
Appendix A: Space Request and Other Leasing Forms

**DEPARTMENT OF GENERAL ADMINISTRATION
DIVISION OF REAL ESTATE SERVICES**

SPACE REQUEST



REQUESTING AGENCY _____

UNIT TO OCCUPY SPACE _____

CITY _____

DATE _____

PLEASE NOTE: In compliance with the certification that funds are available (page 2 of 6), and in the event your agency cancels services provided by the Division of Real Estate Services and the Division has invested significant time on this project, your agency will be charged for the work at the appropriate reimbursable rate.

Space Request No. _____
(From DPD)



STATE OF WASHINGTON
SPACE REQUEST

STATEMENT OF JUSTIFICATION

(ADDED STAFF, PRESENT FACILITIES INADEQUATE, LEASE EXPIRATION, NEW UNIT ACTIVATED, ETC.):

ALTERNATIVES CONSIDERED BEFORE REQUESTING NEW SPACE AND REASONS FOR REJECTION



STATE OF WASHINGTON
SPACE REQUEST

(PLEASE TYPE OR PRINT)

OFFICE USE ONLY

DATE OF REQUEST	DATE OCCUPANCY OR ACTION NEEDED	SPACE REQUEST NUMBER
------------------------	--	-----------------------------

REQUESTING AGENCY	PERSON TO CONTACT
--------------------------	--------------------------

AGENCY UNIT TO OCCUPY REQUESTED SPACE	TELEPHONE NO.
--	----------------------

PRESENT ADDRESS

I CERTIFY THAT THE REQUESTED SPACE IS NECESSARY AND FUNDS ARE AVAILABLE TO IMPLEMENT THIS REQUEST AND THAT ALL INFORMATION IS ACCURATE.

TYPE NAME	TYPE TITLE	AUTHORIZED SIGNATURE (requesting agency) AGENCY HEAD OR DESIGNEE
------------------	-------------------	---

ACTION REQUESTED	LEASE NEW SPACE *	EXERCISE OPTION FOR:
EXTEND LEASE # _____	TERMINATE EXISTING LEASE # _____	ADDITIONAL TERM
MODIFY LEASE # _____	LEASE OF STATE-OWNED PROPERTY	ADDITIONAL SPACE
RENEW LEASE # _____	OTHERS (describe on reverse side)	PURCHASE

* NEW SPACE INCLUDES ANY SPACE NOT SPECIFICALLY INCLUDED IN A CURRENT LEASE HELD BY THE REQUESTING AGENCY.

FOR	SAME SPACE	DIFFERENT SPACE	ADDITIONAL SPACE	OTHER (Describe)		
TYPE OF SPACE	OFFICE	LABORATORY	WAREHOUSE	STORAGE	LAND	BOAT MOORAGE
OTHER (Specify)	(COMPLETION OF PAGES 3-6 REQUIRED FOR OFFICE SPACE OR LABORATORIES ONLY)					

LOCATION DESIRED:	CITY
_____	COUNTY
SPECIAL LOCATION FACTORS:	

AGENCY OPERATIONS: WILL AGENCY OPERATIONS (1) INCREASE LESSOR'S NORMAL OPERATING COST AND OR (2) EXTEND BEYOND NORMAL BUSINESS HOURS?
 YES NO (Explain)

FEATURES DESIRED: (Leased Space Only)

LEASE TERM	YEARS, STARTING	AND ENDING	
FIRM TERM	YEARS, CANCELLABLE AFTER	ON	DAYS PRIOR NOTICE
OPTION PROVIDING	OTHER (Specify)		

RENT TO INCLUDE: JANITORIAL SERVICES AND ALL UTILITIES IN STD LEASE FORM EXCEPT ALL ALTERATIONS NADA TENANT IMPROVEMENTS
 _____ PARKING SPACES

PRESENT OCCUPANCY STATUS OF SUBJECT AGENCY UNIT:

UNIT NOW HOUSED:	IN STATE-OWNED BLDG	IN LEASED SPACE	NOT HOUSED
	OTHER (Describe)		
PRESENT LEASE NO. _____	PRESENT RENTAL AMOUNT		MONTH
EXPIRATION DATE OF PRESENT LEASE			
PRESENT LEASE CANCELLABLE AFTER	ON		DAYS PRIOR NOTICE
PRESENT LEASE OPTIONS PERMIT	EXTENDING TERM TO		
	ADDING	SQ. FT. SPACE AFTER	ON
			DAYS NOTICE

POL-120

SEEKING SPACE TO LEASE

The purpose of this policy is to establish guidelines under which the Real Estate Services Group of the Division of Property Development (DPD) seeks space to lease.

Action: Replace: POL-106, 88006
Date Approved: _____
Approved By: _____
Robert A. Bippert, Asst. Dir.
See Also:

1. The Real Estate Services Group posts requirements for **existing space** of 5,000 square feet and smaller on the Internet Home Page prior to proceeding with a market search.
 - A) Posting format follows **Part A** of *DPD Form 100A* (office), or *DPD Form 105* (warehouse).
 - B) Postings shall remain on the Internet Home Page until the requirement has been satisfied or the project is canceled.
 - C) Postings shall indicate if a prospective space has been found and negotiations are in process with the note: "Space located, negotiations in process".
2. The Real Estate Services Group advertises requirements for **existing space** of greater than 5,000 square feet.
 - A) Classified advertisements are placed in local **daily** newspapers to be publicized on Fridays. Advertisements are placed in **weekly** newspapers on the paper's designated publication day.
 - B) Special circumstances may warrant use of display advertisement.
 - C) The Real Estate Services Group may advertise for space requirements of less than 5,000 square feet when appropriate and documented approval from the client agency is given.
3. Advertisement format follows *DPD Form 100* (office) or *DPD Form 105* (warehouse).
 - A) Advertisement defines the agency and agency program requirements (i.e. type of space, area boundaries, square footage, public transportation requirements, parking requirements, number of employees). Parking requirements shall comply with current **Commute Trip Reduction** law.
 - B) Advertisement specifies that proposals meet minimum state and agency requirements, codes and specifications.

POL-120 continued

Seeking Space to Lease

January 1, 1998

- C) Advertisement includes a Project Number, and a specific closing date and time by which proposals must be received by DPD. For requirements of less than 10,000 square feet, a minimum of two weeks will be provided to respond. For requirements of 10,000 square feet and greater, a minimum of three weeks will be provided to respond.
 - D) Advertisement advises interested parties to obtain **Part B** for specific solicitation requirements.
 - E) Advertisement and **Part B** will be posted on Internet Home Page and made available via facsimile, mail, or for pickup at front desk.
4. If an advertisement solicitation for **existing space** produces no acceptable proposals, the Real Estate Project Leader may: 1) advertise again for **existing space**, 2) conduct a market search to secure **existing space** or, 3) with the Assistant Director of DPD's written approval, advertise for **space under construction** and **planned space**.
- A) Advertisement format for **space under construction** and **planned space** follows *DPD Form 100B*.
 - B) Advertisements for **space under construction** and **planned space** may include existing space.
5. Advertising is not required when an existing leased space is expanded by less than 50% or 5,001 square feet, whichever is greater.
6. The Assistant Director of DPD may waive and/or modify any of the above advertising requirements when it is deemed to be in the best interest of the state in an emergent situation.

POL-120 continued

Seeking Space to Lease

January 1, 1998

- DEFINITIONS:**
- Existing Space:** A building with footings, foundations, and roof in place.
 - Space Under Construction:** A project with, at a minimum, a building permit, and a loan commitment or proof of funds necessary to complete the project. Proposer must control land through fee ownership or long term lease.
 - Planned Space:** A project with, at a minimum, final site plan approval from the controlling municipality, SEPA determination of non-significance (or mitigated determination of non-significance), and lender's letter of credit or letter of interest. Proposer must control land through valid purchase or option contract, or fee ownership, or long term lease.

Note: Proposals for **Space Under Construction** and **Planned Space** will be required to include schematic floor plans and elevations of the proposed building, a site plan, and vicinity map. Proposals for **Space Under Construction** will be required to provide a copy of the Building Permit.

ATTACHMENTS: DPD 100A, DPD 100B, DPD 105, DPD 103, DPD 239, DPD 111, A-19, DPD 099

h:\dpd\2 all staff\dpd policies and procedures\pol120 seeking space to lease final.doc

PRO-120

ADVERTISING FOR SPACE TO LEASE

Procedure

Action: Replace:POL-106, 88006
 Date Approved: _____
 Approved By: _____
 Robert A. Bippert, Asst. Dir.
 See Also:

Action by:

Action:

Real Estate Project Leader

1. Completes Advertisement Request *DPD Form 103* also using *DPD Form 100 or DPD Form 105* and submits to Real Estate Services Group Manager.

Real Estate Services Group
Manager

2. Reviews, and approves or disapproves, the request.
 - A) If approved, request is forwarded to Administrative Assistant.
 - B) If disapproved, request is reviewed with Real Estate Project Leader

Administrative Staff

3. Prepares advertisement and gives to Real Estate Project Leader for approval (see TSK-106).
4. Places Advertisement solicitation in publications.

Bid Clerk

5. As proposals arrive, dates, time stamps, and logs each one and locks in secure cabinet. Delivers any late proposal to Real Estate Project Leader.

Administrative Staff

6. Picks up proposals on the business day following the closing date. Initials, dates, and consecutively numbers each envelope. Logs in the Master File, delivers to Real Estate Project Leader.

Real Estate Project Leader

7. Opens timely proposals with a team member. Proposals that arrive after the deadline are not opened and returned with a cover letter.

ADVERTISEMENT FOR EXISTING OFFICE SPACE

PART B:

The State of Washington, _____, is soliciting for existing office space in the _____ area to be used as a/an (Administrative or Personal Service Delivery) facility as follows:

Approximately _____ square feet (SF) of air-conditioned (A/C) office space with provisions for _____ parking stalls. Facility must be within the following boundaries: _____

Space must be architecturally barrier-free to people with disabilities and in compliance with the latest standards. Occupancy is desired by _____. Lease Term: _____ () years.

All proposals submitted in response to this advertisement must meet minimum state and agency building specifications (**please include any addendums or special requirements for the specific project here**). Contact the Department of General Administration's Division of Real Estate Services (DRES) at (360) 902-7373 to obtain a copy of the state minimum building specifications, addenda (if any) and a copy of the state's sample lease document. Only the state's standard lease document will be used.

Optional A copy of the agency program plan is also available upon request, in addition to specific special agency requirements.

All proposers must respond to each criteria as listed below. Minimum selection criteria will include, but not be limited to:

1. Location
2. Parking
3. Public transportation
4. Accessibility to major routes of travel
5. Ingress and egress
6. Proximity to client and program needs
7. Efficiency and flexibility of space
8. Square feet (SF) available based on BOMA standards (delineate usable, common area, and rentable SF)
9. Suitability for program operations
10. Heating, ventilation, air-conditioning (HVAC), provide description of system.
11. Energy efficiency
12. Lighting
13. Exterior design
14. Cost per SF per year (for five year term and for ten year term)
15. Downtown revitalization
16. Historical preservation
17. Proposers must indicate if site is/is not located in flood plain zone

18. Date the building will be available for occupancy

19. Availability of lessor's architect.

The apparent successful proposer will be required to pay the prevailing rate of wage to workers on this project unless exempted by the Department of Labor and Industries per RCW 39.04.260.

Each location is subject to a hazardous substances assessment and environmental audit. If an environmental audit is required, it shall be completed at the sole cost and expense of the property owner. Failure to meet required assessment criteria will be grounds for not considering the location further.

The successful proposer will be required to furnish an accurate plan of the existing building and its interior layout as well as the final construction documents as required by the local building officials for building permit and construction. (Option A or B here)_____

Option A: The state will provide approved design drawings and specifications to establish construction document design parameters.

Option B: The State will require the lessor to furnish architectural design, documents, and construction inspection services per "DPD Requirement for Architectural Services."

All new and remodeled office space 3,000 square feet and greater shall have current as-builts and HVAC plans submitted to DRES. This requirement may be waived by DRES as deemed appropriate to the particular situation.

Brokers or agents will include documentation from the legal owners of the property authorizing the broker's or agent's submittal.

