

# HOUSE BILL REPORT

## HB 1231

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### As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans  
Capital Budget

**Title:** An act relating to accelerating rural job growth and promoting economic recovery across Washington through site readiness grants.

**Brief Description:** Accelerating rural job growth and promoting economic recovery across Washington through site readiness grants.

**Sponsors:** Representatives Berg, Chapman, Wylie, Waters, Reed, Volz, Peterson, Taylor, Leavitt, Doglio, Riccelli, Paul, Fey, McEntire, Ramel, Tharinger, Lekanoff, Slatter, Barkis and Stonier.

### Brief History:

#### Committee Activity:

Innovation, Community & Economic Development, & Veterans: 1/17/23, 1/20/23 [DP];  
Capital Budget: 2/9/23, 2/16/23 [DPS].

#### Brief Summary of Substitute Bill

- Allows the Community Economic Revitalization Board (CERB) to provide planning program grants to qualifying projects for the costs of achieving site readiness.
- Increases the maximum award limit on the CERB planning program grants.

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### HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

**Majority Report:** Do pass. Signed by 12 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Barnard, Assistant Ranking Minority Member;

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

Chambers, Corry, Cortes, Senn, Shavers, Street, Waters and Ybarra.

**Staff:** Cassie Jones (786-7303).

**Background:**

Community Economic Revitalization Board.

The Community Economic Revitalization Board (CERB) provides financial assistance to local governments and federally recognized tribes for public infrastructure that encourages new business development and economic growth. The Department of Commerce provides administrative support for the CERB.

The CERB is authorized to make direct loans and grants to political subdivisions of the state and to federally recognized tribes to finance public facility projects. Grants are available for eligible planning and construction projects.

Community Economic Revitalization Board Planning Program Grants.

The CERB provides grant funding for studies to evaluate economic development projects. When considering planning grants, the CERB gives priority to projects that could result in a type of project eligible for CERB construction funds. Eligible uses include site-specific plans, studies, and analyses that address environmental impacts, capital facilities, land use, permitting, feasibility, marketing, project engineering, design, and site planning.

The CERB offers grants for planning projects up to 80 percent of the total project cost. The project applicant must match the CERB's funding with at least 20 percent of the total project cost. The maximum award limit for planning grants is \$50,000.

The CERB is required to conduct biennial outcome-based evaluations of the financial assistance provided by the Board. The evaluations must include a number of elements specific to projects funded by the CERB, including the number and types of businesses assisted by the funded projects. The biennial evaluations must be submitted to the Governor and the Legislature by December 31 of every even-numbered year.

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**Summary of Bill:**

The CERB may award planning program grants to projects for the costs of achieving site readiness. The maximum award limit on planning grants is increased. Until December 31, 2028, there is no maximum award limit. Beginning January 1, 2029, grants may not exceed \$200,000.

The CERB must include in its biennial outcome-based evaluation project data related to

businesses certified by the Office of Minority and Women's Business Enterprises and the Department of Veterans Affairs, as well as businesses not certified by these organizations but which self-report as meeting the requirements of certification.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) House Bill 1231 is about promoting rural job growth and economic recovery. Communities need certainty in the permitting and regulation process around siting new projects. It is difficult for parties to get to an agreement during the regulatory process. This bill will allow large site readiness awards and expand how much communities can receive in funding. It gives CERB a reliable tool to assist local communities and tribes. The CERB has funded many successful projects. Federal funding is also sought but those processes are cumbersome and untimely. Planning elements of projects are very costly. Increasing the allowable amount for planning will help rural jurisdictions be more competitive. Bringing in these infrastructure projects increases economic development and land value.

One key strategy for fostering business expansion is to get real estate sites for prospective investors ready. This bill will help accelerate job growth and increase the number of shovel-ready sites. The economic recovery from COVID-19 is ongoing and communities continue to need more tools and resources. This bill will help communities recover and grow jobs as well as foster vibrant communities. There was disappointment that the bill does not include a shovel-ready certification program that was in a similar bill from last session. Site certification is an established tool for marketing and securing a site for projects. The process provides increased certainty and lower project costs for developers.

(Opposed) None.

(Other) The work of the CERB in funding public infrastructure is supported. Industrial site readiness grants were funded by the Legislature last year. These grants compliment the efforts of CERB. The demand for site readiness grants is there. There is a large amount of need for these grants and lot of exciting work being done. There is a request to continue this program and site certification that is not in the bill. The CERB planning program was established in 1999 with a funding cap of \$50,000. Since then, the cost of activities has risen with inflation. The planning program is a well-used and relied upon tool in rural communities. The CERB has funded 235 planning studies and has a 70 percent return rate from those studies. Removing the cap on the planning grants will level the playing field for

rural communities seeking these grants and make access more inclusive and equitable.

**Persons Testifying:** (In support) Representative April Berg, prime sponsor; Jennifer Wray-Keene, Port of Woodland; Suzanne E Dale Estey, Washington Economic Development Association; and Randy Hayden, Port of Pasco.

(Other) Robert Duff; and Janea Stark, Community Economic Revitalization Board.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; Sandlin, Assistant Ranking Minority Member; Alvarado, Bateman, Cheney, Christian, Couture, Dye, Eslick, Farivar, Fosse, Kloba, Leavitt, Maycumber, McClintock, McEntire, Morgan, Mosbrucker, Orwall, Peterson, Reed, Rule, Shavers, Stearns and Waters.

**Staff:** Dawn Eychaner (786-7135).

### **Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Innovation, Community & Economic Development, & Veterans:**

The substitute bill adds requirements to the CERB's biennial report that include data on businesses certified by the Office of Minority and Women's Business Enterprises and the Department of Veterans Affairs, as well as businesses not certified by these organizations but which self-report as meeting the requirements of certification.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute 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) The Nisqually Tribe received several planning grants from the CERB at the maximum limit of \$50,000, which is what it took to get the entire project completed. Raising the grant limit will allow communities to move projects forward more quickly. Planning grants are very important to the CERB process. The CERB has funded 235

planning studies since 1992 across the state. Of the planning grants awarded, 75 percent of those applicants come back to the CERB for construction funding. The Port of Camas Washougal used their planning grant to fund three construction projects and leverage federal funding. The increase from \$50,000 to the future cap of \$200,000 meets the needs of local governments. The requirements for local governments to prepare for development in order to attract businesses have gotten more costly, and it is critical to have additional funds available for this purpose.

(Opposed) None.

**Persons Testifying:** Michael Echanove and Mike Mason, Community Economic Revitalization Board; and Jennifer Wray-Keene, Port of Woodland.

**Persons Signed In To Testify But Not Testifying:** None.