

# HOUSE BILL REPORT

## ESSB 6532

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### As Passed House:

March 6, 2008

**Title:** An act relating to the management of state-owned aquatic lands by cities for the purposes of operating a publicly owned marina.

**Brief Description:** Authorizing certain cities to enter into lease agreements to use state-owned aquatic lands to operate a publicly owned marina.

**Sponsors:** By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Haugen and Keiser).

### Brief History:

#### Committee Activity:

Ecology & Parks: 2/20/08, 2/26/08 [DP];

Capital Budget: 2/29/08, 3/3/08 [DP].

#### Floor Activity:

Passed House: 3/6/08, 93-0.

### Brief Summary of Engrossed Substitute Bill

- Allows cities with a population between 20,000 and 25,000 residents to enter into a reduced fee lease with the Department of Natural Resources for the use of state-owned aquatic lands if the city is currently operating a publicly-owned marina.

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### HOUSE COMMITTEE ON ECOLOGY & PARKS

**Majority Report:** Do pass. Signed by 9 members: Representatives Upthegrove, Chair; Rolfes, Vice Chair; Sump, Ranking Minority Member; Dickerson, Dunshee, Eickmeyer, Kristiansen, O'Brien and Pearson.

**Staff:** Jason Callahan (786-7117).

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### HOUSE COMMITTEE ON CAPITAL BUDGET

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*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.*

**Majority Report:** Do pass. Signed by 18 members: Representatives Fromhold, Chair; Ormsby, Vice Chair; Schual-Berke, Vice Chair; McDonald, Ranking Minority Member; Appleton, Blake, Chase, Dunshee, Flannigan, Hankins, Kelley, Orcutt, Pearson, Pedersen, Sells, Skinner, Smith and Upthegrove.

**Staff:** Nona Snell (786-7153).

**Background:**

The Legislature has assigned the Department of Natural Resources (DNR) with the responsibility of managing the state's aquatic lands for the benefit of the public. The DNR manages over two million acres of tidelands, shorelands, and bedlands. This includes the beds of navigable rivers and lakes, along with the beds below the Puget Sound.

The management of aquatic lands must support a balance of goals, including the encouragement of public access, the fostering of water-dependent uses, the utilization of renewable resources, environmental protection, and the generation of revenue. Revenues generated from the state's aquatic lands are generally directed to be used for public benefits, such as shoreline access, environmental protection, and recreational opportunities.

The DNR has general leasing authority for aquatic lands. The Legislature has directed the DNR, however, to favor water dependent uses. State-owned aquatic land lease rates for water-dependent uses are determined using a statutory formula, based largely on the value of an associated upland parcel. The term "water-dependent use" refers to a use that cannot logically exist in any location but on water. The DNR must lease parcels used for non-water dependent uses at fair market value.

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**Summary of Bill:**

Cities with a population between 20,000 and 25,000 residents that are in good standing with the DNR may enter into a reduced fee lease with the DNR for the use of state-owned aquatic lands if the city is currently operating a publicly-owned marina. The reduced fee lease must provide for the use of state-owned aquatic lands at no charge for the first 10 years of the lease. In subsequent years, rent must be limited to the lands included in the lease that was in effect prior to the effective date of the bill.

The lease must be limited to the operation of a publicly-owned marina and be entered into within one year after the enactment of the bill. The lease must be limited to 20 years, after which the city may enter into a new lease or vacate the lands.

Cities that enter into a no-fee lease with the DNR are ineligible to apply for grants from the Aquatic Lands Enhancement Account.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:** (Ecology & Parks)

(In support) Island County has miles of shoreline, but relatively few marinas. The only large marina is operated by the City of Oak Harbor, but its operations are constrained due to lease issues with the DNR. The Oak Harbor marina is getting older, and it needs significant, expensive investments made to its infrastructure that cannot be afforded while paying the DNR for use of the state-owned aquatic lands it is situated upon. If the lease rate is waived for 10 years, the city can issue a bond to make needed investments. The investments will include funding many activities that benefit both the natural environment of the area and enhance public recreational needs. There are no private marinas in the area, so competition with the private sector will not be an issue.

(Opposed) None.

**Staff Summary of Public Testimony:** (Capital Budget)

None.

**Persons Testifying:** (Ecology & Parks) Senator Haugen, prime sponsor; and Jim Slowik, Mayor of Oak Harbor.

**Persons Testifying:** (Capital Budget) None.

**Persons Signed In To Testify But Not Testifying:** (Ecology & Parks) None.

**Persons Signed In To Testify But Not Testifying:** (Capital Budget) None.