The state reserves the right to lease space which, in its opinion, constitutes the most acceptable qualities, rental rate considered, so long as neither the state nor the successful proposer(s) gains a more or less advantageous position. The state also reserves the right to reject any or all proposals and to waive formalities.

Written proposals (Faxed copies not accepted) must be submitted no later than 5:00 p.m., _____ to:

Bid Clerk, Project # _____
Division of Real Estate Services
Department of General Administration
230 General Administration Building
Post Office Box 41015
Olympia, Washington 98504-1015

Property Leasing & Management

Advertisement For Existing Office Space

Project # 422-12-98

Please also see the **Leased Space Requirements** documents on PDF format. For assistance downloading the document, see **Viewing PDF Files**. **For leases with Department of Social and Health Services, please also see the DSHS Addendum** document on PDF format.

PART B:

The State of Washington, **Department of Social and Health Services** is soliciting for existing office space in the **North Seattle (Lake City)** area to be used as an Administrative and Personal Service Delivery facility as follows:

Approximately **12,700 square feet (SF)** of air-conditioned (A/C) office space with provisions for sixty (60) parking stalls, or at a minimum code. Facility must be within the following boundaries: central business district of Lake City.

Space must be architecturally barrier-free to people with disabilities and in compliance with the latest standards. Occupancy is desired by April 1, 1999. Lease Term: five (5) years.

All proposals submitted in response to this advertisement must meet minimum state and agency building specifications, the Department of Social and Health Services Addenda. Contact the Department of General Administration's Division of Real Estate Services (DRES) at (360) 902-7373, or project coordinator Stefanie Fuller at (360) 902-7385 to obtain a copy of the state minimum building specifications, addenda and a copy of the state's sample lease document. Only the state's standard lease document will be used.

A copy of the agency program plan is also available upon request, in addition to specific special agency requirements.

All proposers must respond to each criteria as listed below. Minimum selection criteria will include, but not be limited to:

1. Location
2. Parking
3. Public transportation
4. Accessibility to major routes of travel
5. Ingress and egress
6. Proximity to client and program needs
7. Efficiency and flexibility of space
8. Square feet (SF) available based on BOMA standards (delineate usable, common area, and rentable SF)
9. Suitability for program operations
10. Heating, ventilation, air-conditioning (HVAC), provide description of system.
11. Energy efficiency
12. Lighting
13. Exterior design
14. Cost per SF per year (for five year term and for ten year term)
15. Downtown revitalization
16. Historical preservation
17. Proposers must indicate if site is/is not located in flood plain zone
18. Date the building will be available for occupancy

19. Availability of lessor's architect.

The apparent successful proposer will be required to pay the prevailing rate of wage to workers on this project unless exempted by the Department of Labor and Industries per RCW 39.04.260.

Each location is subject to a hazardous substances assessment and environmental audit. If an environmental audit is required, it shall be completed at the sole cost and expense of the property owner. Failure to meet required assessment criteria will be grounds for not considering the location further.

The successful proposer will be required to furnish an accurate plan of the existing building and its interior layout as well as the final construction documents as required by the local building officials for building permit and construction.

The State will require the lessor to furnish architectural design, documents, and construction inspection services per "DPD Requirement for Architectural Services."

All new and remodeled office space 3,000 square feet and greater shall have current as-builts and HVAC plans submitted to DRES. This requirement may be waived by DRES as deemed appropriate to the particular situation.

Brokers or agents will include documentation from the legal owners of the property authorizing the broker's or agent's submittal.

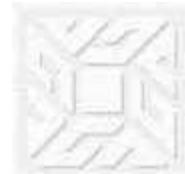
The state reserves the right to lease space which, in its opinion, constitutes the most acceptable qualities, rental rate considered, so long as neither the state nor the successful proposer(s) gains a more or less advantageous position. The state also reserves the right to reject any or all proposals and to waive formalities.

Written proposals (Faxed copies not accepted) must be submitted no later than 5:00 p.m., December 10, 1999 to:

**Bid Clerk, Project # 315-10-99
Division of Real Estate Services
Department of General Administration
230 General Administration Building
Post Office Box 41015
Olympia, Washington 98504-1015**

For information on property leasing opportunities with the State, call (360) 902-7386 or send e-mail to [DRES Customer Support](#).

[Home](#) | [Contacting Us](#) | [Site Index](#) | [Back One Page](#)



Property Leasing & Management

Current Solicitation for Leased Spaces

Click on the Project Number for more information about the requirements. For information on property leasing opportunities with the State, call (360) 902-7386 or send e-mail to [DRES Customer Support](#).

Please also see the [Leased Space Requirements](#) documents on PDF format. For assistance downloading the document, see [Viewing PDF Files](#).

Last update: **12/22/99**

CURRENT SOLICITATION FOR LEASED SPACES

Location	Closing Date	Sq. Footage	Project #
Omak/Okanogan	01/07/2000	4,759	343-11-99
Bellevue	01/21/2000	99,070	398-12-99
Lacey	01/07/2000*	6,044	111-04-99
Olympia	01/07/2000	5,300	359-11-99

** Please Note: the Closing Date on this project has been changed from 12/31/1999 to 01/07/2000 due to the holidays.*

CURRENT MARKET SEARCHES

Location	Sq. Footage	Project #
Tacoma	5,895	050-02-98/193-05-98
Moses Lake	3,632	259-08-98
Seattle	1,835	199-06-98
Sea-Tac	3,407	130-05-97
Seattle	7,126	202-06-98
Seattle	1,642	087-03-99
Pullman	2,970	271-08-98
Kent	4,507	040-02-99
Yakima	1,500	231-07-98
Bellingham	6,468	062-03-99
Kennewick	150	167-06-99
Bellingham	5,024	187-06-99
Walla Walla	2,775	236-08-99

**EVALUATION
OF
PROPOSED BUILDING**

Department of General Administration

Project No: _____
 City: _____
 Square Footage Requested: _____
 Square Footage Proposed: _____

Evaluator: _____
 Agency: _____
 Date: _____

		Maximum Points	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10
LOCATION - 34 Points												
1	Parking	7										
2	Public Transportation	7										
3	Accessibility to Major Routes of Travel	7										
4	Ingress & Egress	7										
5	Proximity to Client and Program Needs	6										
SUB TOTAL			0	0	0	0	0	0	0	0	0	0

BUILDING - 34 Points												
6	Efficiency & Flexibility of the Space	10										
7	Suitability for Program Operation	10										
8	HVAC System	6										
9	Energy Efficiency	3										
10	Lighting	3										
11	Exterior Design	2										
SUB TOTAL			0	0	0	0	0	0	0	0	0	0

RENTAL COST - 32 Points												
12	Rental Cost	32										

OTHER CONSIDERATIONS - 10 Points												
13	Downtown Revitalization	5										
14	Historical Preservation	5										
SUB TOTAL			0	0	0	0	0	0	0	0	0	0

TOTAL POINTS	0	0	0	0	0	0	0	0	0	0	0	0
---------------------	---	---	---	---	---	---	---	---	---	---	---	---

RANKING (Relative to competing proposals)												
--	--	--	--	--	--	--	--	--	--	--	--	--

COMMENT: _____

EVALUATION CONSIDERATIONS

LOCATION

1. Parking

Does the proposed parking meet program requirements as indicated in the advertisement solicitation (this must include adequate barrier free parking)? Is the parking located on-site or off-site? If all or a portion of the parking is located off-site, how difficult is it to access?

2. Public Transportation

Does the available public transportation meet the minimum requirements of the program? Is there a safe and barrier free route of travel from the sidewalk to the front door of the facility? How far is the bus stop from the building? If crossing the street is required to access the bus, is there an accessible crosswalk with traffic control?

3. Accessibility to Major Routes of Travel

Is the location near a freeway or state route? How accessible are the major routes of travel (on/off ramps, stop lights, etc.)?

4. Ingress and Egress

How accessible is the location? Are there stoplights and/or turn lanes that allow safe entry to and exiting from the parking lot?

5. Proximity to client and program needs

Is the building located in an area near clients or other client services? Is the building located near another governmental facility which would benefit the program?

BUILDING

6. Efficiency and Flexibility of the Space

Is the proposed space on one floor or multiple floors and what is most efficient for the program? Is the size and shape of the floor plate compatible with an efficient space plan? Are there columns, bearing walls, or floor plate penetrations (elevator shafts, mechanical shafts, etc.) that cause the space to be less efficient?

7. Suitability for Program Operations

Does the proposed space have high or low visibility? What floor is the proposed space located on and is this floor suitable for the program? If there are other tenants in the building, is the business of the program compatible with these tenants? Does the building and site provide adequate security (visibility, fencing, lighting, location, surroundings).

8. HVAC Systems

Will the HVAC system meet the state's current Leased Space Requirements or will the proposed system only meet a portion of these requirements (e.g. the system has a plenum return vs. a double ducted system)?

9. Energy Efficiency

Does the building incorporate all of the current energy saving measures, such as: building shell insulation, insulated glass, type of power (3 phase vs. single phase), HVAC system, type of energy (gas or electricity), and lighting?

10. Lighting

Does the lighting meet the state's current Leased Space Requirements (parabolic fixtures "/electronic ballasts).

11. Exterior Design

Is the facility attractive and appropriate for the intended use?

12. Rental Cost

Rate the proposed rental rate relative to the market, competing proposals and existing state leases in the area. The leasing agent should provide this information and a breakdown of the proposed rental rates, taking into consideration occupancy cost (i.e. improvements, services and utilities included in rental rate, space efficiency, etc.).

13. Historical Preservation

Add five points if the proposed facility qualifies as a Historical Preservation.

14. Downtown Revitalization

Add five points. if the proposed facility is within a designated Downtown Revitalization area.



STATE OF WASHINGTON
DEPARTMENT OF GENERAL ADMINISTRATION
DIVISION OF REAL ESTATE SERVICES

210 11th Avenue SW, Room 230, P.O. Box 41015 • Olympia, Washington 98504-1015
(360) 902-7373 • FAX (360) 586-9088 • TDD (360) 664-3799

SUBJECT: Project # _____, Department of _____, City

Dear _____:

Please consider this a Letter of Interest for the State of Washington, Department of _____ () to lease _____.

_____ (agency) has an interest in leasing approximately _____ square feet of _____ space, being the _____ building located at _____, _____, together with _____ () on-site, common parking spaces.

The lease shall, at the state's option, be for a term of ____ () years or ____ () years and, at the option of the Lessee, may be renegotiated for an additional five-year term. The rental rate for a five (5) year term shall be calculated at \$_____ per square foot per year (psfpy). The rental rate for a ten year term shall be calculated at \$_____ psfpy for the first five years and \$_____ psfpy for the second five years. Based on the approximate square footage of _____ square feet, the monthly rental for a five year lease shall be \$_____ and for a ten year lease shall be \$_____ for the first five years and \$_____ for the second five years. Final rent shall be based upon the area calculated by determining each individual floor's gross square feet, as measured outside wall face to outside wall face.

During the term of the lease, the Lessor shall provide and pay for the following: building and site improvements to meet current state Leased Space Requirements (enclosed), real estate taxes, all property assessments, insurance, storm water, and maintenance and repair as described in paragraph #6 of the enclosed sample lease. The Lessee shall pay for water, sewer, garbage collection, electricity, natural gas, janitor service and supplies, and provide and replace interior light bulbs and fluorescent tubes, after the first year of occupancy as part of paragraph #5 of state standard lease.

The Lessor shall, between the 60th and 61st month of this lease, perform the following maintenance items, to include but not be limited to: repainting the interior surfaces of the



Letter of Interest

Date: _____

Page #

building in accordance with the original specifications, cleaning, and/or replacing ceiling tiles, and clean all exterior surfaces. Proposer will provide carpet tiles which meet the state's Leased Space Requirements at no additional charge in lieu of replacing the carpet during the term of the lease.

The Lessee shall pay for tenant improvements in excess of the state's Leased Space Requirements, if any, as shall be mutually agreed upon subsequent to the development of a lease. Upon satisfactory completion, payment shall be in cash, or, at the option of the Lessee, amortized over the term of the lease at an interest rate not to exceed 10%. If amortized, the Lessee shall have the option during the term of the lease to pay off the unamortized balance without penalty.

