

E2SSB 5138 - H COMM AMD

By Committee on Ecology & Parks

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that climate
4 change poses a significant threat to Washington's economy, the health
5 and welfare of its population, and its natural resources. Washington's
6 water supply and natural resources are particularly vulnerable to
7 temperature changes and shifts in precipitation patterns and could
8 suffer devastating consequences if adaptive measures are not taken.
9 Even with effective mitigation of climate changing activities, the
10 region will experience inevitable impacts from climate change.

11 (2) The science and information on the effects and impacts of
12 climate change is continually improving and this scientific information
13 provides the basis for planning and developing preparation and
14 adaptation actions for climate change to ensure the economic, health,
15 safety, and environmental well-being of the state and its citizens. It
16 is in the public interest for the state, as well as local government
17 agencies actively engaged with climate adaptation, to address the
18 effects of climate change and to be able to plan for future climate
19 change impacts. These impacts will affect individuals, public and
20 private businesses, state and local agencies, as well as natural
21 resources and the environment.

22 (3) It is the purpose of this chapter to create an integrated
23 climate change response strategy with prioritized and coordinated
24 climate change preparation and adaptation actions that state and local
25 agencies, public and private businesses, tribes, and individuals can
26 use to plan and prepare for the impacts of climate change through a
27 collaborative process of on-going research, analysis, collection, and
28 distribution of data and information. The development of the
29 integrated climate change response strategy must complement existing

1 adaptation initiatives being undertaken by local government agencies
2 actively engaged with climate adaptation.

3 (4) The legislature recognizes that the effort required to assess,
4 gather, and compile information and data to develop adaptation and
5 preparation activities for an integrated climate change response
6 strategy will take significant resources and time. The legislature
7 also recognizes that the departments of ecology, agriculture,
8 community, trade, and economic development, fish and wildlife, natural
9 resources, and transportation are uniquely positioned to address many
10 of these issues given the mission of their respective agencies.
11 Therefore, in an effort to reduce costs and streamline the process
12 while achieving the goals of this chapter, the legislature designates
13 the departments of ecology, agriculture, community, trade, and economic
14 development, fish and wildlife, natural resources, and transportation
15 as leaders in assessing and gathering the necessary information and
16 data to develop, in collaboration with local government agencies
17 actively engaged with climate adaptation, a comprehensive, integrated,
18 and coordinated climate change adaptation strategy.

19 NEW SECTION. **Sec. 2.** (1) The governor shall designate a person as
20 the single point of accountability for all energy and climate change
21 initiatives within state agencies. All agencies, councils, or work
22 groups with energy or climate change initiatives shall coordinate with
23 this designee.

24 (2) The departments of ecology, agriculture, community, trade, and
25 economic development, fish and wildlife, natural resources, and
26 transportation, in collaboration with local government agencies
27 actively engaged with climate adaptation, shall develop an integrated
28 climate change response strategy to better enable state and local
29 agencies, public and private businesses, nongovernmental organizations,
30 and individuals to prepare for, address, and adapt to the impacts of
31 climate change.

32 (3) The department of ecology shall serve as a central
33 clearinghouse for relevant scientific and technical information about
34 the impacts of climate change on Washington state's ecology, economy,
35 and society, as well as serve as a central convener for the development
36 of vital programs and necessary policies to help the state adapt to a
37 rapidly changing climate.

1 (4) The department of ecology shall consult and collaborate with
2 the departments of fish and wildlife, agriculture, community, trade,
3 and economic development, natural resources, and transportation, in
4 collaboration with local government agencies actively engaged with
5 climate adaptation, in developing an integrated climate change response
6 strategy and plans of actions to prepare for and adapt to climate
7 change impacts.

8 (5) The department of fish and wildlife shall focus on issues
9 relating to biodiversity, resiliency, and vulnerability of the natural
10 environment, and other areas as requested by the department of ecology.

11 (6) The department of natural resources shall focus on the
12 vulnerability and resiliency of forests, forest fires, and forest
13 health.

14 (7) The department of transportation shall focus on gathering and
15 assessing information relating to infrastructure projects,
16 vulnerability of the built environment, and other concerns, as
17 requested by the department of ecology.

18 (8) The department of agriculture shall focus on the impacts of new
19 regulations on agricultural lands, crops, potential offset
20 opportunities, and the economics of farm production.

