#### CERTIFICATION OF ENROLLMENT

#### ENGROSSED SUBSTITUTE SENATE BILL 5473

Chapter 421, Laws of 2009

61st Legislature 2009 Regular Session

PROJECTS OF STATEWIDE SIGNIFICANCE

EFFECTIVE DATE: 05/08/09

Passed by the Senate April 19, 2009 CERTIFICATE YEAS 42 NAYS 4 I, Thomas Hoemann, Secretary of the Senate of the State of BRAD OWEN Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5473** as President of the Senate passed by the Senate and the House Passed by the House April 15, 2009 of Representatives on the dates YEAS 86 NAYS 10 hereon set forth. FRANK CHOPP THOMAS HOEMANN Speaker of the House of Representatives Secretary Approved May 8, 2009, 11:00 a.m. FILED May 11, 2009

> Secretary of State State of Washington

CHRISTINE GREGOIRE

Governor of the State of Washington

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## ENGROSSED SUBSTITUTE SENATE BILL 5473

#### AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

## State of Washington 61st Legislature 2009 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Kilmer, Pridemore, McAuliffe, and Sheldon)

READ FIRST TIME 02/05/09.

- 1 AN ACT Relating to streamlining development through the designation
- 2 of projects of statewide significance; amending RCW 43.157.005,
- 3 43.157.010, 43.157.020, 43.157.030, 28A.525.166, 28C.18.080,
- 4 43.21A.350, 43.42.060, 90.58.100, and 43.131.402; and declaring an
- 5 emergency.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 Sec. 1. RCW 43.157.005 and 1997 c 369 s 1 are each amended to read
- 8 as follows:
- 9 The legislature declares that certain ((industrial)) investments,
- 10 <u>such as investments for industrial development, environmental</u>
- 11 improvement, and innovation activities, merit special designation and
- 12 treatment by governmental bodies when they are proposed. Such
- 13 investments bolster the economies of their locale and impact the
- 14 economy of the state as a whole. It is the intention of the
- 15 legislature to recognize ((industrial)) projects of statewide
- 16 significance and to encourage local governments and state agencies to
- 17 expedite their completion.

- 1 **Sec. 2.** RCW 43.157.010 and 2004 c 275 s 63 are each amended to 2 read as follows:
- 3  $((\frac{(1)}{1}))$  For purposes of this chapter and RCW 28A.525.166, 4 28B.76.210, 28C.18.080, 43.21A.350,  $((\frac{47.06.030}{1}))$  and 90.58.100  $((\frac{1}{1}))$
- 5 an industrial)), unless the context requires otherwise:
- 6 (1)(a) A project of statewide significance is:
- 7 <u>(i) A</u> border crossing project that involves both private and public 8 investments carried out in conjunction with adjacent states or 9 provinces;
- 10 <u>(ii) A development project that will provide a net environmental</u>
  11 benefit;
- 12 <u>(iii) A development project in furtherance of the commercialization</u>
  13 <u>of innovations;</u> or
- 14 <u>(iv) A</u> private industrial development with private capital 15 investment in manufacturing or research and development.
- 16 <u>(b)</u> To qualify <u>for designation under RCW 43.157.030</u> as ((<del>an</del> industrial)) <u>a</u> project of statewide significance: ((<del>(a)</del>))
- 18 (i) The project must be completed after January 1,  $((\frac{1997}{}))$  2009; 19  $((\frac{b}{}))$
- (ii) The applicant must submit an application to the department for designation as ((an industrial)) a project of statewide significance to the department of community, trade, and economic development; and (((c)))
- 24 <u>(iii) The project must have:</u>
- 25 ((<del>(i)</del>)) <u>(A)</u> In counties with a population ((<del>of</del>)) less than or equal 26 to twenty thousand, a capital investment of ((<del>twenty</del>)) <u>five</u> million 27 dollars;
- (( $\frac{(ii)}{(ii)}$ )) (B) In counties with a population (( $\frac{(of)}{(of)}$ )) greater than twenty thousand but no more than fifty thousand, a capital investment of (( $\frac{(fifty)}{(of)}$ )) ten million dollars;
- 31 ((<del>(iii)</del>)) <u>(C)</u> In counties with a population ((<del>of</del>)) greater than 32 fifty thousand but no more than one hundred thousand, a capital 33 investment of ((<del>one hundred</del>)) <u>fifteen</u> million dollars;
- ((<del>(iv)</del>)) (D) In counties with a population ((<del>of</del>)) greater than one hundred thousand but no more than two hundred thousand, a capital investment of ((<del>two hundred</del>)) twenty million dollars;
- 37 (((v))) (E) In counties with a population ((of)) greater than two

hundred thousand but no more than four hundred thousand, a capital investment of ((four hundred)) thirty million dollars;

