

# SENATE BILL REPORT

## SB 5887

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As Reported by Senate Committee On:  
Government Operations & Security, February 16, 2015

**Title:** An act relating to lengthening the maximum terms of leases entered into by the director of enterprise services in certain counties.

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

**Sponsors:** Senators Pearson and Ranker.

**Brief History:**

**Committee Activity:** Government Operations & Security: 2/16/15 [DPS].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** That Substitute Senate Bill No. 5887 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Habib and McCoy.

**Staff:** Curt Gavigan (786-7437)

**Background:** Department of Enterprise Services (DES) Lease Authority. For most state agencies, DES has the statutory authority to acquire, lease, purchase, and dispose of real estate in consultation with the Office of Financial Management (OFM). DES has the general authority to set lease terms and conditions, but is prohibited from granting a lease that exceeds 20 years. A lease may exceed ten years only if OFM makes findings including that the long-term lease provides a more favorable rate for the state.

Northern State Hospital Site. Northern State Hospital, in Skagit County, was operated by the Department of Social and Health Services from 1909 to 1973. Approximately 225 acres of the main campus are managed by DES. The site currently includes 44 buildings with approximately 630,000 square feet of total space.

**Summary of Bill:** The bill as referred to committee not considered.

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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.*

**Summary of Bill (Recommended Substitute):** DES may lease property at the Northern State Hospital site for up to 60 years.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This is the product of a local discussion on how to best use the Northern State Hospital site. The site could house a bioenergy company that could generate jobs for the area, keeping more locals here to find work. Locals feel an emotional bond with the site, and this will help restore the lost jobs when it closed. The current plan would be beneficial for the local economy, and an increase in the DES lease authority can help make this happen.

**Persons Testifying:** PRO: Senator Pearson, prime sponsor; Arlen Harris, DES; Patsy Martin, Port of Skagit; Peter Janicki, Janicki Bioenergy; Don Wick, Economic Development Assn. of Skagit County; Keith Wagner, city of Sedro Woolley; Ken Dahlstedt, Skagit County Council.