

HOUSE BILL REPORT

HB 2596

As Reported By House Committee On:

Government Reform & Land Use

Title: An act relating to master planned resorts.

Brief Description: Clarifying that master planned resorts may obtain facilities, utilities, and services from outside service providers.

Sponsors: Representatives Chandler, Reams, Gardner, Lantz and Mulliken.

Brief History:

Committee Activity:

Government Reform & Land Use: 1/26/98, 1/28/98 [DPS].

HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cairnes, Vice Chairman; Sherstad, Vice Chairman; Lantz, Assistant Ranking Minority Member; Bush; Gardner; Mielke; Mulliken and Thompson.

Minority Report: Do not pass. Signed by 2 members: Representatives Romero, Ranking Minority Member; and Fisher.

Staff: Caroleen Dineen (786-7156).

Background: The Growth Management Act (GMA) provides for development of master planned resorts. A "master planned resort" is a self-contained and fully integrated planned unit development, in a setting of significant natural amenities, with primary focus on destination resort facilities consisting of short-term visitor accommodations associated with a range of developed on-site indoor and outdoor recreational facilities. Other residential uses may be included within the boundaries of a master planned resort if those uses are "integrated into and support the on-site recreational nature of the resort."

Statutory criteria are specified for a county's approval of a master planned resort. One criterion is the county's determination that on-site and off-site infrastructure impacts have been fully considered and mitigated.

Summary of Substitute Bill: Master planned resorts are expressly authorized to use outside service providers for capital facilities, services and utilities or to share facilities, services and utilities with outsider service providers.

The changes to master planned resort statutes are based on recommendations from the 1994 Department of Community, Trade and Economic Development Master Planned Resort Task Force (DCTED). Master planned resorts may use capital facilities, utilities and services from outside service providers and agree to share facilities, utilities and services with such providers. The master planned resort bears the full costs (including capacity increases) which are directly attributable to the resort.

Master planned resort capital facilities, utilities and services (specified to include those related to sewer, water, storm water, security, fire suppression and emergency medical) provided on site are limited those meeting the needs of the master planned resort. Outside service providers, including municipalities and special purpose districts, may provide capital facilities, utilities and services to a master planned resort. The master planned resort must bear all costs related to service extensions and capacity increases directly attributable to the resort.

The outside service providers and the master planned resort may agree to share capital facilities and utilities. Any shared facilities and utilities may serve only the master planned resort and urban growth areas.

In addition to the determination that infrastructure impacts have been considered and mitigated, a county may approve a master planned resort only after determining that on-site and off-site service impacts are fully considered and mitigated.

Substitute Bill Compared to Original Bill: Shared facilities may only be used to serve the master planned resort and urban growth areas.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Allowing shared facilities is good for both the master planned resort and the local governments and is a useful approach to economic development. Agreements between master planned resorts and cities are probably already permitted under the GMA. HB 2596 makes it clear that these agreements are authorized and makes the Washington master planned resort statutes similar to Oregon law on this point. The DCTED task force concluded agreements should be allowed as long as the master planned resorts pay all their own costs, and this bill guarantees that master planned

resorts will assume that financial responsibility. Surrounding municipalities who have serious infrastructure needs and cannot meet regulatory requirements may be benefitted.

The bill may need to be changed to emphasize there is no intent to impair existing water rights or to change priority for water rights and to clarify that shared facilities may only serve the master planned resort and urban growth areas.

Testimony Against: This bill may complicate and confuse water rights issues. No entity should be given an advantage or priority in obtaining water rights. Master planned resorts and cities should not be able to avoid the Department of Ecology's instream flow requirements. Facilities developed under these agreements should not be permitted to provide service outside urban growth areas. This bill may impair the ability of local governments to plan their own facilities. This bill also may not be necessary because the service is already permitted.

Testified: Representative Gary Chandler, prime sponsor; Steve Wells, Department of Community, Trade and Economic Development (pro with concerns); Kevin Raymond and Michael Moyer, Trendwest Resorts (pro); Ray Owens (pro); Virginia Gunby, 1000 Friends of Washington (con); Mary Burke, Washington Cattlemen's Association (con); Otto Herman, Rebound (concerns); Josh Baldi, Washington Environmental Council (con); Scott Hazelgrove, Association of Washington Business (pro); and Dave Williams, Association of Washington Cities (pro).