

Multiple Agency Fiscal Note Summary

Bill Number: 5882 S SB	Title: State heritage center
-------------------------------	-------------------------------------

Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of the Secretary of State	0	7,931,198	0	11,597,125	0	16,650,564
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	7,931,198	0	11,597,125	0	16,650,564

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Secretary of State	.0	0	0	.0	0	9,498,227	.0	0	17,327,561
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$9,498,227	0.0	\$0	\$17,327,561

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

--

Prepared by: Rochelle Klopfenstein, OFM	Phone: 360-902-9820	Date Published: Final 3/13/2007
--	-------------------------------	---

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 17296

Individual State Agency Fiscal Note

Bill Number: 5882 S SB	Title: State heritage center	Agency: 085-Office of the Secretary of State
-------------------------------	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
State Heritage Acct-Non-Appropriated NEW-6	2,600,000	5,331,198	7,931,198	11,597,125	16,650,564
Total \$	2,600,000	5,331,198	7,931,198	11,597,125	16,650,564

Estimated Expenditures from:

Fund	FY 2008	FY 2009	2007-09	2009-11	2011-13
State Heritage Account-Non-Appropriated NEW-6	0	0	0	9,498,227	17,327,561
Total \$	0	0	0	9,498,227	17,327,561

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/09/2007
Agency Preparation: Dalene Conant	Phone: 360-586-4553	Date: 03/09/2007
Agency Approval: Dan Speigle	Phone: 360-586-1116	Date: 03/12/2007
OFM Review: Rochelle Klopfenstein	Phone: 360-902-9820	Date: 03/13/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 5 of the bill would establish a new section to chapter 43.07 RCW to create the Washington State Heritage Center account. The fees deposited into the account would be used to finance the construction of the Washington State Heritage Center, pay building operating and maintenance costs and specific program operations. Creation of this non-appropriated account relates to the capital project request contained in the 2007-09 capital budget. (See attached Heritage Center C2-Capital Project Request)

The following fees and account would be established:

Sections 1, 2 and 7

- new, one-time \$5 dollar fee for initial domestic corporate filings. This new fee is in addition to the existing initial \$175 domestic corporate filing fee.
- Requires that the one-time \$5 fee be deposited into the Washington State Heritage Center account.
- Requires that the one-time \$5 fee be effective January 1, 2009.

Section 3 and 8

- A \$2 surcharge for recording instruments with the county auditor.
- Requires that the \$2 surcharge be deposited into the Washington State Heritage Center account.
- Requires that the \$2 fee be effective January 1, 2008.

Section 4

- Although the Office of the Secretary has statutory authority to solicit and accept gifts, grants, etc. for the Oral History Program, Archival Programs, and Washington State Library activities, Section 3 adds language clearly authorizing the Secretary to accept gifts, grants, etc. for the Washington State Heritage Center.
- Requires that gifts, grants, etc. received for the Heritage Center be deposited into the Washington State Heritage Center account.

Section 5

- Creates the Washington State Heritage Center account, a non-appropriated account, in the custody of the State Treasurer.
- Funds in the account are to be used for:
 - o COP payments
 - o Capital maintenance of the Heritage Center
 - o Program operations that serve the public, relate to the collections and displays in the Center, or that support the mission of the state library, state archives, and State Capital Museum.

Section 6

- Washington State Heritage Center account retains interest earned

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Sections 1, 2 and 7

It is estimated the one time \$5.00 initial domestic corporate filing fee starting January 1, 2009 would generate \$131,198 in the 2007-09 biennium and \$564,805 in the 2009-011 biennium. Estimates were based on number of filings of 52,476 per year increasing 5% per year thereafter.

Sections 3 and 8

It is estimated the \$2.00 archives recording fee starting January 1, 2008 would generate \$7,800,000 in the 2007-09 biennium. Estimates were based on the current archives recording fee collection history. The fee would generate \$5,200,000 per year increasing 4% per year thereafter.

Section 4

It is estimated that private donations would cover 10% of the base building cost of \$112,000,000. Estimates include \$4,095,309 in the 2011-013 biennium.

