
**Community & Economic Development &
Trade Committee**

ESSB 5473

Brief Description: Designating projects of statewide significance.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Kilmer, Pridemore, McAuliffe and Sheldon).

Brief Summary of Engrossed Substitute Bill

- Allows certain development projects to be designated as projects of statewide significance if the project will provide net environmental benefit or will further commercialization of innovations.

Hearing Date: 3/25/09

Staff: Chris Cordes (786-7103)

Background:

In 1997 a process was enacted to expedite the development of industrial projects of statewide significance. An industrial project of statewide significance is either:

- a border crossing project with private and public investment carried out in conjunction with other states or provinces; or
- a private industrial development with private capital investment in manufacturing or research and development.

To qualify, a project must be completed after January 1, 1997. It may qualify in one of three ways:

- *Capital Investment.* A project's capital investment requirement ranges from \$20 million for a project in a county with a population of 20,000 or fewer to \$1 billion for a project in a county with a population of more than one million.

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- *Projected Post-Construction Employment.* The project must anticipate creation of at least 50 full-time jobs in counties with fewer than 100 persons per square mile or at least 100 full-time jobs in counties with 100 or more persons per square mile.
- *Department of Community, Trade and Economic Development (DCTED) Designation.* Projects may be designated by the DCTED because the county is a distressed county and the county's economic circumstances merit the additional assistance or because the project's impact on the region merits designation.

The DCTED processes applications for designation as an industrial project of statewide significance. The application must include a letter of approval from the local jurisdiction, which must commit to hiring adequate staff to expedite the processes necessary to complete the project. Projects are certified by the DCTED as meeting designation criteria. The Office of Regulatory Assistance (ORA) assigns a project facilitator to each project who must, among other things, assemble a team of state, local government, and private officials to help meet the project's planning and development needs.

Cities and counties with industrial projects of statewide significance within their jurisdictions must enter into an agreement with the ORA and the project manager to require:

- expedited permit and environmental review processing; and
- expedited processing of requests for street, right-of-way, or other necessary easement vacations.

Summary of Bill:

Projects of Statewide Significance.

Industrial projects of statewide significance are renamed "projects of statewide significance." Additional projects that may be designated as projects of statewide significance are those development projects that will provide net environmental benefit or will further commercialization of innovations.

Project Qualification.

Qualification Date. To qualify, a project must be completed after January 1, 2009.

Capital Investment. The capital investment needed to qualify a project is reduced to a range of \$5 million for a project in a county with a population of 20,000 or fewer to \$50 million for a project in a county with a population of more than one million.

Projected Post-Construction Employment. The county definition is changed for determining whether a project qualifies based on the project's expected job creation. The required increase of at least 50 full-time jobs applies in a "rural county," which includes those counties smaller than 225 square miles as well as those counties with fewer than 100 persons per square mile.

The DCTED's Designation. The DCTED is given additional designation authority based on these additional reasons:

- the project resulted from or will further innovation activities at an in-state public research institution or the project is in or resulted from innovation activities in an innovation partnership zone; or
- the project will provide a net environmental benefit under green building standards or other environmental criteria set by the DCTED.

The reference to a "distressed county" requirement is removed for counties that merit additional assistance.

The DCTED is required to consult with the ORA on availability of staff resources before making project designations under its designation authority.

Project Agreements and Staffing.

The project agreement entered into by local jurisdictions must require the participation of local officials on the project team.

The project proponents may provide the funding necessary for the local jurisdiction to hire the staff required to expedite the process.

Appropriation: None.

Fiscal Note: Available.

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