

SENATE BILL REPORT

SB 6509

**AS REPORTED BY COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES,
FEBRUARY 27, 1992**

Brief Description: Modifying limitations and restrictions relating to purchase of state trust lands for park and outdoor recreation purposes.

SPONSORS: Senators Conner, Sellar, Bluechel, Snyder and Owen

SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 6509 be substituted therefor, and the substitute bill do pass.

Signed by Senators Oke, Vice Chairman; Amondson, Barr, Conner, Owen, Snyder, Sumner, and Sutherland.

Staff: Gary Wilburn (786-7453)

Hearing Dates: February 25, 1992; February 27, 1992

BACKGROUND:

In 1971 legislation was enacted directing the sale of 24 parcels of timberlands administered under various state trusts by the Department of Natural Resources (DNR) to the State Parks and Recreation Commission (State Parks) for park and recreation and open space purposes. Additional parcels were directed to be sold from DNR to State Parks in 1980 and 1985. The 1985 legislation also directed DNR and State Parks to conduct a comprehensive study of state trust lands to determine those suitable for addition to the state parks system.

The resulting study recommended to the Legislature that an additional 22 sites be sold to State Parks, including the Diamond Point parcel on the Miller Peninsula, identified in the report as containing 1,444 acres. In legislation enacted in 1987 and 1988, all 22 of the parcels identified in the report were added to the statute directing sale from DNR to State Parks. In June, 1989 DNR and State Parks entered a real estate transfer agreement to this end, and in 1990 \$20 million was appropriated by the Legislature to acquire the common school trust lands identified in the agreement.

In 1989 the Mitsubishi Corporation entered an agreement for the exchange of 1100 acres of DNR land on Miller Peninsula, for the purpose of constructing a destination resort. A portion of these lands included lands subject to the DNR and State Parks transfer agreement. The DNR/Mitsubishi agreement was later amended to add an additional 300 acres. Under the agreement Mitsubishi was to provide more productive timber lands selected by DNR of equal fair market value.

Mitsubishi also agreed to compensate State Parks for relinquishing its interest in the 645 acres of land included in the DNR/State Parks transfer. This compensation included contributing an access road to the proposed park, contributing 120 contiguous acres for the park, and the provision of services to the park as well as \$1 million for capital improvements.

Local opponents to the project filed suit in superior court, challenging the authority of DNR and State Parks to enter the exchange agreements. The court ruled in favor of the state agencies and the Washington Supreme Court was petitioned for direct review of the lower court decision. Soon thereafter the 1991 capital facilities budget was enacted, Chapter 14, Laws of 1991, 1st ex. sess., which provided that the boundaries of the Diamond Point property referred to in the trust land transfer provisions may vary from that identified in the joint agency study, to the extent authorized by the State Parks and Recreation Commission.

In September, 1991 a commissioner for the Washington Supreme Court rejected a motion to dismiss the appeal, concluding that the budget proviso did not amend the statute directing the DNR sale to State Parks of the Diamond Point property, and that therefore the question of the Legislature's intent to permit the land exchange merited judicial review. On February 6, 1992, the Supreme Court refused the petition for direct review, transferring the case to the court of appeals. It is estimated that completing judicial review will likely be more than two years.

SUMMARY:

The Board of Natural Resources shall retain full management, control, and use of lands subject to the direction to sell to State Parks the identified trust land parcels, until the effective date of the transfer. The Parks and Recreation Commission shall to the extent feasible acquire the full parcels identified in the trust land transfer law and described in the joint agency study. However, the boundaries of the Diamond Point trust property may vary from the boundaries described in the joint study to the extent authorized by the Parks and Recreation Commission by its action of December 7, 1990.

EFFECT OF PROPOSED SUBSTITUTE:

Language directing the Parks Commission, to the extent feasible, to acquire full parcels identified in the joint study is deleted, while language allowing variation as to the Diamond Point parcel as authorized by the Parks Commission is retained.

Appropriation: none

Revenue: none

Fiscal Note: none requested

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

The bill is necessary to clarify legislative intent and facilitate a project that will help diversify the economy in Clallam County and provide needed funding to State Parks to develop a state park in the area.

TESTIMONY AGAINST:

It is inappropriate to seek to affect pending litigation by this legislation. State lands should not be part of a project where the agreement with state agencies was obtained in secrecy and the replacement lands will not be of comparable value.

TESTIFIED: Senator Cantu; Judith St. Claire, Clallam County Economic Development Council (pro); David Germain, Diamond Pt. RV Park (pro); George Hernandez, Diamond Point Inn (pro); David Bricklin, Save Our State Park (con); Gwen Lee, Rebound (con); Pat McElroy, DNR (pro); Cleve Pinnix, State Parks (pro); Wayne King, business owner (con); Andy Norris, Peninsula Partners (pro); Darlene Schanfald, Save Our State Park (con); Gloria Champeaux, Diamond Point resident (pro); Ed Beggs, city of Sequim (pro); Carroll French, Commerce Pres. (pro)