(see attached Heritage Center Financial Analysis)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 5

Creates the Washington State Heritage Center account as a non-appropriated fund from which expenditures can be made only for COP payments, building maintenance and specific program operations related to the center. If the building construction is approved in the capital budget the expenditures from the Washington State Heritage Center account detailed in this fiscal note would be required. This fiscal note assumes construction would begin in the 2007-09 biennium and completed in the second fiscal year of the 2009-011 biennium as indicated in the capital budget C100 form. It reflects one year of the COP payments, maintenance and operating costs beginning in the second fiscal year of the 2009-011biennium.

COP payments are based on the payment schedule provided by the State Treasurer. Building maintenance costs are based on estimates provided by General Administration.

(see attached Heritage Center Financial Analysis)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services				1,174,680	2,419,840
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service				8,323,547	14,907,721
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$0	\$0	\$9,498,227	\$17,327,561

Part IV: Capital Budget Impact

The 2007-09 capital budget request includes the construction of a new Heritage Center in accordance with the pre-design and sub-campus plan approved by the State Capitol Committee on August 17, 2006. If approved, the design and construction of the Heritage Center would begin in the 2007-09 biennium. The Heritage Center will co-locate the State Library, the State Archives and portions of the State Capitol Museum, as well as provide additional office space, meeting space, and public space

The capital budget proposes that this \$112 million dollar project (see attached Heritage Center Project Cost Summary) be funded by Certificates of Participation (COP) and by various public and private contributions coordinated through the Office of the Secretary of State. Public and private contributions are estimated to pay at least 10% of the project cost, or \$11 million. In addition to private fundraising, the financing plan includes an increase in archives recording fees of \$2.00 per filing on January 1, 2008 and an increase in the initial corporation filing fee of \$5.00 to begin on January 1, 2009. It is assumed current funds used for rent payments for the Washington State Library would also be available after moving into the new Heritage Center. All of these fund sources would be used for COP payments, building operating and maintenance costs authorized in section 5 of this bill.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

C2 - CAPITAL PROJECT REQUEST

Budget Period: 2007-09
Agency: 085 Office of the Secretary of State
Version: DF 07-09 Develop Final Version

Project Number: 2008-2-001
Project Title: Heritage Center

Agency Priority: 1

Description

Project Class:	2 Program	City:	Olympia
Type of Project:	New Facilities/Additions (Major Projects)	County:	Thurston
OFM Priority:	State Government Effectiveness	Legislative District:	022

Project was requested in a previous biennium:	No	Previous Project ID:
Compliant with Growth Management Act:	Yes	

Project Published Summary:

This project constructs a new Heritage Center in accordance with the predesign and sub-campus plan approved by the State Capitol Committee on August 17, 2006. The request is for funds in 2007-09 to begin design and construction of a new Heritage Center along the bluff west of the GA Building that will co-locate the State Library and State Archives as well as provide some additional public museum and meeting space.

The Heritage Center will be a major building on the capital campus. It will be a meeting place for citizens, state workers, students and scholars. In the Secretary of State's words "It will become a 'living room' for the campus and both a symbolic and literal link between the Capitol Campus and the City". The facility will serve as a destination point for visitors, highlighting the documented history and culture of the State of Washington.

Project Description:

This project constructs a new Heritage Center in accordance predesign and sub-campus plan approved by the State Capitol Committee on August 17, 2006. The request is for funds in 2007-09 to begin design and construction of a new Heritage Center along the bluff west of the GA Building that will co-locate the State Library, the State Archives, portions of the State Capitol Museum and the Capitol Conservatory. It will also provide office space for those programs plus public and meeting space.

The Heritage Center will be a major building on the capital campus. It will be a meeting place for citizens, state workers, students and scholars. In the Secretary of State's words "It will become a 'living room' for the campus and both a symbolic and literal link between the Capitol Campus and the City. The facility will serve as a destination point for visitors, highlighting the documented history and culture of the State of Washington.

The Heritage Center will contain approximately 226,000 gross square feet. It will consist of a combination of office areas, public areas, and document storage areas. Terracing the structure down the hillside provides multiple advantages at no additional cost:

- Stabilizes this hillside
- Connects the upper campus to Heritage Park
- Provides public plazas above the terraced sections of the building with wonderful views of Capitol Lake and Olympic Mountains
- Provides document storage areas at the windowless, earthen-covered back of the building making climate control much easier.
- Utilization of the hillside is the only way the entire proposed program for the sub-campus plan can be made to fit on the two-block area.

