

HOUSE BILL REPORT

HB 2601

As Reported by House Committee On:
Housing, Community Development & Veterans
Capital Budget

Title: An act relating to the authority of the parks and recreation commission to approve leases.

Brief Description: Concerning the authority of the parks and recreation commission to approve leases.

Sponsors: Representatives Tharinger, Barkis, Leavitt and Ryu; by request of Parks and Recreation Commission.

Brief History:

Committee Activity:

Housing, Community Development & Veterans: 1/29/20, 1/31/20 [DP];
Capital Budget: 2/10/20 [DP].

Brief Summary of Bill

- Increases the maximum lease term for state park properties from 50 to 80 years.
- Allows the State Parks and Recreation Commission to approve long-term leases with majority approval.

HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

Majority Report: Do pass. Signed by 9 members: Representatives Ryu, Chair; Morgan, Vice Chair; Jenkin, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Barkis, Frame, Johnson, J., Leavitt and Ramel.

Staff: Serena Dolly (786-7150).

Background:

The State Parks and Recreation Commission (Commission) consists of seven members appointed by the Governor. A majority of Commission members constitute a quorum for the transaction of business. Under the Commission's procedural rules, a majority vote of the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Commissioners present is required to pass an item brought to vote unless the law requires a unanimous vote. By statute, several Commission decisions require unanimous votes including leases in excess of 20 years, land sales or exchanges, and the disposal of real property to resolve boundary and ownership issues with adjacent landowners.

The Commission has broad authority over the management of state parks, including the power to grant concessions and leases in state parks. Generally, the maximum lease term under current law is 50 years, and any lease of more than 20 years requires a unanimous vote of the Commission.

Summary of Bill:

The maximum lease term for state park properties is increased from 50 to 80 years. Property leases exceeding 20 years require approval of at least four commission members instead of a unanimous vote.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The way state parks are funded and operated has changed dramatically since the recession. The state has a backlog in the development of parks and is facing \$600 million in deferred maintenance at park properties. Public-private partnerships with leases are key. The Commission has a proven history with long-term leases. The Saint Edward Seminary was in terrible shape when a private entity developed a renovation plan. The plan did not pencil out with a 50-year lease, so the Legislature authorized a 62-year lease. The park went from having the largest amount of deferred maintenance to being a tremendous asset for the public to enjoy. There are other partnerships like the Saint Edward Seminary out there. This bill provides a critical tool for the Commission to engage private partners. A unanimous vote is unfair and undemocratic. No other state agency is subject to unanimous votes.

(Opposed) None.

Persons Testifying: Representative Tharinger, prime sponsor; and Mark Brown and Owen Rowe, Washington State Parks and Recreation Commission.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 21 members: Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Corry, Davis, Dye, Eslick, Gildon, Harris, Irwin, Jenkin, Lekanoff, Maycumber, Morgan, Pellicciotti, Peterson, Riccelli, Santos, Sells and Stonier.

Minority Report: Without recommendation. Signed by 3 members: Representatives Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Walsh.

Staff: Richelle Geiger (786-7139).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Housing, Community Development & Veterans:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Washington State Parks Department (Department) is responsible for about one-fourth of Washington's capital portfolio. The Department currently generates enough revenue to cover 80 percent of its operating expenses. While state funding for capital projects has improved over time, the Department still struggles with not getting enough funding to keep up with deferred maintenance projects. Long-term leases are one way to establish alternative revenue streams to fund maintenance projects. The Department has experienced success with private-public partnerships, including the work done at Fort Worden and Saint Edward Seminary, and is interested in finding more partnerships. The investments made by private partners and the standard maximum lease length, 50 years, does not always pencil out. This legislation reduces the risk to prospective private partners. The Fort Worden or Saint Edward Seminary projects would not have been possible without the exemption to the 50 year maximum lease length requirement.

Allowing the State Parks and Recreation Commission to approve long term leases with an affirmative vote of at least four commission members brings their requirement in line with the requirements for all other Governor-appointed commissions in the state.

(Opposed) None.

Persons Testifying: Representative Tharinger, prime sponsor; and Mark Brown and Owen Rowe, Washington State Parks and Recreation Commission.

Persons Signed In To Testify But Not Testifying: None.