

SENATE BILL REPORT

SB 5473

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 04, 2009

Title: An act relating to streamlining development through the designation of projects of statewide significance.

Brief Description: Expediting completion of projects of statewide significance.

Sponsors: Senators Kastama, Kilmer, Pridemore, McAuliffe and Sheldon.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/26/09, 2/04/09 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 5473 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

Staff: Jack Brummel (786-7428)

Background: Industrial projects of statewide significance are defined as either a border crossing project that involves both private and public investments or a private capital investment in manufacturing or research and development. Projects must meet capital investment or job creation requirements. The capital investment requirements range from \$20 million for a project located in a county with a population of 20,000 or less, to \$1 billion for a project located in a county with a population greater than one million. The job creation requirement is 50 positions in rural counties and 100 positions in urban counties. The Director of the Department of Community, Trade, and Economic Development (CTED) may designate a project as one of statewide significance in special circumstances.

An application for designation as an industrial project of statewide significance must be submitted to CTED. The application must include a letter of approval from jurisdictions where a project is located and must commit to providing the local staff necessary to expedite the completion of a project.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Counties and cities with projects are to enter into agreements with the Office of Permit Assistance and local project managers to expedite the processes necessary for the design and construction of projects. The Office of Permit Assistance is to provide facilitation and coordination services to expedite completion of industrial projects of statewide significance.

Summary of Bill (Recommended Substitute): The designation of projects of statewide significance is expanded beyond industrial development to include investments in environmental improvement that will provide a net environmental benefit and investments in furtherance of commercialization of innovations.

The investment thresholds are reduced to an investment requirement of \$5 million in the smallest counties and \$50 million in the largest counties. Projects may be designated as of statewide significance by the Director of CTED without meeting the investment or job creation requirements if they 1) stem from innovation activities at public research institutions in the state or within innovation partnership zones; or 2) will provide a net environmental benefit as determined through the use of established environmental criteria. Such exceptional designations will only be made after consultation with the ORA on the availability of staff.

Counties and cities requesting a project's designation as one of statewide significance must ensure the participation of local officials on the public/private team expediting a project's completion.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): Designation by the Director of CTED for the exceptional reasons set forth in the current statute and in the bill will only be made after consultation on the availability of staff.

Appropriation: None.

Fiscal Note: Requested on January 23, 2009.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill makes it easier for someone to receive a designation as a project of statewide significance and get the project expedited.

OTHER: Only two projects have been designated to date because of the high levels of investment and jobs required. Even so, projects needing ORA assistance have not been turned down.

Persons Testifying: PRO: Senator Kastama, prime sponsor.

OTHER: Faith Lumsden, Office of Regulatory Assistance.