Leased Space Requirements describing the general construction of the building are enclosed and are to be adhered to unless specific waivers are granted in writing by the Division of Real Estate Services.

The proposed timelines for this project are as follows:

Development of Letter of Agreement
and Approval by all Parties

Conversion of this agreement to a irrevocable
Letter of Intent (which is contingent upon parties mutual
agreement as to tenant improvement costs), and
approval by all parties

Completion and approval of space plan

Owner's review of space plan and presentation
of costs exceeding state standards

State project team's review and approval of costs,
and approval by all parties

Request approval for ten year lease term

Development and Execution of lease documents

Commencement of alterations/remodel

Letter of Interest

Date: _____

Page #

Completion of alterations/remodel

Completion of move-in, commence lease payments

Prior to the state entering into a letter of agreement to lease said building, the proposer will provide a written statement indicating when the building will be ready for occupancy, and include any documentation available from vendors and material suppliers for the state's review. The state will enter into an irrevocable Letter of Intent agreement (which is conditioned upon parties mutually agreeing on the costs of the tenant improvements exceeding DRES's Leased Space Requirements), only after its review and acceptance of this statement and documentation.

The owner/proposer shall furnish architectural services to develop schematic through design development drawings (plans and specifications), as directed by _____ and DRES, covering alterations/improvements of the proposed space. These services will be provided at no charge to the state, provided that a lease is negotiated and executed. In the event parties are not successful in negotiating a lease, the state shall reimburse the owner/proposer for the cost of these services, subject to the state's prior approval of the costs. Once the plans and specifications are completed and approved by DRES's Design Group Manager, they will be provided to the owner/proposer for review and determination of costs for tenant improvements exceeding the state's Leased Space Requirements.

After an agreement has been reached regarding additional tenant improvements and the lease commencement date, lease documents shall be provided by DRES using the approved lease form and language. Enclosed is a "Sample Lease" for your review. Lease language shall be adapted, as deemed applicable by the state, to reflect the terms and conditions of this agreement. All documents are subject to review and approval "as to form" by the Office of the Attorney General.

Should you elect to initiate any type of preparatory work (i.e. vacating, demolition, electrical upgrade, construction drawing development, etc.) on this project in anticipation of successful negotiations with the state, or prior to the development of a formal lease, the state shall not be responsible for any costs incurred by you or your firm as a result of such actions.

Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this agreement when required by state law to do so, and to comply with provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries.

Letter of Interest

Date: _____

Page #

Final approval of the above terms and conditions is subject to _____ written approval and the Director of General Administration internal approval for a ten (10) year lease term.

Please contact me as soon as you are prepared to discuss the above proposal. My phone number is (360) 902-7386. We appreciate your interest in the state's leased facilities and look forward to hearing from you.

Sincerely,

Mark Lahaie
Real Estate Group Manager

cc:

Leased Space Requirements

Revised January 1999

This document comprises the standard requirements and performance criteria that lessors shall provide to the State on all State projects. This document is to be used only as a reference when preparing preliminary development of a response to the State when leased space is solicited by DRES.

A specific approved project will reiterate this same document, but will have a cover sheet identifying the specific project number, name, address, DRES project members, and a block with the project team members and DRES management approval signatures. Any documents without this information are not considered official.

Any approved revisions to these standards will be documented in the form of Addenda, which, if used, will be attached to this document only at the time when a specific project is released for consideration under the criteria noted above.

All DSHS projects will have their standard addendum attached.



Washington State Department of
General Administration
Division of Real Estate Services

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PART A GENERAL INFORMATION

A1 DEFINITIONS

A1.1 ADDITIONAL TENANT IMPROVEMENTS

Specific State Agency requirements that exceed the State's basic requirements delineated in Part A5 are additional tenant improvements to the leased space. Lessor shall separate these costs from basic requirements on Construction Bid Cost Breakdown Form. See Part B.

A1.2 APPROVAL

Review and acceptance by DRES Architect that the design, specifications, products, and installation meet all the requirements of the project.

A1.3 BASIC REQUIREMENTS

Work required to meet the basic building requirements for a leased facility as described in Parts A4 and A5. The costs associated with this work are included in the base lease rate.

A1.4 B.O.M.A.

Acronym for Building Owners and Managers Association. Their measurement calculations are approved by the American National Standards Institute, Inc. and accepted nationwide as a standard method of measuring and calculating building space.

A1.5 OPEN OFFICE AREA STANDARDS

In areas of open office, cubicle panels over 66 inches high or with a space less than 3'-0" between ceiling and top of panel will be considered hard walls ("partitions") and will conform to the Space Standards Manual for private office allocation purposes. All hard walls are to be located near the interior of the space with exterior windows reserved for open office areas.

A1.6 PUNCHLIST

An itemized listing of incomplete work and/or deficiencies which the Lessor is obligated to resolve based on the project's approved plans and specifications, as observed and documented by the DRES Architect.

A1.7 REVIEW

Examination by the DRES Architect to determine if submittal or construction is consistent with project design and specifications. Review does not relieve Lessor or Contractor of code or project requirements, nor Architect's oversight.

A1.8 SUBSTANTIAL COMPLETION

A determination made by the DRES Architect subsequent to the punchlist inspection that the Lessor has sufficiently completed enough of the project requirements so that the Agency can safely occupy and function thoroughly in the facility. Receipt of the municipal occupancy permit is required to achieve substantial completion, even though some punchlist items may still be outstanding.

A1.9 PROJECT TEAM

The Project Team consists of a core group of people whose charge or responsibility is to implement, approve, and carry out all facets of the project, from lease negotiations for acquiring leased space to final acceptance of the built facility. The approval of any directives for any phase of the project must originate with this group. The Project Team consists of the DRES Project Leader, the DRES Architect, the Agency Facility Planner, and one representative of the Tenant Agency. The Project Team works directly with the Lessor or Lessor's designee.

A2 LESSOR'S PROPOSAL INFORMATION

The following, with any addenda, are the minimum State requirements for all spaces to be leased to the State of Washington, and shall be included in the lessor's proposal. (See also A4 and A5)

A2.1 CODE COMPLIANCE

All spaces leased to the State of Washington shall meet or exceed all applicable local governing codes, including, but not limited to, Washington State Regulations for Accessibility (WAC 51-40), Washington State Energy Code (WAC 51-11), Ventilation and Indoor Air Quality Code (WAC 51-13), Prevailing Wages on Public Works (RCW 39.04), and the State Uniform Building Code. All improvements required to meet these codes are the financial responsibility of the Lessor.

Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this agreement unless specifically exempted by L&I. Lessor agrees to comply with the provisions of RCW 39.12 when required under RCW 39.04.260 and the rules and regulations of the Department of Labor and Industries.

A2.2 PREPARATION OF PLANS AND SPECIFICATIONS

Lessor shall provide complete as-built drawings (including mechanical and electrical) of existing buildings to DRES Project Leader, indicating the most current building information and configuration, and drawn accurately and to scale (1/8"=1'-0" or 1/4"=1'-0" preferred). These drawings shall be submitted on either reproducible medium or on a computer disk in a format compatible with the latest release (version) of AutoCAD (preferred method). Lease exhibit plans and performance specifications will be approved and released by DRES for each State-leased facility requiring buildout. **Changes to these documents are not permitted without written approval from the DRES Architect.** Lessor is responsible for preparing construction documents, which may include plans and specifications by a licensed architect and/or engineer, as required by the governing building department for permits and construction.

A2.3 LIFE CYCLE COST ANALYSIS

Spaces exceeding 25,000 square feet require a Life Cycle Cost Analysis, as described in RCW 39.35B. (See Section 01060)

A2.4 YEAR 2000 COMPLIANCE

All building systems controls which are time or date sensitive shall be "Year 2000 compliant".

"Year 2000 compliant" means the functions, calculations, and other computing processes of the systems controls perform in a consistent manner regardless of the Date Data input to the systems controls, whether before, on, during or after January 1, 2000, and whether or not the Date Data is affected by leap years.

"Date Data" means any data, formula, algorithm, process, input or output which includes, calculates, or represents a date, a reference to a date, or a representation of a date; including, but not limited to the following:

No value for current date will cause any interruption in operation. Current date means today's date as known to the equipment or product.

Date-based functionality will behave consistently for dates prior to, during, and after year 2000. General date integrity will include, but is not limited to:

1999/09/09	
1999/12/31	
2000/01/01	Saturday and not Monday as in 1900/01/01
2000/01/02	Sunday and not Tuesday as in 1900/01/02
2000/02/29	Tuesday
2000/03/01	Wednesday
2000/12/31	
2001/01/01	

Year 2000 is recognized as a leap year.

Dates will roll over correctly from/to:

1998/12/31 to 1999/01/01
1999/12/31 to 2000/01/01
2000/02/28 to 2000/02/29
2000/02/29 to 2000/03/01

In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or inference rule.

A3 LEASE COMPUTATIONS AND MEASUREMENTS

The June 7, 1996 edition of the Building Owners and Managers Association (B.O.M.A.) "Standard Method for Measuring Floor Area in Office Buildings" will be the criteria for determining the leased square footage area for all office and warehouse space leased to the State of Washington.

When the State is considering to lease one hundred percent (100%) of the building, the State will use square footage calculations of the "GROSS BUILDING AREA" of the building. When the State is considering to lease less than one hundred percent (100%) of the building, itemized square footage calculations of the B.O.M.A. "USABLE AREA" will be used to determine areas unless specified otherwise.

A4 SUMMARY OF BASIC SITE REQUIREMENTS

A4.1 PARKING

The number of required parking spaces will be determined by the regulations of the local zoning ordinance. Provide marked loading areas, and marked parking stalls with barrier-free access per WAC 51-40. All required parking and loading spaces shall be striped, asphalt or concrete. (See Sections 02500 and 10400).

A4.2 SITE ILLUMINATION

Provide full coverage site illumination for tenant safety, as described in Section 16520.

A4.3 REFUSE RECEPTACLE

Provide refuse receptacle(s) and location for them as described in Section 11170.

A4.4 FLAGPOLES

Provide aluminum flagpoles as described in Section 10350, where tenant agencies lease 100% of the building.

A4.5 LANDSCAPING

For new construction and change-of-use facilities, provide landscaping per local zoning requirements. (See Section 02900)

A5 SUMMARY OF BASIC REQUIREMENTS FOR THE BUILDING

A summary description of all proposed spaces planned for the buildout of this facility may be found in the Space Planning Data Sheet attachment to the Agency Space Request. Contact the DRES Project Leader.

A5.1 FLOOR CONSTRUCTION

Floors are not acceptable if excessive vibration or vertical motion is present. All non-slab on-grade floors will be reviewed by the DRES Architect or designee to determine if vibration or vertical movement is within acceptable levels for state occupancy. Floors shall be smooth and level, with no more than one-eighth inch (1/8") variation in eight feet (8') horizontal.

A5.2 FLOOR LOADING

In all general office occupancies, provide a minimum floor structure loading design of 85 pounds per square foot uniform live load, plus all applicable additional dead load requirements, including 20 pounds per square foot uniformly distributed dead load for partitions. For new construction, live load deflection of the floor system shall not exceed (L)/480 for spans up to 15 feet and (L)/600 for spans 15 feet and over when member is fully loaded. For existing construction, deflection shall not exceed L/360 when member is fully loaded.

A5.3 PARTITIONS

Provide walls and partitions for restrooms, stairs, elevator and elevator machine rooms, mechanical shafts, conference, training, and voice/data/equipment rooms, including sound attenuation as specified in Section 07200, 1.2. All demising walls between the state-leased facility and any adjacent interior spaces (used or unused) shall extend from the floor to the underside of the roof structure and be fully sound-attenuated as described in Section 07200, 1.2. In addition, provide 75 lineal feet of interior partitions for each 1,000 leased square feet. (See Section 09250).