21 (9) The department of community, trade, and economic development
22 shall focus on issues relating to business activities, energy
23 resources, trade and tourism, affordable housing, community facilities
24 and public infrastructure, and support services for vulnerable
25 populations.

26 However, the department of transportation's obligations under this
27 section are subject to availability of amounts appropriated for the
28 specific purpose identified in this section.

29 NEW SECTION. **Sec. 3.** (1) The departments of ecology, agriculture,
30 community, trade, and economic development, fish and wildlife, natural
31 resources, and transportation may seek assistance from a science
32 advisory group.

33 (2) The departments of ecology, agriculture, community, trade, and
34 economic development, fish and wildlife, natural resources, and
35 transportation may consult with other state, federal, and local
36 agencies that have expertise in matters relating to climate change, or

1 information and data regarding impacts from climate change, as
2 necessary to develop an integrated climate change response strategy.

3 (3) The departments of ecology, agriculture, community, trade, and
4 economic development, fish and wildlife, natural resources, and
5 transportation shall, to the extent possible, use teleconferencing for
6 meetings and electronic messaging for gathering data and information to
7 reduce meeting and travel expenditures.

8 NEW SECTION. **Sec. 4.** (1) The integrated climate change response
9 strategy shall include recommendations conveyed and communicated so
10 that policymakers, public and private businesses, and individuals can
11 easily understand and recognize the implications of the climate change
12 response strategy. The integrated climate change response strategy
13 should address the impact of and adaptation to climate change, as well
14 as the regional capacity to undertake actions, existing ecosystem and
15 resource management concerns, and health and economic risks. In
16 addition, the departments of ecology, agriculture, community, trade,
17 and economic development, fish and wildlife, natural resources, and
18 transportation should include a range of scenarios for the purposes of
19 planning in order to assess project vulnerability and, to the extent
20 feasible, reduce expected risks and increase resiliency to the impacts
21 of climate change.

22 (2) The integrated climate change response strategy must include
23 climate change preparation and adaptation actions that ensure
24 collaborative and cooperative activities.

25 (a) By December 1, 2011, the department of ecology shall compile an
26 initial climate change response strategy, including information and
27 data from the departments of fish and wildlife, agriculture, community,
28 trade, and economic development, natural resources, and transportation,
29 as well as from local government agencies actively engaged with climate
30 adaptation, that: Summarizes the best known science on climate change
31 impacts to Washington; assesses Washington's vulnerability to the
32 identified climate change impacts; prioritizes solutions that can be
33 implemented within and across state agencies; and identifies
34 recommended funding mechanisms and technical and other essential
35 resources for implementing solutions.

36 (b) The initial strategy must include:

1 (i) Efforts to identify priority planning areas for action, based
2 on vulnerability and risk assessments;

3 (ii) Barriers challenging state and local governments to take
4 action, such as laws, policies, regulations, rules, and procedures that
5 require revision to adequately address adaptation to climate change;

6 (iii) Opportunities to integrate climate science and projected
7 impacts into planning and decision making; and

8 (iv) Methods to increase public awareness of climate change, its
9 projected impacts on the community, and to build support for meaningful
10 adaptation policies and strategies.

11 (c) The department of ecology shall, in collaboration with the
12 departments of fish and wildlife, agriculture, community, trade, and
13 economic development, natural resources, and transportation, and in
14 collaboration with local government agencies actively engaged with
15 climate adaptation, complete an initial climate impacts assessment
16 report that includes the status of the integrated climate change
17 response strategy and provide it to the appropriate committees of the
18 legislature by December 1, 2012.

19 (3) By December 1, 2013, the department of ecology, in
20 collaboration with the departments of fish and wildlife, agriculture,
21 community, trade, and economic development, natural resources, and
22 transportation, and in collaboration with local government agencies
23 actively engaged with climate adaptation, must complete an integrated
24 climate change response strategy, which must include:

25 (a) Adaptation plans of action to address:

26 (i) Water resources;

27 (ii) Ocean and coastal resources;

28 (iii) Infrastructure requirements;

29 (iv) Biodiversity;

30 (v) Public health risks and consequences; and

31 (vi) Working landscapes, such as forest and agricultural lands.

