



Washington State Department of
Enterprise Services

Annual Leased Facilities Report

Facility Leases Executed

Delegated Leases

Exemptions to Facility Efficiency Standards

July 1, 2014 through June 30, 2015

Published February 2016

Contacts:

Chris Liu, Director
Department of Enterprise Services
360.407.9201
Chris.Liu@des.wa.gov

Bob Covington, Deputy Director
Department of Enterprise Services
360.407.9203
Bob.Covington@des.wa.gov

Seth Wallace, Assistant Director
Department of Enterprise Services
360.407.8253
Seth.Wallace@des.wa.gov

To accommodate persons with disabilities, this document is available in alternate formats by calling the Department of Enterprise Services at (360) 407-8059. TTY/TDD users should contact Enterprise Services via the Washington Relay Service at 711 or 1-800-833-6388.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

PREFACE

RCW 43.82.010¹ requires the Department of Enterprise Services (DES) to report annually to the appropriate committees of the Legislature and Office of Financial Management (OFM) with information related to the leasing of real estate for state agencies and other state organizations. The applicable sections of the RCW are:

Report 1: Facility Leases Executed

RCW 43.82.010 (15): The department of enterprise services shall report annually to the office of financial management and the appropriate fiscal committees of the legislature on facility leases executed for all state agencies for the preceding year, lease terms, and annual lease costs. The report must include leases executed under RCW 43.82.045 and subsection (12) of this section.

Report 2: Delegated Leases

RCW 43.82.010 (12): The director of enterprise services may delegate any or all of the functions specified in this section to any agency upon such terms and conditions as the director deems advisable. By January 1 of each year, beginning January 1, 2008, the department shall submit an annual report to the office of financial management and the appropriate committees of the legislature on all delegated leases.

Report 3: Exemptions to Facility Efficiency Standards

RCW 43.82.010 (2): Except for real estate occupied by federal agencies, the director shall determine the location, size, and design of any real estate or improvements thereon acquired or held pursuant to subsection (1) of this section. Facilities acquired or held pursuant to this chapter, and any improvements thereon, shall conform to standards adopted by the director and approved by the office of financial management governing facility efficiency unless a specific exemption from such standards is provided by the director of enterprise services. The director of enterprise services shall report to the office of financial management and the appropriate committees of the legislature annually on any exemptions granted pursuant to this subsection.

This document provides an overview of the part of the state of Washington's real estate portfolio that is under DES's authority, highlights initiatives and actions occurring during Fiscal Year 2015, as well as a more detailed analysis of the specific areas required by statute.

¹ RCW 43.82 - State Agency Housing: (<http://apps.leg.wa.gov/RCW/default.aspx?cite=43.82>)

Annual Leased Facilities Report July 1, 2014 through June 30, 2015

Table of Contents

Executive Summary	4
Report 1: Facility Leases Executed	8
Background	8
Scope of Executed Leases	8
Leases Executed in Privately-owned Facilities	8
Figure 1: Lease transactions in privately-owned facilities in FY15.....	8
Figure 2: Lease transactions in privately-owned facilities by fiscal year	9
Figure 3 – Summary of Leased Space by Type and by Square Footage.....	9
Figure 4: Lease transactions by counties in FY15.....	10
Figure 5 – Distribution of Leased Space by Square Footage.....	10
Figure 6: Agencies by the number of transactions in FY15	11
Figure 7: Agencies by proportion of leased square feet in FY15	11
Figure 8: Leases in state-owned facilities in FY 15.....	12
Leases Executed for Facilities in the Planning Stage of Development or Under Construction	12
Figure 9: Leases Approved in Under Development Stage	12
Report 2: Delegated Leases	13
Background.....	13
Scope of delegation authority	13
Uses of delegations of authority	14
Leases Executed Under Delegations of Authority in FY 15	14
Figure 10: Trending in Provision of Delegations of Authority	14
Agencies using delegations of authority.....	15
Figure 11: Number of delegated leases by agency in FY 15	15
Figure 12: Number of Delegated leases by type of use in FY 15.....	15
Duration of leases	16
Figure 13: Comparison of the duration of delegated leases.....	16
Report 3: Exemptions to Facility Efficiency Standards	17
Background	17
Scope	17
Space Allocation Standards.....	17
Appendices	18
Appendix A.....	18
Appendix B	18
Appendix C.....	18

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Executive Summary

Real property is a strategic asset of the state, and effectively managing these valuable state resources is one of the core business functions of the Department of Enterprise Services (DES). DES has both the responsibility and authority to conduct the acquisition of leases for private space by and for state agencies. A central principle in the DES model for real estate is the concept that the state can derive the greatest value for its investment in real estate assets when it employs a comprehensive real estate portfolio management approach. The leasing program is focused on developing a series of coordinated policies and best practices to effectively support, oversee, and execute lease contracts for spaces needed by state agencies.

Requirement and Scope

State law ([RCW 43.82.010](#)) requires DES to submit an annual report to the Legislature and Office of Financial Management (OFM) regarding three aspects of leasing for state agencies and other state entities:

- Facility Leases Executed
- Delegated Leases
- Exemptions to Facility Efficiency Standards

State law grants real estate authority to several state agencies. This report covers only state-owned and leased facilities for which DES has authority and responsibility. This report covers activity in Fiscal Year (FY) 2015 (July 1, 2014 through June 30, 2015).

Summary of Real Estate Actions in FY 2015

During FY2015, DES completed the following real estate activities:

- Executed 148 leases in privately-owned facilities worth more than \$29.9 million annually involving about 1.8 million square feet.
 - ✓ DES lease negotiations during this period resulted in \$792,600 in cost avoidance² for the first year of the lease term. Over the first five years of the lease term, cost avoidance will total nearly \$4 million.
- Executed 8 leases or “occupancy agreements” in state-owned facilities worth nearly \$190,917 annually involving over 13,000 square feet.
 - ✓ Continuing transition from “leases” to “occupancy agreements.”

² Cost avoidance is a comparison of negotiated rent rates to market rates for office or warehouse leases that are 5,000 SF or greater for lease terms greater than two years. Market rates are obtained from CoStar Group market data used by most industry professionals, broker reports in major metro areas, the CBA (Commercial Broker Association), and other market information sources.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

- Reviewed and approved 77 leases executed by various state agencies and organizations through delegations of authority worth approximately \$1.1 million annually involving approximately 118,000 square feet.
- Acquired a new real estate management system to replace the existing 25-year-old database that is no longer supported. This system will automate manual processes, improve access to data, and support data-driven decision making.
- DES put in place a real estate broker convenience contract with 15 real estate firms in Benton, Clark, King, Pierce, Thurston, and Spokane counties. The contract allows DES Real Estate Services to contract for transactional activities, market analysis and targeted real estate consultancy.
- DES initiated the review and update of space standards in March 2015, collaborating with representative agency leaders and facility professionals to develop meaningful space standards.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Context

State Real Estate Portfolio

According to the OFM [Facilities Inventory System Report 2015](#) as self-reported by state organizations, the state owns or manages approximately 115 million square feet for all space types and includes:

- Approximately 101 million square feet of state-owned space (88 percent of the total)
- Approximately 14 million square feet of leased space (12 percent).

The state currently has a hybrid decentralized model for authority over real estate. The *Facilities Inventory System Report* identifies three authorities: (1) Department of Enterprise Services, (2) other state agencies owning or leasing through statutory authorization or exemption ([RCW 43.82.010](#) (13) and others), and (3) higher education institutions ([RCW 28B.10.020](#)).

The portfolio overseen by DES (owned and leased³) is a small subset of the state's total, encompassing a diverse portfolio of over 700 leases in privately-owned and 300 in state-owned properties. This includes leases of all types, from offices to warehouse and storage units to parking lots, boat moorage and air monitoring sites. Real Estate Services leased portfolio totals more than 10 million square feet and annual rents totaling over \$160.8 million.⁴

DES does not execute leases for all state agencies and state entities. Some state organizations have independent statutory authority to acquire and dispose of real estate as referenced in [RCW 43.82.010](#) (13):

- State colleges and universities for research and experimental purposes;
- Departments of Natural Resources, Fish and Wildlife, Transportation, and State Parks and Recreation Commission *for purposes other* than the leasing of offices, warehouses, and real estate for similar purposes.

And/or in separate authorizing statutes:

- Health Benefit Exchange (RCW 43.71.020)
- Commodities Commissions (RCW 15.04.200)

DES has statutory responsibility for the management, operation, and maintenance of the Capitol Campus and oversight of the state's process for leasing space. DES leases space in state-owned buildings to state agencies and on their behalf in private sector buildings, as well as spaces of other governmental (federal and local) entities. In this role, DES has primary fiduciary responsibility to provide facilities that meet the business and operational needs of the state agencies at optimal pricing, based on availability within the market.

The scope of this report addresses only the leases in DES owned or managed facilities and leases in private sector facilities over which DES has authority.

³ This includes leases derived as a result of a delegation of authority from DES to an agency.

⁴ DES leases are not just confined to "facilities" as defined in the Facilities Inventory System (FIS). That is why there is a difference between number of square feet and leases referenced in OFM's *FIS Report* and in DES's *LIS*.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Major Initiatives/Strategies in FY15

1. Real Estate Management System

DES procured a new real estate management system and implemented it in early January 2016. The new real estate management system (Tririga/IBM) replaced an outdated 25-year-old Access database that is no longer supported. The real estate management system will automate cumbersome manual processes, support data-driven decision making, and allow staff to be more effective and efficient in delivery of professional real estate services.

2. Regional Brokerage Services Convenience Contract

DES put in place a real estate broker convenience contract with 15 real estate firms in Benton, Clark, King, Pierce, Thurston, and Spokane counties. The contract allows Real Estate Services to contract for transactional activities, market analysis and targeted real estate consultancy.