Problem/Justification/Why This Project is Needed:

This new facility will consolidate functions and collections currently spread between four separate locations (including two off-campus locations) and preclude the need to obtain additional offsite storage. Offsite locations impede public access to historical and research materials and do not meet security or environmental requirements for housing or preserving sensitive, historical collections. Co-location of collections and staffing of the State Library (currently in a leased facility) and State Archives Divisions of the Secretary of State's office will provide improved access for the public and researchers whose needs often overlap between the collections of the two divisions. Research that requires use of both collections currently requires the researcher to drive a distance of 3.8 miles to get from one location to the other and back again.

This project also includes the demolition of the existing dilapidated Capitol Campus Conservatory located adjacent to the Heritage Center site. The public portion of the Conservatory will be relocated into the public area of the new Heritage Center; the non-public portion (grounds maintenance) will be located elsewhere on campus. Clearing the Conservatory site is critical to allowing the reconfiguration of the roadway and the design of the southern end of the new Heritage Center as envisioned by the approved sub-campus plan.

Proposed Solution and Benefit to the Public:

This project is part of a sub-campus plan that will, when carried to completion, consist of a series of inter-connected office buildings and public spaces designed and conceived to be the single most important improvement to the Capitol Campus since construction of the Legislative Building group designed by Wilder & White. The complex, as envisioned, will consist of two General Office Buildings (A and B), an Executive Office Building for state-wide elected officials, a Heritage Center to house elements of the State Archives, State Library, and State Museum, and an underground parking garage.

The Heritage Center will house and display many of the State's unique historical and legal records, such as the original signed state constitution, and the original books for the State Library acquired by Governor Stevens. The new building will be environmentally controlled and customer friendly. The facility will also include space designed for rotating displays, exhibits and public events sponsored by the two Divisions (State Library and State Archives) as well as other state agencies such as the Washington State History Museum. Co-locating the staffing of the State Library and the State Archives into one facility will also help meet public demand for increased opportunities for public access during weekends or evening hours. Relocating the State Library on the capital campus will bring it back into compliance with RCW 27.04.045 which requires "...maintaining a library at the state capitol grounds..." and re-establish its location near the seat of government, a position the State Library has held since 1853 until the move to temporary quarters in Tumwater in 2002.

Including schematic design in this project for the remainder of the buildings anticipated by the sub-campus plan is important because it helps cement the vision of the sub-campus plan. The beauty, grandeur and harmony that characterize the Wilder and White capitol group of buildings are due, in great measure, to the fact that these buildings are the work of one group of architects. That same unified architectural beauty is desired in this new sub-campus area. The concept is to create a group of inter-related buildings and plazas, including an underground parking garage, which are not only physically connected but visually connected.

Priorities of Government and Strategic Plan relationship

This project will contribute to the State's strategic initiatives by:

Strengthening government's ability to achieve results efficiently and effectively for the citizens of Washington.

- Consolidation and Co-Location of state government functions

- Decreased number of leased facilities

Providing consolidated and innovative leadership in managing facilities and delivering central services.

- Increasing the number of LEED certified state buildings

- Improving public access to state government

Managing state assets and infrastructure with proven industry disciplines.

- Maintain high customer satisfaction scores

- Improve public relations

Financing Plan:

It is proposed that this project will be funded by Certificates of Participation and by various public and private contributions coordinated through the Office of the Secretary of State. Public and private contributions are estimated to be at least 10 percent of the project cost, or \$11 million. It is critical to note that until the completion of a fundraising feasibility study, it is difficult to estimate revenues generated by a capital fundraising campaign. The Office of the Secretary of State expects to have a fundraising feasibility study completed by June, 2007. In addition to private fundraising, the financing plan includes an increase in Archives Recording fees of \$2.00 per filing, to begin on January 1, 2008, and an increase in the initial corporation filing fee of \$5.00, to begin on July 1, 2009. Funds currently used for rent payments for the Washington State Library will also be used.

Operating Budget Impacts to Other Agencies:

There will be one-time moving costs for the portions of the State Capitol Museum and Conservatory that relocate to the Heritage Center. These costs must be included in the tenant's operating budget. This will increase the total amount of owned square footage and thus require an increase in GA's resources and staffing to maintain the new building. Please see the Predesign Report for detail on staffing and operating costs for the entire Executive Office Plaza/Heritage Center complex. This project may require oversight by the Department of Archeology and Historic Preservation during excavation work to monitor for potential discovery of archaeological artifacts.

