
Local Government Committee

BILL ANALYSIS Proposed Substitute HB 1688

TITLE OF THE BILL: Relating to industrial development in rural counties.

WHAT THIS BILL DOES: *Authorizes rural counties to establish industrial land banks outside urban growth areas.*

SPONSORS: Representatives Mulliken, Kessler, DeBolt, Grant, McMorris, Doumit, Alexander, Clements, Sump, Boldt, Ericksen, Schoesler, Crouse, Campbell, Schindler, Mielke, Hankins, Fortunato, Delvin, Linville, Cox, Radcliff, Haigh, Mastin, Lisk, Skinner, B. Chandler, Koster, Morris and Hatfield

HEARING DATE: Tuesday, February 23, 1999

FISCAL NOTE: Not requested.

ANALYSIS PREPARED BY: Caroleen Dineen (786-7156)

BACKGROUND:

Under the Growth Management Act (GMA), counties meeting specified growth criteria must adopt comprehensive plans that include a land use element, a rural element, a transportation element, and several other elements. A county that does not meet the criteria may choose to plan under the GMA.

Each county planning under the GMA must designate an urban growth area (UGA) sufficient to permit the urban growth expected to occur over the next 20 years. Counties must encourage urban growth within UGAs and may allow growth outside UGAs if it is not urban in nature. Limited intensive rural development, including development of existing industrial areas, is allowed outside UGAs in the rural element and does not constitute urban growth.

The GMA contains several exceptions to the general prohibition against urban growth outside UGAs:

- **Fully contained communities** meeting certain criteria are permitted.
- **Master planned resorts**, self-contained and fully integrated planned unit developments in a setting of significant natural amenities, may be authorized if specified conditions are met.
- **Specific major industrial developments** may be sited outside UGAs if criteria are met. A major industrial development is a specific manufacturing, industrial, or commercial business that either: (1) requires a parcel of land so large that no suitable parcels exist within UGAs; or (2) is a natural resource-based industry requiring a location near resource land upon which it is dependent.
- **Industrial land banks** are permitted in certain counties on a pilot basis. The Legislature has authorized five counties (Clark, Whatcom, Lewis, Grant and Clallam) to designate a bank of no more than two master planned locations for major industrial activity outside UGAs. The pilot program authority expires on December 31, 1999.

The land bank authority allows designation of locations suitable for manufacturing or industrial businesses that:

- require a parcel of land so large no suitable parcels are available within the UGA;
- are natural resource-based industries requiring a location near resource land upon which it is dependent; or
- require a location with characteristics such as proximity to transportation facilities or related industries such that there is no suitable location in an UGA. The bank may not be for retail commercial development or multitenant office parks.

The following criteria must be met to establish a location for a land bank:

- New infrastructure is provided or impact fees are paid;
- Transit-oriented site planning and traffic demand management programs are implemented;
- Buffers are provided between the development and adjacent nonurban areas;
- Environmental protection including air and water quality has been addressed and provided;
- Development regulations are established to ensure urban growth will not occur in adjacent nonurban areas;
- Adverse impacts on resource lands are mitigated;
- The plan for the development is consistent with critical areas regulations; and
- An inventory has been conducted, and the county has found land suitable to site the location is unavailable within the UGA.

SUMMARY:

The authority to establish industrial land banks is extended to all rural counties, and the pilot project provisions for certain counties are eliminated. A "rural county" is defined as a county with a population density of fewer than one hundred persons per square mile as determined by the Office of Financial Management. Rural counties are authorized to establish a bank of no more than two master planned locations for major industrial activity. These land banks must meet the statutory criteria. Activities authorized within industrial land banks are manufacturing, warehouse/distribution and industrial activities.

Proposed Substitute Compared to Original Bill:

- Authority to include uses other than manufacturing, warehouse/distribution, or industrial uses is deleted.
- The rural definition based on population density is added.