3. Establish Meaningful Space Standards and Exemption Management Practices

As we reported in last year's report to the Legislature, it became apparent that the historical approach to the management of space and exceptions to space standards requires more rigor, transparency, and accountability to ensure the state is making the most effective use of limited resources. In March 2015, DES initiated a collaborative effort with the leadership and facility professionals of representative customer agencies to evaluate and update the space allocation standards that were last updated in 2009. DES believes that the proposed standards will provide a significant opportunity for future cost avoidance and support effective management of the state's real estate portfolio.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Report 1: Facility Leases Executed

Background

The director of the Department of Enterprise Services (DES) has the authority to purchase, lease, lease purchase, rent, or otherwise acquire all improved and unimproved real estate on behalf of a state organization and after consultation with OFM ([RCW.43.82.010\(1\)](#)). The director of DES has the authority to determine the location, size and design of real estate or improvements to real estate for state agencies ([RCW 43.82.010 \(2\)](#)). Within this authority, DES' Real Estate Services is responsible for real estate transactions on behalf of state organizations.

State law ([RCW 43.82.045](#)) prohibits state agencies from entering into lease agreements for privately-owned buildings that are in the planning stage or under construction without prior approval from the director of OFM. DES is required to submit an annual report of facility leases executed under RCW 43.82.010 and RCW 43.82.045, including lease terms and annual lease costs ([RCW 43.82.010 \(15\)](#)).

Scope of Executed Leases

An "executed facility lease" is a contract that grants use or occupancy of property or space during a specified period of time in exchange for a specified rent.

The primary type of facility lease space in this report is office space. Leases for other types of space, such as office space combined with classroom space or office space combined with warehouse space, are included if the office space is the primary use or largest component.

Each lease transaction can have varying levels of complexity. Some transactions may include multiple state agency leases within the same building, each with unique timing, unique budgetary constraints, and restacking of space, requiring careful coordination among agencies to ensure ongoing business activities are not interrupted. Some may also require short-term extensions of existing leases, as well as subleases with non-agency partner organizations.

Leases Executed in Privately-owned Facilities

In FY15, DES executed 148 leases involving about 1.8 million square feet in privately-owned facilities worth more than \$29.9 million annually. The following table shows the type and number of lease transactions, square feet, and annual lease costs.

Figure 1: Lease transactions in privately-owned facilities in FY15

<i>Type of Lease Transactions</i>	<i>Number of Leases</i>	<i>Square Feet</i>	<i>Annualized Lease Cost</i>
Amendments to Existing	4	89,759	\$1,258,984
Extensions to Existing Leases	22	242,568	\$5,094,522
New Leases	31	321,073	\$3,971,986
Renewals of Leases	92	1,167,412	\$19,595,058
Total	148	1,820,812	\$29,920,551

Source: DES Lease Information System, July 2015

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

The following table shows FY15 data for leases in privately-owned facilities compared to previous fiscal years.

Figure 2: Lease transactions in privately-owned facilities by fiscal year

<i>Fiscal Year</i>	<i>Number of Leases</i>	<i>Square Feet</i>	<i>Annualized Lease Cost</i>
2011	126	1,588,139	\$33,194,236
2012	147	1,468,198	\$25,094,453
2013	138	1,404,153	\$25,562,667
2014	126	1,206,830	\$22,188,720
2015	148	1,820,812	\$29,920,551

Source: DES Lease Information System, July 2015 and previous reports

Annualized lease costs incorporate full service equivalents (rent + estimated operating costs) for office space leased, using the same source that OFM uses to compile its estimated budgets for agency space requests.

The state leases a range of space types, including office, conditioned and unconditioned storage, laboratory, classrooms, residential and hangar space. Office space makes up 85 percent of the state's leased space, and this report indicates that "office" was the predominant type of lease executed in FY 15. The following table provides summary information on the distribution of leased space by type and square footage.

Figure 3 – Summary of Leased Space by Type and by Square Footage

<i>Type of Space</i>	<i>Number of Leases</i>	<i>Total SF per Type</i>	<i>Percentage of Type compared to Total Number of Leases</i>
Classroom	4	130,072	3%
Land	2	10,588	1%
Miscellaneous	4	34,279	3%
Office	125	1,463,932	85%
Parking	2	0	1%
Residential	1	17,786	0.5%
Storage	2	6,757	1%
Warehouse	8	157,398	5.5%

Source: DES Lease Information System, July 2015

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

The following table compares Thurston with other Washington counties.

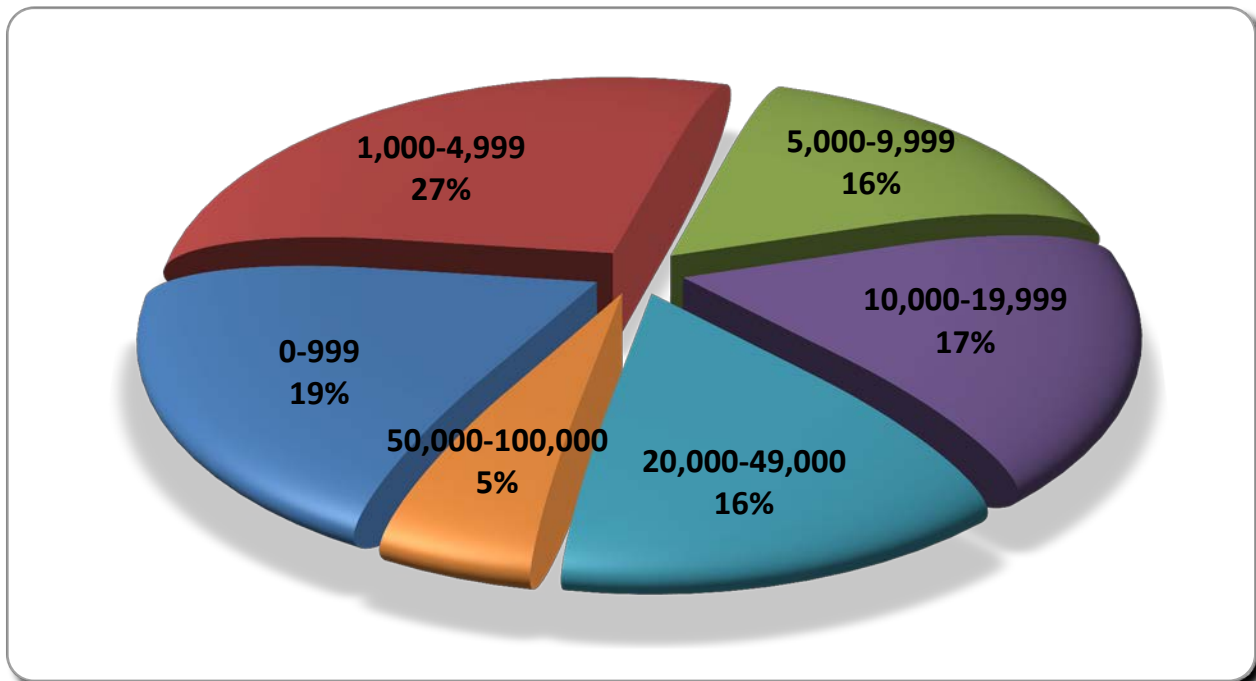
Figure 4: Lease transactions by counties in FY15

County	# of Transactions in FY 15	Percentage of Total Transactions Executed in FY	Square Feet of Transactions in FY 15	Percentage of Total Square Feet in Transactions
Thurston	31	20%	472,323	26%
King	27	18%	281,637	15%
Spokane	14	9%	271,255	15%
Snohomish	12	8%	113,056	6%
Yakima	9	6%	113,862	6%
Others	57	38%	568,482	31%

Source: DES Lease Information System, July 2015

Thurston County serves as the core for Washington state government. According to the most recent Thurston Regional Planning Council data, the state is the largest landowner and employer in Thurston County, controlling more than 7.5 million square feet of space and employing about 19,500 full- and part-time people.

Figure 5 – Distribution of Leased Space by Square Footage



Source: DES Lease Information System, July 2015

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

The following table identifies five state agencies with the largest number of leases (new and renewals) executed by DES in FY15. The Department of Social and Health Services continues to be the largest customer in terms of the number of transactions.

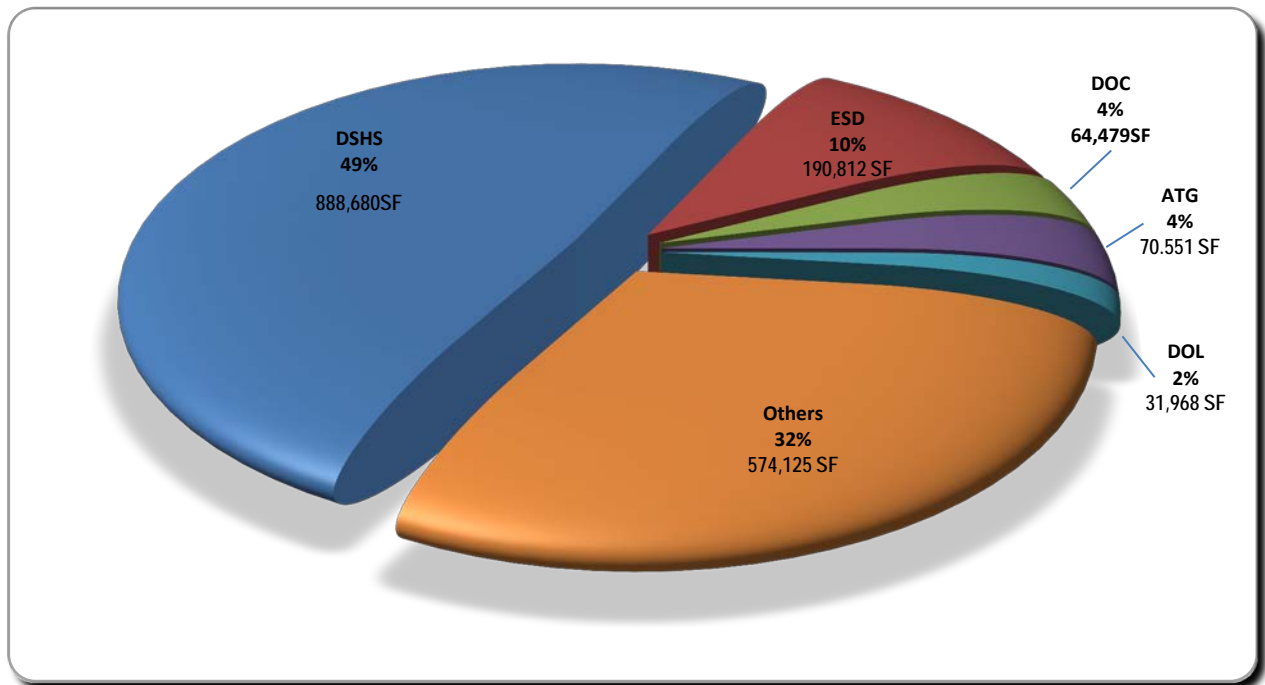
Figure 6: Agencies by the number of transactions in FY15

