

HOUSE BILL REPORT

2SHB 1024

As Passed House:

March 3, 2025

Title: An act relating to leasing authority of the state parks and recreation commission at St. Edward State Park.

Brief Description: Concerning the leasing authority of the state parks and recreation commission at St. Edward State Park.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Kloba, Duerr, Ryu, Berry, Pollet and Davis; by request of Parks and Recreation Commission).

Brief History:

Committee Activity:

Environment & Energy: 1/13/25, 1/27/25 [DPS];

Capital Budget: 2/13/25, 2/20/25 [DP2S(w/o sub ENVI)].

Floor Activity:

Passed House: 3/3/25, 97-0.

Brief Summary of Second Substitute Bill

- Increases the maximum lease length for Saint Edward State Park from 62 years to 80 years.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Doglio, Chair; Hunt, Vice Chair; Dye, Ranking Minority Member; Klicker, Assistant Ranking Member; Abbarno, Abell, Barnard, Berry, Duerr, Fey, Kloba, Ley, Mena, Mendoza, Ramel, Stearns, Street, Stuebe, Wylie and Ybarra.

Staff: Srinandan Ramachandran (786-7291) and Megan McPhaden (786-7114).

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

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Environment & Energy. Signed by 19 members: Representatives Tharinger, Chair; Callan, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Barnard, Davis, Dye, Eslick, Fosse, Hill, Leavitt, Morgan, Rule, Salahuddin, Stearns, Walsh, Waters and Zahn.

Staff: John Wilson-Tepeli (786-7115).

Background:

The Washington State Parks and Recreation Commission (Commission), which consists of seven Governor-appointed citizen members, helps guide the policies that steer the Washington State Parks agency. The Commission oversees state park management, enforces usage rules, ensures public access, develops facilities and trails, and may grant leases and concessions. Under the leadership of a director appointed by the Commission, the agency handles the practical implementation of these policies as well as managing daily park operations. Commission leases and concessions must be renegotiated at five-year intervals and the Commission may sell or exchange land that it determines cannot be advantageously used for park purposes.

In 1977 Washington acquired Saint Edward State Park from the Seattle Catholic Archdiocese, which had sited a school and seminary on the property. Today, Saint Edward State Park—situated between Kenmore and Kirkland—encompasses 326 acres of buildings, recreational facilities, and outdoor spaces, including several buildings listed on the National Register of Historic Places.

In 2016 the Department of Commerce (Commerce), in consultation with the Commission, was directed to conduct a study on the economic feasibility of potential public or nonprofit uses of the seminary building at Saint Edward State Park. Leases at Saint Edward State Park are limited to the main seminary building, pool building, the gymnasium, adjacent parking lots, and associated nearby property.

In 2016 the Commission was authorized to enter into a lease for property at Saint Edward State Park for up to 62 years provided that: (1) there was approval from at least five Commission members; and (2) the Commission found that the Commerce study failed to identify an economically viable public or nonprofit use for the property that is consistent with the Commission's mission and could proceed on a reasonable timeline. All other parkland concessions or leases exceeding 50 years were prohibited and all leases exceeding 20 years required the unanimous consent of the Commission.

In 2020 the maximum lease term for all other state properties was extended from 50 years to

80 years. Property leases exceeding 20 years were made subject to approval from five Commission members instead of a unanimous vote.

Summary of Second Substitute Bill:

The maximum lease length for Saint Edward State Park is increased from 62 years to 80 years.

The requirement that leases at Saint Edward State Park are limited to the main seminary building, pool building, the gymnasium, adjacent parking lots, and associated nearby property is removed.

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 (Environment & Energy):

(In support) The seminary building at Saint Edward State Park has been used for a variety of purposes over the years, but it had to close due to escalating maintenance costs. Following years of neglect, Saint Edward State Park has become a major tourist attraction because the Washington legislature extended its maximum lease length, which made it more attractive to outside investment. As a result, a private real estate developer was willing to invest far more than the Commission could alone allocate. Long-term leasing is an important tool to attract outside investment to renovate and maintain parks. Therefore, the maximum lease length should be extended for Saint Edward State Park.

(Opposed) None.

Staff Summary of Public Testimony (Capital Budget):

(In support) Saint Edward State Park is a jewel of the community. There has been a lot of discussion about this bill and the use of the property. There is now a hotel and art gallery located at the property and the property is no longer falling into disrepair. Long-term leasing is an important tool to attract outside investment to renovate and maintain parks. The property will now have the same leasing opportunities as other State Parks' properties, aligning the length of lease with the rest of the leasing statutes for State Parks' properties. This bill is particularly important to the City of Kenmore, as it directly impacts the City's economic development opportunities. The City of Kenmore supports the bill and the continued responsible development of this park. Extending the Park's maximum lease length makes it more attractive to outside investment, including the possibility of

developing a Nordic spa and upgrade of swimming facilities on the property.

(Opposed) None.

Persons Testifying (Environment & Energy): Representative Shelley Kloba, prime sponsor; Owen Rowe, Washington State Parks and Recreation Commission, Policy and Governmental Affairs Director; and James Daniels, The Lodge at St. Edwards State Park.

Persons Testifying (Capital Budget): Representative Shelley Kloba, prime sponsor; Brian Considine, State Parks, Policy and Gov't Affairs Director; Nigel Herbig, Mayor, City of Kenmore, WA; and James Daniels, The Lodge.

Persons Signed In To Testify But Not Testifying (Environment & Energy): None.

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