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**SUBSTITUTE HOUSE BILL 1648**

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**State of Washington                      63rd Legislature                      2013 Regular Session**

**By** House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Appleton, Johnson, McCoy, Pike, Ryu, Moscoso, and Hansen)

READ FIRST TIME 02/19/13.

1            AN ACT Relating to community economic revitalization in  
2 incorporated areas; and adding a new section to chapter 43.160 RCW.

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

4            NEW SECTION.    **Sec. 1.** A new section is added to chapter 43.160 RCW  
5 to read as follows:

6            (1) The legislature finds that there is a need to establish a  
7 distinct program administered by the board to encourage the  
8 revitalization of abandoned and vacant properties within incorporated  
9 areas of the state. The goal of the revitalization program is to  
10 maximize the number and type of businesses, services, and employment  
11 opportunities available in communities and to enhance their vitality  
12 and livability.

13            (2) The definitions in this subsection apply throughout this  
14 section unless the context clearly requires otherwise.

15            (a) "Municipality" means a city, town, county, port district, or  
16 housing authority of this state.

17            (b) "Project" means a project of a municipality for the planning,  
18 acquisition, construction, repair, reconstruction, replacement,  
19 rehabilitation, or improvement of a public facility.

1 (c) "Public facilities" means: (i) Bridges; (ii) roads; (iii)  
2 research, testing, training, and incubation facilities in areas  
3 designated as innovation partnership zones under RCW 43.330.270; (iv)  
4 buildings or structures; (v) domestic and industrial water; (vi) earth  
5 stabilization; (vii) sanitary sewer; (viii) storm sewer; (ix) railroad;  
6 (x) electricity; (xi) telecommunications; (xii) transportation; (xiii)  
7 natural gas; and (xiv) port facilities.

8 (3)(a) The board may make loans to municipalities to finance public  
9 facilities projects that will improve opportunities for revitalizing  
10 existing retail, industrial, or commercial properties located within  
11 incorporated areas. These properties must have either been abandoned,  
12 or have more than seventy-five percent of their square footage vacant.

13 (b) The board may make a revitalization program loan only for a  
14 public facilities project approved by a municipality that demonstrates  
15 convincing evidence that a specific private development or expansion is  
16 ready to occur and will occur only if the public facility improvement  
17 is made.

18 (c) The board may allow de minimis general system improvements to  
19 be funded if they are critically linked to the viability of the  
20 project.

21 (4) The board must not provide financing for any public facilities  
22 project that:

23 (a) Has the primary purpose of facilitating or promoting a retail  
24 shopping development whose floor area exceeds ten thousand square feet;

25 (b) Will result in a development or expansion that would displace  
26 existing jobs in any other community in the state;

27 (c) Has the primary purpose of facilitating or promoting gambling;

28 (d) Is located outside the jurisdiction of the applicant; or

29 (e) Will result in a development or expansion of a professional  
30 sports arena.

31 (5) An application for a revitalization program loan must be made  
32 in the form and manner prescribed by the board.

33 (6) When evaluating and prioritizing projects for revitalization  
34 program loans, the board must give consideration, at a minimum, to the  
35 following factors:

36 (a) The project's value to the community, including evidence of  
37 support from affected local businesses and government;

38 (b) The project's feasibility, using standard economic principles;

- 1 (c) Commitment of local matching resources and local participation;
- 2 (d) The project's inclusion in a capital facilities plan,
- 3 comprehensive plan, or local economic development plan consistent with
- 4 applicable state planning requirements;
- 5 (e) The project's readiness to proceed; and
- 6 (f) The projected median hourly wage of the private sector jobs
- 7 created after the project is completed in comparison to the countywide
- 8 median hourly wage.
- 9 (7) In making revitalization program loans, the board must conform
- 10 to the following requirements:
- 11 (a) The board must provide reasonable terms and conditions for
- 12 repayment for loans;
- 13 (b) The board must not require the municipality to pay interest on
- 14 the loan;
- 15 (c) The board must not make loans that exceed twenty years in
- 16 duration;
- 17 (d) A municipality must begin repayment of a loan five years after
- 18 receiving it; and
- 19 (e) One or a combination of loans made to a municipality for a
- 20 specific project must not exceed two million dollars.
- 21 (8) The board must make loans and administer the revitalization
- 22 loan program using appropriations provided specifically for that
- 23 purpose.
- 24 (9) No more than ten million dollars may be appropriated for the
- 25 revitalization loan program in the biennial capital budget.
- 26 (10)(a) The revitalization loan program account is created in the
- 27 state treasury. All receipts from loan repayments, any moneys
- 28 appropriated to it by law, and any gifts, grants, or bequests pledged
- 29 for the purposes of the revitalization loan program must be deposited
- 30 into the account.
- 31 (b) Moneys in the account may be spent only after appropriation.
- 32 Expenditures from the account may be used only to fulfill commitments
- 33 arising from loans authorized in subsection (3) of this section and to
- 34 pay for the associated administrative costs of the board and staff.
- 35 (c) The total outstanding amount that the board may dispense at any
- 36 time pursuant to this subsection shall not exceed the moneys available

1 from the account.

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