Agency	Amendments	Extensions	Transactions for New Space	Renewals	Total Transactions	Percentage of Total Transaction
Department of Social & Health Services	1	5	12	33	51	34%
Employment Security	1	8	2	5	16	11%
Department of Licensing		3	0	5	8	6%
Department of Corrections	1	1	1	3	6	4%
Attorney General		0	2	4	6	4%
Others	1	5	13	42	61	41%
Totals	4	22	30	92	148	100%

Source: DES Lease Information System, July 2015

The following chart identifies the top five state agencies by proportion of leased square feet related to their FY 15 executed leases. The Department of Social and Health Services is also the largest customer based on total square feet.

Figure 7: Agencies by proportion of leased square feet in FY15



Source: DES Lease Information System, July 2015

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Leases Executed in State-owned Facilities

DES manages or owns 92 of the approximately 9,230 state-owned buildings, 38 of which are on the Capitol Campus. The 92 buildings include facilities on the Capitol Campus, state facilities in Tumwater, Tacoma, Sedro Woolley, and Yakima. These facilities also include parking structures, monuments, parks and the historic Capitol building.⁵

In FY 15, DES executed eight occupancy agreements and leases for state agencies and other organizations in state-owned facilities. These leases covered 13,118 square feet with total annual lease costs of \$190,917. The following table shows the types and number of lease transactions as well as a summary of annual lease costs.

Figure 8: Leases in state-owned facilities in FY 15

Type of Lease Transaction	Number of Lease Transactions	Square Feet	Annual Lease Costs
New	4	11,525	\$163,098
Renewal	4	1,593	\$27,818
TOTAL	8	13,118	\$190,917

Source: DES Lease Inventory System, July 2015

Leases in state-owned space are negotiated and executed on a biennial basis. In 2012, DES started using “occupancy agreements” for Capitol Campus space rather than lease agreements, to enhance administrative efficiency. These occupancy agreements identify the space used, outline expectations around the tenant’s use of the space, and identify services that DES provides for the tenant in this space. The occupancy agreements are meant to be in place by the beginning of the biennium – in this case, July 1, 2015. The occupancy agreements identified in FY 15 are a small subset of DES’ occupancy agreements for the owned portion of the portfolio.

Leases Executed for Facilities in the Planning Stage of Development or Under Construction

State law ([RCW 43.82.045](#)) prohibits state organizations from entering into lease agreements without prior written approval from OFM for privately-owned facilities that are in planning stages of development or under construction.

In FY 15, there were two requests for approval of leases for facilities in the planning stage of development or under construction. The approvals involved:

Figure 9: Leases Approved in Under Development Stage

Agency	Location	Square Feet	Estimated Annualized Full Cost	Estimated Cost/Square Foot
Dept. of Social & Health Services	Moses Lake	32,800	\$607,046	\$20.19
Dept. of Ecology,	Union Gap	41,200	\$871,000	\$20.87

⁵ Schedule 27: Operating and Capital Assets by Function and Facility Inventory System, 2014

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Report 2: Delegated Leases

Background

Under state law ([RCW 43.82.010](#)), DES has authority to house state government. While there are some exceptions ([RCW 43.82.010\(13\)](#)), this statute requires state agencies, boards, commissions, and educational institutions to use DES for real estate needs. The department may also delegate functions to any agency under terms and conditions deemed advisable. DES is required to submit an annual report to the Legislature regarding all delegated leases ([RCW 43.82.010 \(12\)](#)).

Scope of delegation authority

State law allows DES to determine the terms and conditions of delegation of authority. Past practices limited delegation to negotiating and executing leases under defined circumstances, such as for emergency and temporary needs or for storage. Over time, this practice expanded to permit state agencies, boards, commissions, and community and technical colleges to request a delegation of authority to:

- Negotiate and execute agreements to lease and/or rent offices, classrooms, and other facilities.
- Manage minor alterations to existing space.

The department has established specific parameters relating to the granting of delegations of authority that help ensure state entities only enter into low-risk leases (short duration and low dollar amount thresholds) that are specialized in nature.

DES determines what assistance and/or training, if any, will be essential for the requesting agency to successfully manage the proposed delegated real estate transactions. The agency is required to meet specific criteria related to its capabilities and resources before being granted a delegation.

DES then issues a written approval with the terms, conditions, and responsibilities of the delegation (including reporting responsibilities) to the requesting agency for the delegation. A delegation is time-limited. If the agency seeks to renew its delegated lease as it approaches expiration, it must reapply for a delegation of authority for such a renewal. It is not automatic. The delegation will be reviewed for compliance and to determine if the delegation continues to meet real estate leasing needs of the agency and the state.

All delegations are required to use the pre-approved *Delegated State Rental Agreement* for terms not exceeding one year or the pre-approved *Delegated Lease Agreement*. Any exceptions to this requirement must be approved in advance by the assistant director for Real Estate Services or delegate and be approved as to form by the appropriate assistant attorney general.

If an agency fails to comply with the procedures, terms, and conditions described above, DES may revoke the delegation of authority. DES retains the right to assess, at any time, the integrity of each individual lease action and the capability of the agency involved to perform all aspects of its delegation activities.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Uses of delegations of authority

Delegations include air monitoring sites, boat ramps, cellular sites, offices, parking lots, storage areas, and vacant land. In FY 15, the two largest users of delegated authority for leasing were the Department of Ecology and community and technical colleges. Out of 23 delegated leases for Ecology, 21 were air-monitoring sites. The 14 delegated leases for the nine community colleges included classrooms, office, and storage space. The miscellaneous category includes leases for a variety of state organizations, including the Department of Commerce, Washington State Patrol, and Gambling Commission.

Leases Executed Under Delegations of Authority in FY 15

In FY 15, DES granted 4 delegations for extensions to existing leases, 13 delegations for new leases and 60 delegations for renewals of leases. These 75 leases represented annual costs of over \$1 million. While this activity represents a continued decline in the number of delegations issued since a high of 189 in FY 07, the slight “uptick” in FY15 indicates the continued increase in the number of delegations being requested by the state’s community and technical colleges. This increase in activity reflects the continuing expansion of the community colleges to accommodate growth of the student population, increases in early education programs, and training for aviation mechanics and firefighters.

Figure 10: Trending in Provision of Delegations of Authority

Year	# of Delegated Leases	Total Square Feet	Annualized Rent
2007*	189	391,092	7,530,035
2008*	159	92,475	815,783
2009	123	67,185	73,362
2010	89	95,616	111,845
2011	58	100,610	1,021,844
2012	64	95,233	1,855,548
2013	54	66,469	1,048,295
2014	61	45,567	935,626
2015	77	118,015	1,141,879

Source: DES *Lease Information System July 2015* and prior Legislative Reports

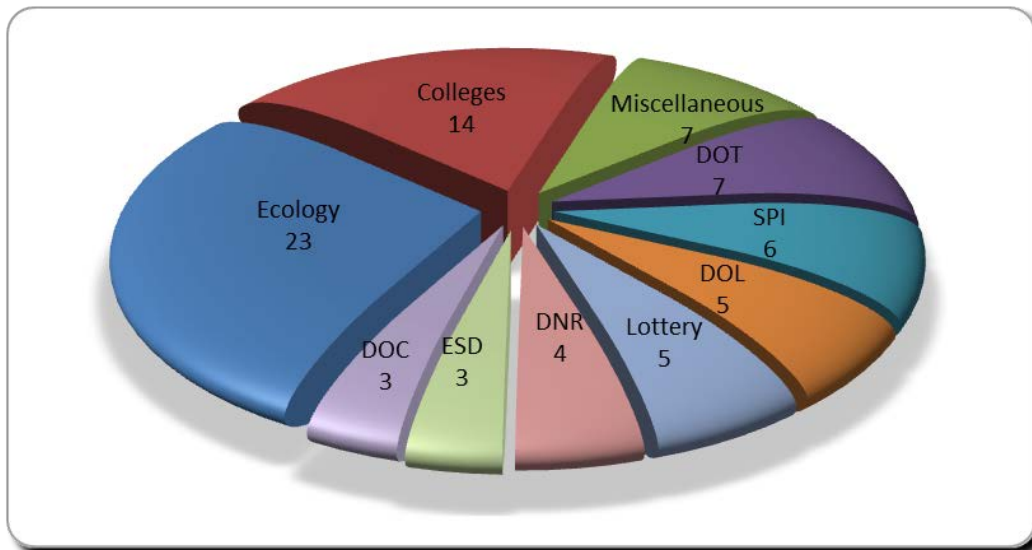
* Data from 2007 and 2008 contains gaps related to square feet and rent costs because agencies failed to report such data as required in some cases. Data accuracy significantly increased in the following years due to increased monitoring and follow up.

Annual Leased Facilities Report July 1, 2014 through June 30, 2015

Agencies using delegations of authority

The following chart shows the state agencies that executed the greatest number of leases using delegated authority in FY 15.