32 (b) Information about the latest research and projects, such as:

33 (i) Risk assessment models and data, including evaluations of the
34 consequences, magnitude, and probability of climate change impacts;

35 (ii) Comprehensive impact assessments that examine how climate
36 change is likely to affect the natural environment and physical
37 infrastructure, as well as the economic impacts on municipal and rural
38 operations; and

1 (iii) Methods to strengthen community partnerships that reduce
2 vulnerabilities and risks to climate change.

3 NEW SECTION. **Sec. 5.** (1) The science advisory group shall provide
4 independent, nonrepresentational scientific advice to the department of
5 ecology. The science advisory group members shall assist the
6 department of ecology in: (a) Identifying the timing and extent of
7 impacts from climate change; (b) assessing the effects of climate
8 variability and change in the context of multiple interacting stressors
9 or impacts; (c) developing forecasting models; (d) determining the
10 resilience of the environment, natural systems, communities, and
11 organizations to deal with potential or actual impacts of climate
12 change and the vulnerability to which a natural or social system is
13 susceptible to sustaining damage from climate change impacts; and (e)
14 identifying other issues, as determined by the department of ecology,
15 necessary to develop policies and actions for the integrated climate
16 change response strategy.

17 (2) The chair of the science advisory group must be a scientist
18 with recognized expertise in a field or fields of science essential to
19 preparing for and adapting to climate change. The chair serves for a
20 term of three years. The chair shall: (a) Select experts from
21 scientific disciplines as needed to assist the department of ecology
22 with developing an integrated climate change response strategy; and (b)
23 coordinate the science advisory group activities to ensure the
24 priorities and goals of the department of ecology are met.

25 (3) The governor or the governor's designee shall appoint the chair
26 of the science advisory group or appoint a successor to assume the
27 duties of the chair after the initial term.

28 (4) In establishing the science advisory group, the department of
29 ecology shall request that the Washington academy of sciences provide
30 a list of candidates to the chair of the science advisory group. The
31 list of candidates should reflect the full range of scientific
32 disciplines involved in climate change, including scientists associated
33 with federal, state, and local agencies, tribes, business and
34 environmental communities, colleges, and university communities. The
35 chair of the science advisory group may also seek advice from the
36 scientific community to develop membership for the science advisory
37 group.

1 NEW SECTION. **Sec. 6.** State agencies shall strive to incorporate
2 adaptation plans of action as priority activities when planning or
3 designing agency policies and programs. Agencies shall consider: The
4 integrated climate change response strategy when designing, planning,
5 and funding infrastructure projects; and incorporating natural resource
6 adaptation actions and alternative energy sources when designing and
7 planning infrastructure projects.

8 **Sec. 7.** RCW 43.155.070 and 2008 c 299 s 25 are each amended to
9 read as follows:

10 (1) To qualify for loans or pledges under this chapter the board
11 must determine that a local government meets all of the following
12 conditions:

13 (a) The city or county must be imposing a tax under chapter 82.46
14 RCW at a rate of at least one-quarter of one percent;

15 (b) The local government must have developed a capital facility
16 plan; and

17 (c) The local government must be using all local revenue sources
18 which are reasonably available for funding public works, taking into
19 consideration local employment and economic factors.

20 (2) Except where necessary to address a public health need or
21 substantial environmental degradation, a county, city, or town planning
22 under RCW 36.70A.040 must have adopted a comprehensive plan, including
23 a capital facilities plan element, and development regulations as
24 required by RCW 36.70A.040. This subsection does not require any
25 county, city, or town planning under RCW 36.70A.040 to adopt a
26 comprehensive plan or development regulations before requesting or
27 receiving a loan or loan guarantee under this chapter if such request
28 is made before the expiration of the time periods specified in RCW
29 36.70A.040. A county, city, or town planning under RCW 36.70A.040
30 which has not adopted a comprehensive plan and development regulations
31 within the time periods specified in RCW 36.70A.040 is not prohibited
32 from receiving a loan or loan guarantee under this chapter if the
33 comprehensive plan and development regulations are adopted as required
34 by RCW 36.70A.040 before submitting a request for a loan or loan
35 guarantee.

36 (3) In considering awarding loans for public facilities to special
37 districts requesting funding for a proposed facility located in a

1 county, city, or town planning under RCW 36.70A.040, the board shall
2 consider whether the county, city, or town planning under RCW
3 36.70A.040 in whose planning jurisdiction the proposed facility is
4 located has adopted a comprehensive plan and development regulations as
5 required by RCW 36.70A.040.

