
SUBSTITUTE HOUSE BILL 1992

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Community & Economic Development & Trade
(originally sponsored by Representatives Santos, Kenney and Hasegawa)

READ FIRST TIME 03/01/07.

1 AN ACT Relating to community preservation and development
2 authorities; adding a new section to chapter 82.08 RCW; adding a new
3 section to chapter 82.12 RCW; adding a new chapter to Title 43 RCW; and
4 creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** INTENT. Major public facilities, public
7 works, and capital projects with significant public funding generally
8 aim to accrue broad benefits to the people of Washington. However,
9 frequently overlooked or inadequately addressed is the interest of the
10 stakeholder community that bears the disproportionate cost of the broad
11 public benefit by absorbing a deleterious impact upon itself. These
12 impacts may include dislocation, displacement, and the overall
13 disintegration of an identifiable existing community and its historical
14 and cultural character. The legislature finds that the preservation
15 and restoration of the character of such a community, and the
16 community's historical and cultural character, are important public
17 policy goals that can be achieved through the creation of community
18 preservation and development authorities.

1 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
2 section apply throughout this chapter unless the context clearly
3 requires otherwise.

4 (1) "Community" means a group of people who reside or work in a
5 well-defined geographic area and who currently or historically share a
6 distinct cultural identity or local history.

7 (2) "Community preservation and development authority" or
8 "authority" means an authority created by members of an impacted
9 community.

10 (3) "Constituency" means the general membership of the community
11 preservation and development authority, which shall be open to all
12 persons eighteen years of age and over who are residents, property
13 owners, employees, or business persons within its boundaries.

14 (4) "Impacted community" means a community that has been or has the
15 potential to be adversely impacted by the construction of, or ongoing
16 operation of, multiple major public facilities, public works, and
17 capital projects with significant public funding.

18 (5) "Major public facilities project, public works project, or
19 capital project with significant public funding" means any capital
20 project whose total cost exceeds ten million dollars. On July 1, 2009,
21 and on July 1 of each odd-numbered year thereafter, the capital project
22 cost threshold shall be adjusted by the capital project cost adjustment
23 factor for inflation established by the office of financial management.

24 NEW SECTION. **Sec. 3.** PURPOSE. (1) Community preservation and
25 development authorities are hereby created to restore or enhance the
26 health, safety, and well-being of communities adversely impacted by the
27 construction of, or ongoing operation of, multiple major public
28 facilities, public works, and capital projects with significant public
29 funding.

30 (2) Community preservation and development authorities have the
31 following purposes:

32 (a) To revitalize, enhance, and preserve the unique character of
33 impacted communities;

34 (b) To mitigate the adverse effects of multiple major public
35 facilities projects, public works projects, or capital projects with
36 significant public funding, or a secure community transition facility
37 as defined in RCW 71.09.020(14);

- 1 (c) To restore a local area's sense of community;
- 2 (d) To reduce the displacement of community members and businesses;
- 3 (e) To stimulate the community's economic vitality;
- 4 (f) To enhance public service provisions;
- 5 (g) To improve the standard of living of community members;
- 6 (h) To preserve historic buildings or areas by returning them to
- 7 economically productive uses that are compatible with or enhance their
- 8 historic character; and
- 9 (i) To raise the visibility of the consequences of public policy
- 10 decisions and actions.

11 NEW SECTION. **Sec. 4.** FORMATION. (1) The constituency of an
12 impacted community may propose formation of a community preservation
13 and development authority to the state legislative delegation
14 representing the area in which the community is located. A community
15 proposing formation of an authority after January 1, 2008, must
16 identify in its proposal one or more stable revenue sources that (a)
17 have a nexus with the multiple publicly funded facilities that have
18 adversely impacted the community, and (b) can be used to support future
19 operating or capital projects that will be identified in the strategic
20 plan required under section 6 of this act.

21 (2) Formation of the community preservation and development
22 authority is subject to legislative authorization in law. The
23 legislature must find that the area within the authority's proposed
24 geographic boundaries meets the definitions of "community" and
25 "impacted community" contained in section 2 of this act. For a
26 community proposing formation of an authority after January 1, 2008,
27 the legislature must also find that the community has identified one or
28 more stable revenue sources as required in subsection (1) of this
29 section. The legislature may then act to authorize the establishment
30 of the community preservation and development authority in law.

31 (3) The affairs of a community preservation and development
32 authority shall be managed by a board of directors, including the
33 following members:

34 (a) Two members who own, operate, or represent businesses within
35 the community;

36 (b) Two members who are involved in providing nonprofit community
37 or social services within the community;

1 (c) Two members who are involved in the arts and entertainment
2 within the community;

3 (d) Two members with significant knowledge of the community's
4 culture and history; and

5 (e) One member who is involved in a nonprofit or public planning
6 organization that directly serves the impacted community.

7 (4) No member of the board shall hold office for more than four
8 years. Board positions shall be numbered one through nine, and the
9 terms staggered as follows:

10 (a) Board members elected to positions one through five shall serve
11 two-year terms, and if reelected, may serve no more than one additional
12 two-year term.

13 (b) Board members initially elected to positions six through nine
14 shall serve a three-year term only.

15 (c) Board members elected to positions six through nine after the
16 initial three-year term shall serve two-year terms, and if reelected,
17 may serve no more than one additional two-year term.

18 (5) With respect to an authority's initial board of directors: The
19 state legislative delegation and the constituency proposing formation
20 of the authority shall jointly establish a committee to develop a list
21 of candidates to stand for election. The board of directors shall be
22 elected by the constituency of the authority during a meeting convened
23 for that purpose by the state legislative delegation.