 $((\frac{\forall i)}{}))$  In counties with a population  $((\frac{\partial f}{}))$  greater than four hundred thousand but no more than one million, a capital investment of  $((\frac{\sin hundred}{}))$  forty million dollars;

 $((\frac{\text{vii}}{\text{vi}}))$  (G) In counties with a population  $(\frac{\text{of}}{\text{o}})$  greater than one million, a capital investment of  $(\frac{\text{one billion}}{\text{one billion}})$ 

((\(\frac{\text{viii}}{\text{viii}}\))) (H) In rural counties ((\(\text{with-fewer-than-one-hundred}\) persons-per-square-mile-as-determined-annually-by-the-office-offinancial-management-and-published-by-the-department-of-revenue effective for the period July 1st through June 30th)) as defined by RCW 82.14.370, projected full-time employment positions after completion of construction of fifty or greater;

(((ix))) (I) In counties ((with one hundred or more persons per square - mile - as - determined - annually - by - the - office - of - financial management and published by the department of revenue effective for the period - July - 1st - through - June - 30th)) other than rural counties as defined by RCW 82.14.370, projected full-time employment positions after completion of construction of one hundred or greater; or

 $((\frac{x}{y}))$  <u>(J)</u> Been  $(\frac{designated}{designated})$  <u>qualified</u> by the director of  $(\frac{designated}{designated})$  the department as  $(\frac{designated}{designated})$  a project of statewide significance either <u>because</u>:  $(\frac{designated}{designated})$  distressed county and)

(I) The economic circumstances of the county merit the additional assistance such designation will bring; ((or (B) because))

 $\underline{\text{(II)}}$  The impact on a region due to the size and complexity of the project merits such designation:

(III) The project resulted from or is in furtherance of innovation activities at a public research institution in the state or is in or resulted from innovation activities within an innovation partnership zone; or

(IV) The project will provide a net environmental benefit as evidenced by plans for design and construction under green building standards or for the creation of renewable energy technology or components or under other environmental criteria established by the director in consultation with the director of the department of ecology.

p. 3

- A project may be qualified under this subsection (1)(b)(iii)(J)
  only after consultation on the availability of staff resources of the
  office of regulatory assistance.
- 4 (2) ((The term)) "Department" means the department of community,
  5 trade, and economic development.
- 6 (3) "Manufacturing" shall have the meaning assigned it in RCW ((82.61.010)) 82.62.010.
- 8  $((\frac{3}{-\text{The-term}}))$   $\underline{(4)}$  "Research and development" shall have the 9 meaning assigned it in RCW  $(\frac{82.61.010}{0.010})$  82.62.010.
- 10 ((<del>(4) The term</del>)) <u>(5) "Applicant"</u> means a person applying to the 11 department ((<del>of community, trade, and economic development</del>)) for 12 designation of a development project as ((<del>an industrial</del>)) <u>a</u> project of 13 statewide significance.
- 14 **Sec. 3.** RCW 43.157.020 and 2003 c 54 s 2 are each amended to read 15 as follows:
- Counties and cities with <u>development</u> projects designated as ((industrial)) projects of statewide significance within their jurisdictions shall enter into an agreement with the office of ((permit)) regulatory assistance and the project managers of ((industrial)) projects of statewide significance for expediting the completion of ((industrial)) projects of statewide significance. The agreement shall require:
- 23 (1) Expedited permit processing for the design and construction of the project;
  - (2) Expedited environmental review processing;
- 26 (3) Expedited processing of requests for street, right-of-way, or 27 easement vacations necessary for the construction of the project; 28 ((and))
- 29 (4) <u>Participation of local officials on the team assembled under</u> 30 the requirements of RCW 43.157.030(2)(b); and
- 31 <u>(5)</u> Such other <u>actions or</u> items as are deemed necessary by the 32 office of ((<del>permit</del>)) <u>regulatory</u> assistance for the design and 33 construction of the project.
- 34 **Sec. 4.** RCW 43.157.030 and 2003 c 54 s 3 are each amended to read as follows:

