

HOUSE BILL REPORT

HB 1998

*As Reported By House Committee on:
Trade & Economic Development*

Title: An act relating to economic development.

Brief Description: Establishing an industrial growth management demonstration pilot project.

Sponsor(s): Representatives Inslee, Rayburn and Edmondson.

Brief History:

Reported by House Committee on:
Trade & Economic Development, March 6, 1991, DPS.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *That Substitute House Bill No. 1998 be substituted therefor, and the substitute bill do pass.*
Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: Charlie Gavigan (786-7340).

Background: The Washington State economy appears to be separated into areas of high growth and areas of low growth.

Current state economic development programs focus on improving economic development in general or focus on generating economic development in specific areas.

The primary state agencies responsible for economic development are the Department of Trade and Economic Development (DTED), the Department of Community Development (DCD), the Department of Employment Security (ES), and the Department of Agriculture.

The 1990 Growth Management Act encouraged that economic development and growth be shared statewide.

Summary of Substitute Bill: The Department of Trade and Economic Development shall establish an Industrial Growth Management Demonstration Pilot Project. The project will provide financial assistance to Yakima County, cities in

Yakima County, or local public nonprofit development corporations in Yakima County in the development of the infrastructure necessary for an industrial park. The financial assistance shall be in the form of a loan and grant. Any loan and grant requires 20 percent local participation.

The Department of Trade and Economic Development, consulting with the Department of Community Development, shall determine what portion of the \$4 million appropriation will be a grant and what portion will be a loan.

The applicant for a loan or grant must demonstrate the economic feasibility of the project.

The department must evaluate the pilot project to analyze its success in accommodating growth from Puget Sound and whether such projects could be successful in other areas.

The department must report to the Legislature every January beginning in 1992 on the progress of the project.

Substitute Bill Compared to Original Bill: The substitute changes the financial assistance from a grant to a grant and loan. A 20 percent local match is required. An evaluation process is added, as are other criteria a project must meet before receiving financial assistance.

Fiscal Note: Requested March 6, 1991.

Appropriation: Yes.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: Yakima is a distressed county. It can accommodate growth overflowing from the Puget Sound region if additional industrial infrastructure is created. This could be a good test of a new way to develop rural-urban links.

Testimony Against: None.

Witnesses: Representative Jay Inslee; Representative Margaret Rayburn; Representative Betty Edmondson; Tim McGree, Yakima Economic Development Council; and Fred Stouder, City of Yakima (all in support).