6 (4) Beginning in 2010, in awarding loans, the board must consider
7 whether the local government has adopted policies to reduce greenhouse
8 gas emissions that, at least, include policies consistent with the
9 requirements of (a) through (c) of this subsection. If the local
10 government has not adopted policies to reduce greenhouse gas emissions,
11 the board must consider whether the project is consistent with the
12 following:

13 (a) The state's limits on the emissions of greenhouse gases
14 established in RCW 70.235.020;

15 (b) Statewide goals to reduce annual per capita vehicle miles
16 traveled by 2050, in accordance with RCW 47.01.440; and

17 (c) Applicable federal emissions reduction requirements.

18 (5) The board shall develop a priority process for public works
19 projects as provided in this section. The intent of the priority
20 process is to maximize the value of public works projects accomplished
21 with assistance under this chapter. The board shall attempt to assure
22 a geographical balance in assigning priorities to projects. The board
23 shall consider at least the following factors in assigning a priority
24 to a project:

25 (a) Whether the local government receiving assistance has
26 experienced severe fiscal distress resulting from natural disaster or
27 emergency public works needs;

28 (b) Except as otherwise conditioned by RCW 43.155.110, whether the
29 entity receiving assistance is a Puget Sound partner, as defined in RCW
30 90.71.010;

31 (c) Whether the project is referenced in the action agenda
32 developed by the Puget Sound partnership under RCW 90.71.310;

33 (d) Whether the project is critical in nature and would affect the
34 health and safety of a great number of citizens;

35 (e) Whether the applicant has developed and adhered to guidelines
36 regarding its permitting process for those applying for development
37 permits consistent with section 1(2), chapter 231, Laws of 2007;

1 (f) The cost of the project compared to the size of the local
2 government and amount of loan money available;

3 (g) The number of communities served by or funding the project;

4 (h) Whether the project is located in an area of high unemployment,
5 compared to the average state unemployment;

6 (i) Whether the project is the acquisition, expansion, improvement,
7 or renovation by a local government of a public water system that is in
8 violation of health and safety standards, including the cost of
9 extending existing service to such a system;

10 (j) Except as otherwise conditioned by RCW 43.155.120, and
11 effective one calendar year following the development of model
12 evergreen community management plans and ordinances under RCW
13 35.105.050, whether the entity receiving assistance has been
14 recognized, and what gradation of recognition was received, in the
15 evergreen community recognition program created in RCW 35.105.030;

16 (k) The relative benefit of the project to the community,
17 considering the present level of economic activity in the community and
18 the existing local capacity to increase local economic activity in
19 communities that have low economic growth; and

20 (l) Other criteria that the board considers advisable.

21 ~~((+5))~~ (6) Existing debt or financial obligations of local
22 governments shall not be refinanced under this chapter. Each local
23 government applicant shall provide documentation of attempts to secure
24 additional local or other sources of funding for each public works
25 project for which financial assistance is sought under this chapter.

26 ~~((+6))~~ (7) Before November 1st of each year, the board shall
27 develop and submit to the appropriate fiscal committees of the senate
28 and house of representatives a description of the loans made under RCW
29 43.155.065, 43.155.068, and subsection ~~((+9))~~ (10) of this section
30 during the preceding fiscal year and a prioritized list of projects
31 which are recommended for funding by the legislature, including one
32 copy to the staff of each of the committees. The list shall include,
33 but not be limited to, a description of each project and recommended
34 financing, the terms and conditions of the loan or financial guarantee,
35 the local government jurisdiction and unemployment rate, demonstration
36 of the jurisdiction's critical need for the project, a description of
37 local policies or project consistency with state greenhouse emissions
38 goals, and documentation of local funds being used to finance the

1 public works project. The list shall also include measures of fiscal
2 capacity for each jurisdiction recommended for financial assistance,
3 compared to authorized limits and state averages, including local
4 government sales taxes; real estate excise taxes; property taxes; and
5 charges for or taxes on sewerage, water, garbage, and other utilities.

6 ~~((7))~~ (8) The board shall not sign contracts or otherwise
7 financially obligate funds from the public works assistance account
8 before the legislature has appropriated funds for a specific list of
9 public works projects. The legislature may remove projects from the
10 list recommended by the board. The legislature shall not change the
11 order of the priorities recommended for funding by the board.