- 1 (1) The department of community, trade, and economic development 2 shall:
- 3 (a) Develop an application for designation of development projects as ((industrial)) projects of statewide significance. The application 4 must be accompanied by a letter of approval from the legislative 5 authority of any jurisdiction that will have 6 the proposed ((industrial)) project of statewide significance within its boundaries. 7 No designation of a project as ((an industrial)) a project of statewide 8 significance shall be made without such letter of approval. The letter 9 10 of approval must state that the jurisdiction joins in the request for the designation of the project as one of statewide significance and has 11 12 or will hire the professional staff that will be required to expedite 13 the processes necessary to the completion of ((an-industrial)) <u>a</u> 14 project of statewide significance. The development project proponents may provide the funding necessary for the jurisdiction to hire the 15 professional staff that will be required to so expedite. 16 application shall contain information regarding the location of the 17 project, the applicant's average employment in the state for the prior 18 year, estimated new employment related to the project, estimated wages 19 of employees related to the project, estimated time schedules for 20 21 completion and operation, and other information required by the 22 department; and
- 23 (b) ((Certify that)) Designate a development project as a project
  24 of statewide significance if the department determines:

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- (i) After review of the application under criteria adopted by rule, the development project will provide significant economic benefit to the local or state economy, or both, the project is aligned with the state's comprehensive plan for economic development under RCW 43.162.020, and, by its designation, the project will not prevent equal consideration of all categories of proposals under RCW 43.157.010; and
- (ii) The <u>development</u> project meets or will meet the requirements of RCW 43.157.010 regarding designation as (( $\frac{an industrial}{a}$ )) <u>a</u> project of statewide significance.
- (2) The office of ((permit)) regulatory assistance shall assign a project facilitator or coordinator to each ((industrial)) project of statewide significance to:
- 37 (a) Assist in the scoping and coordinating functions provided for 38 in chapter 43.42 RCW;

- (b) Assemble a team of state and local government and private officials to help meet the planning, permitting, and development needs of each project, which team shall include those responsible for planning, permitting and licensing, infrastructure development, workforce development services including higher education, transportation services, and the provision of utilities; and
- 7 (c) Work with each team member to expedite their actions in 8 furtherance of the project.
- 9 **Sec. 5.** RCW 28A.525.166 and 2006 c 263 s 311 are each amended to read as follows:

Allocations to school districts of state funds provided by RCW 28A.525.162 through 28A.525.180 shall be made by the superintendent of public instruction and the amount of state assistance to a school district in financing a school plant project shall be determined in the following manner:

- (1) The boards of directors of the districts shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architects' fees, and a reasonable amount for contingencies and for other necessary incidental expenses: PROVIDED, That the total cost of the project shall be subject to review and approval by the superintendent.
- (2) The state matching percentage for a school district shall be computed by the following formula:

The ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil).

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PROVIDED, That in the event the percentage of state assistance to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state assistance under RCW 28A.525.162 through 28A.525.180, the superintendent may establish for such district a percentage of state assistance not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

- (3) In addition to the computed percent of state assistance developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed percent of state assistance for each percent of growth, with a maximum of twenty percent.
- (4) The approved cost of the project determined in the manner prescribed in this section multiplied by the percentage of state assistance derived as provided for in this section shall be the amount of state assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction That additional state the superintendent: PROVIDED, FURTHER, assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school facilities citizen advisory panel that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other conditions similarly emergent in nature; or (b) a special school housing burden resulting from ((industrial)) projects of statewide significance or imposed by virtue of the admission of nonresident students into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1969, and without benefit of the state assistance provided by prior state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of

p. 7

- such programs, after having first applied for and been denied state assistance because of the inadequacy of state funds available for the purpose, or (d) a condition created by the fact that an excessive number of students live in state owned housing, or (e) a need for the construction of a school building to provide for improved school district organization or racial balance, or (f) conditions similar to those defined under (a), (b), (c), (d), and (e) of this subsection, creating a like emergency.
- **Sec. 6.** RCW 28C.18.080 and 1997 c 369 s 5 are each amended to read 10 as follows:
  - (1) The state comprehensive plan for workforce training and education shall be updated every two years and presented to the governor and the appropriate legislative policy committees. Following public hearings, the legislature shall, by concurrent resolution, approve or recommend changes to the initial plan and the updates. The plan shall then become the state's workforce training policy unless legislation is enacted to alter the policies set forth in the plan.
  - (2) The comprehensive plan shall include workforce training role and mission statements for the workforce development programs of operating agencies represented on the board and sufficient specificity regarding expected actions by the operating agencies to allow them to carry out actions consistent with the comprehensive plan.
  - (3) Operating agencies represented on the board shall have operating plans for their workforce development efforts that are consistent with the comprehensive plan and that provide detail on implementation steps they will take to carry out their responsibilities under the plan. Each operating agency represented on the board shall provide an annual progress report to the board.
  - (4) The comprehensive plan shall include recommendations to the legislature and the governor on the modification, consolidation, initiation, or elimination of workforce training and education programs in the state.
  - (5) The comprehensive plan shall address how the state's workforce development system will meet the needs of employers hiring for ((industrial)) projects of statewide significance.
    - (6) The board shall report to the appropriate legislative policy

