

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1965

Chapter 433, Laws of 2007

60th Legislature
2007 Regular Session

INDUSTRIAL LAND BANKS

EFFECTIVE DATE: 07/22/07

Passed by the House April 18, 2007
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 13, 2007
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved May 11, 2007, 11:02 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1965** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 11, 2007

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1965

AS AMENDED BY THE SENATE

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Local Government (originally sponsored by
Representatives Eddy and Curtis)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to authorizing major industrial development within
2 industrial land banks; and amending RCW 36.70A.367.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 36.70A.367 and 2004 c 208 s 1 are each amended to read
5 as follows:

6 (1) In addition to the major industrial development allowed under
7 RCW 36.70A.365, a county planning under RCW 36.70A.040 that meets the
8 criteria in subsection ~~((10) or (11))~~ (5) of this section may
9 establish, in consultation with cities consistent with provisions of
10 RCW 36.70A.210, a process for designating a bank of no more than two
11 master planned locations for major industrial activity outside urban
12 growth areas.

13 ~~(2) ((A master planned location for major industrial developments~~
14 ~~outside an urban growth area may be included in the urban industrial~~
15 ~~land bank for the county if criteria including, but not limited to, the~~
16 ~~following are met through the completion of a comprehensive planning~~
17 ~~process that ensures that:~~

18 ~~(a) Development regulations are adopted to ensure that urban growth~~
19 ~~will not occur in adjacent nonurban areas;~~

1 ~~(b) The master plan for the major industrial developments is~~
2 ~~consistent with the county's development regulations adopted for~~
3 ~~protection of critical areas;~~

4 ~~(c) An inventory of developable land has been conducted as provided~~
5 ~~in RCW 36.70A.365;~~

6 ~~(d) Provisions are established for determining the availability of~~
7 ~~alternate sites within urban growth areas and the long-term annexation~~
8 ~~feasibility of land sites outside of urban growth areas; and~~

9 ~~(e) Development regulations are adopted to require the industrial~~
10 ~~land bank site to be used primarily for locating industrial and~~
11 ~~manufacturing businesses and specify that the gross floor area of all~~
12 ~~commercial and service buildings or facilities locating within the~~
13 ~~industrial land bank shall not exceed ten percent of the total gross~~
14 ~~floor area of buildings or facilities in the industrial land bank. The~~
15 ~~commercial and service businesses operated within the ten percent gross~~
16 ~~floor area limit shall be necessary to the primary industrial or~~
17 ~~manufacturing businesses within the industrial land bank. The intent~~
18 ~~of this provision for commercial or service use is to meet the needs of~~
19 ~~employees, clients, customers, vendors, and others having business at~~
20 ~~the industrial site and as an adjunct to the industry to attract and~~
21 ~~retain a quality work force and to further other public objectives,~~
22 ~~such as trip reduction. Such uses would not be promoted to attract~~
23 ~~additional clientele from the surrounding area. The commercial and~~
24 ~~service businesses should be established concurrently with or~~
25 ~~subsequent to the industrial or manufacturing businesses.~~

26 ~~(3) The process for reviewing and approving proposals to authorize~~
27 ~~siting of specific major industrial developments within an approved~~
28 ~~industrial land bank must ensure through adopted development~~
29 ~~regulations that:~~

30 ~~(a) New infrastructure is provided for and/or applicable impact~~
31 ~~fees are paid;~~

32 ~~(b) Transit-oriented site planning and traffic demand management~~
33 ~~programs are implemented;~~

34 ~~(c) Buffers are provided between the major industrial development~~
35 ~~and adjacent nonurban areas;~~

36 ~~(d) Environmental protection including air and water quality has~~
37 ~~been addressed and provided for;~~

1 ~~(e) Provision is made to mitigate adverse impacts on designated~~
2 ~~agricultural lands, forest lands, and mineral resource lands; and~~

3 ~~(f) An interlocal agreement related to infrastructure cost sharing~~
4 ~~and revenue sharing between the county and interested cities is~~
5 ~~established.~~

6 ~~(4) In selecting master planned locations for inclusion in the~~
7 ~~urban industrial land bank, priority shall be given to locations that~~
8 ~~are adjacent to, or in close proximity to, an urban growth area.~~

9 ~~(5) Final approval of inclusion of a master planned location in an~~
10 ~~urban industrial land bank under subsection (2) of this section shall~~
11 ~~be considered an adopted amendment to the comprehensive plan adopted~~
12 ~~pursuant to RCW 36.70A.070, except that RCW 36.70A.130(2) does not~~
13 ~~apply so that inclusion or exclusion of master planned locations may be~~
14 ~~considered at any time. Approval of specific development proposals~~
15 ~~under subsection (3) of this section requires no further comprehensive~~
16 ~~plan amendment.~~