12 ~~((8))~~ (9) Subsection ~~((7))~~ (8) of this section does not apply
13 to loans made under RCW 43.155.065, 43.155.068, and subsection ~~((9))~~
14 (10) of this section.

15 ~~((9))~~ (10) Loans made for the purpose of capital facilities plans
16 shall be exempted from subsection ~~((7))~~ (8) of this section.

17 ~~((10))~~ (11) To qualify for loans or pledges for solid waste or
18 recycling facilities under this chapter, a city or county must
19 demonstrate that the solid waste or recycling facility is consistent
20 with and necessary to implement the comprehensive solid waste
21 management plan adopted by the city or county under chapter 70.95 RCW.

22 ~~((11))~~ (12) After January 1, 2010, any project designed to
23 address the effects of storm water or wastewater on Puget Sound may be
24 funded under this section only if the project is not in conflict with
25 the action agenda developed by the Puget Sound partnership under RCW
26 90.71.310.

27 **Sec. 8.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to read
28 as follows:

29 The board is authorized to make direct loans to political
30 subdivisions of the state and to federally recognized Indian tribes for
31 the purposes of assisting the political subdivisions and federally
32 recognized Indian tribes in financing the cost of public facilities,
33 including development of land and improvements for public facilities,
34 project-specific environmental, capital facilities, land use,
35 permitting, feasibility, and marketing studies and plans; project
36 design, site planning, and analysis; project debt and revenue impact
37 analysis; as well as the construction, rehabilitation, alteration,

1 expansion, or improvement of the facilities. A grant may also be
2 authorized for purposes designated in this chapter, but only when, and
3 to the extent that, a loan is not reasonably possible, given the
4 limited resources of the political subdivision or the federally
5 recognized Indian tribe and the finding by the board that financial
6 circumstances require grant assistance to enable the project to move
7 forward. However, no more than twenty-five percent of all financial
8 assistance approved by the board in any biennium may consist of grants
9 to political subdivisions and federally recognized Indian tribes.

10 Application for funds shall be made in the form and manner as the
11 board may prescribe. In making grants or loans the board shall conform
12 to the following requirements:

13 (1) The board shall not provide financial assistance:

14 (a) For a project the primary purpose of which is to facilitate or
15 promote a retail shopping development or expansion.

16 (b) For any project that evidence exists would result in a
17 development or expansion that would displace existing jobs in any other
18 community in the state.

19 (c) For a project the primary purpose of which is to facilitate or
20 promote gambling.

21 (d) For a project located outside the jurisdiction of the applicant
22 political subdivision or federally recognized Indian tribe.

23 (2) The board shall only provide financial assistance:

24 (a) For a project demonstrating convincing evidence that a specific
25 private development or expansion is ready to occur and will occur only
26 if the public facility improvement is made that:

27 (i) Results in the creation of significant private sector jobs or
28 significant private sector capital investment as determined by the
29 board and is consistent with the state comprehensive economic
30 development plan developed by the Washington economic development
31 commission pursuant to chapter 43.162 RCW, once the plan is adopted;
32 and

33 (ii) Will improve the opportunities for the successful maintenance,
34 establishment, or expansion of industrial or commercial plants or will
35 otherwise assist in the creation or retention of long-term economic
36 opportunities;

37 (b) For a project that cannot meet the requirement of (a) of this
38 subsection but is a project that:

1 (i) Results in the creation of significant private sector jobs or
2 significant private sector capital investment as determined by the
3 board and is consistent with the state comprehensive economic
4 development plan developed by the Washington economic development
5 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

6 (ii) Is part of a local economic development plan consistent with
7 applicable state planning requirements;

8 (iii) Can demonstrate project feasibility using standard economic
9 principles; and

10 (iv) Is located in a rural community as defined by the board, or a
11 rural county;

12 (c) For site-specific plans, studies, and analyses that address
13 environmental impacts, capital facilities, land use, permitting,
14 feasibility, marketing, project engineering, design, site planning, and
15 project debt and revenue impacts, as grants not to exceed fifty
16 thousand dollars.

17 (3) The board shall develop guidelines for local participation and
18 allowable match and activities.