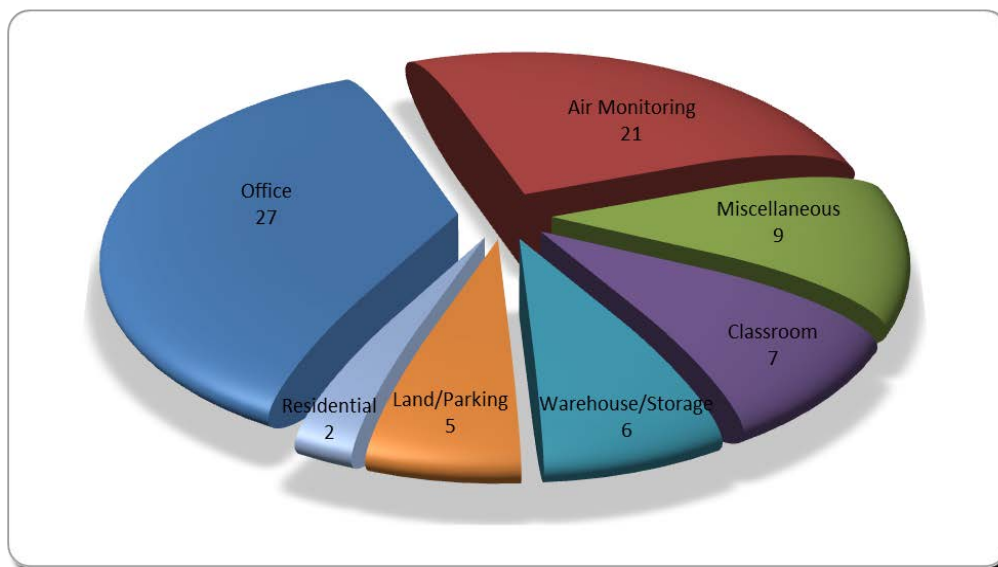
Figure 11: Number of delegated leases by agency in FY 15



Source: DES Lease Information System, July 2015

The following chart shows the type of use and number of uses executed under delegated authority in FY 15. Approximately 35 percent was office space, 27 percent was air monitoring sites and 9 percent classroom space.

Figure 12: Number of Delegated leases by type of use in FY 15



Source: DES Lease Information System, July 2015

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Duration of leases

The following table shows the duration of leases executed under delegated authority in the last seven fiscal years.

Figure 13: Comparison of the duration of delegated leases

<i>Duration of Delegated Lease</i>	<i>Fiscal Year 2009</i>	<i>Fiscal Year 2010</i>	<i>Fiscal Year 2011</i>	<i>Fiscal Year 2012</i>	<i>Fiscal Year 2013</i>	<i>Fiscal Year 2014</i>	<i>Fiscal Year 2015</i>
Short-term (less than two years)	79.5%	83%	90%	92%	89%	75%	76%
Medium-term (two to five years)	20.5%	17%	10%	8%	11%	25%	21.3%
Long-term (more than five)	0%	0%	0%	0%	0%	0%	1.3%

Source: DES Lease Information System, July 2015, and prior reports

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Report 3: Exemptions to Facility Efficiency Standards

Background

Under state law (RCW 43.82.010), DES has authority to determine the location, size, and design of real estate or improvements to real estate for state agencies. Under state law, the department is required to:

- Adopt, with OFM approval, facility efficiency standards ([RCW 43.82.010 \(2\)](#)).
- Grant specific exemptions to the standards ([RCW 43.82.010 \(2\)](#)).
- Conduct space utilization studies to maximize utilization of space and to establish standards for use of space by state agencies ([RCW 43.82.010 \(9\)](#)).
- Provide an annual report of exemptions to facility efficiency standards ([RCW 43.82.010 \(2\)](#)).

Scope

Facility efficiency standards are workspace standards intended to promote space efficiency, consistency, and cost savings. State law ([RCW 43.82.010](#)) identifies design, location, size, and space as important facility efficiency factors. This report focuses on space allocation standards.

Space Allocation Standards

The Space Allocation Standards policy was last revised and updated in 2009 and establishes a standard of 215 rentable square feet per person for the allocation of office space. This standard includes an exemption process.

FY15 Exemptions to Facility Efficiency Standards

In accordance with RCW 43.82.035, OFM has established a modified predesign process for any agency requests to acquire, expand, or relocate a state facility. OFM reviews and approves the total costs and total square feet of each project, taking into account the agency's business, operations and facilities needs, including the number of people projected to occupy the space. Based on OFM's approval, the project is transmitted to DES to implement. Consistent with historical practice, DES relied on the results of the modified predesign process and OFM's approval. As such, there were no exceptions to standards to report.

Changes to Space Standards and Space Management Practices

As we reported last year, it is apparent that the historical approach to the management of exceptions to space standards requires more rigor, transparency, and accountability to ensure the state is making the most effective use of limited resources. In March 2015, DES initiated a collaborative effort with the leadership and facility professionals of representative customer agencies to evaluate and update the space allocation standards and procedures. This important space management initiative will establish transparency and accountability for space management decisions and provide significant opportunities for cost savings.

Annual Leased Facilities Report

July 1, 2014 through June 30, 2015

Appendices

Appendix A

The spreadsheet titled “*Lease Transactions Related to Privately Owned Facilities in Fiscal Year 2015*” shows more detail about the facility leases the department executed. It includes information about:

- Agency leasing the space
- Location
- Duration of lease
- Square footage
- Type of lease
- Use of space
- Annual lease costs

It does not include pending leases, leases for state-owned facilities, or leases executed as a result of the delegated authority to another state agency.

Appendix B

The spreadsheet entitled “*Lease Transactions Related to State-Owned Facilities in Fiscal Year 2015*” shows additional detail about the leases DES executed for state and private organizations in state-owned facilities. The spreadsheet includes information about:

- Organizations leasing state-owned space
- Duration of lease,
- Square footage
- Type of lease,
- Use of space
- Annual lease costs

Appendix C

The spreadsheet entitled “*Lease Transactions Related to Delegations of Authority in Fiscal Year 2015*” shows additional detail about leases executed as a result of delegated authority. The spreadsheet includes information about:

- Agency leasing the space
- Location
- Duration of lease
- Square footage
- Type of lease
- Use of space
- Annual lease costs (Some delegated leases, such as for air monitoring, do not pay rent).

APPENDIX A: LEASE TRANSACTIONS RELATED TO PRIVATELY OWNED FACILITIES IN FISCAL YEAR 2015

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
1	Corrections, Dept. of	Tumwater	12/16/2014	09/30/2015	Warehouse	34236	\$14,379.12	\$172,549.44	\$5.04	\$5.86	Amendment
2	Employment Security, Dept. of	Spokane	07/01/2014	06/30/2019	Office	27300	\$40,927.25	\$491,127.00	\$17.99	\$19.18	Amendment
3	Human Rights Commission	Olympia	07/01/2014	06/30/2015	Office	6719	\$9,378.60	\$107,705.52	\$16.03	\$16.03	Amendment
4	Social & Health Services, Dept. of	Lakewood	06/01/2015	05/31/2025	Office	21504	\$40,230.40	\$466,670.00	\$21.70	\$24.27	Amendment
						89759	\$104,915.37				
5	Corrections, Dept. of	Lacey	02/01/2015	01/31/2017	Office	13801	\$26,500.00	\$318,000.00	\$23.04	\$25.63	Extension
6	Employment Security, Dept. of	Vancouver	10/01/2014	09/30/2015	Office	19830	\$39,157.89	\$469,894.68	\$23.70	\$25.81	Extension
7	Employment Security, Dept. of	Colville	06/01/2015	07/31/2015	Office	5000	\$4,228.00	\$50,736.00	\$10.15	\$12.54	Extension
8	Employment Security, Dept. of	Lakewood	01/01/2015	12/31/2015	Office, classroom	13036	\$24,931.35	\$299,176.20	\$22.95	\$25.52	Extension
9	Employment Security, Dept. of	Bellingham	04/01/2015	06/30/2015	Office	7930	\$15,879.83	\$190,557.96	\$24.03	\$24.03	Extension
10	Employment Security, Dept. of	Long Beach	12/01/2014	11/30/2015	Office	485	\$849.39	\$10,192.68	\$21.02	\$21.02	Extension
11	Employment Security, Dept. of	Lynnwood	02/01/2015	02/15/2015	Office	10917	\$10,991.84	\$131,902.08	\$12.08	\$14.52	Extension
12	Employment Security, Dept. of, subleasing to Private Entity	Seattle	10/01/2014	09/30/2016	Office	3992	\$8,800.00	\$105,600.00	\$26.45	\$26.45	Extension
13	Employment Security, Dept. of, subleasing to Private Entity	Seattle	07/01/2014	09/30/2014	Office	3743	\$8,250.00	\$99,000.00	\$26.45	\$27.44	Extension
14	Fish & Wildlife, Dept. of	Vancouver	12/01/2014	06/30/2015	Office	25782	\$38,673.00	\$464,076.00	\$18.00	\$20.59	Extension
15	Licensing, Dept. of	Spokane	06/01/2015	05/31/2016	Office	4292	\$5,820.00	\$69,840.00	\$16.27	\$18.34	Extension
16	Licensing, Dept. of	Tacoma	05/31/2015	06/30/2015	Office	5800	\$8,216.67	\$98,600.04	\$17.00	\$19.03	Extension
17	Licensing, Dept. of	Spokane	06/01/2015	05/31/2016	Office	5669	\$7,680.00	\$92,160.00	\$16.26	\$18.33	Extension
18	Liquor Control Board	Tumwater	10/01/2014	09/30/2019	Warehouse	2304	\$1,267.20	\$15,206.40	\$6.60	\$7.37	Extension
19	Social & Health Services, Dept. of	Vancouver	11/01/2014	11/30/2014	Office	6486	\$11,080.25	\$132,963.00	\$20.50	\$22.61	Extension
20	Social & Health Services, Dept. of	Vancouver	11/01/2014	11/30/2014	Office	34688	\$74,073.34	\$888,880.08	\$25.63	\$26.59	Extension
21	Social & Health Services, Dept. of	Vancouver	11/01/2014	11/30/2014	Office	33983	\$72,567.86	\$870,814.32	\$25.62	\$27.73	Extension
22	Social & Health Services, Dept. of	Bellingham	01/01/2015	06/30/2015	Office	1648	\$3,300.12	\$39,601.44	\$24.03	\$24.03	Extension
23	Social & Health Services, Dept. of	Wapato	09/01/2014	10/31/2014	Office	22779	\$34,405.79	\$412,869.48	\$18.13	\$18.13	Extension
24	Veterans Affairs, Dept. of	Seattle	04/01/2015	09/30/2015	Office	2339	\$3,402.00	\$40,824.00	\$17.45	\$18.75	Extension
25	Washington State Patrol	Tumwater	01/01/2015	12/31/2019	Office	2694	\$3,143.00	\$37,716.00	\$14.00	\$16.46	Extension

