

2 **ESB 5719 - H COMM AMD ADOPTED 4-15-93**

3 By Committee on Capital Budget

4

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

7 "NEW SECTION. **Sec. 1.** For the purpose of providing funds to  
8 finance the projects described and authorized by the legislature in the  
9 capital and operating appropriations acts for the 1993-95 fiscal  
10 biennium, and all costs incidental thereto, the state finance committee  
11 is authorized to issue general obligation bonds of the state of  
12 Washington in the sum of nine hundred twenty-eight million eight  
13 hundred fifty thousand dollars, or so much thereof as may be required,  
14 to finance these projects and all costs incidental thereto. Bonds  
15 authorized in this section may be sold at such price as the state  
16 finance committee shall determine. No bonds authorized in this section  
17 may be offered for sale without prior legislative appropriation of the  
18 net proceeds of the sale of the bonds.

19 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds  
20 authorized in section 1 of this act shall be deposited in the state  
21 building construction account created by RCW 43.83.020. The proceeds  
22 shall be transferred as follows:

23 (1) Eight hundred ninety million two hundred thirty thousand  
24 dollars to remain in the state building construction account created by  
25 RCW 43.83.020;

26 (2) One million five hundred thousand dollars to the fruit  
27 commission facility account; and

28 (3) One million dollars to the energy efficiency services account.

29 These proceeds shall be used exclusively for the purposes specified  
30 in this section, and for the payment of expenses incurred in the  
31 issuance and sale of the bonds issued for the purposes of this section,  
32 and shall be administered by the office of financial management subject  
33 to legislative appropriation.

1        NEW SECTION.    **Sec. 3.**    (1) The state general obligation bond  
2 retirement fund shall be used for the payment of the principal of and  
3 interest on the bonds authorized in section 2 of this act.

4        (2) The state finance committee shall, on or before June 30th of  
5 each year, certify to the state treasurer the amount needed in the  
6 ensuing twelve months to meet the bond retirement and interest  
7 requirements. On the date on which any interest or principal and  
8 interest payment is due, the state treasurer shall withdraw from any  
9 general state revenues received in the state treasury and deposit in  
10 the general obligation bond retirement fund an amount equal to the  
11 amount certified by the state finance committee to be due on the  
12 payment date.

13        (3) Bonds issued under section 1 of this act shall state that they  
14 are a general obligation of the state of Washington, shall pledge the  
15 full faith and credit of the state to the payment of the principal  
16 thereof and the interest thereon, and shall contain an unconditional  
17 promise to pay the principal and interest as the same shall become due.

18        (4) The owner and holder of each of the bonds or the trustee for  
19 the owner and holder of any of the bonds may by mandamus or other  
20 appropriate proceeding require the transfer and payment of funds as  
21 directed in this section.

22        NEW SECTION.    **Sec. 4.**    (1) On each date on which any interest or  
23 principal and interest payment is due for the purposes of section 2(2)  
24 of this act, the Washington state fruit commission shall cause the  
25 amount computed by the state finance committee in section 3 of this act  
26 for the purposes of section 2(2) of this act to be paid out of the  
27 commission's general operating fund to the state treasurer for deposit  
28 into the general fund of the state treasury.

29        (2) On each date on which any interest or principal and interest  
30 payment is due for the purposes of section 2(3) of this act, the state  
31 treasurer shall transfer from the energy efficiency construction  
32 account created in RCW 39.35C.100 to the general fund of the state  
33 treasury in the amount computed section 3 of this act for the purposes  
34 of section 2(3) of this act.

35        NEW SECTION.    **Sec. 5.**    The bonds authorized in section 2(2) of this  
36 act may be issued only after the director of financial management has:  
37 (1) Certified that, based on the future income from assessments levied

1 under this chapter and other revenues collected by the commission, an  
2 adequate balance will be maintained in the commission's general  
3 operating fund to pay the interest or principal and interest payments  
4 due under section 4 of this act for the life of the bonds; and (2)  
5 approved the plans for facility.

6 NEW SECTION. **Sec. 6.** The fruit commission facility account is  
7 created in the state treasury. Moneys in the account may be spent only  
8 after appropriation.

9 NEW SECTION. **Sec. 7.** The legislature may provide additional means  
10 for raising moneys for the payment of the principal of and interest on  
11 the bonds authorized in section 1 of this act, and section 3 of this  
12 act shall not be deemed to provide an exclusive method for the payment.

13 NEW SECTION. **Sec. 8.** The bonds authorized in section 1 of this  
14 act shall be a legal investment for all state funds or funds under  
15 state control and for all funds of any other public body.

16 **Sec. 9.** RCW 67.40.030 and 1990 c 181 s 1 are each amended to read  
17 as follows:

18 For the purpose of providing funds for the state convention and  
19 trade center, the state finance committee is authorized to issue, upon  
20 request of the corporation formed under RCW 67.40.020 and in one or  
21 more offerings, general obligation bonds of the state of Washington in  
22 the sum of one hundred (~~sixty~~) seventy-four million, (~~seven~~) six  
23 hundred (~~sixty-five~~) thousand dollars, or so much thereof as may be  
24 required, to finance this project and all costs incidental thereto, to  
25 capitalize all or a portion of interest during construction, to provide  
26 for expansion, renovation, exterior cleanup and repair of the Eagles  
27 building, conversion of various retail and other space to meeting  
28 rooms, and contingency costs of the center, purchase of the McKay  
29 Parcel as defined in the property and purchase agreement entered into  
30 by the corporation on June 12, 1986, development of low-income housing  
31 and to reimburse the general fund for expenditures in support of the  
32 project. The state finance committee may make such bond covenants as  
33 it deems necessary to carry out the purposes of this section and this  
34 chapter. No bonds authorized in this section may be offered for sale  
35 without prior legislative appropriation.