A5.4 INTERIOR DOORS

Provide all entrance and exit doors. Provide doors for stairways, restrooms, janitor and voice/data/equipment rooms. In addition, provide one (1) door for each four hundred (400) leased square feet. Doors to be complete including frames, trim, 1-3/4" solid-core hardwood veneer (except mahogany), 1-1/2 pair hinges, lever lock or latch, wall stop, silencers, closer, and smoke seals where required. Provide locks for security and utility doors, and twenty-five percent (25%) of the additional doors. (See Section 08000) In addition, for remodels of existing spaces provide lever hardware at all doors along the facility's accessible path of travel, as determined by the DRES Architect.

A5.5 RELIGHTS

Provide twenty (20) square feet of door and/or wall relights per one thousand (1,000) square feet of leased floor space. Unless otherwise noted on the plans, the average size of each wall relight should be 3'-0" x 4'-0" and door relights should be 2'-0" x 3'-0". (See Sections 08100 and 08200)

A5.6 FLOOR COVERING

In all office occupancies, provide carpet and base as specified in Sections 09680 and 09650, 1.7. Provide ceramic tile flooring and wainscoting in all restrooms as specified in Sections 09000 and 09300; for leased space under 10,000 square feet, sheet vinyl flooring and plastic laminate wainscot may be substituted. Provide vinyl composition tile in utility areas as specified in Section 09650. Provide tile or project-approved slip-resistant flooring at entrances.

A5.7 COFFEE BARS

Provide one (1) coffee bar per floor for each leased space. Provide second coffee bar for leased space over 10,000 square feet per floor. Each coffee bar shall be 48" to 96" long, including self-rimming stainless steel sink with instant hot water dispenser. Provide as described in Sections 06400, 15440 and 15450.

A5.8 EXTERIOR WINDOWS

Provide equally distributed glazing amounting to a minimum of five percent (5%) of the floor area. Provide blinds on all exterior windows, as specified in Section 12500. Provide moisture resistant sills at all new construction, as specified in Section 06200 or 06600.

A5.9 SIGNS

Provide tenant identification, Agency-specific signs for public and staff entrances and elevator lobbies. Provide signs and directories as specified. (See Section 10400)

A5.10 CEILING

Provide complete ceiling system, including suspended grid and high NRC tile as specified in Sections 09000, 1.3.3 and 09500; and including lighting as specified in Sections 16500, 16510, and 16520.

A5.11 HEATING, VENTILATING AND AIR CONDITIONING (HVAC) SYSTEMS

For all portions of the State leased space, provide an HVAC system(s) complying with all applicable provisions of Section 15500. All plenum return systems must utilize plenum-rated materials as required by codes. Fiberglass materials are subject to Section 15500, 1.3.

Return air plenums, ducts and air handling equipment shall be inspected by a qualified professional and certified as acceptably clean. Cleaning and/or certification shall be performed at lease inception and lease renewal, but not less than five years. Submit a written maintenance agreement with a qualified vendor for the term of the lease, including filter change schedule. Provide a copy to the Agency of Vendor's work order or invoice for filter change and maintenance.

A5.12 ENERGY MANAGEMENT SYSTEM (E.M.S.)

Provide a Direct Digital Control (DDC) E.M.S. on all new leased space over 25,000 square feet. The E.M.S. shall control lighting and all HVAC equipment including exhaust fans.

A5.13 ELECTRICAL SERVICE TO BUILDING

Provide building electrical service and distribution system, including panels and subpanels, based on 3.5 watts per square foot for duplex receptacles, plus all other electrical loads. Do not locate transformers within fifteen feet (15'-0") of a voice/data/equipment room. Do not locate microwave ovens, electric panels, or wiring in non-metallic conduit closer than three feet (3'-0") from a voice/data/equipment room. (See Division 16)

A5.14 ELECTRICAL RECEPTACLES

Provide circuitry and one (1) standard-power duplex receptacle for each 75 square feet of leased space. All circuits shall have a minimum capacity of 20 amps each. Up to fifty percent (50%) of all required duplex receptacles may be DRES-approved durable flush-floor receptacles. Five percent (5%) of the required receptacles may be dedicated 20 amp receptacles. Provide a maximum of six (6) duplex receptacles on each non-dedicated circuit; a fourplex receptacle will be calculated as 1.5 duplex receptacles. Additional circuits, isolated-ground circuits and receptacles, and special receptacles (30 amp and above) are Additional Tenant Improvements when shown on DRES approved drawings or change order. (See additional requirements in Division 16)

A5.15 SERVICE POLES

Service Poles (power duct posts) are acceptable only at existing slab-on-grade construction or where pre-approved in writing by the DRES Architect. At locations specified on the approved plans, provide Service Poles in lieu of floor fixtures. Where Tenant Agency is providing electrified Systems Furniture, provide "hot" junction boxes at ceiling, walls, or floor, as indicated on drawings. Install the Systems Furniture connections (supplied by state vendor) to the "hot" boxes. Provide connection points in lieu of floor fixtures. Provide a maximum of six (6) standard duplex receptacles on each non-dedicated circuit. (See A5.14 above and Section 16610)

A5.16 TELEPHONES AND COMPUTERS (VOICE/DATA CABLES AND RECEPTACLES)

Lessor shall provide one (1) combined-use rough-in outlet (1" conduit with J-Box) for each 150 leased square feet. Up to 50% of all required voice/data outlets may be DRES-approved durable flush-floor receptacles. Cable, installation, and trim-out to be by state Agency's vendor, or as an Additional Tenant Improvement. Also provide adequate plywood equipment board for Tenant Agency's use in the voice/data/equipment room. (See Section 06200)

A5.17 ROOF

Provide a roof assembly that is free from leaks. Promptly and properly repair leak damage. (See Section 07500)

A5.18 PLUMBING ACCESSORIES & SPECIALTY HARDWARE

Provide toilet cubicles, toilet accessories, fire extinguishers, and other specialty items required by code and design. If additional plumbing facilities are constructed above applicable code minimum, solely to comply with DRES-approved drawings, those costs are the Tenant Agency's responsibility as Additional Tenant Improvements. Basic requirements

provided by Lessor include: grab bars, toilet paper dispensers, seat cover dispensers, sanitary napkin disposal, soap dispensers, towel dispensers (or hand dryers), waste receptacles, and mirrors. (See Section 10800)

A5.19 VOICE/DATA/EQUIPMENT ROOMS

Lessor shall provide voice/data/equipment room as described in Section 16700, with the location as approved by DRES Architect or as shown on the DRES drawing. The room shall have a separate HVAC system (except as noted in 15500, 1.3.1), and shall be maintained at a temperature range of 50° - 80° F. with 30 - 55% relative humidity.

A5.20 DEMOLITION

For new leases, Lessor must demolish all partition walls which do not meet State standards. In addition, for existing walls which do meet current State specifications and codes, Lessor may also be required to demolish up to ten (10) l.f. per 1000 sf of leased area in order to carry out the approved space design. This includes the removal of doors, relights, casework, electrical receptacles, telephone and communication (data) outlets, etc, within these walls.

End of Part A

SAMPLE

Lease No. SR&L
SR - - -

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Page 1 of 8

Date: _____

LEASE

I, _____ This LEASE is made and entered into between _____ whose address is _____ for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the State of Washington, _____ acting through the Department of General Administration, hereinafter called the Lessee.

WHEREAS, the Department of General Administration is granted authority to lease property under RCW 43.82.010;

WHEREAS, the Lessor and Lessee deem it to be in the best public interest to enter into this lease;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The Lessor hereby leases to the Lessee the following described premises:

Tax Parcel Number:

Common Street Address:

(Legal Description)

to be used for the following purposes:

_____ for the _____ and/or other state agencies.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning _____ and ending _____

RENTAL RATE

4. The Lessee shall pay rent to the Lessor for the premises at the following rate:

_____ per month.

Payment shall be made at the end of each month upon submission of properly executed vouchers.

EXPENSES



5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, water, sewer, storm water, garbage collection, and maintenance and repair as described below, together with all utilities, elevator service, and janitor service -- to include window washing, restroom supplies, light bulbs, etc., as set forth in Exhibit "J" which is attached hereto and incorporated by reference.

MAINTENANCE AND REPAIR

6. The Lessor shall maintain the premises in good repair and tenantable condition during the continuance of this lease, except in case of damage arising from the negligence of the Lessee's clients, agents or employees. For the purposes of so maintaining the premises, the Lessor reserves the right at reasonable times to enter and inspect the premises and to make any necessary repairs to the building. Lessor's maintenance obligations under Paragraph 5 shall include, but not be limited to, the mechanical, electrical, interior lighting (including replacement of ballasts, starters and fluorescent tubes as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators; inside and outside walls (including windows); all structural portions of the building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area (example: fire, building, energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

ASSIGNMENT/SUBLEASE

7. The Lessee shall not assign this lease nor sublet the premises except to a desirable tenant, and shall not permit the use of the premises by anyone other than the Lessee, such assignee or sublessee, and the employees, agents, and servants of the Lessee, assignee, or sublessee.

RENEWAL/CANCELLATION

8. The lease may, at the option of the Lessee, be renegotiated for an additional ___ () years.

FIXTURES

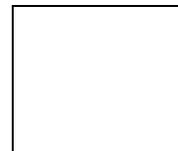
9. The Lessee, upon the written authorization of the Department of General Administration, shall have the right during the existence of this lease with the written permission of the Lessor (such permission shall not be unreasonably withheld), to make alterations, attach fixtures, and erect additions, structures or signs, in or upon the premises hereby leased. Such alterations, fixtures, additions, structures and signs shall be authorized only by the Department of General Administration. Performance of any of the rights authorized above shall be conducted in

compliance with all applicable governmental regulations, building codes, including obtaining any necessary permits. Any fixtures, additions, or structures so placed in or upon or attached to the premises shall be and remain the property of the Lessee and may be removed therefrom by the Lessee upon the termination of this lease. Any damage caused by the removal of any of the above items shall be repaired by the Lessee.

PAYMENT

10. Any and all payments provided for herein when made to the Lessor by the Lessee shall release the Lessee from any obligation therefor to any other party or assignee.

DISCRIMINATION



11. Lessor assures and certifies that he/she will comply with all applicable provisions of the Americans With Disabilities Act of 1990 (42 U.S.C. 12101- 12213) and the Washington State law against discrimination, Chapter 49.60 RCW, as well as the regulations adopted thereunder.

DISASTER

12. In the event the leased premises are destroyed or injured by fire, earthquake or other casualty so as to render the premises unfit for occupancy, and the Lessor(s) neglects and/or refuses to restore said premises to their former condition, then the Lessee may terminate this lease and shall be reimbursed for any unearned rent that has been paid. In the event said premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the premises are again restored to their former condition, and any rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of rent to be paid. It is understood that the terms "abated" and "abatement" mean a pro rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total rented area.

NO GUARANTEES

13. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee unless endorsed herein in writing. And it is further understood that this lease shall not be valid and binding upon the State of Washington, unless same has been approved by the Director of the Department of General Administration of the State of Washington or his or her designee and approved as to form by the Office of the Attorney General.

ENERGY

14. The Lessor, or authorized representative, in accordance with RCW 43.19.685, has conducted a walk-through survey of the leased premises with a representative of the Director of the Department of General Administration. Lessor will undertake technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective by the survey.

REIMBURSEMENT FOR DAMAGE TO PREMISES

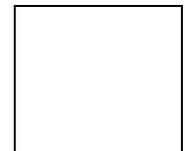
15. The Lessee hereby agrees to reimburse the Lessor for damages caused by the negligence of its employees, clients and agents, but in no event shall this paragraph be construed as diminishing the Lessor's duty to make repairs as set forth in preceding paragraphs of this lease, or as making Lessee responsible for the repair of normal wear and tear.

HAZARDOUS SUBSTANCES

16. Lessor warrants to his/her knowledge that no hazardous substance, toxic waste, or other toxic substance has been produced, disposed of, or is or has been kept on the premises hereby leased which if found on the property would subject the owner or user to any damages, penalty, or liability under an applicable local, state or federal law or regulation.

Lessor shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorney fees, and penalties arising from the presence of any hazardous or toxic substances on the premises, except for such substances as may be placed on the premises by the Lessee.

REMODEL



17. The Lessor shall at Lessor's sole cost and expense, on or before _____, complete in good and workmanlike manner alterations as noted on the attached plan # _____ (Exhibit "A"), approved by the Design Manager on _____, also with attached specifications approved by the Design Manager on _____, initialed by both parties hereto and incorporated herein by reference.