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
26	Washington State Patrol	Tumwater	01/01/2015	12/31/2019	Office	15370	\$21,326.00	\$255,912.00	\$16.65	\$16.65	Extension
						242,568	\$424,543.53				
27	Agriculture, Dept. of	Yakima	08/01/2014	07/31/2024	Storage	2893	\$0.00	\$0.00	N/A	N/A	New
28	Agriculture, Dept. of	Yakima	08/01/2014	07/31/2024	Office	51548	\$54,900.17	\$658,802.04	\$12.78	\$14.85	New
29	Attorney General, Office of	Tumwater	07/01/2014	06/30/2019	Office, warehouse	12494	\$15,430.09	\$185,161.08	\$14.82	\$16.10	New
30	Attorney General, Office of	Wenatchee	11/01/2014	10/31/2019	Office	3695	\$6,004.38	\$72,052.56	\$19.50	\$19.50	New
31	Bellingham Technical College	Bellingham	07/01/2014	06/30/2034	Classroom, laboratory	82361	\$500.00	\$6,000.00	N/A	N/A	New
32	Corrections, Dept. of	Aberdeen	05/01/2015	04/30/2025	Office	6360	\$8,453.50	\$101,442.00	\$15.95	\$18.06	New
33	Early Learning, Dept. of	Renton	08/01/2014	07/31/2019	Office	5173	\$9,052.75	\$108,633.00	\$21.00	\$21.00	New
34	Employment Security, Dept. of	Aberdeen	04/01/2015	03/31/2020	Office	5662	\$9,436.67	\$113,240.04	\$20.00	\$20.00	New
35	Employment Security, Dept. of	Kennewick	07/01/2014	06/30/2015	Office	9193	\$10,832.42	\$129,989.04	\$14.14	\$14.14	New
36	Everett Community College	Monroe	03/01/2015	02/28/2019	Classroom, office	1592	\$2,918.67	N/A	N/A	N/A	New
37	Everett Community College	Everett	01/01/2015	12/31/2029	Land	0	\$0.00	\$0.00	\$0.00	\$0.00	New
38	Everett Community College	Everett	09/01/2014	08/31/2019	Classroom, laboratory	7339	\$14,083.33	N/A	N/A	N/A	New
39	Freight Mobility Strategic Investment, Board of	Olympia	05/01/2015	08/31/2017	Office	900	\$1,349.25	\$16,191.00	\$17.99	\$19.43	New
40	Health Care Authority	Olympia	12/01/2014	11/30/2019	Office	13652	\$21,331.25	\$255,975.00	\$18.75	\$21.34	New
41	Industrial Insurance Appeals, Board of	Richland	03/01/2015	02/29/2020	Office	2833	\$4,249.50	\$50,994.00	\$18.00	\$20.00	New
42	Investment Board, State	Seattle	08/01/2014	07/31/2019	Office	3440	\$8,886.67	\$106,640.04	\$31.00	\$31.00	New
43	Natural Resources, Dept. of	Wenatchee	07/24/2014	06/30/2019	Office	1050	\$1,077.25	\$12,927.00	\$12.31	\$13.37	New
44	Social & Health Services, Dept. of, subleasing to Private Entity	Bellingham	07/01/2014	06/30/2018	Office	197	\$331.45	\$3,977.40	\$20.19	\$20.19	New
45	Social & Health Services, Dept. of, subleasing to Private Entity	Seattle	07/01/2014	06/30/2019	Office	197	\$600.00	\$7,200.00	\$36.55	\$36.55	New
46	Social & Health Services, Dept. of, subleasing to Private Entity	Seattle	06/01/2015	02/28/2018	Office	352	\$737.73	\$8,852.76	\$25.15	\$25.15	New

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
47	Social & Health Services, Dept. of, subleasing to Private Entity	Federal Way	01/01/2015	01/31/2016	Office	198	\$373.56	\$4,482.72	\$22.64	\$22.64	New
48	Social & Health Services, Dept. of, subleasing to Private Entity	Auburn	09/01/2014	08/31/2015	Office	99	\$405.32	\$4,863.84	\$49.13	\$49.13	New
49	Social & Health Services, Dept. of, subleasing to Private Entity	Bellevue	04/01/2015	02/29/2016	Office	99	\$497.14	\$5,965.68	\$60.26	\$60.26	New
50	Social & Health Services, Dept. of	Lacey	10/01/2014	06/30/2016	Office	4200	\$6,716.50	\$80,598.00	\$19.19	\$19.19	New
51	Social & Health Services, Dept. of	Kennewick	04/01/2015	03/31/2020	Office	5267	\$7,681.04	\$92,172.48	\$17.50	\$19.50	New
52	Social & Health Services, Dept. of	Everett	08/15/2014	08/15/2015	Office	500	\$0.00	\$0.00	\$0.00	\$0.00	New
53	Social & Health Services, Dept. of	Olympia	05/01/2015	04/30/2020	Office	12232	\$15,290.00	\$183,480.00	\$15.00	\$15.00	New
54	Social & Health Services, Dept. of	Toppenish	09/01/2014	08/31/2024	Office	9932	\$14,484.16	\$173,809.92	\$17.50	\$19.89	New
55	Social & Health Services, Dept. of	Vancouver	11/01/2014	10/31/2024	Office	73654	\$109,069.30	\$1,308,831.00	\$17.77	\$20.36	New
56	Washington State Patrol	Monroe	01/01/2015	12/31/2019	Office	3961	\$6,306.77	\$75,681.24	\$19.11	\$21.14	New
						321073	\$330,998.87				
57	Administrative Office of the Courts	SeaTac	02/01/2015	03/31/2020	Office	3936	\$9,512.00	\$114,144.00	\$29.00	\$29.00	Renewal
58	Agriculture, Dept. of	East Wenatchee	03/01/2015	02/29/2020	Office	4594	\$7,809.80	\$93,717.60	\$20.40	\$22.79	Renewal
59	Agriculture, Dept. of	Spokane	07/01/2014	06/30/2019	Office	998	\$1,257.50	\$15,090.00	\$15.12	\$15.12	Renewal
60	Agriculture, Dept. of	Chehalis	01/01/2015	12/31/2015	Office	100	\$82.08	\$984.96	\$9.85	\$9.85	Renewal
61	Arts Commission	Olympia	08/01/2014	07/31/2019	Office	5971	\$7,325.58	\$96,067.01	\$16.09	\$16.09	Renewal
62	Attorney General, Office of	Spokane	11/01/2014	10/31/2019	Office	29009	\$42,176.88	\$506,122.56	\$17.45	\$17.45	Renewal
63	Attorney General, Office of	Port Orchard	04/01/2015	03/31/2017	Office	100	\$200.00	\$2,400.00	\$24.00	\$24.00	Renewal
64	Attorney General, Office of	Bellingham	04/01/2015	03/31/2020	Office	8111	\$11,611.00	\$142,998.30	\$17.63	\$17.63	Renewal
65	Attorney General, Office of	Tumwater	01/01/2015	06/30/2019	Warehouse, office	17142	\$15,301.05	\$183,612.60	\$10.57	\$11.38	Renewal
66	Auditor, Office of	Vancouver	12/01/2014	11/30/2019	Office	2868	\$4,428.67	\$53,144.04	\$18.53	\$20.64	Renewal
67	Consolidated Technology Services	Yakima	07/01/2014	06/30/2019	Miscellaneous	2338	\$1,433.97	N/A	N/A	N/A	Renewal
68	Consolidated Technology Services	Seattle	12/01/2014	11/30/2019	Office	6583	\$14,014.58	\$168,174.96	\$25.55	\$26.56	Renewal
69	Consolidated Technology Services	Olympia	01/01/2015	12/31/2015	Miscellaneous	1000	\$1.00	N/A	N/A	N/A	Renewal
70	Corrections, Dept. of	Okanogan	05/01/2015	04/30/2020	Office	1554	\$1,603.57	\$19,242.84	\$12.38	\$13.39	Renewal
71	Corrections, Dept. of	Pasco	11/01/2014	10/31/2019	Office	3480	\$3,500.00	\$42,000.00	\$12.07	\$13.06	Renewal
72	Corrections, Dept. of	Walla Walla	10/01/2014	09/30/2019	Office	5048	\$6,925.86	\$83,110.32	\$16.46	\$19.05	Renewal

