

2023 Direct Appropriations Status Report



Pursuant to the 2023-25 State Capital Budget, Chapter 474, Laws of 2023 (ESSB 5200, Sections 6005, 6073, and 6074)

**LOCAL AND COMMUNITY
PROJECTS**

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Report to the Legislature

Director Mike Fong

Acknowledgments

Washington State Department of Commerce

Mark Barkley, Assistant Director, Local Government
Division

Buck Lucas, Policy and Communications Manager,
Local Government Division

Mike Kendall, Capital Programs Manager,
Community Capital Facilities

Addeline Craig, Managing Director, Community
Capital Facilities

(360) 688-0041

addeline.craig@commerce.wa.gov

Community Capital Facilities

1011 Plum St. SE
P.O. Box 42525
Olympia, WA 98504-2525

www.commerce.wa.gov

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Executive summary

Authorizing legislation

In the 2023-25 legislative session, the Legislature directed the Department of Commerce (Commerce) to identify and report on projects from three specific direct appropriations that are not yet under contract by December 31, 2023. The specific proviso language that guides this report is as follows:

The re-appropriation for any project for which the department has not executed a contract by December 31, 2023, shall lapse. The department shall provide a list of lapsed projects to the legislative fiscal committees no later than January 15, 2024. ([Table 1](#)).

The three sections of the 2023-25 Capital Budget that require this status update are:

- **Section 6005:** 2017 Local and Community Projects (30000846)¹
- **Section 6073:** Projects that Strengthen Communities and Quality of Life (92000230)²
- **Section 6074:** 2016 Local and Community Projects (92000369)³

Conclusions

From the nearly 240 projects across these three direct appropriations, only one met all report criteria and has not entered into a contract with Commerce. The Seabrook Trail (2013 Projects that Strengthen Communities and Quality of Life) received a grant award for \$423,890.

Direct appropriations come in all states of project readiness, and like all projects, navigate specific project and general economic realities in real time, such as changes in scope and availability of labor and building materials. Commerce continues to work with all recipients of direct appropriation grants to strengthen communities through state capital investments.

Background

Every legislative session, the Washington State Legislature considers community capital requests to include in the state's capital budget. The [Washington State Office of Financial Management](#) defines capital projects as "a broad range of construction, renovation, rehabilitation and acquisition."

The appropriations under the authority of this report are subject to the following conditions and limitations:

- (1) Except as directed otherwise prior to the effective date of this section, the department may not expend the appropriation in this section unless and until the non-state share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

¹ [Chapter 35, Laws of 2016 \(HB 2380, Sec. 1008\)](#)

² [Chapter 19, Laws of 2013 \(SB 5035, Sec. 1078\)](#)

³ [Chapter 3, Laws of 2015 \(HB 1115, Sec. 1040\)](#)

- (2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for pre-construction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.
- (3) Projects funded in this section may be required to comply with Washington's high performance building standards as required under [chapter 39.35D RCW](#).
- (4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.
- (5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in [RCW 43.63A.125\(6\)](#).
- (6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

Commerce receives lists of Local and Community Projects and other direct appropriations through the state capital budget. These projects are reimbursement-style grants provided to local governments and nonprofit organizations to help communities build and improve a variety of public facilities.

Identified projects

Across all three capital provisos under examination, only one project met all criteria. This project is from [Chapter 19, Laws of 2013 \(SB 5035, Sec. 1078\)](#) and Projects that Strengthen Communities and Quality of Life (92000230) - for the Seabrook Trail (see Table 1).

Table 1: Lapsed direct appropriation projects

Project title	Grant amount	Appropriation
Seabrook Trail	\$423,890	2013 Projects that Strengthen Communities and Quality of Life (92000230)