For alterations/remodeling to be PAID IN CASH, the following will be included with the above paragraph:

Lessor shall be reimbursed _____, which includes Washington State sales tax upon satisfactory completion of the above mentioned alterations, as verified by the Design Manager. Lessee shall make such payment in cash, upon receipt of Authority to Pay from the Design Manager.

For alterations/remodeling to be AMORTIZED, the following will be included with the above paragraph:

Upon satisfactory completion of the above mentioned alterations, Lessee shall pay to Lessor the amount of (which includes Washington state sales tax) at the rate of _____ per month including interest at the rate of _____ % per annum effective _____ through _____.

Lessee reserves the right to accelerate payment of amortized tenant improvement costs at anytime during the term of the lease, without penalty or added cost, by paying the Lessor the then unamortized principal balance.

ALTERATIONS/IMPROVEMENTS

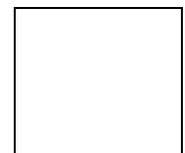
18. In the event the Lessee requires alterations/improvements during the term of this lease, any renewals and/or modifications thereof, the Lessor shall have the right to provide such services. If required by state law, the Lessor shall pay prevailing rate of wage to all workers, laborers or mechanics employed to perform such work as well as comply with the rules and regulations of the Department of Labor & Industries. If the Lessee considers Lessor's proposed costs for alterations/ improvements excessive, Lessee shall have the right, but not the obligation, to request and receive at least two independent bids; and the Lessee shall have the right at its option to select one alternative contractor whom the Lessor shall allow to provide such services for the Lessee in compliance with the Lessor's building standards and operation procedures.

PREVAILING WAGE

19. Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract when required by state law to do so, and to comply with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where this contract will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by reference made a part of this lease as though fully set forth herein.

WITHHOLDING OF RENT PAYMENTS

20. If the Lessor fails to maintain and/or improve the premises as set forth herein, the Lessee may, if authorized by the Department of General Administration, withhold rent payments until such time as Lessor completes deficient maintenance and/or improvements. Upon receipt of documentation of Lessor's noncompliance with maintenance or improvement provisions and a written request to withhold rent payments from the Lessee, the Department of General Administration shall provide Lessor with a list of deficient maintenance and/or improvement items and notify Lessor that Lessee has been authorized to withhold rent payment until deficient maintenance and/or improvements have been completed. Lessee shall place all withheld rent payments in an interest bearing account. Withheld rent payments plus accrued interest will be remitted to Lessor after the Department of General Administration verifies that Lessor has satisfactorily completed all maintenance and/or improvements and authorizes Lessee to remit the withheld rent. Nothing in this provision shall limit other remedies which may be available to Lessee under this lease.



YEAR 2000 COMPLIANCE

21. All building systems controls which are time or date sensitive shall be "Year 2000 compliant".

"Year 2000 Compliant" means the functions, calculations, and other computing processes of the systems controls perform in a consistent manner regardless of the date in time on which the systems controls are actually performed and regardless of the Date Data input to the systems controls, whether before, on, during or after January 1, 2000, and whether or not the Date Data is affected by leap years.

"Date Data" means any data, formula, algorithm, process, input or output which includes, calculates, or represents a date, a reference to a date, or a representation of a date; including, but not limited to the following:

- a) No value for current date will cause any interruption in operation. Current date means today's date as known to the equipment or product.
- b) Date-based functionality will behave consistently for dates prior to, during, and after year 2000. General date integrity will include, but is not limited to:

1999/09/09
 1999/12/31
 2000/01/01 Saturday and not Monday as in 1900/01/01
 2000/01/02 Sunday and not Tuesday as in 1900/01/02
 2000/02/29 Tuesday
 2000/03/01 Wednesday
 2000/12/31
 2001/01/01

Year 2000 is recognized as a leap year.

Dates will roll over correctly from/to:

1998/12/31 to 1999/01/01
 1999/12/31 to 2000/01/01
 2000/02/28 to 2000/02/29
 2000/02/29 to 2000/03/01

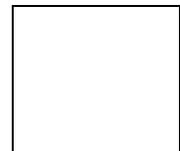
- c) In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or inference rule.

CAPTIONS

22. The captions and paragraph headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

NOTICES

23. Wherever in this lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.



LESSOR: _____

LESSEE: Department of General Administration
Division of Property Development
General Administration Bldg.
Post Office Box 41015
Olympia, Washington 98504-1015

SR&L SAMPLE

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names.

By: _____

Title: _____

Date: _____

(Lessor: If corporation, partnership,
or other officer with legal authority
other than a natural person, give title)

FEDERAL TAX I.D. NUMBER _____

APPROVED AS TO FORM:

By: _____

Assistant Attorney General

Date: _____

Division of Property Development
Real Estate Agent

Date: _____

STATE OF WASHINGTON

TENANT AGENCY

Acting through the Department
of General Administration

Mark L. Lahaie, Manager
Division of Property Development

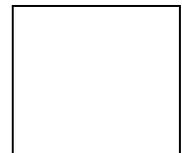
Date: _____

CORPORATE JURAT:

State of _____)

) ss.

County of _____)

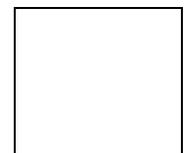


I, the undersigned, a Notary Public, do hereby certify that on this ____ day of _____, 19____, personally appeared before me _____ to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that _____ signed and sealed the same as _____ free and voluntary act and deed, for the purposes and uses therein mentioned.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Washington,
Residing at_____
My commission expires_____

Eff. 3/25/98



FINAL

(Revised 5/24/99)

This is the Final of the **Preferred Leasing Policy** that will be presented to the State Capitol Committee on June 3, 1999 as an addendum to *The Master Plan for the State Capitol*.

Policy Intent:

One of the important goals of *The Master Plan for the State Capitol of 1991* (Plan) is “the coordination of government facility needs with adjoining communities through urban redevelopment and the creation of satellite campuses”. The Plan calls for “new construction (of state office buildings) to be concentrated in three preferred development areas” in Lacey, Olympia, and Tumwater and promotes consolidation and co-location of state office facilities, transportation demand management and growth management principles. In addition, the Plan calls for a leasing strategy to be devised “to improve the cost-effectiveness and manageability” of leased property.

While the Plan identifies areas for the development of state owned offices, it provides no clear direction for office space leased by the state. This Preferred Leasing Policy is being added to the Master Plan for the State Capitol to provide clear direction on the leasing of state office space in Thurston County that is consistent and compatible with the objectives of the Plan.

Preferred Leasing Policy: *The State shall promote the leasing of state office space in Thurston County in the Preferred Leasing Areas identified by the cities of Lacey, Olympia and Tumwater.*

Preferred Leasing Areas

The local governments of Lacey, Olympia and Tumwater have identified the following areas (see attached maps for specific boundaries) as Preferred Leasing Areas (PLAs):

1. Lacey:
 - (a) The Woodland Square area, bounded by Golf Club Road on the west, College Street on the east, Pacific on the south and 6th Avenue on the north
 - (b) The Saint Martins satellite campus area around the Department of Ecology, south of Martin Way at Desmond Drive, west of Woodland Creek, generally north of 6th Avenue SE extended and east of the Saint Martins meadows wetlands.
 - (c) The Lacey Corporate Center, bounded by College Street to the east, Yelm Highway to the south, the Chehalis Western Trail to the west and the Corporate Center Apartments to the north, except for the 20 acres zoned Community Commercial at the northwest corner of College Street and the Yelm Highway.

2. Olympia
 - (a) The downtown core, defined by Capitol Lake on the west, Eastside Street on the east, 14th Avenue on the south and Budd Inlet on the north.

3. Tumwater

- (a) The Sunset Life/Brewery area, bounded by Capitol Boulevard and Sunset Way; south along Sunset Way on the north, North Street-Custer Way and Capitol Boulevard on the south; and the Deschutes Parkway and the Deschutes River-Capitol Lake on the east.
- (b) The Tumwater Campus area, extending north along Capitol Boulevard to Dennis to include the Point Plaza West office development on the west, the proposed office development site south of the Peter G. Schmidt Elementary School on the east and extending further east to Bonniewood Drive, north of Airdustrial Way; east of Interstate 5; and south of Israel Road to the Point Plaza West development.
- (c) The Linderson Way area, including the general commercial zone beginning just north of Tartan Drive.

The Preferred Leasing Policy will achieve the goals of *The Master Plan for the State Capitol* by implementing policies and procedures that:

- 1. Support growth management principles and the Comprehensive Plans of the cities of Lacey, Olympia and Tumwater by promoting state office leasing in Preferred Leasing Areas (PLAs).
- 2. Promote consolidation and co-location of state office facilities through coordinating with agencies and local jurisdictions.
- 3. Support the development and implementation of transportation demand management and commute trip reduction programs at state agency worksites.
- 4. Provide authority to the Director of General Administration to waive any of the leasing policies and/or procedures when state operations would be adversely affected.

The policies and procedures below are to be adopted by the Department of General Administration in order to implement the Preferred Leasing Policy of *The Master Plan for the State Capitol*.

Policy 1: Promote state office leasing in Preferred Leasing Areas

1.1 Implement appropriate site selection procedures through advertising for space requirements.

Procedures: (A) If a request for space is less than 5,000 rentable SF, advertisement is optional. However, GA will encourage state agencies to locate or co-locate in PLAs.

(B) If a **request for space** is over 5,000 rentable SF, GA will:

(1) First, advertise for **existing office space** within the incorporated limits of the cities of Lacey, Olympia and Tumwater, and for **space under construction and planned space** within the PLAs. Proposals will be considered in the following order:

(a) Existing office space in PLAs

(b) Existing space within the incorporated limits of the cities of Lacey, Olympia and Tumwater

(c) Space under construction in PLAs

(d) Planned space in PLAs

If no satisfactory space is identified, then

(2) Second, advertise for space under construction, and planned space within the incorporated limits of Lacey, Olympia and Tumwater. Proposals will be considered in the following order:

(a) Space under construction within the incorporated limits of the cities of Lacey, Olympia and Tumwater

(b) Planned space within the incorporated limits of the cities of Lacey, Olympia, and Tumwater.

1.2 Promote **co-location** of agencies within the PLAs. Co-location refers to units from different agencies being located within the one site or building. Such an approach improves the economies of scale, improves service delivery, minimizes duplication of facilities, increases efficiency of operations and promotes sound growth management planning. This policy reflects the policy intent of RCW 43.82.010 (see Definitions).

1.3 Promote **consolidation** of agencies within the PLAs. Consolidation refers to bringing together related units of same agency in one site or building. This policy reflects the intent of RCW 43.82.010 (see Definitions).

1.4 Promote agencies to remain in PLAs by identifying benefits and opportunities for these agencies.

- 1.5 Promote **high density**. High-density development creates a concentrated urban environment where people can live, work, shop and play and reduces the infrastructure costs associated with sprawled development. In addition it facilitates a pedestrian and transit friendly environment, one of the aims of each local government's Comprehensive Plan.
- 1.6 Promote **mixed use** where appropriate. This term refers to residential, office commercial and retail co-existing in the same building, adjacent buildings or within close proximity to one another. This approach facilitates a pedestrian and transit friendly environment, one of the aims of each local government's Comprehensive Plan.
- 1.7 Avoid future leasing by state agencies of street-level retail/commercial space, except for state operations involving direct service delivery or for programmatic requirements.

Policy 2: Coordinate leasing efforts between branches and within levels of government.

- 2.1 Coordinate procurement and budget impacts of new/expanded office space requirements with OFM.
- 2.2 Assist state agencies to identify and evaluate opportunities for co-locating and consolidating state facilities.
- 2.3 Assist agencies in developing strategic long-range facility plans.
- 2.4 Inform jurisdictions when there is an identified space need or space request over 5,000 rentable SF and provide a summary of responses/proposals to the requests for space advertisements for comment. In providing this information, GA will not disclose financial or proprietary information submitted by the proposers.

Policy 3: Support the development and implementation of transportation demand management (TDM) and commute trip reduction (CTR) at state agency worksites.

