

VETO MESSAGE ON HB 2394-S

March 30, 1996

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill No. 2394 entitled:

"AN ACT Relating to master planned resorts;"

Substitute House Bill No. 2394 would relax the development restrictions that apply to master planned resorts located outside of designated urban growth areas. Counties planning under the Growth Management Act must designate urban growth areas within which urban growth shall be encouraged and outside of which growth may occur only if it is rural in nature. Urban growth areas are required to accommodate the projected growth in the county for the coming twenty years.

The only exceptions to this requirement are for master planned resorts, fully contained communities, and major industrial development. In order to permit development under these provisions, counties must adopt local procedures consistent with the statewide definitions and requirements provided in the act. Allowing the development of master planned resorts, integrated facilities in settings of natural beauty which provide attractions for tourism, is appropriate. By their nature, such developments must be sited outside of urban growth areas.

Substitute House Bill No. 2394 permits the continued development of existing resort developments outside of urban growth areas. Under current law, a master planned resort may include residential uses but must have a primary focus on destination resort facilities. Because resort developments often include second homes and permanent residences within the larger resort and because such development is often necessary to make resorts financially viable, it is reasonable to permit such growth.

If Substitute House Bill No. 2394 had been limited to existing resort developments or if it had achieved the goal of permitting the development of second homes and permanent residences while maintaining the primary focus of development on destination resort facilities for visitors, this legislation would be acceptable. However, as drafted, the provisions of this bill may permit substantial development outside of urban growth areas which are not master planned resorts in the accepted understanding of the term.

The master planned resort statute does not limit development through an extensive list of development requirements, such as those contained in the fully contained community or in major industrial development provisions. Rather, master planned resorts are tightly defined with considerable flexibility provided for counties to develop acceptable requirements. The major elements in the definition are that development must be self-contained and fully integrated, that it must take place in a setting of significant natural amenities, that it must have a primary focus on destination resort facilities for short-term visitors, and that the facilities must be associated with a range of recreation facilities.

The requirement that such development must have a primary

focus on destination resort facilities is the key distinction between a master planned resort and a residential development that happens to have recreation facilities and some facilities for visitors. The legislature did not intend to promote such development; however, as passed, Substitute House Bill No. 2394 would permit housing developments built around recreation facilities, such as golf courses, to qualify as master planned resorts if they included time share condominiums or other visitor facilities.

The limitations on development outside of urban growth areas are important ways of achieving the Growth Management Act goal of limiting sprawl. The act is designed to encourage growth which uses existing infrastructure more efficiently than at present. It also is intended to encourage development to take place in ways that maintain the natural beauty of Washington State.

As long as existing resort developments maintain a balance between short-term visitor facilities, second homes, and permanent residences, they should be able to continue to develop as planned under the provisions of existing law. In the future, if existing law is interpreted so narrowly that reasonable residential development associated with master planned resorts is not permitted, the legislature should return to the issue.

For these reasons, I have vetoed Substitute House Bill No. 2394 in its entirety.

Respectfully submitted,
Mike Lowry
Governor