

# SENATE BILL REPORT

## ESSB 5473

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As Amended by House, April 15, 2009

**Title:** An act relating to streamlining development through the designation of projects of statewide significance.

**Brief Description:** Designating projects of statewide significance.

**Sponsors:** Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Kilmer, Pridemore, McAuliffe and Sheldon).

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 1/26/09, 2/04/09 [DPS].

Passed Senate: 3/10/09, 47-0.

Passed House: 4/15/09, 86-10.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** That Substitute Senate Bill No. 5473 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

**Staff:** Jack Brummel (786-7428)

**Background:** Industrial projects of statewide significance are defined as either a border crossing project that involves both private and public investments or a private capital investment in manufacturing or research and development. Projects must meet capital investment or job creation requirements. The capital investment requirements range from \$20 million for a project located in a county with a population of 20,000 or less, to \$1 billion for a project located in a county with a population greater than one million. The job creation requirement is 50 positions in rural counties and 100 positions in urban counties. The Director of the Department of Community, Trade, and Economic Development (CTED) may designate a project as one of statewide significance in special circumstances.

An application for designation as an industrial project of statewide significance must be submitted to CTED. The application must include a letter of approval from jurisdictions

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where a project is located and must commit to providing the local staff necessary to expedite the completion of a project.

Counties and cities with projects are to enter into agreements with the Office of Permit Assistance and local project managers to expedite the processes necessary for the design and construction of projects. The Office of Permit Assistance is to provide facilitation and coordination services to expedite completion of industrial projects of statewide significance.

**Summary of Engrossed Substitute Bill:** Technical corrections are made changing Office of Permit Assistance to Office of Regulatory Assistance (ORA).

The designation of projects of statewide significance is expanded beyond industrial development to include investments in environmental improvement that will provide a net environmental benefit and investments in furtherance of commercialization of innovations.

The investment thresholds are reduced to an investment requirement of \$5 million in the smallest counties and \$50 million in the largest counties. Projects may be designated as of statewide significance by the Director of CTED without meeting the investment or job creation requirements if they 1) stem from innovation activities at public research institutions in the state or within innovation partnership zones; or 2) will provide a net environmental benefit as determined through the use of established environmental criteria. Such exceptional designations will only be made after consultation with the ORA on the availability of staff.

Counties and cities requesting a project's designation as one of statewide significance must ensure the participation of local officials on the public/private team expediting a project's completion.

**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2009.

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

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

**Staff Summary of Public Testimony:** PRO: This bill makes it easier for someone to receive a designation as a project of statewide significance and get the project expedited.

OTHER: Only two projects have been designated to date because of the high levels of investment and jobs required. Even so, projects needing ORA assistance have not been turned down.

**Persons Testifying:** PRO: Senator Kastama, prime sponsor.

OTHER: Faith Lumsden, Office of Regulatory Assistance.

**House Amendment(s):** The amendment clarifies the role of CTED in qualifying certain categories of projects for designation as projects of statewide significance, and requires consultation with the Director of Ecology concerning the development of environmental criteria for use in project designation.

CTED, before designating any category of projects as a project of statewide significance, must determine whether the project will provide significant local and/or state economic benefit, whether it is aligned with the state's comprehensive plan for economic development, and whether its designation will prevent equal consideration of all categories of project proposals.

The amendment makes technical changes.