- 1 committees by December 1 of each year on its progress in implementing
- 2 the comprehensive plan and on the progress of the operating agencies in
- 3 meeting their obligations under the plan.

# Sec. 7. RCW 43.21A.350 and 1997 c 369 s 6 are each amended to read as follows:

The department of ecology shall prepare and perfect from time to time a state master plan for flood control, state public reservations, financed in whole or in part from moneys collected by the state, sites for state public buildings and for the orderly development of the natural and agricultural resources of the state. The plan shall address how the department will expedite the completion of ((industrial)) projects of statewide significance. The plan shall be a guide in making recommendations to the officers, boards, commissions, and departments of the state.

Whenever an improvement is proposed to be established by the state, the state agency having charge of the establishment thereof shall request of the director a report thereon, which shall be furnished within a reasonable time thereafter. In case an improvement is not established in conformity with the report, the state agency having charge of the establishment thereof shall file in its office and with the department a statement setting forth its reasons for rejecting or varying from such report which shall be open to public inspection.

The department shall insofar as possible secure the cooperation of adjacent states, and of counties and municipalities within the state in the coordination of their proposed improvements with such master plan.

- Sec. 8. RCW 43.42.060 and 2007 c 94 s 7 are each amended to read as follows:
  - (1) The office may coordinate the processing by participating permit agencies of permits required for a project, at the request of the project proponent through a cost-reimbursement agreement as provided in subsection (3) of this section or with the agreement of the project proponent as provided in subsection (4) of this section.
- (2) The office shall assign a project coordinator to perform any or all of the following functions, as specified by the terms of a cost-reimbursement agreement under subsection (3) of this section or an agreement under subsection (4) of this section:

- (a) Serve as the main point of contact for the project proponent;
  - (b) Conduct a project scoping as provided in RCW 43.42.050(2);
- 3 (c) Verify that the project proponent has all the information 4 needed to complete applications;
  - (d) Coordinate the permit processes of the permit agencies;
  - (e) Manage the applicable administrative procedures;
  - (f) Work to assure that timely permit decisions are made by the permit agencies and maintain contact with the project proponent and the permit agencies to ensure adherence to schedules;
  - (g) Assist in resolving any conflict or inconsistency among permit requirements and conditions; and
  - (h) Coordinate with relevant federal permit agencies and tribal governments to the extent possible.
  - (3) At the request of a project proponent and as provided in RCW 43.42.070, the project coordinator shall coordinate negotiations among the project proponent, the office, and participating permit agencies to enter into a cost-reimbursement agreement and shall coordinate implementation of the agreement, which shall govern coordination of permit processing by the participating permit agencies.
  - (4) For ((industrial)) projects of statewide significance or if the office determines that it is in the public interest to coordinate the processing of permits for certain projects that are complex in scope, require multiple permits, involve multiple jurisdictions, or involve a significant number of affected parties, the office shall, upon the proponent's request, enter into an agreement with the project proponent and the participating permit agencies to coordinate the processing of permits for the project. The office may limit the number of such agreements according to the resources available to the office and the permit agencies at the time.
- 30 **Sec. 9.** RCW 90.58.100 and 1997 c 369 s 7 are each amended to read 31 as follows:
- 32 (1) The master programs provided for in this chapter, when adopted 33 or approved by the department shall constitute use regulations for the 34 various shorelines of the state. In preparing the master programs, and 35 any amendments thereto, the department and local governments shall to 36 the extent feasible:

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(a) Utilize a systematic interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts;

