
Local Government Committee

HB 1754

Brief Description: Concerning projects of statewide significance for economic development and transportation.

Sponsors: Representatives Blake, Haigh, Clibborn, Ryu and Santos.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Makes numerous changes to provisions governing projects of statewide significance.
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Hearing Date: 2/19/13

Staff: Ethan Moreno (786-7386).

Background:

Projects of Statewide Significance - History, Declarations, and Definition.

Legislation adopted in 1997 (*i.e.* ESHB 2170, enacted as ch. 369, Laws of 1997) declared that certain industrial investments merited special designation and treatment by governmental bodies. The adopted legislation specified that its intention was to recognize industrial projects of statewide significance and to encourage local governments and state agencies to expedite their completion.

Under current law, the Department of Commerce (Commerce) is authorized, through an application-based process, to designate qualifying projects as projects of statewide significance. "Project of statewide significance" is defined in statute to mean:

- a border crossing project that involves both private and public investments carried out in conjunction with adjacent states or provinces;
- a development project that will provide a net environmental benefit;
- a development project in furtherance of the commercialization of innovations;
- a private industrial development with private capital investment in manufacturing or research and development; or

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- an aviation biofuels production facility.

Qualifications and Designation.

To qualify for designation as a project of statewide significance, the project applicant must, in accordance with specific application requirements, apply to Commerce for the designation, and the project must be completed after January 1, 2009. Additionally, except for aviation biofuels production facilities, the project must:

- comply with population-based capital investment requirements;
- have 50 or more projected full-time employment positions after completion of construction in qualifying rural counties;
- have 100 or more projected full-time employment positions after completion of construction in non-rural counties; or
- have been qualified by the Director of Commerce as a project of statewide significance because specific reasons, including that the economic circumstances of the county merit the additional assistance the designation will bring, and the impact on a region due to the size and complexity of the project, merits the designation.

Commerce must designate a development project as a project of statewide significance if it determines that:

- the development project will provide significant economic benefit to the local or state economy, or both;
- that the project is aligned with the state's comprehensive plan for economic development, and, by its designation, the project will not prevent equal consideration of other potential projects of statewide significance; and
- the project meets or will meet the statutory designation requirements regarding designation as a project of statewide significance.

Commerce is barred from designating a project as one of statewide significance unless the application includes a letter of approval from the legislative authority of any jurisdiction that will have the proposed project within its boundaries. The letter of approval must state that the jurisdiction joins in the request for the designation of the project as one of statewide significance and has or will hire the professional staff that will be required to expedite the processes necessary to the completion of the project. The project's proponents may provide the funding necessary for the jurisdiction to hire professional staff required to expedite the project.

City and County Requirements.

Counties and cities with designated projects of statewide significance within their jurisdictions must enter into an agreement with the Office of Regulatory Assistance (ORA), the agency charged with providing permit-related assistance to citizens, businesses, and project proponents, and the project managers of projects of statewide significance for expediting the completion of qualifying projects. The agreement must satisfy specific requirements, including:

- expedited permit processing for the design and construction of the project;
- expedited environmental review processing;
- expedited processing of requests for street, right-of-way, or easement vacations necessary for the construction of the project; and

- other actions or items deemed necessary by the ORA for the design and construction of the project.

Summary of Bill:

Numerous changes to provisions governing projects of statewide significance are made.

Legislative Declarations.

Legislative declarations for projects of statewide significance are amended to specify that the Legislature declares that certain private investments, rather than investments, including investments for transportation, merit special designation as projects of statewide significance. The expressly stated intention of the Legislature is to recognize projects of statewide significance, to provide a mechanism for local governments and state and federal agencies to perform a coordinated and comprehensive review of these projects, and to encourage their expeditious completion.

Definition: Project of Statewide Significance.

The 'net environmental benefit' and 'private industrial development' criteria from the statutory definition of the term "project of statewide significance" are modified so that two ways in which a project may meet the definition of a project of statewide significance are if the project:

- provides a net environmental benefit *to the state or a region of the state*; or
- is a private industrial development with private capital investment in manufacturing, *basic commodity transportation, energy development, conservation or efficiency*, or research and development.

Qualifications and Designation.

Several of the specific criteria that a non-aviation biofuels production facility project must meet to qualify as a project of statewide significance are modified. The modifications are as follows:

- In qualifying rural counties, the projected full-time employment positions after completion of construction must be 30 or greater rather than 50 or greater;
- In non-rural counties, the projected full-time employment positions after completion of construction must be 70 or greater rather than 100 or greater; or
- If the project will create jobs in both rural and non-rural counties, projected full-time employment positions after completion of construction of 70 or greater.

A project may be eligible for qualification as a project of statewide significance by the Director of the Department of Commerce if specific criteria are met. Two ways a project may be eligible for this qualification are if:

- the economic circumstances of the county or region, rather than only county, merit the additional assistance the designation will bring; and
- the impact on a county or region, rather than only a region, due to the size and complexity of the project merit the designation.

Local government letter of approval requirements are also modified. Upon the proponents' application, the legislative authority of any jurisdiction that will have within its boundaries all or

part of a proposed project of statewide significance must provide a letter stating whether the jurisdiction joins in the request for the designation of the project as one of statewide significance. The letter must also state whether the jurisdiction has or will hire the professional staff to expedite the processes necessary to complete the project. If the local jurisdiction does not join in the request for the designation, Commerce is barred from further consideration of designating the project as one of statewide significance until the local jurisdiction joins in the applicant's request for designation.

City and County Requirements.

Requirements governing what counties and cities must do when they have a designated project of statewide significance within their jurisdiction are modified. Counties and cities with these projects remain obligated to enter into an agreement with the Office of Regulatory Assistance, but an added goal of the agreement must be to complete a coordinated and comprehensive review of a project of statewide significance. In addition to other requirements, the agreement must require:

- expedited *and consolidated* processing of requests for street, right-of-way, or easement vacations, *or other local administrative permits* necessary for the construction of the project; and
- other actions or items deemed necessary by the ORA for the design and construction of the project, *but these other actions may not alter any agency or local government permitting authority or other existing statutory requirements.*

Appropriation: None.

Fiscal Note: Requested on February 18, 2013.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.