

HOUSE BILL REPORT

SSB 5790

As Passed House - Amended:
April 12, 2017

Title: An act relating to the economic development element of the growth management act.

Brief Description: Concerning the economic development element of the growth management act.

Sponsors: Senate Committee on Local Government (originally sponsored by Senators Short, Sheldon, Angel and Wilson).

Brief History:

Committee Activity:

Environment: 3/16/17, 3/28/17 [DPA].

Floor Activity:

Passed House - Amended: 4/12/17, 93-5.

**Brief Summary of Substitute Bill
(As Amended by House)**

- Makes the specific contents of the economic development element of Growth Management Act (GMA) comprehensive plans discretionary, rather than requirements of cities and counties planning under the GMA.
- Adds new optional components of the economic development element of GMA comprehensive plans.
- Allows counties of under 75,000 people as of 2014, and cities within them, to identify policies, programs, and development opportunities to address economic deterioration and to seize development opportunities that may deviate from prescriptive interpretations of the GMA.
- Affords deference to local development choices that make economic development a priority in counties of under 75,000 people, and cities within them, consistent with the GMA's presumption of the validity of local plans and regulations.

HOUSE COMMITTEE ON ENVIRONMENT

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended. Signed by 9 members: Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Taylor, Ranking Minority Member; Maycumber, Assistant Ranking Minority Member; Buys, Dye, Fey, Kagi and McBride.

Staff: Jacob Lipson (786-7196).

Background:

The Growth Management Act (GMA) is the comprehensive land-use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, the GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 29 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA (GMA planning jurisdictions).

Counties that fully plan under the GMA must designate Urban Growth Areas, areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.

Growth Management Act Comprehensive Plan Elements.

The GMA planning jurisdictions are required to adopt internally consistent comprehensive land-use plans that are generalized, coordinated land-use policy statements of the governing body. Comprehensive plans must address specified planning elements, each of which is a subset of a comprehensive plan. The development regulations of GMA planning jurisdictions must be consistent with and implement the comprehensive plans of that jurisdiction. Comprehensive plans and development regulations, and their amendments, are presumed valid upon adoption by the planning jurisdiction.

One element that county comprehensive plans must include is a rural element. The GMA provides that urban growth is typically required to be served by urban services, while rural areas generally do not require the extension of urban services. To achieve a variety of rural densities, counties may a variety of innovative techniques, including conservation easements and clustering, to accommodate growth that is consistent with rural densities and character and that is not characterized by urban growth.

A second element that comprehensive plans must include is an economic development element. The economic development must include a summary of the local economy, a summary of strengths and weaknesses of the local economy, and an identification of policies, programs, and projects to foster economic growth and development.

Growth Management Hearings Board.

A seven-member Growth Management Hearings Board (GMHB) is established under the GMA. The GMHB may hear and determine petitions alleging specific issues, including that a state agency, county, or city planning under the GMA is not in compliance with requirements of the GMA. Alternatively, and with the consent of the parties, a superior court may directly review a petition for review filed with the GMHB.

County Population Estimates.

Each year on April 1, the Office of Financial Management publishes population estimates for Washington counties, cities, and towns. According to the population estimate published on April 1, 2016, as of April 1, 2014, there were 23 counties with a population of less than 75,000. Of these 23 counties, 14 are planning jurisdictions, and nine are not planning jurisdictions.

Summary of Amended Bill:

County comprehensive plan rural elements under the GMA may use innovative techniques to accommodate rural economic advancement, in addition to accommodating rural densities and uses.

The GMA planning jurisdictions may, rather than must, include specified components of the economic development elements in their comprehensive plans. The components of the economic development elements of GMA comprehensive plans may include new components, including:

- policies to promote incomes;
- an examination of whether sites planned for development have adequate public facilities;
- education and job training programs; and
- policies and opportunities to address economic development.

Each GMA planning jurisdiction is encouraged to adopt comprehensive plans and development regulations that promote economic development in urban and rural areas, and to evaluate economic changes since the last comprehensive plan update. The GMA planning jurisdictions may make findings regarding the economic condition of the jurisdiction. If there is economic stagnation or deterioration during the prior planning cycle, comprehensive plans and development regulations may be modified to increase economic development opportunities.

Counties with a population of less than 75,000, as of April 1, 2014, and the cities in them, that are GMA planning jurisdictions may identify policies, programs, and development opportunities to:

- address potential economic deterioration; and
- seize economic development opportunities that may deviate from prescriptive interpretations of the GMA.

Six examples of economic deterioration are enumerated:

- incomes of at least \$10,000 less than the statewide median household income established by the Office of Financial Management;
- a decrease in the county's household median income during any of the previous eight years;
- inability of a jurisdiction to add new-full time jobs in sufficient quantity to provide for population increase;
- decreases or stagnation of economic start up activity during multiple of the previous eight years;
- unemployment rates higher than the national and statewide averages during multiple of the previous eight years; or

- decreases or stagnation in commercial building permit issuance during multiple of the previous eight years.

If competing goals of the GMA would restrain economic development in GMA planning jurisdictions in counties of less than 75,000 as of April 1, 2014, that are experiencing economic deterioration, the GMHB and courts must afford deference those jurisdictions' development choices that make economic development a priority. The deference afforded to such local development choices is consistent with the GMA's existing presumption of validity of adopted comprehensive plans and development regulations.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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

Staff Summary of Public Testimony:

(In support) Local governments need more flexibility in supporting economic development in rural areas and in tailoring growth management strategies to local needs and circumstances. People want to work near where they live. Sometimes the GMA can have undesirable consequences, such as forcing residents of an island without an incorporated area to commute over a state bridge in order to reach a job center. Many rural counties have a very low population density, and allowing economic development would not have the result of making those areas urban in character. Brownfields in rural areas should be made into usable properties. This bill would still require development that is compatible with the rural character of rural areas. County comprehensive plans will still be required to balance the GMA's 13 goals, and to include regulations that are proportional to the potential harms the regulations seek to address.

(Opposed) The development authorized in rural areas by this bill runs contrary to the Legislature's intent as enacted in other portions of the GMA. Rural development should be encouraged under the GMA, but under this bill, 21 counties would be able to use a simple mechanism to exempt themselves from most GMA planning requirements. The factors under which a county could qualify as having experienced economic deterioration are broadly defined and nonexclusive. Futurewise has been engaged in conversations with the prime sponsor to resolve concerns, the most important of which is reinstating the prohibition on growth of urban character in rural areas. Some of the ideas promoted by this bill, such as allowing industrial redevelopments in rural areas, should not be prohibited by the GMA as it exists currently.

Persons Testifying: (In support) Senator Short, prime sponsor; Wes McCart, Stevens County; Helen Price Johnson, Island County; Cindy Alia, Citizens Alliance for Property Rights; and Amber Carter, Portland Vancouver Junction Railroad and Clark County.

(Opposed) Mark McCaskill, Department of Commerce; and Bryce Yadon, Futurewise.

Persons Signed In To Testify But Not Testifying: None.