):

30 (a) Either in bearer form or in registered form as provided in RCW  
31 39.46.030, and

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

33 (3) Shall state(~~(—)~~):

34 (a) The date of issue, and

35 (b) The series of the issue and be consecutively numbered within  
36 the series, and

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

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

3 (5) Shall be payable solely out of((—)):

4 (a) Revenue derived from operating, managing and leasing the  
5 university tract, and

6 (b) A special fund, created by the board of regents for the  
7 purpose, consisting either of (i) a fixed proportion, or (ii) a fixed  
8 amount out of and not exceeding a fixed proportion, or (iii) a fixed  
9 amount without regard to any fixed proportion, of the revenue so  
10 derived;

11 (6) May contain covenants by the board of regents in conformity  
12 with the provisions of RCW 28B.20.398(2);

13 (7) Shall be payable at such times over a period of not to exceed  
14 thirty years, in such manner and at such place or places as the board  
15 of regents determines;

16 (8) Shall be executed in such manner as the board of regents by  
17 resolution determines;

18 (9) Shall be sold in such manner as the board of regents deems for  
19 the best interest of the University of Washington;

20 (10) May be issued under chapter 39.46 RCW.

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

23 (1) Any resolution of the board of regents pursuant to the  
24 provisions of ((~~subdivision (4) of RCW 28B.20.392~~)) section 5(2) of  
25 this act shall provide for the creation of a special fund, in  
26 conformity with the provisions of ((~~subdivision (5)(b) of~~)) RCW  
27 28B.20.396(5)(b).

28 (2) Any resolution authorizing the issuance of bonds pursuant to  
29 the provisions of section 5(2) of this act, RCW ((~~28B.20.390,~~  
30 ~~28B.20.392,~~)) 28B.20.396, and 28B.20.398 may contain covenants of the  
31 board of regents to protect and safeguard the security and rights of  
32 the owners of any such bonds such as are then customary in connection  
33 with similar bonds and considered advisable in order to assure the  
34 maximum marketability for said bonds. Without limiting the generality  
35 of the foregoing, any such resolution may contain covenants as  
36 to((—)):

37 (a) The creation of a special fund into which the proceeds of all  
38 bonds issued pursuant to the provisions of such resolution shall be

1 deposited, the terms and conditions upon which payments may be made  
2 from such special fund, and for the payment of interest on bonds issued  
3 pursuant to such resolution from the moneys in said fund;

4 (b) Maintaining rental and leasehold rates and other charges at a  
5 level sufficient at all times to provide revenue (i) to pay the  
6 interest on and principal of all bonds and other obligations payable  
7 from said revenue, (ii) to make all other payments from said revenues  
8 required under the provisions of any resolution adopted in connection  
9 with the issuance of warrants or bonds under section 5(2) of this act,  
10 RCW ((~~28B.20.390, 28B.20.392,~~) 28B.20.396, and 28B.20.398 and (iii) to  
11 pay the operating, management, maintenance, repair and upkeep costs of  
12 the university tract;

13 (c) Collection, deposit, custody and disbursement of the revenues  
14 from the university tract or any portions thereof including (i) a  
15 specification of the depositories to be designated, and (ii)  
16 authorization of such depositories, or other banks or trust companies,  
17 to act as fiscal agent of the board of regents for the custody of the  
18 proceeds of bonds and the moneys held in any funds created pursuant to  
19 section 5(2) of this act, RCW ((~~28B.20.390, 28B.20.392,~~) 28B.20.396,  
20 and 28B.20.398, or any resolution authorizing such bonds, and to  
21 represent bond owners in the event of a default on such bonds or in the  
22 event of a default in the performance of any duty or obligation of the  
23 board of regents in connection therewith, with such power and duty as  
24 such resolution may provide;

25 (d) Creation and administration of reserve and other funds for the  
26 payment, at or prior to maturity, of any indebtedness chargeable  
27 against the revenues from the university tract and for creation of  
28 working funds, depreciation funds, replacement funds, reserves for  
29 extraordinary repairs and any other fund deemed necessary or desirable  
30 to insure the continued profitable operation of the said university  
31 tract;

32 (e) Deposit of collateral security or indemnity bonds to secure the  
33 proceeds (i) of bonds issued pursuant to the provisions of such  
34 resolution and (ii) of all revenues which are pledged to secure the  
35 repayment of bonds issued pursuant to the provisions of such resolution  
36 and (iii) of all moneys deposited in any special fund created under the  
37 authority of section 5(2) of this act, RCW ((~~28B.20.390, 28B.20.392,~~)  
38 28B.20.396, and 28B.20.398 or any covenant thereunder;

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

4 (g) The amount and kind of insurance to be carried by the board of  
5 regents in connection with the building or buildings, the companies in  
6 which such insurance shall be carried, the term thereof, the  
7 application of the proceeds of any such insurance, and adjustments of  
8 losses under any such policy of insurance;

9 (h) Limitations upon the amount of additional bonds, warrants and  
10 other obligations payable out of the revenues from the building or  
11 buildings which may be thereafter issued and the terms and conditions  
12 upon which such additional bonds, warrants or other obligations may be  
13 issued;

14 (i) Limitations upon the creation of additional liens or  
15 encumbrances on the building or buildings or the personal property used  
16 in connection therewith;

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

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

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

25 (m) The amendment or modification of any resolution authorizing the  
26 issuance of bonds pursuant to the provisions of section 5(2) of this  
27 act, RCW ((28B.20.390,—28B.20.392,)) 28B.20.396, and 28B.20.398,  
28 including the terms and conditions upon which such amendment or  
29 modification may be effected and the number, amount or percentage of  
30 assenting bonds necessary to effectuate the same;

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

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

35 (3) The term "building or buildings" as used in ((subdivision))  
36 subsection (2) of this section means the building or buildings or  
37 improvements upon the university tract with respect to which the  
38 revenues are pledged, under the terms of the resolution, to secure the  
39 payment of bonds issued under such resolution.

1 (4) The provisions of section 5(2) of this act, RCW ((28B.20.390,  
2 28B.20.392,)) 28B.20.396, and 28B.20.398 and of any resolution adopted  
3 in conformity with the provisions of this section shall constitute a  
4 contract with the owners of warrants or bonds issued pursuant thereto,  
5 and the provisions thereof shall be enforceable in any court of  
6 competent jurisdiction by any owner of such warrants or bonds by  
7 mandamus or any other appropriate suit, action or proceeding at law or  
8 in equity.

9 (5) Bonds issued pursuant to the provisions of section 5(2) of this  
10 act, RCW ((28B.20.390, 28B.20.392,)) 28B.20.396, and 28B.20.398 may be  
11 redeemed, at the option of the board of regents, at such time or times,  
12 upon such terms and conditions, and at such premiums as the board of  
13 regents specifies in the resolution.

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

19 (7) Pending the preparation and execution of any bonds the issuance  
20 of which is authorized under the provisions of ((subdivision))  
21 subsection (2) of this section, temporary bonds may be issued in such  
22 form as the board of regents determines.

23 NEW SECTION. Sec. 8. The following acts or parts of acts are each  
24 repealed:

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

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

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

32 NEW SECTION. Sec. 9. This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of the  
34 state government and its existing public institutions, and takes effect  
35 immediately.

--- END ---