
Capital Budget Committee

HB 2035

Brief Description: Lengthening the maximum terms of leases entered into by the director of enterprise services in certain counties.

Sponsors: Representatives Scott, Morris and Lytton.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes the Department of Enterprise Services to enter into leases for up to 60 years in counties having populations between 100,000 people and 200,000 people and land less than 400 acres.

Hearing Date: 2/17/15

Staff: Steve Masse (786-7115).

Background:

The Department of Enterprise Services.

The Department of Enterprise Services (DES) provides lease procurement services to most state agencies. The DES is currently authorized to enter into leases for up to 10 years. Leases provided by the DES for over 10 years is subject to approval by the director of the Office of Financial Management (OFM).

Northern State Hospital.

The Northern State Hospital (Hospital) was established in 1909. It is located in Sedro Woolley and began taking mentally ill patients in 1912. The Hospital closed in 1973. Approximately half of the 44 buildings are part of a nationally recognized historic district.

Over the past 10 years, the DES has spent \$7.2 million from lease payments on maintenance. The DES has invested nearly \$4 million in capital funding for repairs, such as new roofs, fire alarms, sewer and storm-sewer repairs, upgrades to the domestic water system and elevator repairs.

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Part of the Hospital is being used as a Job Corp facility and drug treatment center. The facility is now known as the North Cascades Gateway Center and is managed by the DES. Currently, the 953 acre site is divided into two pieces: a state-owned 227 acre piece of land where the Hospital campus is located; and a county-owned 726 acre parcel surrounding the campus. The parcel contains fields, forest and the Hansen Creek salmon recovery habitat. The county-owned portion was purchased in 1991 and turned into a county park called the Northern State Recreation Area. The state's income from those tenants averages \$2.6 million annually.

County Population.

Based on the 2010 census the counties with a population between 100,000 people and 200,000 people are Cowlitz, Skagit, and Benton counties.

Summary of Bill:

The Department of Enterprise Services is authorized to enter into leases with counties having populations between 100,000 people and 200,000 people and land less than 400 acres, for up to 60 years.

Appropriation: None.

Fiscal Note: Requested on 2/14/15.

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