Operating Budget Impacts to OSOS:

The new state-owned Heritage Center will replace the leased facility occupied by the State Library as well as a portion of the state-owned Archives Building. There will be one-time moving costs for both the State Library and State Archives in the 2009-2011 biennium. OSOS will request funds for these one-time costs as part of the 2009-2011 operating budget.

The OSOS capital financing plan does not currently identify other anticipated operational costs that support the public mission of the Heritage Center. Revenues from the proposed fees and private donations that exceed what is required to pay the COP and building maintenance will be used for these additional mission related operating costs. For example, these costs may include developing, constructing, and displaying museum, archives and other visiting exhibits, developing interactive or web-based media exhibits and orientation films, or other educational attractions that will contribute to the visitor experience.

Other additional operating costs funded by revenues that exceed the COP and building maintenance payments may also include equipment and furnishings. For example, compact or free standing shelving, computer hardware and software, audio visual equipment and other fixtures for the public auditorium, and gift store retail furnishings and a retail revenue system.

Project Funding:

The funding is shown below as Certificates of Participation except for the portion of the project funded through public and private donations.

Operating Impact

Please see the Predesign Report for detail regarding operational staffing and operating costs for the entire complex.

Operating Impact

No Operating Impact

Project Funding

<u>Fund Code</u>	<u>Fund Title</u>	<u>Estimated Total</u>	<u>Expenditures</u>		<u>2007-09 Fiscal Period</u>	
			<u>Prior Biennium</u>	<u>Current Biennium</u>	<u>Reappropriates</u>	<u>New Appropriates</u>
COP-1	Certificate of Part-State	112,193,000				112,193,000
	Total Funds	112,193,000	0	0	0	112,193,000

<u>Fund Code</u>	<u>Fund Title</u>	<u>Future Fiscal Periods</u>			
		<u>2009-11</u>	<u>2011-13</u>	<u>2013-15</u>	<u>2015-17</u>
COP-1	Certificate of Part-State				
	Total Funds	0	0	0	0

Project Statistics

	<u>Total</u>	<u>Primary</u>	<u>Secondary</u>
Gross Square Feet	225,921	225,921	0
Net Square Feet	158,025	158,025	0
Efficiency	69.9%	69.9%	0.0%
Escalated MACC Cost per Sq. Ft.	337	337	0

Project Schedule

	<u>Start Date</u>	<u>End Date</u>
Predesign	01/01/2006	08/01/2006
Design	07/01/2007	11/30/2008
Construction	03/01/2009	02/28/2011

Cost Summary**Consultant Services**

<u>Total Escalated Cost</u>	<u>% of Project</u>
7,848,000	7.0%

Pre-Schematic Design Services	0	0.0%
A/E Basic Design Services	2,688,000	2.4%
A/E Extra Services/Reimbursables	2,924,000	2.6%
Other Services	1,846,000	1.6%
Design Services Contingency	390,000	0.4%

Construction

100,301,000	89.4%
--------------------	--------------

MACC - Primary	76,227,000	68.0%
MACC - Secondary		
GC/CM Risk Contingency	2,288,000	2.0%
GC/CM or Design Build	7,912,000	7.1%
Contingencies	6,100,000	5.4%
Sales Tax	7,774,000	6.9%

Other	4,044,000	3.6%
Acquisition		
Equipment	1,133,000	1.0%
Equipment Tax	95,000	0.1%
Artwork	339,000	0.3%
Agency Project Administration	1,498,000	1.3%
Other	979,000	0.9%
TOTAL ESCALATED COST	112,193,000	

STATE OF WASHINGTON AGENCY/INSTITUTION PROJECT COST SUMMARY		
Agency	Department of General Administration	
Project Name	Executive Office Plaza/Heritage Center - Heritage Center	
Project Number		

Contact Information	
Analysis Date	8/28/2006
Analysis By	SRG Partnership or Craig J. Donald
Contact Phone Number	206-971-1700 or 360-902-7344

Statistics	Primary	Secondary	Total
Gross Square Feet	225,921	0	225,921
Net Square Feet	158,025	0	158,025
Efficiency	70%	0%	70%
Escalated MACC Cost per Sq.Ft.	337	0	337
Building Type	Libraries		
Is project a remodel?	No		
A/E Fee Class	B		
A/E Fee Percentage	5.42%		