17 ~~(6) Once a master planned location has been included in an urban~~
18 ~~industrial land bank, manufacturing and industrial businesses that~~
19 ~~qualify as major industrial development under RCW 36.70A.365 may be~~
20 ~~located there.~~

21 ~~(7) Nothing in this section alters the requirements for a county to~~
22 ~~comply with chapter 43.21C RCW.~~

23 ~~(8)(a) The authority of a county meeting the criteria of subsection~~
24 ~~(10) of this section to engage in the process of including or excluding~~
25 ~~master planned locations from an urban industrial land bank terminates~~
26 ~~on December 31, 2007. However, any location included in an urban~~
27 ~~industrial land bank on or before December 31, 2007, shall be available~~
28 ~~for major industrial development as long as the criteria of subsection~~
29 ~~(2) of this section are met. A county that has established or proposes~~
30 ~~to establish an industrial land bank pursuant to this section shall~~
31 ~~review the need for an industrial land bank within the county,~~
32 ~~including a review of the availability of land for industrial and~~
33 ~~manufacturing uses within the urban growth area, during the review and~~
34 ~~evaluation of comprehensive plans and development regulations required~~
35 ~~by RCW 36.70A.130.~~

36 ~~(b) The authority of a county meeting the criteria of subsection~~
37 ~~(11) of this section to engage in the process of including or excluding~~
38 ~~master planned locations from the urban industrial land bank terminates~~

1 ~~on December 31, 2002. However, any location included in the urban~~
2 ~~industrial land bank on December 31, 2002, shall be available for major~~
3 ~~industrial development as long as the criteria of subsection (2) of~~
4 ~~this section are met.~~

5 (9)) A master planned location for major industrial developments
6 may be approved through a two-step process: Designation of an
7 industrial land bank area in the comprehensive plan; and subsequent
8 approval of specific major industrial developments through a local
9 master plan process described under subsection (3) of this section.

10 (a) The comprehensive plan must identify locations suited to major
11 industrial development due to proximity to transportation or resource
12 assets. The plan must identify the maximum size of the industrial land
13 bank area and any limitations on major industrial developments based on
14 local limiting factors, but does not need to specify a particular
15 parcel or parcels of property or identify any specific use or user
16 except as limited by this section. In selecting locations for the
17 industrial land bank area, priority must be given to locations that are
18 adjacent to, or in close proximity to, an urban growth area.

19 (b) The environmental review for amendment of the comprehensive
20 plan must be at the programmatic level and, in addition to a threshold
21 determination, must include:

22 (i) An inventory of developable land as provided in RCW 36.70A.365;
23 and

24 (ii) An analysis of the availability of alternative sites within
25 urban growth areas and the long-term annexation feasibility of sites
26 outside of urban growth areas.

27 (c) Final approval of an industrial land bank area under this
28 section must be by amendment to the comprehensive plan adopted under
29 RCW 36.70A.070, and the amendment is exempt from the limitation of RCW
30 36.70A.130(2) and may be considered at any time. Approval of a
31 specific major industrial development within the industrial land bank
32 area requires no further amendment of the comprehensive plan.

33 (3) In concert with the designation of an industrial land bank
34 area, a county shall also adopt development regulations for review and
35 approval of specific major industrial developments through a master
36 plan process. The regulations governing the master plan process shall
37 ensure, at a minimum, that:

38 (a) Urban growth will not occur in adjacent nonurban areas;

1 (b) Development is consistent with the county's development
2 regulations adopted for protection of critical areas;

3 (c) Required infrastructure is identified and provided concurrent
4 with development. Such infrastructure, however, may be phased in with
5 development;

6 (d) Transit-oriented site planning and demand management programs
7 are specifically addressed as part of the master plan approval;

8 (e) Provision is made for addressing environmental protection,
9 including air and water quality, as part of the master plan approval;

10 (f) The master plan approval includes a requirement that interlocal
11 agreements between the county and service providers, including cities
12 and special purpose districts providing facilities or services to the
13 approved master plan, be in place at the time of master plan approval;

14 (g) A major industrial development is used primarily by industrial
15 and manufacturing businesses, and that the gross floor area of all
16 commercial and service buildings or facilities locating within the
17 major industrial development does not exceed ten percent of the total
18 gross floor area of buildings or facilities in the development. The
19 intent of this provision for commercial or service use is to meet the
20 needs of employees, clients, customers, vendors, and others having
21 business at the industrial site, to attract and retain a quality
22 workforce, and to further other public objectives, such as trip
23 reduction. These uses may not be promoted to attract additional
24 clienteles from the surrounding area. Commercial and service businesses
25 must be established concurrently with or subsequent to the industrial
26 or manufacturing businesses;

27 (h) New infrastructure is provided for and/or applicable impact
28 fees are paid to assure that adequate facilities are provided
29 concurrently with the development. Infrastructure may be achieved in
30 phases as development proceeds;

31 (i) Buffers are provided between the major industrial development
32 and adjacent rural areas;

33 (j) Provision is made to mitigate adverse impacts on designated
34 agricultural lands, forest lands, and mineral resource lands; and

35 (k) An open record public hearing is held before either the
36 planning commission or hearing examiner with notice published at least
37 thirty days before the hearing date and mailed to all property owners
38 within one mile of the site.