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
73	Ecology, Dept. of	Lacey	06/01/2015	05/31/2020	Storage	3864	\$1,850.00	N/A	N/A	N/A	Renewal
74	Edmonds Community College	Lynnwood	09/01/2014	08/31/2019	Office	1309	\$3,177.31	\$38,127.72	\$29.13	\$29.13	Renewal
75	Edmonds Community College	Everett	08/01/2014	07/31/2019	Miscellaneous	3121	\$2,410.97	N/A	N/A	N/A	Renewal
76	Employment Security, Dept. of	Auburn	06/01/2015	05/31/2020	Office	13303	\$18,225.11	\$218,701.32	\$16.44	\$19.97	Renewal
77	Employment Security, Dept. of	Spokane	12/01/2014	11/30/2019	Office	20063	\$34,668.68	\$436,738.97	\$21.77	\$22.78	Renewal
78	Employment Security, Dept. of	Spokane	07/01/2014	06/30/2019	Office	40300	\$60,416.42	\$724,997.04	\$17.99	\$19.18	Renewal
79	Employment Security, Dept. of	Bremerton	01/01/2015	12/31/2019	Office	9280	\$15,466.67	\$185,600.04	\$20.00	\$20.00	Renewal
80	Employment Security, Dept. of	Port Haddock	01/01/2015	09/30/2015	Office	778	\$1,034.36	\$12,412.32	\$15.95	\$17.10	Renewal
81	Enterprise Services, Dept. of	Olympia	10/01/2014	09/30/2019	Parking	0	\$400.00	N/A	N/A	N/A	Renewal
82	Fish & Wildlife, Dept. of	La Connor	07/01/2014	06/30/2019	Warehouse, office	16176	\$9,153.28	\$109,839.36	\$6.79	\$7.55	Renewal
83	Health, Dept. of	Tumwater	07/01/2014	06/30/2019	Warehouse	12000	\$5,400.00	\$64,800.00	\$5.40	\$6.20	Renewal
84	Industrial Insurance Appeals, Board of	Moses Lake	09/01/2014	08/31/2019	Office	992	\$1,375.00	\$16,500.00	\$16.63	\$19.02	Renewal
85	Industrial Insurance Appeals, Board of	Spokane	06/01/2015	05/31/2020	Office	3978	\$6,557.07	\$78,684.84	19.78	\$19.78	Renewal
86	Insurance Commissioner, Office of	Tumwater	01/01/2015	12/31/2019	Office	4198	\$6,419.44	\$77,033.28	\$18.35	\$20.94	Renewal
87	Labor & Industries, Dept. of	Tumwater	02/01/2015	01/31/2020	Warehouse	26084	\$12,020.38	\$144,244.56	\$5.53	\$6.35	Renewal
88	Labor & Industries, Dept. of	Bellevue	04/01/2015	03/31/2020	Office	10290	\$21,437.50	\$257,250.00	\$25.00	\$25.95	Renewal
89	Labor & Industries, Dept. of	Bellingham	04/01/2015	03/31/2020	Office	10826	\$16,239.00	\$194,868.00	\$18.00	\$18.00	Renewal
90	Labor & Industries, Dept. of	Olympia	07/01/2014	06/30/2019	Office, laboratory	20570	\$27,718.08	\$332,616.96	\$16.17	\$18.76	Renewal
91	Labor & Industries, Dept. of	Tumwater	06/01/2015	05/31/2016	Office	3000	\$4,375.00	\$52,500.00	\$17.50	\$20.09	Renewal
92	Labor & Industries, Dept. of	Mount Vernon	03/01/2015	02/29/2020	Office	14256	\$18,119.15	\$217,429.80	\$15.25	\$17.35	Renewal
93	Licensing, Dept. of	Anacortes	07/01/2014	06/30/2019	Office	1965	\$3,510.00	\$42,120.00	\$21.44	\$23.54	Renewal
94	Licensing, Dept. of	Bellevue	10/01/2014	09/30/2019	Office	12050	\$25,606.25	\$307,275.00	\$25.50	\$25.50	Renewal
95	Licensing, Dept. of	Bellevue	10/01/2014	09/30/2019	Parking	0	\$3,500.00	N/A	N/A	N/A	Renewal
96	Licensing, Dept. of	Republic	07/01/2014	06/30/2019	Office	643	\$800.00	\$9,600.00	\$14.93	\$14.93	Renewal
97	Licensing, Dept. of	Goldendale	06/01/2015	05/31/2016	Office	1000	\$1,000.00	\$12,000.00	\$12.00	\$14.07	Renewal
98	Licensing, Dept. of	South Bend	09/01/2014	08/31/2019	Office	549	\$616.79	\$7,401.48	\$13.48	\$14.63	Renewal
99	Lottery Commission	Yakima	01/01/2015	12/31/2019	Office	3454	\$4,475.00	\$53,700.00	\$15.55	\$16.56	Renewal
100	Lottery Commission	Everett	01/01/2015	12/31/2019	Office	3105	\$5,175.00	\$62,100.00	\$20.00	\$22.10	Renewal

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
101	Lottery Commission	Spokane Valley	09/01/2014	08/31/2019	Office	3180	\$3,180.00	\$38,160.00	\$12.00	\$13.15	Renewal
102	Military Dept. of leasing to Private Entity	Wenatchee	06/01/2015	05/31/2017	Office	442	\$105.00	\$1,260.00	\$2.85	\$3.91	Renewal
103	Natural Resources, Dept. of	Pasco	09/01/2014	08/31/2016	Office, Storage	3,021	\$1,750.00	\$21,000.00	\$20.57	\$21.56	Renewal
104	Public Disclosure Commission	Olympia	07/01/2014	06/30/2019	Office	7682	\$10,882.84	\$130,594.08	\$17.00	\$17.00	Renewal
105	Public Instruction, Office of the Superintendent of	Seattle	01/01/2015	12/31/2017	Office	2039	\$3,209.06	\$38,508.72	\$218.89	\$18.89	Renewal
106	Revenue, Dept. of	Richland	10/01/2014	09/30/2019	Office	6853	\$9,422.88	\$113,074.56	\$16.50	\$18.76	Renewal
107	Seattle Community College	Seattle	04/01/2015	03/31/2020	Residential	17786	\$46,864.00	N/A	N/A	N/A	Renewal
108	Secretary of State	Tumwater	07/01/2014	06/30/2015	Warehouse	20956	\$9,737.10	\$116,845.20	\$5.58	\$6.40	Renewal
109	Services to the Blind, Dept. of	Lacey	09/01/2014	09/30/2016	Office	1669	\$2,308.78	\$27,705.36	\$16.60	\$19.19	Renewal
110	Social & Health Service, Dept. of	Seattle	07/01/2014	06/30/2019	Office	32292	\$58,583.07	\$702,996.84	\$21.77	\$24.02	Renewal
111	Social & Health Service, Dept. of, subleasing to Private Entity	Seattle	09/01/2014	08/31/2019	Office	98	\$280.00	\$3,360.00	\$34.29	\$34.29	Renewal
112	Social & Health Service, Dept. of, subleasing to Private Entity	Seattle	07/01/2014	06/30/2019	Office	247	\$488.85	\$5,866.20	\$23.75	\$23.76	Renewal
113	Social & Health Service, Dept. of, subleasing to Private Entity	Seattle	12/01/2014	11/30/2019	Office	99	\$263.00	\$3,156.00	\$31.88	\$31.88	Renewal
114	Social & Health Service, Dept. of, subleasing to Private Entity	Kent	06/01/2015	08/31/2016	Office	351	\$680.00	\$8,160.00	\$23.25	\$23.25	Renewal
115	Social & Health Services, Dept. of	Port Angeles	04/01/2015	03/31/2020	Office	4940	\$7,531.75	\$90,381.00	\$18.30	\$20.74	Renewal
116	Social & Health Services, Dept. of	Yakima	01/01/2015	12/31/2019	Office	4973	\$6,962.20	\$83,546.40	\$16.80	\$17.86	Renewal
117	Social & Health Services, Dept. of	Port Townsend	06/01/2015	09/30/2019	Office	12539	\$20,250.49	\$243,005.88	\$19.38	\$21.82	Renewal
118	Social & Health Services, Dept. of	Lynnwood	02/01/2015	01/31/2020	Office	4872	\$8,570.66	\$102,847.92	\$21.11	\$23.55	Renewal
119	Social & Health Services, Dept. of	Yakima	01/01/2015	12/31/2019	Office	5781	\$3,708.00	\$44,496.00	\$7.70	\$8.76	Renewal
120	Social & Health Services, Dept. of	Moses Lake	05/01/2015	04/30/2020	Office	2002	\$2,628.00	\$31,536.00	\$15.75	\$18.14	Renewal
121	Social & Health Services, Dept. of	Walla Walla	09/01/2014	08/31/2019	Office	13720	\$17,755.97	\$213,071.64	\$15.53	\$18.12	Renewal
122	Social & Health Services, Dept. of	Tumwater	04/01/2015	03/31/2020	Warehouse	28500	\$12,825.00	\$153,900.00	\$5.40	\$6.22	Renewal
123	Social & Health Services, Dept. of	Tumwater	04/01/2015	02/29/2020	Office	12760	\$18,874.17	\$226,490.04	\$17.75	\$20.34	Renewal
124	Social & Health Services, Dept. of	SeaTac	04/01/2015	03/31/2020	Office	4622	\$9,244.00	\$110,928.00	\$24.00	\$24.00	Renewal
125	Social & Health Services, Dept. of	Kent	09/01/2014	08/31/2016	Office	62443	\$114,478.83	\$1,373,745.96	\$22.00	\$25.53	Renewal

