

HOUSE BILL REPORT

HB 1846

As Amended by the Senate

Title: An act relating to the exchange or sale and replacement of administrative property owned by the Department of Natural Resources.

Brief Description: Allowing the Department of Natural Resources to sell or exchange its light industrial property in Thurston County.

By Representatives Alexander, Hunt, Romero and DeBolt; by request of Department of Natural Resources.

Brief History:

Committee Activity:

Natural Resources: 2/16/01, 2/19/01 [DP];

Capital Budget: 2/26/01, 2/28/01 [DP].

Floor Activity:

Passed House: 3/9/01, 94-0.

Senate Amended.

Passed Senate: 4/12/01, 46-0.

Brief Summary of Bill

- Authorizes the Department of Natural Resources to sell or exchange their administrative site in Lacey, Washington, and purchase or trade for a new administrative site in Thurston or adjacent counties.

HOUSE COMMITTEE ON NATURAL RESOURCES

Majority Report: Do pass. Signed by 11 members: Representatives Doumit, Democratic Co-Chair; Sump, Republican Co-Chair; Pearson, Republican Vice Chair; Rockefeller, Democratic Vice Chair; G. Chandler, Edwards, Eickmeyer, Ericksen, Jackley, Murray and Pennington.

Staff: Jason Callahan (786-7117).

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 16 members: Representatives Alexander, Republican Co-Chair; Murray, Democratic Co-Chair; Armstrong, Republican Vice Chair; Esser, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean, Bush, Casada, Hankins, Hunt, O'Brien, Poulsen, Reardon, Schoesler, Veloria and Woods.

Staff: Jeff Olsen (786-7157).

Background:

The Department of Natural Resources (DNR) owns a 38-acre administrative site in Lacey, Washington, known as the Lacey Compound.– The Lacey Compound supports the department's motor pool, fire program, materials storage, and maintenance equipment. The site has buildings built in 1938 and their upkeep is costly. The site was originally in a rural area but there has been extensive development around the site and it no longer fits into the long range plans for the area. The DNR needs authority to sell the site and relocate to a more efficient location that will save money and provide better service.

Summary:

The Department of Natural Resources (DNR) may sell or exchange the light industrial facilities in Thurston County, known as the Lacey Compound, and purchase or trade for new land and facilities in Thurston or adjacent counties to serve as an administrative site. The DNR also has the option to construct new facilities. The Lacey Compound may be sold in part or whole at public auction, or exchanged for public or private property. If an exchange is not balanced, the DNR may accept or spend funds to equalize the trade. All sales and exchanges must be at least for market value. All proceeds received from an auction are to be deposited in the park land trust revolving fund and are to be used for the acquisition of a replacement administrative site. Any proceeds remaining after the purchase and/or construction of the new administrative site will be deposited in to the appropriate trust account as determined by the department.

EFFECT OF SENATE AMENDMENT(S):

Requires the DNR to submit a proposal for review and approval with the Office of Financial Management before proceeding with the sale of exchange. The proposal must include a determination of ownership, a determination of market value, a determination of prospective proportional uses of the future site, and a financing plan based on prospective use. The amendment also specifies that the future site's location must be approved by the Board of Natural Resources and the State Capitol Committee, and any additional funding requirements must be submitted for approval by the Legislature by the end of 2001.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Natural Resources) The site of the Lacey Compound was originally in a rural area. That area is now heavily developed, resulting in dangerous access and egress. The development also means that the site is not being put to its most productive use. The current facilities do not support the activities that occur there. The heating system is outdated, the septic systems are failing, the electric system does not meet current code, and the general structures are too old to be maintained in a cost-effective manner. Upgrading on the site would cost up to \$15 million. As equal value exchange has proved successful with the state patrol, and allows an upgrade with no capital budget expenditures. This bill allows for a long-term solution and the new site is already in the process of being developed with moneys appropriated from previous legislatures. The exchange process has additional oversight built into it to protect the tax payers.

Testimony For: (Capital Budget) The Lacey Compound supports many of the operational activities of the Department of Natural Resources (DNR). The current facilities and systems are old and need major upgrades and repairs estimated to cost \$15 million. This bill would allow the DNR to trade the value of the existing site and receive in exchange a new, developed site.

Testimony Against: (Natural Resources) None.

Testimony Against: (Capital Budget) None.

Testified: (Natural Resources) (In support) Representative Alexander, prime sponsor; Jim Hurst, Department of Natural Resources; and Grant Fredricks, Department of General Administration.

Testified: (Capital Budget) James Hurst, Department of Natural Resources; and Grant Fredricks, Department of General Administration.