- 3.1 Provide technical support and assistance to state agencies to establish TDM/CTR worksite programs.
- 3.2 Require state agencies to develop and implement **zoned parking** at all new state-lease and owned sites. In the case of co-located sites, require the development and implementation of shared zoned parking.
- 3.3 Require state agencies to lease parking spaces in accordance with local parking codes. This policy reflects the intent of RCW 43.01.230 (see Definitions).
- 3.4 Require the unbundling of parking facilities within leases so that parking is not a negotiable lease item and is based on city requirements. Any requests for additional parking beyond local zoning code must be requested through a request for exemption to the director of general administration as defined in RCW 43.01.240(3).
- 3.5 Require **reserved, designated, preferential parking** for carpools/vanpools at all leased facilities. This encourages the formation of carpools and vanpools.
- 3.6 Require that new leased facilities contain bike racks or bike lockers. This facilitates the use of bicycling as an alternative commute mode.

3.7 Ensure that the Master Plan's design guidelines are considered in evaluating potential lease sites. *[refer to pages 73-77 of the Master Plan]*

Policy 4: Provide authority to the Director of General Administration to update the policy when appropriate or waive any of the policies and procedures above when State operations would be adversely affected.

These include, but are not limited to the following situations:

- ◆ A local jurisdiction requests that its PLAs be revised.
- ◆ An agency or agencies are already clustered in existing contiguous buildings or complexes at a leased site or area outside the PLAs.
- ◆ Leasing in PLAs would result in substantially higher cost to the agency and to the public than the market rate for office leasing outside the PLAs.
- ◆ Agencies are required to be located in certain geographical areas because of federal or state policies or programmatic requirements.
- ◆ GA staff determine that advertising for existing space will not provide a response.

Prior to the granting of any waiver, a statement of findings shall be prepared and the appropriate local jurisdiction informed of the request for waiver and provided with an opportunity to review and comment.

Definitions:

Alternative Commute Mode: Any means of commuting other than that in which the single occupant motor vehicle is the dominant mode. Teleworking and compressed work weeks are considered alternative commute modes if they result in the reduction of commute trips.

Carpool: A motor vehicle occupied by two to six people traveling together for their commute trip that results in the reduction of a minimum of one motor vehicle commute trip.

Co-location and Consolidation: RCW 43.82.010(5)—“It is the policy of the state to encourage the co-location and consolidation of state services into single or adjacent facilities, whenever appropriate, to improve public service delivery, minimize duplication of facilities, increase efficiency of operations, and promote sound growth management planning.” Co-location refers to units from different agencies being located within the one site or building. Consolidation refers to bringing together related units of same agency in one site or building.

Commute Trip Reduction Law: A state law passed in 1991 (RCW 70.94.521-551) and amended in 1997, requiring certain jurisdictions to enact ordinances to require major employers with 100 or more employees to implement programs to reduce vehicle miles traveled and drive alone rates of their employees. The goals of CTR are to reduce air pollution, reduce traffic congestion and reduce fossil fuel consumption.

Comprehensive Plan: A coordinated land use policy statement by the governing body of a city or county that is adopted pursuant to the Growth Management Act. It typically includes land use, housing, capital facilities, utilities, transportation, open space and other issues affecting the physical development of a community.

Existing Space: An office building with footings, foundations, and roof in place, previously occupied by the state or vacant space within a building caused to be built by the state. *(Note: This definition is meant to refer only to Thurston County. It does not constitute a change to the GA’s “Leased Space Requirements”).*

Planned Space: A project, with at a minimum, final site plan approval from the controlling municipality, SEPA determination of non-significance (DNS) or mitigated determination of non-significance (mitigated DNS), and lender’s letter of credit or letter of interest. Proposer must control land through valid purchase or option contract, or fee ownership, or long-term lease.

Preferential Parking: Designated, reserved parking close to the building entrance for carpools and vanpools.

Space under Construction: A project, with at a minimum, a building permit, and a loan commitment or proof of funds necessary to complete the project. Proposer must control the land through fee ownership or long term lease.

Space Request: This is a formal document submitted by an agency to the Department of General Administration's Division of Property Development requesting space for a particular unit. The agency must identify specific needs and provide justification for seeking new space.

Transportation Demand Management: Use of strategies to reduce the use of single-occupant vehicles and vehicle miles traveled.

Subsidization of parking: RCW 43.01.240(3)—“In order to reduce the state's subsidization of employee parking, after July 1997 agencies shall not enter into leases for employee parking in excess of building (zoning) requirements, except as authorized by the director of general administration.”

Vanpool: A vehicle occupied by seven to fifteen people traveling together for their commute trip that results in the elimination of at least one motor vehicle trip.

Zoned parking: This is a system of non-assigned parking at a worksite. This system allows more employees to park than there are parking places because there are always employees who do not come to the worksite every day for a number of reasons:-vacation, sick leave, meetings elsewhere, business out of town—or are members of carpool/vanpool enjoying preferential parking.

**Appendix B: House Capital Budget State Leasing Policy
Subcommittee Report, Dec. 2, 1999**

State of
Washington
House of
Representatives



December 2, 1999

MEMORANDUM

TO: Capital Budget Committee

FROM: Subcommittee on State Leasing Policy

SUBJECT: Subcommittee Report

Background:

The Master Plan for the Capitol (1991) was developed on the premise that the state cannot wait and see what the next 20 years will bring, but it instead must anticipate and plan for the future. At the time the Master Plan was developed, the state was already suffering from lack of facility planning that resulted in inefficient and costly operation of state functions. The Master Plan recommended a 20-year guideline for the construction of state buildings on the capitol campus and the development of three satellite campuses to meet the future growth of state services. The satellite campuses were to be in Tumwater, Lacey and downtown Olympia.

One of the goals of the Master Plan was that state facilities would be developed according to sound growth management principles. The Plan promoted the cooperation and partnership between the state and its host communities, promoted the efficient delivery of service to customers, respected environmental and land use concerns, and reduced the transportation impacts of growth. A significant element of that Plan called for the new construction of state office buildings to be concentrated in three preferred development areas in Lacey, Olympia, and Tumwater. The preferred development areas were identified with the cooperation of the three cities with the intended purpose of: 1) meeting program needs of state government; 2) being compatible with and supporting the needs of the local governments; and 3) supporting transportation demand management and commute trip reduction programs at state agency work sites.

In addition, the Plan called for a "leasing strategy to be devised to improve the cost-effectiveness and manageability of the remaining leased property." To improve leasing practices, the Department of General Administration was directed to evaluate current leasing procedures and to propose changes to reduce the overall number of leases and limit the amount of inefficient space. The Plan also directed the Department to prepare a long-term plan for leasing at the same time the long-term plan for construction of state space was being prepared. The long-term leasing plan

was never completed. While the Master Plan identified areas for development of state owned offices, it provided no clear direction about office space leased by the state.

In the last year, state agencies have responded to increasing space needs that have accumulated over the last decade, resulting in construction of a number of privately owned office buildings to be leased to state agencies. The local jurisdictions expressed a concern that this development was occurring in an unplanned fashion, and they asked if it would be better if the development occurred in the development areas outlined by the Master Plan. The Department of General Administration, in conjunction with the three host cities, is identifying guidelines for preferred leasing areas. However, concern continues over the identification of leasing locations without a more comprehensive long-term leasing policy.

Subcommittee Interim Schedule:

The lease policy subcommittee held two public hearings and a tour of state leased facilities in Thurston County during the 1999 legislative interim. The purpose of the tour was to gain an understanding of the quality of space and the wide variety of types of space the state leases from private building owners. The public hearings provided the opportunity for local governments, state agencies, and private building owners to comment and make suggestions on how the state conducts the business of leasing space in the Capitol City area.

Recommendations of the 1999 Subcommittee on State Leasing Policy:

The House Subcommittee on State Leasing Policy recommends the following actions:

1. Endorse the urban growth management principles of the 1991 State Master Plan.

The development of facilities for state offices, whether state-owned or leased, should be centered around a framework of mixed-use, urban density, transit supported community nucleus. A community nucleus is a mixture of office, commercial, retail, residential, support facilities (e.g., child care), public assembly facilities, and outdoor spaces. A vibrant mixture of these activities, with people potentially present 24 hours a day, encourages services such as restaurants, banks and retail stores that benefit both the state offices and the local economy. Mixed-use developments also provide the "critical mass" of employment, which is necessary to support high-capacity public transit and successful commute trip reduction programs that discourage the use of single-occupant vehicles.

The Subcommittee recommends that the Department of General Administration include urban growth management principles as a criterion for new leased space in the Thurston County area.

2. Direct the Department of General Administration to develop a long-term state policy on leasing facilities.

Under current law, the Department of General Administration is the state's leasing agent

for all state agencies needing office and warehouse space. General Administration, acting on behalf of a requesting agency, has the authority to: 1) lease, lease purchase or purchase real estate; 2) determine the location, size and design of real estate to be leased or purchased; and 3) fix the terms and conditions of each lease up to a 10-year term, and with the Office of Financial Management approval up to a 20-year term. The Department of General Administration has established a procedure and technical specifications for the procurement of leased space, but has not developed an overall policy for the location, size, or overall quality of leased space. The lack of a state policy on leased space has resulted in the "sprawl" of state services around the county, causing fragmentation of agency operations and frustration for members of the public.

The Subcommittee recommends that the Department of General Administration develop a state leasing policy. The policy should include, at a minimum, the following elements:

- 1) A coordination of future space needs to identify and evaluate opportunities for co-location and/or consolidation of state facilities;
- 2) The identification of preferred leasing areas to promote public access, efficiency, community development, and growth management principles;
- 3) The development of performance standards for space and building specifications; and
- 4) The development of transportation demand management strategies and consistent parking practices.

The Department of General Administration should report to the Capital Budget Committee on the progress of the leasing policy during the 2001 legislative session.

3. Endorse the continued use of the JLARC model to provide cost information about leasing and ownership alternatives for state facilities.

The Joint Legislative Audit and Review Committee, in response to a 1996 audit on the cost differences between leased and state owned offices, developed an economic model to quantify and compare all the costs involved with state facilities. The model can predict the long-term cost differences between state ownership (or construction) and leasing of buildings. It includes sensitivity analysis that demonstrates how the results might change given the uncertainty of some assumptions (e.g., lease rate escalation and building occupancy rates). The model provides a tool to policy makers to analyze the cost of the various alternatives being considered. The Capital Budget Committee has used the model in the past to determine if it was more cost effective to purchase or continue leasing buildings across the state including major projects in Spokane, Tacoma, and Olympia.

The Subcommittee recommends that the Office of Financial Management include in the budget instructions to state agencies a requirement that the JLARC model be used as one

of the analysis tools for long-term lease requests of more than 10 years and for financial contracts that require a building to be built or purchased.

4. Improve state operating budget systems to identify specific requests for new or increased lease commitments for legislative approval.

The current leasing practice within the Department of General Administration (GA) relies on the requesting agency to evaluate space needs and obtain budget approval for leased facilities. The agency submits the request for additional or new space to GA, and then GA begins the process of locating suitable space and negotiating the terms of the lease agreement. Part of the process requires the agency to certify that the additional money to pay for the increased lease payments is available to implement the request. In some cases, there are specific operating budget requests and documented legislative action on the requests for additional leased space. In other cases there are no specific legislative appropriations for lease payments; however some agencies may assume that legislative authority was indirectly granted because the Legislature approved an increase in staffing levels or expansion of a program. In yet other cases, an agency simply moves into higher rent buildings or larger space when the old lease expires. This assumption of indirect authority has caused confusion when legislators inquire how an agency caused a new building to be built or how an agency committed the Legislature to pay for future higher lease payments without first being approved in the operating budget.

The Subcommittee recommends that the operating budget process identify specific items that will result in new or increased lease commitments so that the Legislature can take action on each individual request. The Subcommittee further recommends that the Office of Financial Management acting through the Department of General Administration disapprove agency requests for new or for additional leased space unless there is prior legislative approval.