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- (b) Consult with and obtain the comments of any federal, state, regional, or local agency having any special expertise with respect to any environmental impact;
- (c) Consider all plans, studies, surveys, inventories, and systems of classification made or being made by federal, state, regional, or local agencies, by private individuals, or by organizations dealing with pertinent shorelines of the state;
- (d) Conduct or support such further research, studies, surveys, and interviews as are deemed necessary;
- (e) Utilize all available information regarding hydrology, geography, topography, ecology, economics, and other pertinent data;
- (f) Employ, when feasible, all appropriate, modern scientific data processing and computer techniques to store, index, analyze, and manage the information gathered.
- 18 (2) The master programs shall include, when appropriate, the 19 following:
  - (a) An economic development element for the location and design of industries, ((industrial)) projects of statewide significance, transportation facilities, port facilities, tourist facilities, commerce and other developments that are particularly dependent on their location on or use of the shorelines of the state;
  - (b) A public access element making provision for public access to publicly owned areas;
  - (c) A recreational element for the preservation and enlargement of recreational opportunities, including but not limited to parks, tidelands, beaches, and recreational areas;
  - (d) A circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and other public utilities and facilities, all correlated with the shoreline use element;
- (e) A use element which considers the proposed general distribution and general location and extent of the use on shorelines and adjacent land areas for housing, business, industry, transportation, agriculture, natural resources, recreation, education, public buildings

and grounds, and other categories of public and private uses of the land;

- (f) A conservation element for the preservation of natural resources, including but not limited to scenic vistas, aesthetics, and vital estuarine areas for fisheries and wildlife protection;
- (g) An historic, cultural, scientific, and educational element for the protection and restoration of buildings, sites, and areas having historic, cultural, scientific, or educational values;
- (h) An element that gives consideration to the statewide interest in the prevention and minimization of flood damages; and
  - (i) Any other element deemed appropriate or necessary to effectuate the policy of this chapter.
  - (3) The master programs shall include such map or maps, descriptive text, diagrams and charts, or other descriptive material as are necessary to provide for ease of understanding.
  - (4) Master programs will reflect that state-owned shorelines of the state are particularly adapted to providing wilderness beaches, ecological study areas, and other recreational activities for the public and will give appropriate special consideration to same.
  - (5) Each master program shall contain provisions to allow for the varying of the application of use regulations of the program, including provisions for permits for conditional uses and variances, to insure that strict implementation of a program will not create unnecessary hardships or thwart the policy enumerated in RCW 90.58.020. Any such varying shall be allowed only if extraordinary circumstances are shown and the public interest suffers no substantial detrimental effect. The concept of this subsection shall be incorporated in the rules adopted by the department relating to the establishment of a permit system as provided in RCW 90.58.140(3).
  - (6) Each master program shall contain standards governing the protection of single family residences and appurtenant structures against damage or loss due to shoreline erosion. The standards shall govern the issuance of substantial development permits for shoreline protection, including structural methods such as construction of bulkheads, and nonstructural methods of protection. The standards shall provide for methods which achieve effective and timely protection against loss or damage to single family residences and appurtenant structures due to shoreline erosion. The standards shall provide a

- 1 preference for permit issuance for measures to protect single family
- 2 residences occupied prior to January 1, 1992, where the proposed
- 3 measure is designed to minimize harm to the shoreline natural
- 4 environment.

- 5 **Sec. 10.** RCW 43.131.402 and 2007 c 231 s 7 are each amended to 6 read as follows:
- 7 The following acts or parts of acts, as now existing or hereafter 8 amended, are each repealed, effective June 30, 2012:
  - (1) RCW 43.42.005 and 2003 c 71 s 1 & 2002 c 153 s 1;
- 10 (2) RCW 43.42.010 and 2007 c 231 s 5, 2003 c 71 s 2, & 2002 c 153 11 § 2;
- 12 (3) RCW 43.42.020 and 2002 c 153 s 3;
- 13 (4) RCW 43.42.030 and 2003 c 71 s 3 & 2002 c 153 s 4;
- 14 (5) RCW 43.42.040 and 2003 c 71 s 4 & 2002 c 153 s 5;
- 15 (6) RCW 43.42.050 and 2002 c 153 s 6;
- 16 (7) RCW 43.42.060 and 2009 c . . . s 8 (section 8 of this act) &
- 17 2002 c 153 s 7;
- 18 (8) RCW 43.42.070 and 2002 c 153 s 8;
- 19 (9) RCW 43.42.905 and 2002 c 153 s 10;
- 20 (10) RCW 43.42.900 and 2002 c 153 s 11; and
- 21 (11) RCW 43.42.901 and 2002 c 153 s 12.
- NEW SECTION. Sec. 11. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect
- 25 immediately.

Passed by the Senate April 19, 2009. Passed by the House April 15, 2009.

Approved by the Governor May 8, 2009.

Filed in Office of Secretary of State May 11, 2009.