19 (4) Beginning in 2010, in awarding loans and grants the board must
20 consider whether the applicant has adopted policies to reduce
21 greenhouse gas emissions that, at least, include policies consistent
22 with the requirements of (a) through (c) of this subsection. If the
23 applicant has not adopted policies to reduce greenhouse gas emissions,
24 the board must consider whether the project is consistent with (a)
25 through (c) of this subsection.

26 (a) The state's limits on the emissions of greenhouse gases
27 established in RCW 70.235.020;

28 (b) Statewide goals to reduce annual per capita vehicle miles
29 traveled by 2050, in accordance with RCW 47.01.440, except that the
30 board shall consider whether project locations in rural counties
31 defined in RCW 43.160.020 will maximize the reduction of vehicle miles
32 traveled; and

33 (c) Applicable federal emissions reduction requirements.

34 (5) None of the considerations directed in subsection (4) of this
35 section shall relieve the board of its duty to approve financial
36 assistance to rural communities as required in RCW 43.160.076.

37 (6) An application must demonstrate local match and local
38 participation, in accordance with guidelines developed by the board.

1 ~~((+5))~~ (7) An application must be approved by the political
2 subdivision and supported by the local associate development
3 organization or local workforce development council or approved by the
4 governing body of the federally recognized Indian tribe.

5 ~~((+6))~~ (8) The board may allow de minimis general system
6 improvements to be funded if they are critically linked to the
7 viability of the project.

8 ~~((+7))~~ (9) An application must demonstrate convincing evidence
9 that the median hourly wage of the private sector jobs created after
10 the project is completed will exceed the countywide median hourly wage.

11 ~~((+8))~~ (10) The board shall prioritize each proposed project
12 according to:

13 (a) The relative benefits provided to the community by the jobs the
14 project would create, not just the total number of jobs it would create
15 after the project is completed, but also giving consideration to the
16 unemployment rate in the area in which the jobs would be located;

17 (b) The rate of return of the state's investment, including, but
18 not limited to, the leveraging of private sector investment,
19 anticipated job creation and retention, and expected increases in state
20 and local tax revenues associated with the project;

21 (c) Whether the proposed project offers a health insurance plan for
22 employees that includes an option for dependents of employees;

23 (d) Whether the public facility investment will increase existing
24 capacity necessary to accommodate projected population and employment
25 growth in a manner that supports infill and redevelopment of existing
26 urban or industrial areas that are served by adequate public
27 facilities. Projects should maximize the use of existing
28 infrastructure and provide for adequate funding of necessary
29 transportation improvements; and

30 (e) Whether the applicant has developed and adhered to guidelines
31 regarding its permitting process for those applying for development
32 permits consistent with section 1(2), chapter 231, Laws of 2007.

33 ~~((+9))~~ (11) A responsible official of the political subdivision or
34 the federally recognized Indian tribe shall be present during board
35 deliberations and provide information that the board requests.

36 Before any financial assistance application is approved, the
37 political subdivision or the federally recognized Indian tribe seeking
38 the assistance must demonstrate to the community economic

1 revitalization board that no other timely source of funding is
2 available to it at costs reasonably similar to financing available from
3 the community economic revitalization board.

4 **Sec. 9.** RCW 43.160.900 and 2008 c 327 s 9 are each amended to read
5 as follows:

6 (1) The community economic revitalization board shall conduct
7 biennial outcome-based evaluations of the financial assistance provided
8 under this chapter. The evaluations shall include information on the
9 number of applications for community economic revitalization board
10 assistance; the number and types of projects approved; the grant or
11 loan amount awarded each project; the projected number of jobs created
12 or retained by each project; the actual number and cost of jobs created
13 or retained by each project; the wages and health benefits associated
14 with the jobs; a description of local policies or project consistency
15 with state greenhouse emissions goals; the amount of state funds and
16 total capital invested in projects; the number and types of businesses
17 assisted by funded projects; the location of funded projects; the
18 transportation infrastructure available for completed projects; the
19 local match and local participation obtained; the number of delinquent
20 loans; and the number of project terminations. The evaluations may
21 also include additional performance measures and recommendations for
22 programmatic changes.

23 (2)(a) By September 1st of each even-numbered year, the board shall
24 forward its draft evaluation to the Washington state economic
25 development commission for review and comment(~~(, as required in section~~
26 ~~10 of this act)~~). The board shall provide any additional information
27 as may be requested by the commission for the purpose of its review.

