

HOUSE BILL REPORT

EHB 2498

As Amended by the Senate

Title: An act relating to establishing a pilot program authorizing designation of industrial land banks outside urban growth areas under certain circumstances.

Brief Description: Establishing a pilot program authorizing designation of industrial land banks outside urban growth areas under certain circumstances.

Sponsors: By Representatives Fromhold, Dunn, Jarrett, Ogden, Lovick, Dunshee, Schmidt, Conway, Linville, Miloscia and Anderson.

Brief History:

Committee Activity:

Local Government & Housing: 1/31/02 [DP].

Floor Activity:

Passed House: 2/14/02, 98-0.

Senate Amended.

Passed Senate: 3/6/02, 46-1.

Brief Summary of Engrossed Bill

- Extends the industrial land bank pilot program through December 31, 2007, for all counties meeting the specified criteria (Clark, Whatcom, Lewis, Grant, and Clallam).
- Adds Benton, Columbia, Franklin, Garfield, and Walla Walla to the list of counties eligible to utilize the industrial land bank program.
- Requires counties to review the need for an industrial land bank during the review and evaluation of comprehensive plans as required by the GMA.
- Authorizes any locations designated under authority granted in previous legislation to remain valid as long as the statutory criteria are met.
- Adds additional criteria required for establishing a location within an industrial land bank.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 11 members: Representatives Dunshee, Chair;

Edwards, Vice Chair; Mulliken, Ranking Minority Member; Berkey, Crouse, DeBolt, Dunn, Hatfield, Kirby, Mielke and Sullivan.

Staff: Scott MacColl (786-7106).

Background:

Under the Growth Management Act (GMA), counties meeting specified growth criteria must satisfy specified planning requirements, including the adoption of comprehensive plans and designation of urban growth areas (UGAs) sufficient to permit the urban growth expected to occur over the next 20 years. A county that does not meet the criteria may choose to plan under the GMA. Currently 29 of Washington's 39 counties plan under the GMA.

Counties must encourage urban growth within UGAs and may allow growth outside UGAs if it is not urban in nature. The GMA contains several exceptions to the general prohibition against urban growth outside UGAs, including provisions for fully contained communities, master planned resorts, and specific major industrial developments under specified conditions. For a limited time, counties meeting specified population, geographic, and unemployment criteria were authorized to designate a bank of no more than two master planned locations suitable for manufacturing or industrial businesses that:

- Require a parcel of land so large no suitable parcels are available within the UGA;
- Are natural resource-based industries requiring a location near resource land upon which it is dependent; or
- Require a location with characteristics such as proximity to transportation facilities or related industries such that there is no suitable location in an UGA. The bank may not be for retail commercial development or multitenant office parks.

The following criteria had to be met to establish a location for an industrial land bank:

- Provision for new infrastructure or payment of impact fees;
- Implementation of transit-oriented site planning and traffic demand management programs;
- Buffering between the development and adjacent nonurban areas;
- Provision of environmental protection, including air and water quality;
- Establishment of development regulations to ensure urban growth will not occur in adjacent nonurban areas;

- Mitigation of adverse impacts on resource lands;
- Consistency of the development plan with critical areas regulations; and
- Preparation of an inventory determining land suitable to site the location is unavailable within the UGA.

The counties eligible to use the original industrial land bank authority were Clark, Whatcom, Lewis, Grant and Clallam. The pilot program authority expired on December 31, 1999.

Legislation passed in 2001 authorized industrial land bank authority for Grant County and Lewis County until December 31, 2002. Any location included in an industrial land bank on or before December 31, 2002, by an eligible county is available for major industrial development if the statutory criteria are satisfied.

Summary of Engrossed Bill:

Counties meeting specified population, geographic, and unemployment criteria may establish industrial land banks until December 31, 2007. Counties eligible to use this authority include Clark, Whatcom, Lewis, Grant, Clallam, Benton, Columbia, Franklin, Garfield, and Wall Walla counties. Counties that established a location in an industrial land bank outside the urban growth area prior to December 31, 2007, may keep those locations available if the statutory criteria are met.

Any county that has established a location in an industrial land bank using authority granted under any previous legislation, may keep that location available for industrial development as long as the statutory criteria are met.

Counties that have established or propose to establish an industrial land bank must review the need within the county during the review and evaluation of comprehensive plans required by the Growth Management Act (GMA). The review must include a review of the availability of land for industrial and manufacturing uses within the urban growth area.

Additional criteria are added to the required criteria that must be met to include a location in the industrial land bank. Those additional criteria include:

- Establishing an interlocal agreement related to infrastructure costs sharing and revenue sharing between the county and interested cities;
- Establishing provisions for determining the availability of alternate sites within urban growth areas and the long-term annexation feasibility of land sites outside urban

growth areas; and

- Requiring development regulations that require the site to be used primarily for industrial and manufacturing businesses and specifying that the gross floor area of all commercial and service buildings shall not exceed 10 percent of the total gross floor area.
- Commercial and service businesses located in the industrial site must be necessary to the primary industrial or manufacturing business, and must be established concurrently with or subsequent to the industrial or manufacturing business.

EFFECT OF SENATE AMENDMENT(S):

Mason and Jefferson Counties are added to the list of counties meeting the eligibility criteria.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: This bill has been worked out, by Clark County and the cities in Clark County, to say that they must share tax revenues, and to prohibit land banks unless it can be proven that adequate supply is not available inside the urban growth area. This bill allows an assured role for cities in planning for land banks, and a way for both the county and cities to profit. Rural school districts will also benefit from the increased tax revenue. The additional criteria gives certainty for a vigorous decision process.

Testimony Against: None.

Testified: Representative Fromhold, prime sponsor; Mark Brown, city of Vancouver; Rick Wickman, Identity of Clark County; Dave Williams, Association of Washington Cities; Betty Sue Morris, Clark County; Steve Stuart, 1000 Friends of Washington; and Sharon Wylie, Clark County.