5. Restrict agencies from entering into lease agreements prior to the building being constructed.

The current practice of the Department of General Administration is to advertise in local newspapers and on the Internet when seeking leased space larger than 5,000 square feet. The advertisement identifies the agency soliciting the lease and specifies the location and space requirements of the agency. Building owners respond to the advertisement with a lease proposal. If there are no acceptable proposals for existing buildings, the Department may conduct a market search for existing buildings, or advertise for space under construction or planned space. An important consideration in accepting proposals for a building under construction and particularly a building in the planning stage is the ability of the owner to obtain all local building permits and to secure the financing to complete the construction of the space in an acceptable manner. Building owners normally finance office building construction with loans from commercial lending

institutions, and those institutions usually require lease agreements or letters of intent to lease for a substantial portion of the building prior to the approval of the construction loan. State agencies should not be the security for a loan on an private office building without specific authorization from the Legislature.

The Subcommittee recommends that the Department of General Administration not enter into any lease agreement on a building larger than 20,000 square feet that is in the construction or planing stage of development unless the lease is specifically approved by the Legislature and the lease complies with the state lease policy contained in recommendation number 2.

Subcommittee Membership:

Representative Edmonds, Co-Chair
Representative Murray
Representative Ogden

Representative Esser ,Co-Chair
Representative Hankins
Representative Koster

Appendix C: Letters from Local Government Officials on Preferred Development and Preferred Leasing Areas



Shaping
our community
together

CITY OF **LACEY**

POST OFFICE BOX 3400
LACEY, WA 98509-3400

CITY COUNCIL

NANCY J. PETERSON
Mayor
ANN BURGMAN
Deputy Mayor
VIRGIL S. CLARKSON
JON W. HALVORSON
GRAEME SACKRISON
JIM WEBER
LORRAINE WILSON

November 2, 1999

CITY MANAGER
GREG J. CUOIO

Marsha Tadano-Long
Director of General Administration
P.O. Box 41000
Olympia, WA 98504-1000

RE: Preferred Development Areas

Dear Marsha,

It has recently come to our attention that members of the Capitol Campus Design Advisory Committee have expressed concern that the Lacey Corporate Center is not a desirable location for future state-leased facilities.

We included the Corporate Center in our listing of preferred development areas for a variety of reasons. The Corporate Center is located in a rapidly growing residential area providing an excellent opportunity for employees to live near their jobs. The Center is conveniently served by InterCity Transit and provides easy access to a full range of urban services. Street, water, wastewater, power, and fiber-optic infrastructure is in place. Finally, the Center is vested for 2600 p.m. peak hour trips, thereby minimizing up-front development costs.

Since submitting the Corporate Center as a preferred leasing area, we have found that the Lacey Zoning Code requires a *conditional use permit* prior to the siting of any government administrative offices. Although we have suggested the Corporate Center as a preferred leasing area, the process for obtaining land use permits will require an extensive analysis to determine if such siting contributes positively to Lacey's economic development goals. These goals require that the proposed development is complementary to adjacent business park uses, enhances the marketability of the business park zone, and will not adversely impact the City's economic development strategies for the zone.

We hope this information will be helpful in future decisions regarding the siting of state-leased facilities in our area.

Sincerely,


Nancy Peterson
Mayor



TDD Relay
1-800-833-6388

City Council
(360) 491-3214

City Manager
(360) 491-3214

City Attorney
(360) 491-1802

Community Development
(360) 491-5642

Finance
(360) 491-3212

Parks & Recreation
(360) 491-0857

Police
(360) 459-4333

Public Works
(360) 491-5600

Fax #
(360) 438-2669





Shaping
our community
together

CITY OF **LACEY**

POST OFFICE BOX 3400
LACEY, WA 98509-3400

CITY COUNCIL

- NANCY J. PETERSON
Mayor
- ANN BURGMAN
Deputy Mayor
- VIRGIL S. CLARKSON
- JON W. HALVORSON
- GRAEME SACKRISON
- JIM WEBER
- LORRAINE WILSON

CITY MANAGER

GREG J. CUOIO

November 12, 1999

Suzette Frederick
Department of Health

Fax copy only.

Re: Clarification of a portion of the report for the proposed DOH building and the Saint Martins office park/Ecology Campus Area.

Dear Ms. Frederick,

It appears that there is some confusion or misinformation associated with the above referenced report. While there are some conditions on the State owned land purchased from Saint Martins that makes the difficult to build on cost effectively, there is no need for a "rezone" or a Conditional Use Permit. The entire state ownership and Saint Martins' own master plan always considered this area as appropriate for administrative offices. As such, would not require a conditional use permit.

This may be why there was confusion in responding to the consultant about the likelihood of receiving staff support for a conditional use permit. If a site in this zoning classification was chosen that was not originally intended for such uses, it would be unlikely to receive support unless the economics of the site could be proven to benefit the community. It seems the reference that this site was not platted for this type of use was one criterion given for whether they were planned for or not. The physical platting is not the only criteria of which is used to determine whether the PLA was appropriate or not. The master planning of the site when GA purchased the land and built the DOE building is just as important. That is why the City of Lacey suggested the State ownership here as a PLA.

While the traffic situation, extension of 3rd Avenue and the State's commitment to a parking structure may be detrimental to the cost of construction, I believe the City would be supportive of seeing this campus built out. Hopefully, this will help clarify your report. I would ask that you share this correspondence with Nicholas Garcia.

Thank you and good luck in locating this building.

Sincerely,

Jerry Litt, Director



TDD Relay
1-800-433-6388

City Council
(360) 491-3214

City Manager
(360) 491-3214

City Attorney
(360) 491-1802

Community Development
(360) 491-5642

Finance
(360) 491-3212

Parks & Recreation
(360) 491-0857

Police
(360) 459-4333

Public Works
(360) 491-5600

Fax #
(360) 438-2669





City of
OLYMPIA

900 Plum Street, P.O. Box 1967, Olympia, WA 98507-1967

October 29, 1999

COUNCIL

Bob Jacobs,
Mayor

Mark Foutch
Mayor Pro Tem

Stan Biles

Holly Gadbaw

Jeanette Hawkins

Margaret McPhee

Laura Ware

CITY MANAGER

Richard C. Cushing

Mr. Grant Fredricks
Washington State Department of General Administration
P.O. Box 41000
Olympia, WA 98504-1000

RE: State Office Siting Options

Dear Grant:

Thank you for providing the City of Olympia with the opportunity to present some site options for the proposed Department of Health office project. The attached materials provide preliminary site information on five sites located within our preferred leasing and development area.

As you know, we have recently completed a North Downtown Environmental Impact Statement, and have previously undertaken a Downtown State Office Potential Study. These underscore our strong long-standing commitment to see State offices locate in the downtown area. For some of the sites that are located close to the City's downtown core, we are also interested in exploring some opportunities for a City/State partnership for structured public parking.

As the site options are further refined by the State, we will continue to work cooperatively, and provide additional information related to the office project development.

Please feel free to call me at 753-8447 or Subir Mukerjee of my staff at 753-8066 if you need any further information.

Thank you.

Sincerely,

Richard C. Cushing
City Manager

dc9137-
Attachment



City Council	753-8450	Community Planning & Development	753-8314	Police	753-8300
City Manager	753-8447	Fire	753-8348	Public Works	753-8362
City Attorney	753-8449	Human Resources	753-8442	Area Code	(360)
Administrative Services	753-8325	Parks/Recreation/Cultural Services	753-8380		



TUMWATER CITY HALL
555 ISRAEL ROAD SW
TUMWATER, WA 98501-6558

FAX: 360/754-4126

ADMINISTRATION
CITY ADMINISTRATOR
MAYOR AND COUNCIL
360/754-4120

ATTORNEY
360/754-4121

DEVELOPMENT SERVICES
BUILDING PERMITS
ZONING & ENGINEERING
360/754-4180

BUILDING INSPECTION
REQUEST LINE
360/754-4189

FINANCE DEPARTMENT
CITY CLERK
360/754-4130

MUNICIPAL COURT
360/754-4190

FIRE DEPARTMENT
360/754-4170
FAX: 360/754-4179

GENERAL SERVICES
PERSONNEL
360/754-4132
JOB LINE: 360/754-4129

POLICE DEPARTMENT
360/754-4200
FAX: 360/754-4198

POLICY & PLANNING
LONG RANGE PLANNING
360/754-4161

BUILDING & GROUNDS
PARKS & RECREATION
360/754-4160

PUBLIC WORKS
ENGINEERING
360/754-4140
FAX: 360/754-4142

OPERATIONS &
MAINTENANCE
360/754-4150

MUNICIPAL GOLF COURSE
4611 TUMWATER VALLEY DR SE
TUMWATER, WA 98501
360/943-9500
FAX: 360/943-4378

OLD TOWN CENTER
215 N. 2ND STREET SW
TUMWATER, WA 98512
360/754-4122
FAX: 360/754-2063

May 21, 1999

Ms. Marsha Tadano Long, Director
State of Washington
Department of General Administration
P.O. Box 41000
Olympia, WA 98504-1000

Re: State Office Preferred Leasing Area for Tumwater

Dear Ms. Long:

As per your request, the City of Tumwater is submitting comments and cartographic information pertaining to your agency's development of leasing strategies for Thurston County. In preparation for submitting these comments, the Tumwater City Council held a public workshop on May 3 and a public hearing on May 18.

Attached to this letter are maps and verbal descriptions of the three areas within Tumwater which we, the City, would like you to consider as preferred leasing areas for state offices in the future. Also, in reviewing the May 3 Discussion Draft of the proposed leasing strategy, the City is in agreement with its design and intent. In addition, we would encourage General Administration to emphasize, in the Department's selection criteria, the proximity of state offices to Intercity Transit routes to further aid efforts in commute trip reduction.

If you have any questions, please do not hesitate to contact me, or City Administrator Doug Baker, at 754-4120.

Sincerely,

RALPH C. OSGOOD
Mayor

RCO:djs
cc: Tumwater City Council

**Description of City of Tumwater
Preferred Leasing Areas for
State Office Buildings**

Area 1

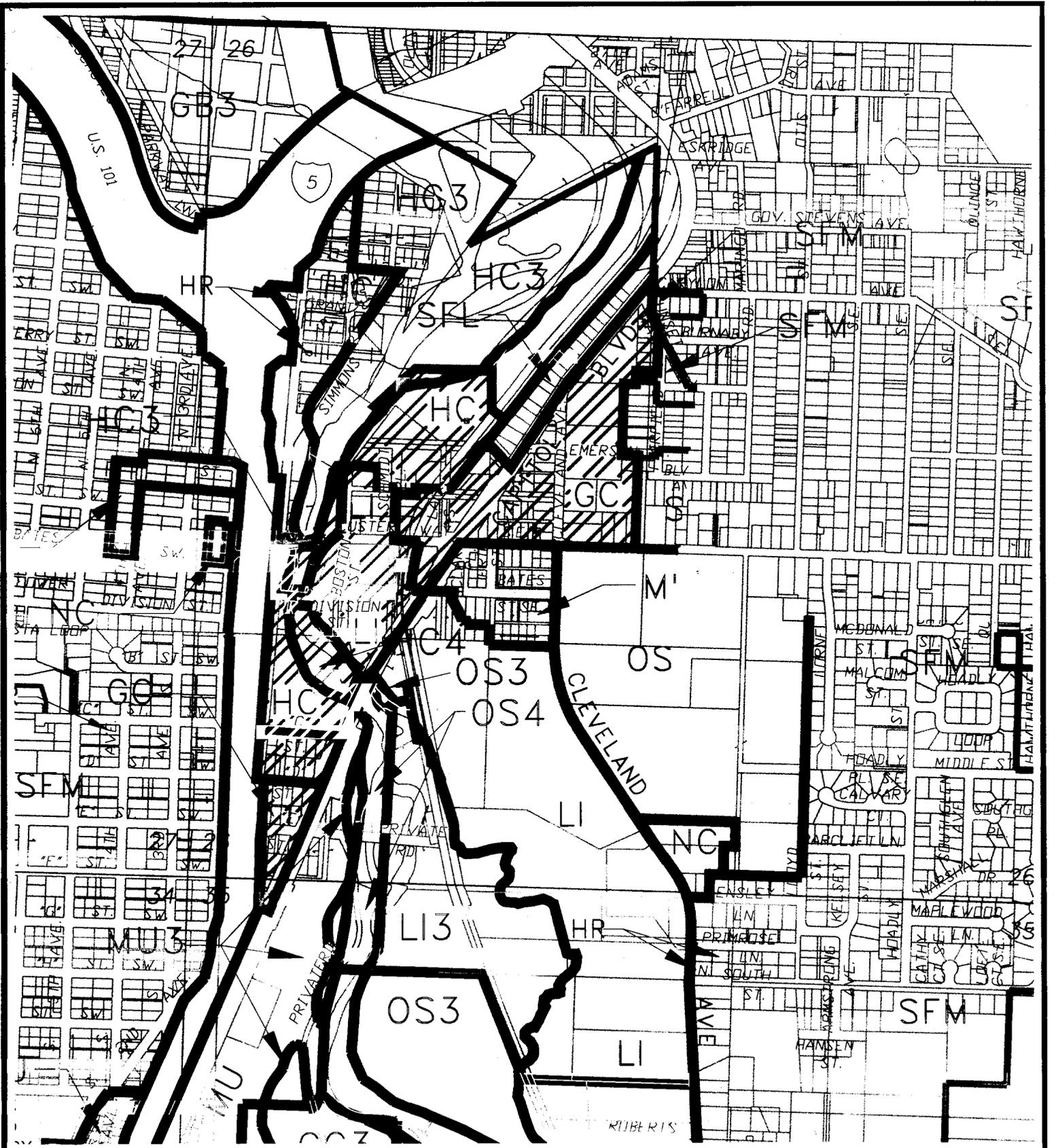
Beginning at intersection of Capitol Boulevard and Sunset Way;
South along Sunset Way and GC zoning line to North Street;
West along North Street-Custer Way to Capitol Boulevard;
South along Capitol Boulevard to "E" Street;
West along "E" Street to Deschutes Parkway;
North along Deschutes Parkway to Boston Street;
East along Boston Street to eastern shoreline of Deschutes River;
Northeast along shoreline of Deschutes River and Capitol Lake to eastern property
line of Old Olympia Brewhouse property;
South along eastern property line of Old Olympia Brewhouse property and GC
zoning line to Capitol Boulevard;
North along Capitol Boulevard to Sunset Way.

