

# HOUSE BILL REPORT

## HB 2960

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### As Reported by House Committee On:

Local Government

**Title:** An act relating to the siting and designating processes of industrial land banks.

**Brief Description:** Designating processes and siting of industrial land banks.

**Sponsors:** Representatives Romero, Schindler, Hinkle, Rockefeller and Edwards.

### Brief History:

#### Committee Activity:

Local Government: 2/2/04, 2/4/04 [DPS].

#### Brief Summary of Substitute Bill

- Modifies the Growth Management Act provisions for siting master planned locations for major industrial development.
- Establishes a process for reviewing and approving proposals to authorize specific major industrial developments within an approved industrial land bank.
- Defines "industrial land bank."

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Romero, Chair; Simpson, D., Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Clibborn, Edwards, Ericksen, Mielke, Moeller and Upthegrove.

**Staff:** Ethan Moreno (786-7386).

### Background:

The Growth Management Act (GMA) establishes a comprehensive land use planning framework for county and city governments in Washington. Counties and cities meeting specific population and growth criteria are required to comply with the major requirements of the GMA. Counties not meeting these criteria may choose to plan under the GMA. Twenty-nine of 39 counties, and the cities within those 29 counties, are

required to or have chosen to comply with the major requirements of the GMA (GMA jurisdictions).

#### Urban Growth Areas

GMA jurisdictions must designate urban growth areas (UGAs) within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature. The GMA, however, includes exceptions to UGA requirements for new fully contained communities, master planned resorts, and major industrial developments complying with specified criteria.

#### Comprehensive Land Use Plans

GMA jurisdictions must adopt internally consistent comprehensive land use plans (comprehensive plans), which are generalized, coordinated land use policy statements of the governing body. GMA jurisdictions also must adopt development regulations that are consistent with and implement the comprehensive plan.

Comprehensive plans and development regulations are subject to continuing review and evaluation by the adopting county or city. With limited exceptions, amendments to a comprehensive plan may be considered by the governing body of the local jurisdiction no more frequently than once every year. Additionally, GMA jurisdictions must review and, if needed, revise their comprehensive plans and development regulations according to a statutory schedule.

#### Major Industrial Development - Pilot Project

In 1996 the Legislature enacted legislation authorizing a pilot project under which areas for major industrial development could be established outside UGAs for the purpose of expeditiously siting such development (i.e., HB 2467, enacted as ch. 167, Laws of 1996). Among other provisions, the pilot project legislation established criteria for siting these developments within designated banks of land; provided for amending GMA comprehensive plans to implement these provisions; and specified eligibility criteria and termination dates for relevant county authority. The provisions of the original pilot project have been amended several times to modify the applicability criteria and termination dates.

#### Master Planned Locations - Establishment Criteria

Eligible counties may establish up to two master planned locations for major industrial activity within an urban industrial land bank (land bank) located outside UGAs.

Among other criteria for establishing major industrial developments within designated land banks, eligible counties must provide for new infrastructure, determine the feasibility of alternate sites, and satisfy specific development regulation requirements. Additionally, when selecting locations for inclusion within a land bank, counties must give priority to locations adjacent to, or in close proximity to, a UGA.

"Major industrial development" is defined as a master planned location suitable for manufacturing or industrial businesses that:

- requires a parcel of land so large that no suitable parcels are available within a UGA;
- is a natural resource-based industry requiring a location near agricultural land, forest land, or mineral resource land upon which it is dependent; or
- requires a location with characteristics such as proximity to transportation facilities or related industries such that there is no suitable location within a UGA.

Major industrial development may not be for the purpose of retail commercial development or multitenant office parks.

Master Planned Locations - Eligibility Criteria/Termination Dates

Two sets of eligibility criteria and termination dates exist for counties engaged in the process of including or excluding master planned locations from a land bank. Eligibility criteria for both sets includes specific population, geographic, and unemployment requirements. The first set of eligibility criteria terminates on December 31, 2007. The second set of eligibility criteria terminated on December 31, 2002. Any location included in a land bank on or before the termination date remains available for major industrial development if the establishment criteria are met.

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**Summary of Substitute Bill:**

Master Planned Locations - Establishment and Approval of Specific Development Proposals

Master planned locations for major industrial developments may be included within a land bank outside a urban growth area (UGA) if specific criteria are met through a comprehensive planning process that ensures that:

- development regulations are adopted to ensure that urban growth will not occur in adjacent non-urban areas;
- the master plan for the major industrial developments is consistent with development regulations adopted for protection of critical areas;
- an inventory of developable land has been conducted;
- provisions are established for determining the availability of alternate sites within UGAs and the long-term annexation feasibility of sites outside UGAs; and
- development regulations are adopted to require, in part, the land bank site to be used primarily for locating industrial and manufacturing businesses.

The process for reviewing and approving proposals to authorize the siting of specific major industrial developments within an approved industrial land bank must ensure through adopted development regulations that:

- new infrastructure is provided for and/or applicable impact fees are paid;

- transit-oriented site planning and traffic demand management programs are implemented;
- buffers are provided between the major industrial development and adjacent nonurban areas;
- environmental protection including air and water quality has been addressed and provided for;
- provision is made to mitigate adverse impacts on designated agricultural lands, forest lands, and mineral resource lands; and
- an interlocal agreement related to infrastructure cost sharing and revenue sharing between the county and interested cities is established.

The approval of specific proposals for siting specific major industrial developments requires no further comprehensive plan amendment.

*Industrial Land Banks - Definition*

"Industrial land bank" is defined to mean up to two master planned locations, each consisting of a parcel or parcels of contiguous land, sufficiently large so as not to be readily available within the UGA of a city, or otherwise meeting specified criteria. The definition specifies that the land bank must be suitable for manufacturing, industrial, or commercial businesses and designated by the county through the comprehensive planning process specifically for major industrial use.

**Substitute Bill Compared to Original Bill:**

A master planned location may be included in an urban industrial land bank if certain criteria are satisfied through the completion of a comprehensive planning process. A county siting a master planned location is required to adopt specific development regulations to comply with the criteria for siting such a location. The process for reviewing and approving proposals for specific industrial developments must ensure through adopted development regulations that certain criteria are met. An "industrial land bank" is defined to mean up to two master planned locations, each satisfying prescribed requirements. A provision specifying that two land banks may be designated within a county if certain criteria are met is deleted. A provision specifying that, once designated, proposed master planned locations and project developments must satisfy certain criteria is deleted. The substitute bill also includes technical changes.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This bill represents a consensus product of the GMA working group. This bill cleans up problems that counties have had in designating, siting, and building land banks. Land banks and master planned locations are of interest to cities, but cities remain cautious of allowing development outside UGAs. Sequential provisions for the siting of master planned locations are corrected by this bill. The intent of the original legislation allowing the siting of land banks was to help certain economically challenged counties. This bill helps to clarify siting and implementation requirements, provides greater flexibility to rural counties, and protects adjacent rural areas.

**Testimony Against:** None.

**Persons Testifying:** Scott Merriman, Washington State Association of Counties; Dave Williams, Association of Washington Cities; and Donald Marcy, National Association of Industrial and Office Properties.

**Persons Signed In To Testify But Not Testifying:** None.