

SENATE BILL REPORT

SB 6055

As of January 23, 2024

Title: An act relating to natural resource-based industrial development.

Brief Description: Concerning natural resource-based industrial development.

Sponsors: Senator Torres.

Brief History:

Committee Activity: Local Government, Land Use & Tribal Affairs: 1/23/24.

Brief Summary of Bill

- Authorizes a rural county planning under the GMA to establish a process for designating a land bank of no more than two master planned locations of natural resource-based industrial activity.
- Establishes criteria that county development regulations must include, as part of the local master plan process, to approve a natural resource-based industrial development.

SENATE COMMITTEE ON LOCAL GOVERNMENT, LAND USE & TRIBAL AFFAIRS

Staff: Maggie Douglas (786-7279)

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. 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 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be fully planning under the GMA.

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.

The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive land use plans. Comprehensive plans are implemented through locally adopted development regulations, and must include a plan, scheme, or design for certain enumerated elements, including mandatory land use and rural elements. The rural element must provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses.

Counties that fully plan under the GMA must designate urban growth areas (UGAs), within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature.

Major Industrial Development. Counties may establish a process for approval of a major industrial development outside of the UGA for a specific business. A major industrial development is defined as a master planned location for a specific manufacturing, industrial, or commercial business that:

- requires a parcel of land so large that no suitable parcels are available within a UGA; or
- is a natural resource-based industry requiring a location near agricultural land, forestland, or mineral resource land upon which it is dependent.

A major industrial development may be approved outside the UGA if certain criteria are met, including but not limited to:

- new infrastructure is provided for or applicable impact fees are paid, or both;
- transit-oriented site planning and traffic demand management programs are implemented; and
- buffers are provided between the major industrial development and adjacent nonurban areas.

Final approval of an application for major industrial development is considered an adopted amendment to the comprehensive plan and may be considered any time. Upon application approval the development is designated as a UGA.

Industrial Land Banks. In addition to major industrial developments, the GMA allows certain counties to designate industrial land banks outside of UGAs. Counties that meet this criteria may establish, in consultation with its cities, a process for designating a land bank of no more than two master planned locations for major industrial activity outside urban growth areas.

A master planned location for major industrial developments may be approved through a two-step process where:

- an industrial land bank area is designated in the comprehensive plan; and
- specific major industrial developments are subsequently approved through a local master plan process.

In selecting locations for the industrial land bank priority must be given to locations that are in close proximity to a UGA. Final approval of an application for an industrial land bank is considered an adopted amendment to the comprehensive plan and may be considered any time.

Counties must adopt development regulations for the approval of specific major industrial developments through a master plan process. Regulations must include, but are not limited to:

- urban growth will not occur in adjacent nonurban areas;
- development is consistent with the county's development regulations adopted for protection of critical areas; and
- required infrastructure is identified and provided concurrent with development. Such infrastructure may be phased in with development.

County authority to designate land banks expired December 31, 2016.

Summary of Bill: A rural county planning under the GMA that meets certain population criteria may establish, in consultation with its cities, a process for designating a land bank of no more than two master planned locations of natural resource-based industrial activity outside UGAs.

Natural resource-based industrial developments may be approved by:

- designation of a natural resource-based industrial land bank area in addition to the major industrial area land bank in the comprehensive plan; or
- approval of specific natural resource-based industrial developments through a local master plan process.

If a county adopts development regulations for review and approval of specific natural resource-based industrial developments through a local master plan process, the regulations must ensure, at minimum:

- urban growth will not occur in adjacent nonurban areas;
- development is consistent with the county's development regulations for protection of critical areas;
- required infrastructure is provided concurrent with development;
- transit-oriented site planning and demand management programs are specifically addressed as part of the master plan approval;
- provision is made for addressing environmental protection;
- the master plan approval includes a requirement that interlocal agreements between the county and service providers be in place at the time of approval;
- a natural resource-based industrial development is used primarily by natural resource-based and agricultural-based industries, and the gross floor area of all commercial and service buildings or facilities located within the development does not exceed 10 percent of the total gross floor area of buildings or facilities in the development;

- new infrastructure is provided for or applicable impact fees are paid to assure adequate facilities are provided concurrently with the development;
- buffers are provided between the natural resource-based industrial development and adjacent natural resource-based areas;
- provision is made to mitigate adverse impacts on designated agricultural lands, forestlands, and mineral resource lands; and
- an open record public hearing is held before either the planning commission or hearing examiner with notice published at least 30 days before the hearing date.

Natural resource-based industrial development means a location suitable for natural resource or agricultural related industrial business that:

- requires a parcel of land so large that no suitable parcels are available within a UGA;
- is a natural resource-based industry requiring a location near agricultural land, forestland, or mineral resource land upon which its dependent; or
- requires a location with characteristics such as proximity to transportation facilities or related industries such that there is no suitable location in a UGA.

For purposes of this bill, a rural county is defined as a county with a population density of less than 100 persons per square mile or a county smaller than 225 square miles as determined by the Office of Financial Management.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Mattawa is a rural, disadvantaged community that does not have the resources to extend the UGA to allow for industrial development. Some food processing companies have looked at developing in Mattawa and can get a conditional use permit but can't get financing to build. This bill would provide a solution for rural ports such as Mattawa and would attract economic development, as well as more jobs.

CON: There may be an opportunity to work at the local level to address the conditional use permit and financing issues if the land is already zoned as an allowable use. Stakeholders are working with the ports to solve the issue within the parameters of the current statute.

OTHER: There needs to be a clear path forward for natural resource-based industrial development in rural areas, but some of the specific and technical issues on the bill are concerning.

Persons Testifying: PRO: Senator Nikki Torres, Prime Sponsor; Patrick Boss, Port of

Mattawa.

CON: Bryce Yadon, Futurewise .

OTHER: Dave Andersen, Washington Department of Commerce.

Persons Signed In To Testify But Not Testifying: No one.