Area 2

Beginning at intersection of Capitol Boulevard and Dennis Street;
South along Capitol Boulevard to southern property line of Peter G. Schmidt
Elementary School;
East along southern property line of school to MU zoning line;
South, then east along MU zoning lines to Bonniewood Drive;
South along Bonniewood Drive to Airdustrial Way;
West along Airdustrial Way to Interstate 5;
North along Interstate 5 to Israel Road;
East along Israel Road to GC zoning line just west of Capitol Boulevard;
North along GC and MU zoning line to Dennis Street;
East along Dennis Street to Capitol Boulevard.

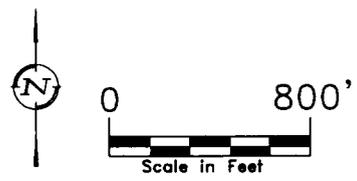
Area 3

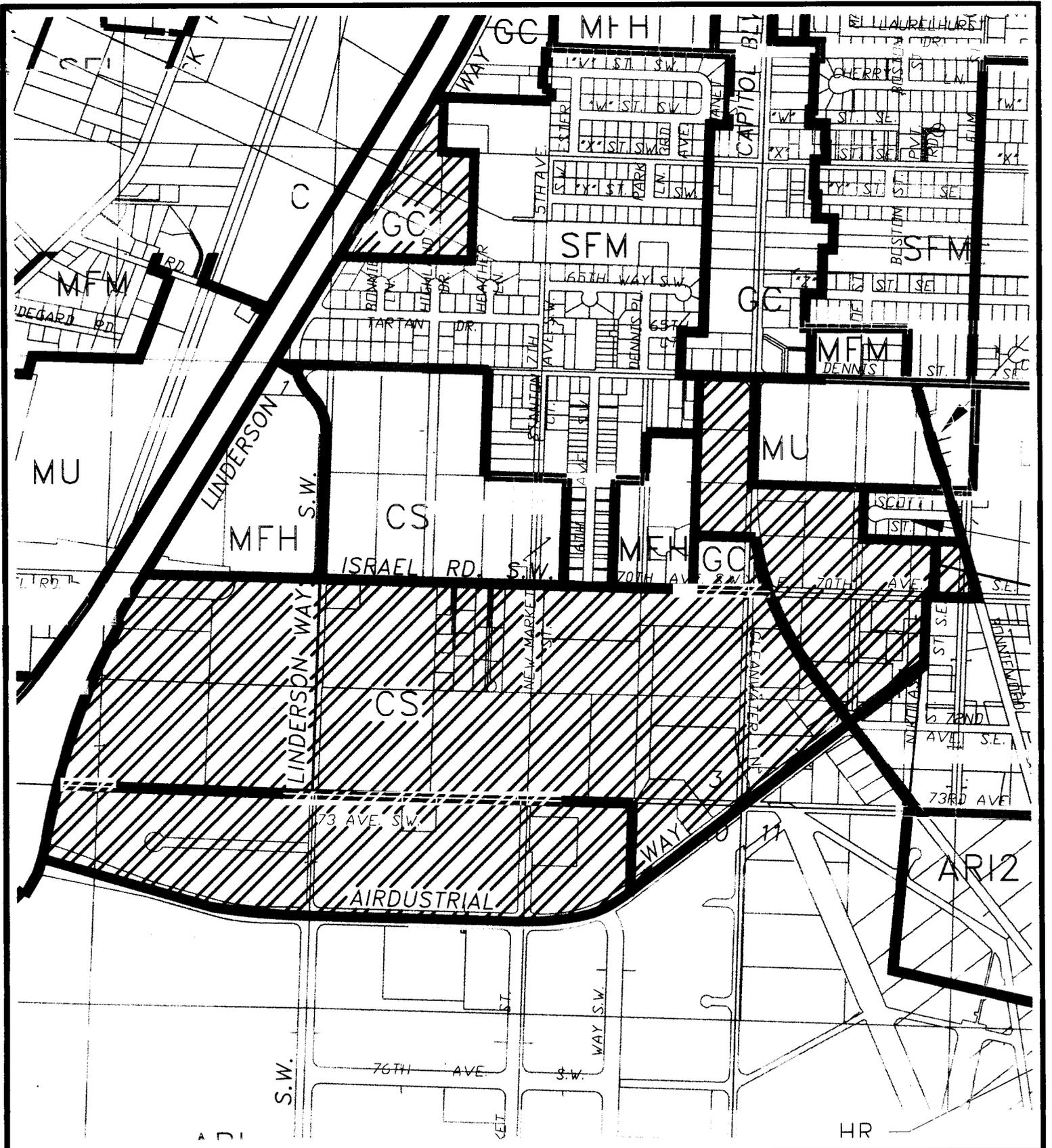
Beginning on Linderson Way just north of Tartan Drive at the southernmost GC
zoning line;
East, then north, then west, then north again along the GC zoning line, to the point
of intersection with Linderson Way;
South along Linderson Way.



AREA 1

LEGEND
 PREFERRED STATE
 OFFICE LEASE AREAS





AREA 2 & AREA 3

LEGEND
 PERFERRED STATE
 OFFICE LEASE AREAS



**Appendix D: JLARC Presentation on Lease vs. Own Model to House
Capital Budget, Nov. 8, 1999**

JLARC PRESENTATION ON LEASE VS. OWN MODEL

House Capital Budget, Nov. 8, 1999

JLARC's Lease vs. Own Model

House Capital Budget Committee
Subcommittee on Lease Policy

November 8, 1999

1

JLARC became involved in 1995

- Follow-up to 1987 JLARC study
- Interest in the East Campus Plus project
- Joint project with House Capital Budget Committee

2

Obstacles to overcome

- Conventional Wisdom
 - “It’s always better to own.”
- Sensitivity over controversial projects
- Avoid creating a “black box.”

3

Technical Review Panel

Panel members represented diverse interests and expertise

- Agency staff
- Legislative members and staff
- Builders
- Architects
- Lessors
- Contractors
- Realtors

4

Process of building the model

- Identify the cost components of leasing and owning; *for example:*
 - Building or purchasing costs
 - Operating and maintenance
 - Periodic repair and replacement
 - Property taxes
 - Lease payments
 - Tenant improvements
 - Insurance

5

Process of building the model

- Establish baselines and ranges for assumptions; *for example:*
 - Discount rate
 - Inflation
 - Lease rate escalation
 - Building life
 - Residual value

6

How the Model Works

- Uses an Excel workbook
- Structure is straightforward
 - Cash flows for each cost component, for each alternative, are consolidated into one table showing how much is spent and when it is spent
- Uses standard present value calculations to compare alternatives

7

Outcomes of the process

- General Administration helped to make the model more user friendly.
- OFM convened a task force to field test the model.

8

Outcomes of the process

- Agencies required to use the model when making requests for:
 - Long term leases, and constructing or purchasing buildings
- Model used for proposed collocation project in Tacoma.
 - Purchase of U. of Puget Sound property could save \$1.5 million over 30 years.

9

Benefits of the process

- Work was done out in the open
- Everyone had a chance to give input
- Issues were identified early on
- Educational experience for all
- High degree of comfort and confidence in the results

10

Benefits of the model

- Rigorous, consistent analysis
- Assumptions and their impact are visible
- Reasons for cost-effectiveness can be determined
- A price can be put on subjective factors

11

JLARC's Lease vs. Own Model

House Capital Budget Committee
Subcommittee on Lease Policy

November 8, 1999

12

Appendix E: Impact Fees for Office Buildings
The Olympian, Nov. 21, 1999

The Costs of Growth: What you'll pay to build a new...

Note: From The Olympian, Nov. 21, 1999

HOUSE		OFFICE BUILDING		RETAIL STORE	
Permit costs, review costs and impact fees for a new 2,000 square-foot home in a 25-lot subdivision:		Permit costs, review costs, and impact fees for a 50,000 square-foot office building:		Permit costs, review costs and impact fees for 50,000 square-foot retail building:	
OLYMPIA					
Impact fees		Impact fees		Impact fees	
Transportation	\$1,135	Transportation	\$147,500	Transportation	\$297,000
Parks	1,455	Fire	<u>7,950</u>	Fire	<u>7,950</u>
Schools	1,754		\$155,450		\$304,950
Fire	<u>318</u>				
	\$4,662	All other review and permits	\$87,005	All other review and permits	\$203,572
All other review and permits	\$10,785	Total cost	\$242,455	Total cost	\$508,522
Cost per house	\$15,447	Cost per sq. ft.	\$4.85	Cost per sq. ft.	\$10.17
LACEY					
Impact fees		Impact fees		Impact fees	
Transportation	\$1,077	Transportation	\$34,625	Transportation	\$271,032
Parks	1,665	Fire	<u>0</u>	Fire	<u>0</u>
Schools	985		\$34,625		\$271,032
Fire	<u>0</u>				
	\$3,727	All other review and permits	\$75,125	All other review and permits	\$83,529
All other review and permits	\$8,143	Total cost	\$109,750	Total cost	\$354,561
Cost per house	\$11,870	Cost per sq. ft.	\$2.20	Cost per sq. ft.	\$7.09
TUMWATER					
Impact fees		Impact fees		Impact fees	
Transportation	\$979	Transportation	\$30,024	Transportation	\$26,132
Parks	564	Fire	<u>0</u>	Fire	<u>0</u>
Schools	2,209		\$30,024		\$26,132
Fire	n/a				
	\$3,752	All other review and permits	\$82,620	All other review and permits	\$205,708
All other review and permits	\$9,804	Total cost	\$112,944	Total cost	\$231,840
Cost per house	\$8,556	Cost per sq. ft.	\$2.26	Cost per sq. ft.	\$4.64
THURSTON COUNTY					
Impact fees		Impact fees			
Transportation	\$800	Transportation	\$29,650		
Parks	0	Fire	<u>0</u>		
Schools	500		\$29,650		
Fire	<u>0</u>				
	\$1,300	All other review and permits	\$19,361		
All other review and permits	\$4,845	Total cost	\$49,011		
Cost per house	\$6,145	Cost per sq. ft.	\$.98		