1       **Sec. 10.** RCW 67.40.045 and 1992 c 4 s 1 are each amended to read  
2 as follows:

3       (1) The director of financial management, in consultation with the  
4 chairpersons of the ways and means committees of the senate and house  
5 of representatives, may authorize temporary borrowing from the state  
6 treasury for the purpose of covering cash deficiencies in the state  
7 convention and trade center account resulting from project completion  
8 costs. Subject to the conditions and limitations provided in this  
9 section, lines of credit may be authorized at times and in amounts as  
10 the director of financial management determines are advisable to meet  
11 current and/or anticipated cash deficiencies. Each authorization shall  
12 distinctly specify the maximum amount of cash deficiency which may be  
13 incurred and the maximum time period during which the cash deficiency  
14 may continue. The total amount of borrowing outstanding at any time  
15 shall never exceed the lesser of:

16       (a) \$58,275,000; or

17       (b) An amount, as determined by the director of financial  
18 management from time to time, which is necessary to provide for payment  
19 of project completion costs.

20       (2) Unless the due date under this subsection is extended by  
21 statute, all amounts borrowed under the authority of this section shall  
22 be repaid to the state treasury by June 30, 1995, together with  
23 interest at a rate determined by the state treasurer to be equivalent  
24 to the return on investments of the state treasury during the period  
25 the amounts are borrowed. Borrowing may be authorized from any excess  
26 balances in the state treasury, except the agricultural permanent fund,  
27 the Millersylvania park permanent fund, the state university permanent  
28 fund, the normal school permanent fund, the permanent common school  
29 fund, and the scientific permanent fund.

30       (3) As used in this section, "project completion" means:

31       (a) All remaining development, construction, and administrative  
32 costs related to completion of the convention center; and

33       (b) Costs of the McKay building demolition, Eagles building  
34 rehabilitation, development of low-income housing, and construction of  
35 rentable retail space and an operable parking garage.

36       (4) It is the intent of the legislature that project completion  
37 costs be paid ultimately from the following sources:

38       (a) \$29,250,000 to be received by the corporation under an  
39 agreement and settlement with Industrial Indemnity Co.;

1 (b) \$1,070,000 to be received by the corporation as a contribution  
2 from the city of Seattle;

3 (c) \$20,000,000 from additional general obligation bonds to be  
4 repaid from the special excise tax under RCW 67.40.090;

5 (d) \$4,765,000 for contingencies and project reserves from  
6 additional general obligation bonds to be repaid from the special  
7 excise tax under RCW 67.40.090;

8 (e) \$13,000,000 for conversion of various retail and other space to  
9 meeting rooms, from additional general obligation bonds to be repaid  
10 from the special excise tax under RCW 67.40.090;

11 (f) \$13,300,000 for expansion at the 900 level of the facility,  
12 from additional general obligation bonds to be repaid from the special  
13 excise tax under RCW 67.40.090;

14 (g) (~~(\$10,400,000)~~) \$23,900,000 for purchase of the development  
15 rights, land, and building known as the McKay Parcel, for development  
16 of low-income housing, for development, construction, and  
17 administrative costs related to completion of the state convention and  
18 trade center, including settlement costs related to construction  
19 litigation, and for partially refunding obligations under the parking  
20 garage revenue note issued by the corporation to Industrial Indemnity  
21 Company in connection with the agreement and settlement identified in  
22 (a) of this subsection, from additional general obligation bonds to be  
23 repaid from the special excise tax under RCW 67.40.090;

24 (h) \$300,000 for Eagles building exterior cleanup and repair, from  
25 additional general obligation bonds to be repaid from the special  
26 excise tax under RCW 67.40.090; and

27 (i) The proceeds of the sale of any properties owned by the state  
28 convention and trade center that are not planned for use for state  
29 convention and trade center operations, with the proceeds to be used  
30 for development, construction, and administrative costs related to  
31 completion of the state convention and trade center, including  
32 settlement costs related to construction litigation.

33 (5) The borrowing authority provided in this section is in addition  
34 to the authority to borrow from the general fund to meet the bond  
35 retirement and interest requirements set forth in RCW 67.40.060. To  
36 the extent the specific conditions and limitations provided in this  
37 section conflict with the general conditions and limitations provided  
38 for temporary cash deficiencies in RCW 43.88.260 (section 7, chapter

1 502, Laws of 1987), the specific conditions and limitations in this  
2 section shall govern.

3 NEW SECTION. **Sec. 11.** If any provision of this act or its  
4 application to any person or circumstance is held invalid, the  
5 remainder of the act or the application of the provision to other  
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 12.** Sections 1 through 8 of this act shall  
8 constitute a new chapter in Title 43 RCW."

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