Schedule	Start Date	End Date
Pre-design (mm-yyyy)	Jan-2006	Aug-2006
Design (mm-yyyy)	Jul-2007	Nov-2008
Construction (mm-yyyy)	Mar-2009	Feb-2011
Construction Duration (months)	23	

Cost Summary	
Project Phase	Escalated Cost
Project Total	\$112,193,000
Consultant Services	\$7,848,000
Pre-Schematic Design Services	\$0
A/E Basic Design Services	\$2,688,000
A/E Extra Services/Reimbursables	\$2,924,000
Other Services	\$1,846,000
Design Services Contingency	\$390,000
Construction	\$100,301,000
MACC - Primary	\$76,227,000
MACC - Secondary	\$0
GC/CM Risk Contingency	\$2,288,000
GC/CM or Design Build	\$7,912,000
Contingencies	\$6,100,000
Sales Tax	\$7,774,000
Other	\$4,044,000
Acquisition	\$0
Equipment	\$1,133,000
Equipment Tax	\$95,000
Artwork	\$339,000
Agency Project Administration	\$1,542,000
Other	\$935,000

Other Details	
Number of C100s Included in Summary	1
Alternative Public Works Project	Yes
State Construction Inflation Rate	3.00%
Base Month	Mar-2006
Project Administration by	Agency and GA
Project Admin Impact to GA that is NOT included in Project Total	\$3,083,460

FINANCIAL FEASIBILITY ANALYSIS FOR PROPOSED HERITAGE BUILDING, CAPITALIZED INTEREST															
	BIENNIUM														
	2009-2011	2011-2013	2013-2015	2015-2017	2017-2019	2019-2021	2021-2023	2023-2025	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035	2035-2037	TOTAL
Estimated Expenditure:															
COP payment	\$8,323,547	\$14,907,720	\$17,332,371	\$17,333,867	\$17,338,604	\$17,335,579	\$17,336,014	\$17,334,725	\$17,337,062	\$17,335,679	\$17,337,216	\$17,339,792	\$17,335,074	\$17,332,647	\$231,259,898
UMCI costs	\$1,174,680	\$2,419,841	\$2,565,031	\$2,718,933	\$2,882,069	\$3,054,993	\$3,238,293	\$3,432,590	\$3,638,546	\$3,856,859	\$4,088,270	\$4,333,566	\$4,593,580	\$4,869,195	\$46,866,447
Capital Reserves					\$1,200,000	\$1,272,000	\$1,348,320	\$1,429,219	\$1,514,972	\$1,605,871	\$1,702,223	\$1,804,356	\$1,912,618	\$2,027,375	\$15,816,954
Expenditure SubTotal:	\$9,498,227	\$17,327,561	\$19,897,402	\$20,052,800	\$21,420,673	\$21,662,572	\$21,922,627	\$22,196,535	\$22,490,580	\$22,798,409	\$23,127,709	\$23,477,715	\$23,841,272	\$24,229,217	\$293,943,299
Current Library payments	\$0	\$1,037,913	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$2,075,826	\$25,947,825
Beginning Revenue Balance	\$7,931,198														\$7,931,198
Estimated Revenue:															
Corporations filing fee	\$564,805	\$622,698	\$686,524	\$756,893	\$834,475	\$920,008	\$1,014,309	\$1,118,276	\$1,232,899	\$1,359,271	\$1,498,596	\$1,652,203	\$1,821,553	\$2,008,263	\$16,090,773
Archives recording fee	\$11,032,320	\$11,932,557	\$12,906,254	\$13,959,404	\$15,098,492	\$16,330,529	\$17,663,100	\$19,104,409	\$20,663,328	\$22,349,456	\$24,173,172	\$26,145,702	\$28,279,192	\$30,586,774	\$270,224,690
Private donations	\$0	\$4,095,309	\$4,261,489	\$2,843,202	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,200,000
Revenue SubTotal:	\$11,597,125	\$16,650,564	\$17,854,267	\$17,559,499	\$15,932,967	\$17,250,537	\$18,677,409	\$20,222,685	\$21,896,227	\$23,708,727	\$25,671,768	\$27,797,905	\$30,100,745	\$32,595,037	\$297,515,463
Ending Balance:	\$10,030,096	\$10,391,012	\$10,423,703	\$10,006,229	\$6,594,348	\$4,258,139	\$3,088,747	\$3,190,723	\$4,672,196	\$7,658,340	\$12,278,225	\$18,674,241	\$27,009,540	\$37,451,187	\$37,451,187

Expenditure Assumptions:

(1) Total principal and interest costs of \$231,259,898; projected payment schedule per Treasurer's Office adjusted for Capitalized Interest from during design phase as well as construction phase calculated by the Department of General Administration.