24 (6) With respect to subsequent elections of an authority's board of
25 directors: A list of candidates shall be developed by the authority's
26 existing board of directors and the election shall be held during the
27 annual local town hall meeting as required in section 6(6)(c) of this
28 act.

29 NEW SECTION. **Sec. 5. POWERS.** (1) A community preservation and
30 development authority shall have the power to:

31 (a) Accept gifts, grants, loans, or other aid from public or
32 private entities;

33 (b) Contract and enter into partnerships with individuals,
34 associations, corporations, and local, state, and federal governments;

35 (c) Buy, own, lease, and sell real and personal property;

36 (d) Hold in trust, improve, and develop land;

37 (e) Invest, deposit, and reinvest its funds;

- 1 (f) Incur debt in furtherance of its mission;
- 2 (g) Lend its funds, property, credit, or services for corporate
- 3 purposes; and
- 4 (h) Exercise such additional powers as may be authorized by law.
- 5 (2) A community preservation and development authority shall have
- 6 no power of eminent domain nor any power to levy taxes or special
- 7 assessments.

8 NEW SECTION. **Sec. 6.** DUTIES. A community preservation and

9 development authority shall have the duty to:

10 (1) Establish specific geographic boundaries for the authority

11 within its bylaws;

12 (2) Solicit input from members of its community and develop a

13 strategic preservation and development plan to restore or enhance the

14 health, safety, and well-being of the impacted community and to

15 preserve and recapture its cultural and historical identity;

16 (3) Include within the strategic plan a prioritized list of

17 projects identified and supported by the community, including capital

18 or operating components that address one or more of the purposes under

19 section 3 of this act;

20 (4) Establish funding mechanisms to support projects and programs

21 identified in the strategic plan including but not limited to grants

22 and loans;

23 (5) Use gifts, grants, loans, and other aid from public or private

24 entities to contract and enter into partnerships with individuals,

25 associations, corporations, and local, state, and federal governments

26 to carry out projects identified in the strategic plan, including but

27 not limited to those that: (a) Enhance public safety; (b) reduce

28 community blight; (c) provide ongoing mitigation of the adverse effects

29 of multiple publicly funded projects on the impacted community; and (d)

30 address other purposes identified in section 3 of this act; and

31 (6) Demonstrate ongoing accountability for its actions by:

32 (a) Reporting to the appropriate committees of the legislature, one

33 year after formation and every biennium thereafter, on the authority's

34 strategic plan, activities, accomplishments, and any recommendations

35 for statutory changes;

36 (b) Reporting any changes in the authority's geographic boundaries

1 to the appropriate committees of the legislature when the legislature
2 next convenes in regular session;

3 (c) Convening a local town hall meeting with its constituency on an
4 annual basis to: (i) Report its activities and accomplishments from
5 the previous year; (ii) present and receive input regarding its
6 proposed strategic plan and activities for the upcoming year; and (iii)
7 hold board member elections; and

8 (d) Maintaining books and records as appropriate for the conduct of
9 its affairs.

10 NEW SECTION. **Sec. 7.** LEGISLATIVE AUTHORIZATION. The legislature
11 finds that the Pioneer Square-International District within the city of
12 Seattle meets the definitions contained in section 2 (1) and (4) of
13 this act, and that its constituency has proposed formation of a
14 community preservation and development authority to its state
15 legislative delegation as authorized in section 4(1) of this act.
16 Therefore, the legislature authorizes the establishment of the Pioneer
17 Square-International District community preservation and development
18 authority.

19 NEW SECTION. **Sec. 8.** TREASURY ACCOUNT. The community
20 preservation and development authority account is created in the state
21 treasury. The account is composed of two subaccounts, one for moneys
22 to be appropriated for operating purposes, and the other for moneys to
23 be appropriated for capital purposes. Moneys in the account may be
24 spent only after appropriation. Expenditures from the account may be
25 used only for projects under this chapter.

26 NEW SECTION. **Sec. 9.** PUBLIC AGENCY RESPONSIBILITIES. Prior to
27 making siting, design, and construction decisions for future major
28 public facilities, public works projects, or capital projects with
29 significant public funding, state and local government agencies must:

30 (1) Communicate and consult fully with the community preservation
31 and development authority and impacted community, including assessing
32 the compatibility of the proposed project with the strategic plan
33 adopted by the authority; and

34 (2) Make every effort to ensure that any negative, cumulative
35 effects of multiple projects upon the impacted community are minimized.

1 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.08 RCW
2 to read as follows:

3 SALES TAX EXEMPTION. (1) The tax levied by RCW 82.08.020 does not
4 apply to sales of tangible personal property and labor and services to
5 a community preservation and development authority if the sales are
6 made in order to implement a project identified in the authority's
7 strategic plan.

8 (2) A person taking the exemption under this section must keep
9 records necessary for the department to verify eligibility under this
10 section. The exemption is available only when the buyer provides the
11 seller with an exemption certificate in a form and manner prescribed by
12 the department. The seller shall retain a copy of the certificate for
13 the seller's files.

14 (3) "Community preservation and development authority" has the
15 meaning provided in section 2 of this act.

16 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.12 RCW
17 to read as follows:

18 USE TAX EXEMPTION. The provisions of this chapter do not apply in
19 respect to the use of tangible personal property and labor and services
20 by a community preservation and development authority if the sales are
21 made in order to implement a project identified in the authority's
22 strategic plan. "Community preservation and development authority" has
23 the meaning provided in section 2 of this act.

24 NEW SECTION. **Sec. 12.** Captions used in this act constitute no
25 part of the law.

26 NEW SECTION. **Sec. 13.** Sections 1 through 9 of this act constitute
27 a new chapter in Title 43 RCW.

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