

# HOUSE BILL REPORT

## ESHB 1997

---

---

### As Passed Legislature

**Title:** An act relating to establishing industrial land banks outside urban growth areas.

**Brief Description:** Revising provisions relating to industrial land banks.

**Sponsors:** By House Committee on Local Government & Housing (originally sponsored by Representatives Alexander, DeBolt, Doumit, Mulliken, Dunshee, Mielke, Kessler, Hatfield and Ogden).

**Brief History:**

**Committee Activity:**

Local Government & Housing: 2/22/01, 2/26/01 [DPS].

**Floor Activity:**

Passed House: 3/13/01, 96-0.

Senate Amended.

Passed Senate: 4/9/01, 47-1.

House Insists.

Senate Receded.

Passed Senate: 4/18/01, 43-3.

Passed Legislature.

### Brief Summary of Engrossed Substitute Bill

- Authorizes counties meeting certain population, geographic and unemployment criteria to establish industrial land banks outside urban growth areas and under specified conditions.
- Terminates industrial land banks authority on December 31, 2002.

---

### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Dunshee, Democratic Co-Chair; Mulliken, Republican Co-Chair; Mielke, Republican Vice Chair; Berkey, Crouse, DeBolt, Dunn, Edmonds, Hatfield, Jarrett and Kirby.

**Staff:** Caroleen Dineen (786-7156).

**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 industrial land bank authority were Clark, Whatcom, Lewis, Grant and Clallam. The pilot program authority expired on December 31, 1999.

---

**Summary of Bill:**

Counties meeting specified population, geographic, and unemployment criteria may establish industrial land banks until December 31, 2002. Counties eligible to use this authority include any county meeting all of the following criteria:

- population greater than forty thousand but fewer than eighty thousand;
- location in the Interstate 5 or Interstate 90 corridor; and
- average level of unemployment for the preceding three years that exceeds the average state unemployment for those years by twenty percent.

Currently, Grant County and Lewis County satisfy all three criteria. Until December 31, 2002, eligible counties may establish a process for designating a bank of no more than two master planned locations for major industrial activity outside urban growth areas (UGAs). Land banks designated by eligible counties must meet the statutory criteria for establishing a land bank initially specified for the authority terminating on December 31, 1999. 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.

---

**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** (Original Bill) This bill allows Lewis County to implement the industrial land bank authority and to designate a reserve area for long-term planning. Lewis County does not have sufficient land for industrial development in the urban growth area. Lewis County is working aggressively to get some jobs with good salaries. This bill will give people a reason to want to stay in Lewis County and may entice some big companies to move to the area. The bill does not change the criteria that have to be satisfied for establishing industrial land banks.

**Testimony Against:** (Original Bill) The Office of Community Development agrees with the need for industrial land banks in Lewis County and some rural counties but has concerns regarding how Lewis County has implemented industrial land banks. The criteria should be applied when the industrial land bank is established, and the criteria must be satisfied before designation.

**Testified:** (In support of Original Bill) Representative Gary Alexander, prime sponsor; Bill Lotto, Lewis County Economic Development Council; and Pat Underhill, Pacific Northwest Regional Council of Carpenters.

(Opposed to Original Bill) Steve Wells, Office of Community Development

