Multiple Agency Fiscal Note Summary

Bill Number: 1173 2S HB	**Title:** State lands development auth

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total $	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Military Department	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Military Department	.0	0	0	.0	0	0	.0	0	0
Total $	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

FNPID: 62899

FNS029 Multi Agency rollup

Estimated Capital Budget Breakout

NONE

Prepared by: Tyler Lentz, OFM	**Phone:** (360) 790-0055	**Date Published:** Final 3/18/2021

FNPID: 62899

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1173 2S HB	Title: State lands development auth	Agency: 075-Office of the Governor

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Jim Jenkins	Phone: 360-902-0403	Date: 03/11/2021
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 03/11/2021
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 03/15/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

• Authorizes the establishment of State Lands Development Authorities in counties with a population of 2 million or greater to oversee and manage the development or redevelopment of state-owned property that is within or adjacent to manufacturing industrial centers.

• The initial board of directors of a state lands development authority must be appointed by the governor upon recommendation from the state legislative delegation from the district in which the boundaries of the state lands development authority are contained.

• Authorizes the establishment of the Ballard-Interbay State Lands Development Authority on which a representative of the Office of the Governor shall serve.

The work related to the requirements of this new version of the bill remain the same and can be done within current resources by reprioritizing workload.

First substitute bill impact:

• This bill authorizes the establishment of State Lands Development Authorities to oversee and manage the development or redevelopment of state-owned property that is within or adjacent to manufacturing industrial centers.

• The initial board of directors of a state lands development authority must be appointed by the governor upon recommendation from the state legislative delegation from the district in which the boundaries of the state lands development authority are contained.

• Authorizes the establishment of the Ballard-Interbay State Lands Development Authority on which a representative of the Office of the Governor shall serve.

The work related to the requirements of this bill can be done within current resources by reprioritizing workload.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1173 2S HB	Title: State lands development auth	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Dan Mason	Phone: (360) 902-8990	Date: 03/09/2021
Agency Approval:	Dan Mason	Phone: (360) 902-8990	Date: 03/09/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 03/11/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

2SHB 1173 creates the state lands development authority account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1173 2S HB	Title: State lands development auth	Agency: 245-Military Department

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Janet Pool	Phone: 253-312-2756	Date: 03/11/2021
Agency Approval:	Timothy Rajcevich	Phone: 2535127596	Date: 03/11/2021
OFM Review:	Carly Fa ataualofa	Phone: (360) 790-7909	Date: 03/12/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The Second Substitute bill has two (2) purposes:

- Sections 1-5: Authorization to establish State Lands Development Authorities (SLDAs) to oversee and manage the development or redevelopment of state-owned property that is within or adjacent to manufacturing industrial centers,
- Section 6: Authorization to establish the Ballard-Interbay SLDA.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Military Department has no discernable responsibilities if this bill passes. Once the property is sold and no longer state property, the Military Department releases all obligations. The Second Substitute bill removed the original bill's Military Department participation in the Ballard-Interbay State Lands Development Authority in Section 6.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1173 2S HB	**Title:** State lands development auth

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

[X] Cities: One member of the Seattle City Council and Seattle Mayor's Office and their participation in board decision making, planning, and public outreach, within in Ballard-Interbay State Land Development Authority (BISLDA) Board of Directors.

[X] Counties: One member of the King County Council in the same capacity as above.

[X] Special Districts: One member of the Port of Seattle in the same capacity as above.

[X] Specific jurisdictions only: Only affects one member of Seattle City Council, King County Council, City of Seattle Mayor's Office, and the Port of Seattle for appointment to the BISLDA Board of Directors.

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[X] Expenditures represent one-time costs: Costs associated with initial selection of the BISLDA Board of Directors; costs to produce strategic plans.

[X] Legislation provides local option: Establishes the process to form a State Lands Development Authority under certain conditions, as a local option.

[X] Key variables cannot be estimated with certainty at this time: Variance in municipal, county, and port official's involvement in BISLDA Board of Directors' activities; development and redevelopment scenario choice made by BISLDA Board of Directors; public involvement and public outreach costs for strategic plan development.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 03/15/2021
Leg. Committee Contact: Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/15/2021
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 03/15/2021

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

AMENDED PROVISIONS FROM PRIOR BILL:
Sec. 1: Establishes the purpose and formation of State Land Development Authorities (Authorities).
(1) Provides an exemption from the formation of a State Land Development Authority on any property owned or managed by the Department of Natural Resources.
(4) An Authority may only be formed in a county with a population of 2 million or greater.

Sec. 3: Establishes powers of the Authorities.
(1)(h) Authorities can incur debt towards its goals or mission but are expressly prohibited from incurring debt on behalf of the State of Washington. The duty for a State Lands Development Authority to repay its debts does not constitute an obligation of the State of Washington. State Lands Development Authorities are prohibited from using "general state revenues" to repay any borrowed funds.

