

# HOUSE BILL REPORT

## HB 2723

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**As Passed House:**

February 10, 1998

**Title:** An act relating to industrial land banks.

**Brief Description:** Providing a procedure for designating industrial land banks.

**Sponsors:** Representatives Cairnes, Mulliken, Reams, Sherstad, Thompson, Mielke, Bush and O'Brien.

**Brief History:**

**Committee Activity:**

Government Reform & Land Use: 1/26/98, 1/28/98 [DP].

**Floor Activity:**

Passed House: 2/10/98, 63-33.

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### HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

**Majority Report:** Do pass. Signed by 6 members: Representatives Cairnes, Vice Chairman; Sherstad, Vice Chairman; Bush; Mielke; Mulliken and Thompson.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Gardner and Fisher.

**Staff:** Joan Elgee (786-7135).

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

The GMA contains several exceptions to the general prohibition of urban growth outside urban growth areas:

- **Fully contained communities** meeting certain criteria are permitted.
- **Master planned resorts**, which are 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 urban growth areas 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 urban growth areas, or (2) is a natural resource-based industry requiring a location near resource land upon which it is dependent.
- **Industrial land banks** are permitted on a pilot basis. In 1996, the Legislature authorized Clark County to designate up to two banks of master planned locations for major industrial activity outside urban growth areas. In 1997, legislation was enacted (ESB 5915) expanding this authority to include Whatcom County. The land bank authority differs from the specific major industrial development authority in three respects: first, the land bank provision involves a bank that may be used for general industrial purposes, rather than the siting of specific proposed industrial projects; second, the bank may be used for siting industries necessitating proximity to transportation facilities where there is no suitable location within the urban growth area, regardless of the size of the parcel needed; and third, the bank may not be for retail commercial development or multi-tenant office parks. The land bank authority expires on December 31, 1998.

Legislation vetoed by the Governor in 1997 (HB 2091) would have allowed all counties to establish industrial land banks outside urban growth areas.

**Summary of Bill:** Any county planning under the Growth Management Act (GMA) may establish a process for designating and determining the allowed uses within industrial land banks. Industrial land banks may be established as urban growth outside of urban growth areas if certain criteria are met.

A county may designate up to two noncontiguous land bank locations, and each location may include multiple development sites. In establishing the size of a bank, a county must consider the projected population and economic growth of the county. Before designating a bank, a county must amend its county-wide planning policy to include policies for siting industrial land banks. A county must consult with its cities consistent with the procedures and provisions of its county-wide planning policy.

The types of businesses for which a land bank may be designated are expanded to include commercial and high-technology businesses, and related office uses. A bank cannot be for the purpose of retail commercial development or multiple tenant office parks.

The basic requirements for siting a bank are modified. An industrial land bank may be designated at either of two locations:

- (1) A unique location or a location with unique physical characteristics; or
- (2) A location already characterized by some existing industrial or commercial development.

To designate an industrial land bank characterized by a unique location or a location with unique physical characteristics, the county must find: (1) that the location of the bank is unique or characterized by unique physical characteristics such as size or proximity to transportation, natural resources, or related industries; and (2) that the necessary infrastructure to support the industrial land bank is available or can be provided by private or public sources.

To designate an industrial land bank already characterized by some existing industrial or commercial development, the county must find that: (1) after an inventory, no suitable location for the land bank is available within an existing urban growth area; (2) the industrial land bank is important to achieve documented state or county economic development goals; (3) the necessary infrastructure is available or can be provided by private or public sources; and (4) the bank location is characterized by some existing industrial or commercial development or is adjacent to an area characterized by that development.

A development proposal within either type of industrial land bank may be approved if:

- Adequate infrastructure is provided or applicable impact fees are paid, or both.
- Transportation impacts are mitigated.
- Buffers are provided between the industrial land bank and adjacent non-urban areas.
- Environmental impacts are mitigated.
- Adverse impacts on designated agricultural, forest, and mineral resource lands are mitigated.
- Comprehensive plan policies and development regulations are established to ensure that urban growth will not occur in adjacent non-urban areas.

Approval of a bank is through adoption of the comprehensive plan or amendment to the plan.

The land bank provisions do not alter requirements under the State Environmental Policy Act (SEPA).

The December 31, 1998, termination date for the pilot projects is deleted.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill will help solve needs the Governor has identified for economic development: housing, rural industrial development and regulatory reform. The rural areas, in particular, need this bill. It provides full environmental protection. The cities would be involved in the decision-making. New cities need to be able to work with the counties to identify new sites to encourage economic development. We have addressed the Governor's concerns.

**Testimony Against:** There is no demonstrated need for this bill. We have potential industrial land within urban growth areas. Look at the results of the pilot program first. Has the authority to site specific businesses been used? The "unique" criteria is problematic. We (DNR) are concerned with incompatible land uses adjacent to land we manage, which may increase our costs and reduce income.

**Testified:** Representative Cairnes, prime sponsor (pro); Virginia Gunby, 1,000 Friends of Washington (con); Scott Hazlegrove, Association of Washington Business (pro); Stan Biles, Department of Natural Resources (con); Paul Parker, Washington State Association of Counties (pro); Ron Schultz, National Audubon Society (con); and Josh Baldi, Washington Environmental Council (con).