28 (b) Any written comments or recommendations provided by the
29 commission as a result of its review shall be included in the board's
30 completed evaluation. The evaluation must be presented to the governor
31 and appropriate committees of the legislature by December 31st of each
32 even-numbered year. The initial evaluation must be submitted by
33 December 31, 2010.

34 **Sec. 10.** RCW 39.102.040 and 2007 c 229 s 2 are each amended to
35 read as follows:

1 (1) Prior to applying to the board to use local infrastructure
2 financing, a sponsoring local government shall:

3 (a) Designate a revenue development area within the limitations in
4 RCW 39.102.060;

5 (b) Certify that the conditions in RCW 39.102.070 are met;

6 (c) Complete the process in RCW 39.102.080;

7 (d) Provide public notice as required in RCW 39.102.100; and

8 (e) Pass an ordinance adopting the revenue development area as
9 required in RCW 39.102.090.

10 (2) Any local government that has created an increment area under
11 chapter 39.89 RCW and has not issued bonds to finance any public
12 improvement may apply to the board and have its increment area
13 considered for approval as a revenue development area under this
14 chapter without adopting a new revenue development area under RCW
15 39.102.090 and 39.102.100 if it amends its ordinance to comply with RCW
16 39.102.090(1) and otherwise meets the conditions and limitations under
17 this chapter.

18 (3) As a condition to imposing a sales and use tax under RCW
19 82.14.475, a sponsoring local government, including any cosponsoring
20 local government seeking authority to impose a sales and use tax under
21 RCW 82.14.475, must apply to the board and be approved for a project
22 award amount. The application shall be in a form and manner prescribed
23 by the board and include but not be limited to information establishing
24 that the applicant is an eligible candidate to impose the local sales
25 and use tax under RCW 82.14.475, the anticipated effective date for
26 imposing the tax, the estimated number of years that the tax will be
27 imposed, and the estimated amount of tax revenue to be received in each
28 fiscal year that the tax will be imposed. The board shall make
29 available forms to be used for this purpose. As part of the
30 application, each applicant must provide to the board a copy of the
31 ordinance or ordinances creating the revenue development area as
32 required in RCW 39.102.090. A notice of approval to use local
33 infrastructure financing shall contain a project award that represents
34 the maximum amount of state contribution that the applicant, including
35 any cosponsoring local governments, can earn each year that local
36 infrastructure financing is used. The total of all project awards
37 shall not exceed the annual state contribution limit. The
38 determination of a project award shall be made based on information

1 contained in the application and the remaining amount of annual state
2 contribution limit to be awarded. Determination of a project award by
3 the board is final.

4 (4)(a) Sponsoring local governments, and any cosponsoring local
5 governments, applying in calendar year 2007 for a competitive project
6 award, must submit completed applications to the board no later than
7 July 1, 2007. By September 15, 2007, in consultation with the
8 department of revenue and the department of community, trade, and
9 economic development, the board shall approve competitive project
10 awards from competitive applications submitted by the 2007 deadline.
11 No more than two million five hundred thousand dollars in competitive
12 project awards shall be approved in 2007. For projects not approved by
13 the board in 2007, sponsoring and cosponsoring local governments may
14 apply again to the board in 2008 for approval of a project.

15 (b) Sponsoring local governments, and any cosponsoring local
16 governments, applying in calendar year 2008 for a competitive project
17 award, must submit completed applications to the board no later than
18 July 1, 2008. By September 18, 2008, in consultation with the
19 department of revenue and the department of community, trade, and
20 economic development, the board shall approve competitive project
21 awards from competitive applications submitted by the 2008 deadline.

22 (c) Except as provided in RCW 39.102.050(2), a total of no more
23 than five million dollars in competitive project awards shall be
24 approved for local infrastructure financing.

