

# SENATE BILL REPORT

## SB 5853

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As Reported by Senate Committee On:  
Transportation, February 7, 2022

**Title:** An act relating to establishing a limited project regarding leasing certain department of transportation property in order to remedy past impacts to historically marginalized populations.

**Brief Description:** Establishing a limited project regarding leasing certain department of transportation property in order to remedy past impacts to historically marginalized populations.

**Sponsors:** Senators Billig, Lias, Kuderer, Lovick, Saldaña and Wilson, C..

**Brief History:**

**Committee Activity:** Transportation: 1/27/22, 2/07/22 [DPS, w/oRec].

**Brief Summary of First Substitute Bill**

- Encourages the Department of Transportation to allow affected property to be used for community purposes made unavailable due to the placement of Interstate 90 and the US 395 North Spokane Corridor project in Spokane.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5853 be substituted therefor, and the substitute bill do pass.

Signed by Senators Lias, Chair; Saldaña, Vice Chair; King, Ranking Member; Cleveland, Das, Hawkins, Holy, Lovelett, Lovick, Nguyen, Nobles, Randall, Sheldon, Wilson, C. and Wilson, J.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Fortunato and Padden.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Kelly Simpson (786-7403)

**Background:** The Washington State Department of Transportation (WSDOT) may rent or lease any lands, improvements, or air space above or below any lands held for highway purposes, but are not presently needed. Moneys paid as rent for the WSDOT property must be deposited in the advance right-of-way revolving fund. However, moneys that are subject to federal aid reimbursement and moneys received from rental of capital facilities properties must be deposited in the motor vehicle fund.

**Summary of Bill (First Substitute):** To remedy past impacts to historically marginalized populations within impacted local communities resulting from the construction of Interstate 90 and the US 395 North Spokane Corridor project, WSDOT is strongly encouraged to establish a limited project for community purposes. The Legislature intends that WSDOT establish the project to allow the affected property to be used for community purposes made unavailable due to the placement of the highway.

Under the project, WSDOT may lease property that was purchased as part of the Interstate 90 corridor project and the US 395 North Spokane Corridor to the city of Spokane, the Department of Commerce, or to a community-based nonprofit corporation to be used for the following community purposes made unavailable due to the placement of the highway:

- housing and ancillary improvements;
- parks;
- community revitalization projects;
- enhanced public spaces, such as trails and public plazas; and
- projects that provide enhanced economic development in the impacted community.

A lease for housing and parks may be for less than economic rent—fair market rent. However, the lease agreement must then require the lessee to maintain the premises as part of the consideration to the WSDOT.

Moneys paid under the limited project must be deposited into the motor vehicle fund to be used solely within the Interstate 90 corridor project and the US 395 North Spokane Corridor.

**EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute):**

- Adds the Department of Commerce as a third entity to which the property may be leased.
- States that the very limited leasing program in the bill is not to be considered precedent for future WSDOT property leases in other areas of the state.
- States that WSDOT is not precluded from leasing property in other areas of the state for full economic rent.
- Adds legislative findings that the lease program under the bill satisfies certain

exceptions in federal regulations concerning the leasing of certain property for less than fair market value.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: Communities in Spokane have been disrupted by the placement of the I-90 and North Spokane Corridor highway projects. This bill facilitates restoring and reconnecting the affected communities. It is a first step in helping the vision of local communities to reconnect affected communities. One hundred people signed in support of this bill. The state can't turn back the clock but can mitigate past impacts from the placement of the highways. Before the highways were placed, the affected areas were rich and diverse. Childhood homes were demolished by the highway. Housing is a priority in the area and this bill would help provide affordable housing. The bill will help revitalize the area including economic development and housing. Placing I-90 deeply impacted the affected areas, including decimating neighborhoods and parks, especially Liberty Park.

**Persons Testifying:** PRO: Senator Andy Billig, Prime Sponsor; Ben Stuckart, Spokane Low Income Housing Consortium; Betsy Wilkerson, Council Member of Spokane's District 2; Jennyfer Mesa, Latinos En Spokane; Jim Dawson, Fuse Washington; Michelle McDonald; Luc Jasmin III, Jasmin and Associates; Sandra Williams, Carl Maxey Center; Marty Dickinson, STCU; Lu Hill, Spokane Independent Business Alliance (SIMBA); Lili Navarrette, Hispanic Professional Business Association.

OTHER: Mike Gribner, Washington State Department of Transportation.

**Persons Signed In To Testify But Not Testifying:** No one.