(2) Utilities, maintenance, custodial, insurance, security, management fees & captial reserves costs (UMCI) starting at \$5.20 per gross sq. ft. of 225,900 and increasing 3% per year

Utilities	\$1.15
Custodial	\$0.86
Maintenance	\$1.60
Security	\$0.60
Insurance	\$0.55
Management Fee	\$0.43
Total	\$5.20

(3) Capital Reserves begins in the 2017-2019 biennia at \$2.66 per square foot. The reason for the delay is due to the building being new and not require replacements or upgrades for eight years.

Revenue Assumptions:

(1) Cannot use current payments on Archive building since we'll keep that building

(2) Current library rent payment not available until construction is completed would remain appropriated GFS to pay part of the building COP

(3) 2009-011 beginning revenue balance of 7,931,198 = \$7,800,000 from \$2 Archives fee initiated on 1/1/08 and \$131,198 from \$5 Corporation fee initiated on 1/1/09

(4) Corporation filing fee of \$5 starting January 1, 2009 = 52,476 filings per year (excluding non-profits) and increasing 5% per year

(5) Archives recording fee of \$2 starting January 1, 2008 = \$5.2 million/yr (\$2.6 million/yr/each additional dollar) and increasing 4% per year

(6) Private fundraising/donations will cover 10% of the base cost of the building

Individual State Agency Fiscal Note

Bill Number: 5882 S SB	Title: State heritage center	Agency: 090-Office of State Treasurer
-------------------------------	-------------------------------------	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/09/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/09/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/09/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 03/12/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SSB 5882 creates the Washington state heritage center account and allows the account to retain its earnings from investments.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SSB 5882 creates the Washington state heritage center account and allows the account to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 5882 S SB	Title: State heritage center
-------------------------------	-------------------------------------

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: County auditors
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Differing systems used for recording fees and surcharges by county auditors.

Estimated revenue impacts to:

Jurisdiction	FY 2008	FY 2009	2007-09	2009-11	2011-13
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Ed Spilker	Phone: (360) 725- 5032	Date: 03/09/2007
Leg. Committee Contact:	Phone:	Date: 03/09/2007
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/09/2007
OFM Review: Rochelle Klopfenstein	Phone: 360-902-9820	Date: 03/12/2007

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

The substitute bill establishes the Washington State Heritage Center account to be used for financing the Washington State Heritage Center.

DIFFERENCES BETWEEN THE SUBSTITUTE AND THE ORIGINAL:

The substitute bill removes the emergency clause that was in the original bill. The substitute further adds a provision stating if specific funding for the purposes of this act is not provided by June 30, 2007, in the omnibus appropriations act, this act is null and void. The substitute also alters the dates when sections of the bill become effective: Section 1 takes effect January 1, 2009; and Section 2 takes effect January 1, 2008.

SUMMARY OF THE ORIGINAL BILL:

Section 2 amends RCW 36.18.010 whereby a \$2 surcharge for recording instruments through county auditors will be deposited into the Washington State Heritage Center account.

Section 4 establishes the Washington State Heritage Center account to be administered by the State Treasurer.

Section 6 is an emergency clause and it establishes that this bill takes effect July 1, 2007.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

Expenditure impacts for local governments are the same for both the original and substitute bills. County auditors will see minimal but indeterminate additional expenditures as a result of this bill. It is difficult to determine the total impact for all auditors throughout the state considering different systems used for collecting and reporting recording fees and surcharges.

-- Clark County Auditor's Office commented that there are likely no additional costs to collect and remit the proposed \$2 surcharge. One possible cost considered to be minor is an ongoing charge for electronic check and debit processing. Clark County already uses this process for many other recording fees and surcharges.

-- Douglas County's Auditor's Office will need to contact its vendor to program the distribution of the new fee. Once the fee is programmed into the department's recording system the administrative component will be minimal.

SOURCE:

Thurston County Auditor's Office
Clark County Auditor's Office
Douglas County Auditor's Office
Kitsap County Auditor's Office

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

No revenue impact is anticipated for local governments for both the substitute and original bills.