SUMMARY OF CURRENT BILL:
This legislation would establish the process to form State Land Development Authorities (Authorities) as well as the powers and duties of these Authorities, in order to create the Ballard-Interbay State Lands Development Authority (BISLDA). These Authorities are authorized to oversee and manage the development and redevelopment of state-owned property that is within, or adjacent to, manufacturing industrial centers. Formation of a State Lands Development Authority is subject to legislative authorization by statute. The selection of an Authorities' Board of Directors (Board) can only be formed by the governor upon recommendation from legislative delegation from a district containing state-owned land which is adjacent to, or within, a manufacturing industrial center. Subsequent Board members would be selected by the governor through a list of candidates chosen by existing Board members.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

CHANGE FROM PRIOR BILL:
No change from prior bill expenditure impact.

This bill provides exemptions for which state lands a State Lands Development Authority (Authority) may be established, as well as, the population size of the county where they can be established. This legislation also details that debts incurred by the Authority are not obligations of the State of Washington, and no general fund revenue may be used to satisfy the Authority's outstanding obligations.

SUMMARY OF CURRENT BILL:
The proposed bill provides a local option to form State Lands Development Authorities (Authorities) and it does not require local governments to create these Authorities. However, this legislation would create the Ballard-Interbay State Lands Development Authority (BISLDA) and the formation of the BISLDA would have indeterminate expenditures as a result of this bill. Standing-up the BISLDA would have costs related to managing and creating a strategic plan for the project until the National Guard moves to a new location, after which, development or redevelopment plans could proceed. The cost for elected local government officials to attend the BISLDA meetings is estimated to be less than $10,000 per year for the four appointed members. The legislature intends to appropriately fund and staff the BISDLA for the goals established in this legislation.

BOARD WOULD BE APPROPRIATELY FUNDED BY THE LEGISLATURE:
Sec. 6(1)(b) establishes that the legislature intend for the Ballard-Interbay State Lands Development Authority (BISLDA) to be appropriately funded and staffed.

STAFFING COSTS FOR LOCAL GOVERNMENT MEMBERS OF THE BISLDA BOARD OF DIRECTORS:
The local government members of the BISLDA Board of Directors (Board), would be represented by one-member of the following: the Port of Seattle, the King County Council, the City of Seattle Mayor's Office, and the Seattle City Council. These members may have the following costs to participate in board activities and create the strategic plan outlined in Sec. 4:

Sec. 3(1)(b) authorizes the special purpose government to employ their own staff for work related to the goals of the Authority. The number of staff and the resources they may be able to provide to Board member is not yet known. However, Board members might choose to have their existing personal staff support them logistically, which could have costs ranging from de minimis to more substantive. These costs would depend on the scope of work involved with Board activities such creating the BISLDA's strategic plan outlined in Sec. 4(4) and drafting the BISLDA biennial report per Sec. 4(6). These would be additional costs to the local governments if the staff of the Board

member were used in this way.

A Board member might wish to task personal staff with analysis beyond what the Authority has supplied. In instances where work on this kind of endeavor is substantive there could be costs for a couple of hours a month of Board member's personal staff analysis and preparations for Board activities. This would also include any parking, printing, or similarly related ancillary expenditures needed perform the work to support the Board member.

MEETING ATTENDANCE COSTS:
The staff costs for the local government BISLDA Board members to attend meetings may be less than $10,000 per year, for members from the Port of Seattle, the King County Council, the City of Seattle Mayor's Office, and the Seattle City Council.

The King County staff that work on the board of directors for the Historic South Downtown Community Preservation & Development Authority and the Central District Development & Preservation Authority in King County reported that they spend around 4-6 hours a month on this type of work. The staff costs would translate to approximately $60.00/hour, or $240.00 - $360.00 a month per county board member. Adding parking costs for monthly meetings for Board members could be $25.00 a month, or $300.00 a year.

The staff hours and costs would be consistent with the meeting assumptions from the Washington State Military Department, who assume in their fiscal note for HB 1173 (2021), that meetings related to the provisions of this legislation would be once per month and approximately 3-hours in length.

If similar costs existed for all four local government Board member positions, the staff time for meetings could be:
(($60.00/hour x 3 hours) + $25.00 parking fees) = $205.00/meeting, per member
$205.00/meeting x 12 meetings = $2,460.00/year, per member
$2,460.00 x 4 local government Board members = $9,840 for 4 local government Board members to attend 1-years' worth of BISLDA Board meetings.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

CHANGE FROM PRIOR BILL
No changes would alter the previous finding of no impact.

SUMMARY OF CURRENT BILL:
No revenue impact.

This legislation does have a change to Sec. 6(1)(b) which establishes that the legislature intends for the Ballard-Interbay State Lands Development Authority (BISLDA) to be appropriately funded and staffed. Any appropriations made by the legislature would be used to fund and staff the BISLDA's Board of Directors and fulfill the obligations of this legislation. This would not result in any local government revenue impacts.

SOURCES:
Department of Commerce, Research Services
Department of Commerce, Interbay Project: Interbay Public Development Advisory Committee's Recommendations and Implementation Plan (2019)
ESSB 6095 Sec. 1004 2018 c 2 s 1016 (2018)
King County, Office of Performance, Strategy and Budget
Local Government Fiscal Note Program, FN HB 1992 (2007)
Local Government Fiscal Note Program, FN HB 1989 (2019)
MRSC, Public Development Authorities
Washington State Military Department, FN 1173 (2021)