1 (4) For the purposes of this section:

2 (a) "Major industrial development" means a master planned location
3 suitable for manufacturing or industrial businesses that: (i) Requires
4 a parcel of land so large that no suitable parcels are available within
5 an urban growth area; (ii) is a natural resource-based industry
6 requiring a location near agricultural land, forest land, or mineral
7 resource land upon which it is dependent; or (iii) requires a location
8 with characteristics such as proximity to transportation facilities or
9 related industries such that there is no suitable location in an urban
10 growth area. The major industrial development may not be for the
11 purpose of retail commercial development or multitenant office parks.

12 (b) "Industrial land bank" means up to two master planned
13 locations, each consisting of a parcel or parcels of contiguous land,
14 sufficiently large so as not to be readily available within the urban
15 growth area of a city, or otherwise meeting the criteria contained in
16 (a) of this subsection, suitable for manufacturing, industrial, or
17 commercial businesses and designated by the county through the
18 comprehensive planning process specifically for major industrial use.

19 ~~((+10+))~~ (5) This section and the termination ~~((date))~~ provisions
20 specified in subsection ~~((+8)-(a+))~~ (6) of this section apply to a
21 county that at the time the process is established under subsection (1)
22 of this section:

23 (a) Has a population greater than two hundred fifty thousand and is
24 part of a metropolitan area that includes a city in another state with
25 a population greater than two hundred fifty thousand;

26 (b) Has a population greater than one hundred forty thousand and is
27 adjacent to another country;

28 (c) Has a population greater than forty thousand but less than
29 seventy-five thousand and has an average level of unemployment for the
30 preceding three years that exceeds the average state unemployment for
31 those years by twenty percent; and

32 (i) Is bordered by the Pacific Ocean;

33 (ii) Is located in the Interstate 5 or Interstate 90 corridor; or

34 (iii) Is bordered by Hood Canal;

35 (d) Is east of the Cascade divide; and

36 (i) Borders another state to the south; or

37 (ii) Is located wholly south of Interstate 90 and borders the
38 Columbia river to the east; ~~((or))~~

1 (e) Has an average population density of less than one hundred
2 persons per square mile as determined by the office of financial
3 management, and is bordered by the Pacific Ocean and by Hood
4 Canal(~~(-)~~); or

5 ~~((11) This section and the termination date specified in~~
6 ~~subsection (8)(b) of this section apply to a county that at the time~~
7 ~~the process is established under subsection (1) of this section)) (f)~~
8 Meets all of the following criteria:

9 ~~((a)) (i)~~ Has a population greater than forty thousand but fewer
10 than eighty thousand;

11 ~~((b)) (ii)~~ Has an average level of unemployment for the preceding
12 three years that exceeds the average state unemployment for those years
13 by twenty percent; and

14 ~~((c)) (iii)~~ Is located in the Interstate 5 or Interstate 90
15 corridor.

16 ~~((12)) (6)~~ In order to identify and approve locations for
17 industrial land banks, the county shall take action to designate one or
18 more industrial land banks and adopt conforming regulations as provided
19 by RCW 36.70A.367(2) on or before the last date to complete that
20 county's next periodic review under RCW 36.70A.130(4) that occurs prior
21 to December 31, 2014. The authority to take action to designate a land
22 bank area in the comprehensive plan expires if not acted upon by the
23 county within the time frame provided in this section. Once a land
24 bank area has been identified in the county's comprehensive plan, the
25 authority of the county to process a master plan or site projects
26 within an approved master plan does not expire.

27 (7) Any county seeking to designate an industrial land bank under
28 this section must:

29 (a) Provide countywide notice, in conformity with RCW 36.70A.035,
30 of the intent to designate an industrial land bank. Notice must be
31 published in a newspaper or newspapers of general circulation
32 reasonably likely to reach subscribers in all geographic areas of the
33 county. Notice must be provided not less than thirty days prior to
34 commencement of consideration by the county legislative body; and

35 (b) Make a written determination of the criteria and rationale used
36 by the legislative body as the basis for siting an industrial land bank
37 under this chapter.

1 (8) Any location included in an industrial land bank pursuant to
2 section 2, chapter 289, Laws of 1998, section 1, chapter 402, Laws of
3 1997, and section 2, chapter 167, Laws of 1996 shall remain available
4 for major industrial development according to this section as long as
5 the ((~~criteria of subsection (2)~~)) requirements of this section
6 continue to be satisfied.

Passed by the House April 18, 2007.

Passed by the Senate April 13, 2007.

Approved by the Governor May 11, 2007.

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