25 (d) The project selection criteria and weighting developed prior to
26 July 22, 2007, for the application evaluation and approval process
27 shall apply to applications received prior to November 1, 2007. In
28 evaluating applications for a competitive project award after November
29 1, 2007, the board shall, in consultation with the Washington state
30 economic development commission, develop the relative weight to be
31 assigned to the following criteria:

32 (i) The project's potential to enhance the sponsoring local
33 government's regional and/or international competitiveness;

34 (ii) The project's ability to encourage mixed use and transit-
35 oriented development and the redevelopment of a geographic area;

36 (iii) Achieving an overall distribution of projects statewide that
37 reflect geographic diversity;

1 (iv) The estimated wages and benefits for the project is greater
2 than the average labor market area;

3 (v) The estimated state and local net employment change over the
4 life of the project;

5 (vi) The current economic health and vitality of the proposed
6 revenue development area and the contiguous community and the estimated
7 impact of the proposed project on the proposed revenue development area
8 and contiguous community;

9 (vii) The estimated state and local net property tax change over
10 the life of the project;

11 (viii) The estimated state and local sales and use tax increase
12 over the life of the project;

13 (ix) An analysis that shows that, over the life of the project,
14 neither the local excise tax allocation revenues nor the local property
15 tax allocation revenues will constitute more than eighty percent of the
16 total local funds as described in RCW 39.102.020(29)(c); and

17 (x) If a project is located within an urban growth area, evidence
18 that the project utilizes existing urban infrastructure and that the
19 transportation needs of the project will be adequately met through the
20 use of local infrastructure financing or other sources.

21 (e)(i) Except as provided in this subsection (4)(e), the board may
22 not approve the use of local infrastructure financing within more than
23 one revenue development area per county.

24 (ii) In a county in which the board has approved the use of local
25 infrastructure financing, the use of such financing in additional
26 revenue development areas may be approved, subject to the following
27 conditions:

28 (A) The sponsoring local government is located in more than one
29 county; and

30 (B) The sponsoring local government designates a revenue
31 development area that comprises portions of a county within which the
32 use of local infrastructure financing has not yet been approved.

33 (iii) In a county where the local infrastructure financing tool is
34 authorized under RCW 39.102.050, the board may approve additional use
35 of the local infrastructure financing tool.

36 (5) Beginning in 2010, as part of the approval process, the board
37 must consider whether the sponsoring local government has adopted

1 policies to reduce greenhouse gas emissions that, at least, include
2 policies consistent with (a) through (c) of this subsection.

3 (a) The state's limits on the emissions of greenhouse gases
4 established in RCW 70.235.020;

5 (b) Statewide goals to reduce annual per capita vehicle miles
6 traveled by 2050, in accordance with RCW 47.01.440; and

7 (c) Applicable federal emissions reduction requirements.

8 (6) Once the board has approved the sponsoring local government,
9 and any cosponsoring local governments, to use local infrastructure
10 financing, notification must be sent by the board to the sponsoring
11 local government, and any cosponsoring local governments, authorizing
12 the sponsoring local government, and any cosponsoring local
13 governments, to impose the local sales and use tax authorized under RCW
14 82.14.475, subject to the conditions in RCW 82.14.475.

15 **Sec. 11.** RCW 47.26.282 and 2002 c 189 s 5 are each amended to read
16 as follows:

17 In any project funded by the transportation improvement board,
18 except for projects in cities having a population of less than five
19 thousand persons, and in addition to any other items required to be
20 considered by statute, the board also shall consider the land use
21 implications of the project, such as whether the programs and projects:

22 (1) Support development in and revitalization of existing
23 downtowns;

24 (2) Implement local comprehensive plans for rural and urban
25 residential and nonresidential densities;

26 (3) Have land use planning and regulations encouraging compact
27 development for rural and urban residential and nonresidential
28 densities; (~~and~~)

29 (4) Promote the use of multimodal transportation; and

30 (5) Beginning in 2010, are located in jurisdictions that have
31 adopted policies to reduce greenhouse gas emissions that, at least,
32 include policies consistent with (a) the state's limits on the
33 emissions of greenhouse gases established in RCW 70.235.020; (b)
34 statewide goals to reduce annual per capita vehicle miles traveled by
35 2050, in accordance with RCW 47.01.440; and (c) applicable federal
36 emissions reduction requirements.

1 NEW SECTION. **Sec. 12.** Sections 1 through 6 of this act constitute
2 a new chapter in Title 43 RCW.

3 NEW SECTION. **Sec. 13.** If specific funding for the purposes of
4 this act, referencing this act by bill or chapter number, is not
5 provided by June 30, 2009, in the omnibus appropriations act, this act
6 is null and void."

7 Correct the title.

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