

# HOUSE BILL REPORT

## HB 2091

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### As Amended by the Senate

**Title:** An act relating to industrial land banks.

**Brief Description:** Allowing counties planning under the growth management act to establish industrial land banks as permissible urban growth outside of an urban growth area.

**Sponsors:** By House Committee on Government Reform & Land Use (originally sponsored by Representatives Cairnes, Gardner, Linville and Reams).

**Brief History:**

**Committee Activity:**

Government Reform & Land Use: 3/3/97 [DP].

**Floor Activity:**

Passed House: 3/14/97, 92-0.

Senate Amended.

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### HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

**Majority Report:** Do pass. Signed by 10 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Sherstad, Vice Chairman; Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Bush; Gardner; Mielke; Mulliken and Thompson.

**Staff:** Kimberly Klaiber (786-7156).

**Background:** Under the Growth Management Act (GMA), each county and each city in counties that meet the GMA's requirements adopts a comprehensive plan that includes a list of elements and subjects set forth in the act. Counties and cities must include the following elements and subjects in a comprehensive plan: land use, housing, capital facilities plan, utilities, transportation, provisions designating the five types of critical areas, provisions designating the three types of natural resource lands, the goals and policies of the county's or city's shoreline master program adopted under the Shoreline Management Act, urban growth area designation, and rural element designation. A comprehensive plan also may include other elements and matters.

Counties and cities must also adopt development regulations consistent with their comprehensive plan and must designate and protect critical areas, designate and conserve certain natural resource lands, and designate urban growth areas. Among other requirements, each urban growth area must permit urban densities and must include greenbelt and open space areas. An urban growth area may include territory that is located outside of a city only if that territory is already characterized by or is adjacent to an area characterized by urban growth or is designated as a new, fully contained community.

Counties planning under the GMA may establish a process for reviewing and approving proposals to site specific major industrial developments outside urban growth areas. Major industrial development means a master planned location for a specific business that requires a parcel of land so large that:

- none are available within an urban growth area; or
- the development is of a natural resource-based industry requiring a location near agricultural, forest, or mineral resource land.

The major industrial development is not for retail commercial development or multi-tenant office parks. The development may be approved outside an urban growth area in a GMA county if certain criteria are met, including, but not limited to:

- providing for infrastructure or payment of applicable impact fees;
- traffic demand management programs are implemented;
- buffers are provided between the development and adjacent nonurban areas;
- environmental issues are addressed;
- mitigation of adverse impacts is addressed;
- the plan for development is consistent with the county's development regulations protecting critical areas; and
- an inventory of developable land resulted in a determination that no other land suitable to site the development is available within the urban growth area.

**Summary of Bill:** In addition to siting major industrial developments *outside* urban growth areas, counties may also establish industrial development and industrial land banks as permissible *urban growth* outside of urban growth areas. Rural resource industries are not precluded by the definition of major industrial development. As such, these rural resource industries may locate in rural and natural resource areas consistent with a jurisdiction's comprehensive plan.

An industrial land bank is defined as a location designated for one or more manufacturing, industrial, commercial, or high-tech businesses, related office uses and incidental or commercial uses designed to serve or support the industrial land bank. The county must find there is no suitable location in an existing urban growth area to

locate the industrial land bank, and the location must be characterized by some existing industrial or commercial development or located adjacent to such an area.

To designate an industrial land bank, the county must find all of the following:

- after an inventory, no suitable location for the land bank is available within an *existing urban growth area*;
- the industrial land bank is important to achieve *documented* state or county economic development goals; and
- the necessary *infrastructure* is available or can be provided in a timely manner.

A county may not designate more than two noncontiguous land bank locations, but each location may be comprised of multiple development sites.

A development proposal within an industrial land bank may be approved if adequate infrastructure is provided or applicable impact fees are paid, or both. A county must also assure that transportation impacts must be addressed. Buffers are to be provided between the industrial land bank and adjacent nonurban area. Development in the industrial land bank must be consistent with the county's development regulations protecting critical areas.

Counties planning under the GMA may designate an industrial land bank on the land use map when the comprehensive plan is being adopted or as an amendment to the final comprehensive plan, but such an amendment does not trigger the public participation requirements set forth in the comprehensive plan amendment provisions of the GMA.

The section in the GMA addressing major industrial development master planned locations is repealed.

**EFFECT OF SENATE AMENDMENT(S):** A striking amendment was drafted to a different section of the growth management act industrial development provisions (the statewide- provision). The striking amendment deleted language in that section that only permits counties with more than 250,000 people from designating industrial land banks.

Counties may designate two types of industrial land banks:

- (1) industrial land banks characterized by a unique location or a location with unique physical characteristics; or
- (2) industrial land banks already characterized by some existing industrial or commercial development.

There are two sets of findings the county must make when designating industrial land banks that vary depending on the type of industrial land bank.

To designate an industrial land bank *characterized by a unique location or a location with unique physical characteristics*, the county must find that the location of the bank is unique or characterized by unique physical characteristics such as size or proximity to transportation, natural resources, or related industries; and the necessary infrastructure to support the industrial land bank is available or can be provided by private or public sources. The requirements for designation of an industrial land bank characterized by a unique location are expanded to include mitigation of transportation and environmental impacts, and the development must relate to the unique location or characteristics that were the basis for designation of the bank.

To designate an industrial land bank *already characterized by some existing industrial or commercial development*, the county must find that (1) after an inventory, no suitable location for the land bank is available within an *existing urban growth area*; (2) the industrial land bank is important to achieve *documented* state or county economic development goals; (3) the necessary *infrastructure* is available or can be provided in a timely manner; and (4) the industrial land bank location is characterized by some existing industrial or commercial development or is adjacent to an area characterized by that development.

The criteria for development in an industrial land bank are identical for both types and are only slightly amended by the senate striking amendment. The requirements for designation of an industrial land bank that is already characterized by some existing industrial or commercial development must meet all the same criteria as industrial land banks characterized by a unique location *except* for the unique location aspect for banks already characterized by existing development.

Specific reference to SEPA compliance is provided.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill gives counties one more tool to allow them to designate adequate land and offers counties flexibility to provide jobs in rural areas. The proposal is moderate and allows industry to work with government. This is an important step toward more infrastructure. The bill is consistent with GMA goals and addresses a deficiency in the GMA. It encourages a collaborative city and county process.

**Testimony Against:** The bill does not address how land banks work, who decides what areas should be land banks, or who conducts the inventory. This bill will undo a study begun in 1995 that focused on how to site industrial facilities outside of urban growth areas, as the results of that study have not been fully discussed or implemented. There should be mandatory cooperation between ports and economic development agencies and greater coordination with the counties so there are no gaps.—

**Testified:** Representative Cairnes, prime sponsor (pro); Scott Hazlegrove, Association of Washington Business (pro); Greg Hanon, National Association of Industrial and Office Properties (pro); Sally Feldman, Washington Association of Realtors (pro); Dave Williams, Association of Washington Cities (pro); Eric Johnson, Washington Public Ports Association (pro); Paul Parker, Washington State Association of Counties (pro); Sarah Smyth, Skookum Lumber (pro); Scott Merriman, Washington Environmental Council (concerns); Mike Ryherd, 1000 Friends of Washington (con); Stan Biles, Department of Natural Resources (con); and Steve Wells, Department of Community, Trade and Economic Development (pro with concerns).