No	Agency	City	Start Date	Stop Date	Uses	Square Feet	Current Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
126	Social & Health Services, Dept. of	Lynnwood	07/01/2014	06/30/2019	Office	57504	\$101,159.12	\$1,213,909.44	\$21.11	\$23.55	Renewal
127	Social & Health Services, Dept. of	Seattle	09/01/2014	08/31/2019	Office	40738	\$61,107.00	\$733,284.00	\$18.00	\$21.53	Renewal
128	Social & Health Services, Dept. of	Clarkston	02/01/2015	01/31/2020	Office	14800	\$18,956.33	\$227,475.96	\$15.37	\$17.76	Renewal
129	Social & Health Services, Dept. of	Colville	07/01/2014	06/30/2019	Office	352	\$325.00	\$3,900.00	\$11.08	\$13.47	Renewal
130	Social & Health Services, Dept. of	Lacey	08/01/2014	07/31/2019	Office	54788	\$78,768.87	\$945,226.44	\$17.25	\$19.84	Renewal
131	Social & Health Services, Dept. of	Spokane	08/01/2014	07/31/2019	Office	31069	\$47,820.37	\$573,844.44	\$18.47	\$18.47	Renewal
132	Social & Health Services, Dept. of	Lakewood	02/01/2015	01/31/2020	Office	7374	\$11,368.25	\$136,419.00	\$18.50	\$21.07	Renewal
133	Social & Health Services, Dept. of	Walla Walla	09/01/2014	08/31/2019	Office	16054	\$17,500.00	\$210,000.00	\$13.08	\$15.67	Renewal
134	Social & Health Services, Dept. of	Seattle	11/01/2014	10/31/2019	Office	55325	\$89,903.13	\$1,078,837.56	\$19.56	\$20.45	Renewal
135	Social & Health Services, Dept. of	Tumwater	07/01/2014	02/28/2019	Office	49984	\$72,893.33	\$874,719.96	\$17.50	\$20.09	Renewal
136	Social & Health Services, Dept. of	Lacey	08/01/2014	07/31/2019	Office	54788	\$78,768.87	\$945,226.44	\$17.25	\$19.84	Renewal
137	Social & Health Services, Dept. of	Arlington	07/01/2014	06/30/2019	Office	18836	\$28,363.88	\$340,366.56	\$18.07	\$20.17	Renewal
138	Social & Health Services, Dept. of	Spokane	01/01/2015	12/31/2019	Office	28209	\$45,251.94	\$543,023.24	\$19.25	\$19.25	Renewal
139	Social & Health Services, Dept. of	Port Orchard	03/01/2015	02/29/2020	Office	425	\$858.45	\$10,301.40	\$24.24	\$24.24	Renewal
140	Social & Health Services, Dept. of	South Bend	11/01/2014	10/31/2019	Office	10037	\$14,637.29	\$175,647.48	\$17.50	\$19.94	Renewal
141	Social & Health Services, Dept. of	Toppenish	01/01/2015	12/31/2019	Office	10164	\$14,196.57	\$170,358.84	\$16.76	\$19.15	Renewal
142	Social & Health Services, Dept. of	Tacoma	10/01/2014	09/30/2019	Office	20176	\$32,870.06	\$394,440.72	\$19.55	\$19.55	Renewal
143	Spokane Community Colleges	Spokane	07/01/2014	06/30/2024	Miscellaneous	27820	\$51,446.24	N/A	N/A	N/A	Renewal
144	Spokane Community Colleges	Spokane	09/01/2014	08/31/2019	Land	10588	\$325.84	N/A	N/A	N/A	Renewal
145	Spokane Community Colleges	Spokane	07/01/2014	06/30/2019	Classroom, office	38780	\$11,820.73	N/A	N/A	N/A	Renewal
146	Transportation, Dept. of	Richland	10/01/2014	09/30/2019	Office	6983	\$9,601.63	\$115,219.56	\$16.50	\$18.76	Renewal
147	Transportation, Dept. of	Tumwater	10/01/2014	04/30/2019	Office	6000	\$5,965.00	\$71,580.00	\$11.93	\$11.93	Renewal
148	Washington State Patrol	Olympia	03/01/2015	02/29/2020	Office	22765	\$30,100.00	\$375,828.60	\$16.51	\$19.10	Renewal
						1167412	\$1,632,921.55				
	Grand Total					1,820,812	\$29,920,551.84				

* Annual operating expense estimates are included where information is available and are from the 2014-15 Whitestone Facility Operations Cost Reference. If space in the column is empty, then no operating costs were available. Where the space has "\$0.00", this means that the lessor is paying for all operating expenses. "NA" indicates that operating expense calculations are not applicable. Adding "estimated operating expenses to average annual rent" provides an "estimated full service rent" for better comparison to the market, as the State generally pays less than "full service".

APPENDIX B: LEASE TRANSACTIONS RELATED TO STATE-OWNED FACILITIES IN FISCAL YEAR 2015

No	Agency	Facility Address	City	Start Date	Stop Date	Uses	Square Feet	Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base Rent/SF	Full Service Net Effective Rent/SF /Year	Lease Kind
1	Enterprise Services, Dept. of, leasing to Private Entity	120 Union Avenue SE	Olympia	07/01/2014	06/30/2015	Office	72	\$36.00	\$432.00	\$6.00	\$6.00	New
2	Enterprise Services, Dept. of, leasing to Private Entity	7825 North Sound Drive	Sedro Woolley	04/01/2015	06/30/2018	Office	8900	\$12,134.81	\$152,315.92	\$17.11	\$17.11	New
3	Enterprise Services, Dept. of, leasing to Private Entity	120 Union Avenue SE	Olympia	01/01/2015	06/30/2015	Office	153	\$170.72	\$2,048.64	\$13.39	\$13.39	New
4	Services to the Blind, Dept. of	7345 Linderson Way	Tumwater	06/20/2015	06/30/2017	Miscellaneous	2400	\$1,250.00	N/A	N/A	N/A	New
							11525	\$13,591.53				
5	Enterprise Services, Dept. of, leasing to Private Entity	201 14th Avenue SW	Olympia	07/01/2014	06/30/2016	Office	548	\$793.36	\$9,522.72	\$17.38	\$17.38	Renewal
6	Enterprise Services, Dept. of, leasing to Private Entity	201 Sid Snyder Avenue SW	Olympia	07/01/2014	06/30/2016	Office	238	\$344.65	\$4,135.80	\$17.38	\$17.38	Renewal
7	Enterprise Services, Dept. of, leasing to Private Entity	1417 Columbia Street SW	Olympia	07/01/2014	06/30/2016	Office	345	\$512.63	\$6,151.56	\$17.83	\$17.83	Renewal
8	Enterprise Services, Dept. of, leasing to Private Entity	1417 Columbia Street SW	Olympia	07/01/2014	06/30/2016	Office	462	\$667.58	\$8,010.96	\$17.34	\$17.34	Renewal
							1593	\$2,318.22				
	Total						13,118	\$15,909.75				

APPENDIX C: LEASE TRANSACTIONS RELATED TO DELEGATIONS OF AUTHORITY IN FISCAL YEAR 2015

No	Agency	City	Start Date	End Date	Uses	Square Feet	Monthly Rent	Net Effective Annual Base Rent	Net Effective Annual Base Rent/Square Feet	Full Service Net Effective/ Square Feet/Year	Lease Kind
1	Public Instruction, Superintendent of	Renton	08/01/2014	07/31/2015	Office	192	\$650.01	\$7,800.12	\$40.63	\$40.63	Extension
2	Public Instruction, Superintendent of	Spokane	09/01/2014	08/31/2015	Office	223	\$825.00	\$9,900.00	\$44.39	\$44.39	Extension
3	Public Instruction, Superintendent of	Lakewood	07/01/2014	06/30/2015	Office	200	\$266.26	\$3,195.12	\$1,598.00	\$18.55	Extension
4	Washington State Patrol	Tumwater	01/01/2015	12/31/2019	Office	13164	\$15,358.00	\$184,296.00	\$14.00	\$16.24	Extension
						13779	\$17,099.27				
5	Ecology, Dept. of	Port Angeles	02/01/2015	01/31/2016	Air Monitoring	0	\$45.83	N/A	N/A	N/A	New
6	Ecology, Dept. of	Vancouver	02/01/2015	01/31/2016	Air Monitoring	0	\$75.00	N/A	N/A	N/A	New
7	Employment Security, Dept. of subleasing to Private Entity	Tumwater	07/01/2014	09/30/2015	Office	2820	\$6,346.00	\$76,152.00	\$27.00	\$27.00	New
8	Employment Security, Dept. of subleasing to Private Entity	Kelso	10/01/2014	11/30/2015	Office	1471	\$2,669.86	\$32,038.32	\$21.78	\$21.78	New
9	Everett Community College leasing to Private Entity	Everett	08/27/2014	08/31/2018	Miscellaneous	613	\$613.00	\$613.00	N/A	N/A	New
10	Lottery Commission	Tulalip	09/01/2014	06/30/2015	Miscellaneous	44	\$1,000.00	N/A	N/A	N/A	New
11	Lottery Commission	Spokane	01/01/2015	Month to Month	Miscellaneous	0	\$600.00	N/A	N/A	N/A	New
12	Lottery Commission	SeaTac	11/01/2014	10/31/2016	Miscellaneous	0	\$2,500.00	N/A	N/A	N/A	New
13	Natural Resources, Dept. of	Omak	07/01/2014	05/31/2019	Office, Parking	505	\$1,000.00	\$12,000.00	\$23.76	\$26.15	New
14	Public Instruction, Superintendent of	Vancouver	03/01/2015	02/29/2016	Office	155	\$520.83	N/A	N/A	N/A	New
15	Transportation, Dept. of, leasing to Liquor Control Board	Vancouver	07/01/2014	06/30/2019	Office	1151	\$1,102.11	\$13,225.32	\$11.49	\$11.49	New
16	Walla Walla Community College	Clarkston	10/06/2014	10/05/2015	Storage	200	\$70.00	\$840.00	\$4.20	\$4.20	New
17	Walla Walla Community College	Clarkston	05/14/2015	05/13/2016	Storage	200	\$60.00	\$7.20	\$3.60	\$3.60	New
						7159	\$16,602.63				
18	Commerce, Dept. of	Seattle	07/01/2014	06/30/2015	Office	500	\$583.33	\$6,999.96	\$14.00	\$14.00	Renewal
19	Commerce, Dept. of subleasing to Government Entity	Seattle	07/01/2014	06/30/2015	Office	109	\$625.00	\$7,500.00	\$68.81	\$68.81	Renewal
20	Corrections, Dept. of	Tacoma	04/01/2015	03/31/2016	Office, Warehouse	9542	\$5,000.00	\$60,000.00	\$6.29	\$8.32	Renewal

No	Agency	City	Start Date	End Date	Uses			Net Effective Annual Base Rent	Net Effective Annual Base Rent/Square Feet	Full Service Net Effective/ Square Feet/Year	Lease Kind
21	Corrections, Dept. of	Everett	03/01/2015	02/28/2016	Office	851	\$1,418.33	\$0.00	\$0.00	\$0.00	Renewal
22	Corrections, Dept. of	Spokane	01/01/2015	12/31/2015	Parking	0	\$900.00	N/A	N/A	N/A	Renewal
23	Criminal Justice Training Commission	Lacey	01/01/2015	12/31/2019	Office	270	\$540.00	\$6,480.00	\$24.00	\$24.00	Renewal
24	Ecology, Dept. of	Bellevue	05/01/2015	04/30/2016	Air Monitoring	0	\$225.00	\$2,700.00	N/A	N/A	Renewal
25	Ecology, Dept. of	Ritzville	04/01/2015	03/31/2016	Air Monitoring	0	\$150.00	N/A	N/A	N/A	Renewal
26	Ecology, Dept. of	Cheney	03/01/2015	02/28/2016	Air Monitoring	0	\$50.00	\$600.00	N/A	N/A	Renewal
27	Ecology, Dept. of	Aberdeen	03/01/2015	02/28/2016	Air Monitoring	0	\$50.00	\$600.00	N/A	N/A	Renewal
28	Ecology, Dept. of	Leavenworth	02/01/2015	01/31/2016	Air Monitoring	0	\$50.00	N/A	N/A	N/A	Renewal
29	Ecology, Dept. of	Ellensburg	01/01/2015	12/31/2015	Air Monitoring	0	\$100.00	N/A	N/A	N/A	Renewal
30	Ecology, Dept. of	Seattle	01/01/2015	12/31/2015	Air Monitoring	0	\$150.00	N/A	N/A	N/A	Renewal
31	Ecology, Dept. of	Colville	01/01/2015	12/31/2015	Air Monitoring	0	\$110.00	\$1,320.00	N/A	N/A	Renewal
32	Ecology, Dept. of	Moses Lake	01/01/2015	12/31/2015	Air Monitoring	0	\$150.00	N/A	N/A	N/A	Renewal
33	Ecology, Dept. of	Chehalis	01/01/2015	12/31/2015	Air Monitoring	0	\$25.00	\$300.00	N/A	N/A	Renewal
34	Ecology, Dept. of	Pullman	12/01/2014	11/30/2015	Air Monitoring	0	\$0.00	N/A	N/A	N/A	Renewal
35	Ecology, Dept. of	Nine Mile Falls	10/01/2014	09/30/2015	Air Monitoring	0	\$50.00	N/A	N/A	N/A	Renewal
36	Ecology, Dept. of	Winthrop	11/01/2014	10/31/2016	Office	300	\$325.00	\$3,900.00	\$13.00	\$13.00	Renewal
37	Ecology, Dept. of	Oroville	09/01/2014	08/31/2015	Air Monitoring	0	\$0.00	N/A	N/A	N/A	Renewal
38	Ecology, Dept. of	Yakima	02/01/2015	01/31/2016	Air Monitoring	0	\$150.00	N/A	N/A	N/A	Renewal
39	Ecology, Dept. of	Vancouver	07/01/2014	06/30/2015	Air Monitoring	0	\$100.00	N/A	N/A	N/A	Renewal
40	Ecology, Dept. of	Vancouver	09/01/2014	08/31/2015	Air Monitoring	0	\$100.00	N/A	N/A	N/A	Renewal
41	Ecology, Dept. of	Mesa	08/01/2014	07/31/2015	Air Monitoring	0	\$50.00	N/A	N/A	N/A	Renewal
42	Ecology, Dept. of	Spokane	07/01/2014	06/30/2015	Air Monitoring	0	\$140.00	N/A	N/A	N/A	Renewal
43	Ecology, Dept. of	La Crosse	06/01/2015	05/31/2016	Air Monitoring	0	\$0.00	\$0.00	N/A	N/A	Renewal
44	Ecology, Dept. of	Tumwater	07/01/2014	06/30/2016	Warehouse	1600	\$850.00	\$10,200.00	\$6.38	\$7.09	Renewal
45	Edmonds Community College	Edmonds	09/01/2014	08/31/2015	Office	2400	\$0.00	\$0.00	\$0.00	\$0.00	Renewal
46	Employment Security, Dept. of	Mattawa	04/01/2015	03/31/2017	Office	379	\$285.00	\$3,420.00	\$9.02	\$10.08	Renewal

#	Agency	City	Start Date	End Date	Uses			Net Effective Annual Base Rent	Net Effective Annual Base Rent/Square Feet	Full Service Net Effective/ Square Feet/Year	Lease Kind
47	Everett Community College	Everett	07/01/2014	06/30/2016	Miscellaneous	0	\$0.00	N/A	N/A	N/A	Renewal
48	Gambling Commission	Lacey	07/01/2014	06/30/2015	Storage	100	\$119.50	\$1,434.00	\$14.34	\$14.34	Renewal
49	Green River Community College	Spokane	08/01/2014	07/31/2015	Classroom, Laboratory	1200	\$1,160.00	N/A	N/A	N/A	Renewal
50	Licensing, Dept. of	Davenport	01/01/2015	12/31/2015	Office	130	\$280.00	\$3,360.00	\$25.85	\$25.85	Renewal
51	Licensing, Dept. of	Cheney	11/01/2014	10/31/2015	Land	0	\$3,150.00	\$37,800.00	N/A	N/A	Renewal
52	Licensing, Dept. of	Friday Harbor	01/01/2015	12/31/2015	Office	1016	\$250.00	\$3,000.00	\$2.95	\$2.95	Renewal
53	Licensing, Dept. of	Pacific	08/01/2014	07/31/2015	Land	0	\$6,100.00	N/A	N/A	N/A	Renewal
54	Licensing, Dept. of leasing to Private Entity	Vancouver	07/01/2014	06/30/2017	Office	1698	\$2,405.50	\$28,866.00	\$17.00	\$17.00	Renewal
55	Lottery Commission	Tacoma	07/01/2014	06/30/2016	Miscellaneous	0	\$4,500.00	N/A	N/A	N/A	Renewal
56	Lottery Commission	Tukwila	07/01/2014	06/30/2016	Miscellaneous	0	\$0.00	N/A	N/A	N/A	Renewal
57	Lower Columbia College	Longview	09/01/2014	06/30/2015	Classroom	5000	\$2,398.00	N/A	N/A	N/A	Renewal
58	Lower Columbia College	Longview	08/01/2014	07/31/2015	Miscellaneous	10000	\$0.00	N/A	N/A	N/A	Renewal
59	Lower Columbia College	Kelso	07/01/2014	06/30/2016	Classroom	4500	\$390.00	N/A	N/A	N/A	Renewal
60	Natural Resources, Dept. of	Omak	05/16/2015	05/15/2020	Office, Storage	4896	\$2,000.00	\$24,000.00	\$4.90	\$7.29	Renewal
61	Natural Resources, Dept. of	Shelton	07/01/2014	06/30/2019	Office, Storage, Parking	1798	\$923.48	\$11,081.76	\$6.16	\$7.35	Renewal
62	Natural Resources, Dept. of	Tacoma	08/01/2014	07/31/2017	Office	1400	\$1,691.00	\$21,326.40	\$15.23	\$15.23	Renewal
63	Public Instruction, Superintendent of	Edmonds	01/01/2015	12/31/2015	Office	644	\$1,000.00	\$12,000.00	\$18.63	\$19.58	Renewal
64	Public Instruction, Superintendent of	Yakima	01/01/2015	12/31/2015	Office	600	\$675.00	\$8,100.00	\$13.50	\$13.50	Renewal
65	Services to the Blind, Dept. of	Olympia	07/01/2014	06/30/2016	Miscellaneous	120	\$232.90	N/A	N/A	N/A	Renewal
66	South Puget Sound Community College	Lacey	01/01/2015	12/31/2015	Office	572	\$831.60	\$9,979.20	\$17.45	\$17.45	Renewal
67	Spokane Community Colleges	Spokane	07/01/2014	06/30/2015	Classroom	634	\$808.50	N/A	N/A	N/A	Renewal
68	Transportation, Dept. of	Friday Harbor	01/01/2015	12/31/2015	Residential	1800	\$1,725.00	N/A	N/A	N/A	Renewal
69	Transportation, Dept. of	Seattle	09/01/2014	08/31/2015	Parking	0	\$2,882.55	N/A	N/A	N/A	Renewal
70	Transportation, Dept. of	Anacortes	07/01/2014	06/30/2015	Residential	1500	\$2,600.00	\$31,200.00	\$20.80	\$20.80	Renewal
71	Transportation, Dept. of	Seattle	08/01/2014	07/31/2015	Parking	0	\$400.00	N/A	N/A	N/A	Renewal
72	Transportation, Dept. of	Tumwater	07/01/2014	06/30/2015	Warehouse	1080	\$600.00	\$7,200.00	\$6.67	\$6.67	Renewal
73	Transportation, Dept. of	Tumwater	07/01/2014	06/30/2015	Warehouse	2600	\$1,000.00	\$12,000.00	\$4.62	\$4.62	Renewal

#	Agency	City	Start Date	End Date	Uses			Net Effective Annual Base Rent	Net Effective Annual Base Rent/Square Feet	Full Service Net Effective/ Square Feet/Year	Lease Kind
74	Walla Walla Community College	Walla Walla	01/01/2015	06/30/2015	Classroom, Storage	12293	\$4,460.00	N/A	N/A	N/A	Renewal
75	Walla Walla Community College	Walla Walla	07/01/2014	06/30/2016	Classroom, Office, Storage	26295	\$6,420.00	\$77,040.00	\$2.93	\$2.93	Renewal
76	Walla Walla Community College subleasing to Private Entity	Walla Walla	09/01/2014	09/30/2015	Office	650	\$0.00	\$0.00	\$0.00	\$0.00	Renewal
77	Washington State Patrol	Moses Lake	02/01/2015	01/31/2016	Storage	600	\$275.00	\$3,300.00	\$5.50	\$5.50	Renewal
						97077	\$61,454.69				
	Totals					118,015	\$95,156.59				