
SECOND SUBSTITUTE HOUSE BILL 1252

State of Washington

61st Legislature

2009 Regular Session

By House Capital Budget (originally sponsored by Representatives Kenney, Smith, Bailey, Seaquist, Haler, Kristiansen, Kelley, and Herrera; by request of Department of Community, Trade, and Economic Development)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to wage criteria used by the community economic
2 revitalization board to determine project selection; and amending RCW
3 43.160.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to read
6 as follows:

7 The board is authorized to make direct loans to political
8 subdivisions of the state and to federally recognized Indian tribes for
9 the purposes of assisting the political subdivisions and federally
10 recognized Indian tribes in financing the cost of public facilities,
11 including development of land and improvements for public facilities,
12 project-specific environmental, capital facilities, land use,
13 permitting, feasibility, and marketing studies and plans; project
14 design, site planning, and analysis; project debt and revenue impact
15 analysis; as well as the construction, rehabilitation, alteration,
16 expansion, or improvement of the facilities. A grant may also be
17 authorized for purposes designated in this chapter, but only when, and
18 to the extent that, a loan is not reasonably possible, given the
19 limited resources of the political subdivision or the federally

1 recognized Indian tribe and the finding by the board that financial
2 circumstances require grant assistance to enable the project to move
3 forward. However, no more than twenty-five percent of all financial
4 assistance approved by the board in any biennium may consist of grants
5 to political subdivisions and federally recognized Indian tribes.

6 Application for funds shall be made in the form and manner as the
7 board may prescribe. In making grants or loans the board shall conform
8 to the following requirements:

9 (1) The board shall not provide financial assistance:

10 (a) For a project the primary purpose of which is to facilitate or
11 promote a retail shopping development or expansion.

12 (b) For any project that evidence exists would result in a
13 development or expansion that would displace existing jobs in any other
14 community in the state.

15 (c) For a project the primary purpose of which is to facilitate or
16 promote gambling.

17 (d) For a project located outside the jurisdiction of the applicant
18 political subdivision or federally recognized Indian tribe.

19 (2) The board shall only provide financial assistance:

20 (a) For a project demonstrating convincing evidence that a specific
21 private development or expansion is ready to occur and will occur only
22 if the public facility improvement is made that:

23 (i) Results in the creation of significant private sector jobs or
24 significant private sector capital investment as determined by the
25 board and is consistent with the state comprehensive economic
26 development plan developed by the Washington economic development
27 commission pursuant to chapter 43.162 RCW, once the plan is adopted;
28 and

29 (ii) Will improve the opportunities for the successful maintenance,
30 establishment, or expansion of industrial or commercial plants or will
31 otherwise assist in the creation or retention of long-term economic
32 opportunities;

33 (b) For a project that cannot meet the requirement of (a) of this
34 subsection but is a project that:

35 (i) Results in the creation of significant private sector jobs or
36 significant private sector capital investment as determined by the
37 board and is consistent with the state comprehensive economic

1 development plan developed by the Washington economic development
2 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

3 (ii) Is part of a local economic development plan consistent with
4 applicable state planning requirements;

5 (iii) Can demonstrate project feasibility using standard economic
6 principles; and

7 (iv) Is located in a rural community as defined by the board, or a
8 rural county;

9 (c) For site-specific plans, studies, and analyses that address
10 environmental impacts, capital facilities, land use, permitting,
11 feasibility, marketing, project engineering, design, site planning, and
12 project debt and revenue impacts, as grants not to exceed fifty
13 thousand dollars.

14 (3) The board shall develop guidelines for local participation and
15 allowable match and activities.

16 (4) An application must demonstrate local match and local
17 participation, in accordance with guidelines developed by the board.

18 (5) An application must be approved by the political subdivision
19 and supported by the local associate development organization or local
20 workforce development council or approved by the governing body of the
21 federally recognized Indian tribe.

22 (6) The board may allow de minimis general system improvements to
23 be funded if they are critically linked to the viability of the
24 project.

25 ~~(7) ((An application must demonstrate convincing evidence that the
26 median hourly wage of the private sector jobs created after the project
27 is completed will exceed the countywide median hourly wage.~~

28 ~~(8))~~ The board shall prioritize each proposed project ~~((according
29 to))~~ as provided for in this subsection.

30 ~~(a) ((The relative benefits provided to the community by the jobs
31 the project would create, not just the total number of jobs it would
32 create after the project is completed, but also giving consideration to
33 the unemployment rate in the area in which the jobs would be located;))~~
34 When considering construction projects, the board shall first consider
35 whether an application demonstrates convincing evidence that the annual
36 average wage of the jobs created after the project is completed will
37 meet or exceed the countywide annual average wage.

1 ~~(b) ((The rate of return of the state's investment, including, but~~
2 ~~not limited to, the leveraging of private sector investment,~~
3 ~~anticipated job creation and retention, and expected increases in state~~
4 ~~and local tax revenues associated with the project;)) For a project~~
5 ~~that cannot meet the requirement under (a) of this subsection, the~~
6 ~~board shall consider whether an application demonstrates convincing~~
7 ~~evidence that the jobs created after the project is completed will~~
8 ~~include health care benefits or retirement benefits or both health care~~
9 ~~and retirement benefits.~~

10 ~~(c) ((Whether the proposed project offers a health insurance plan~~
11 ~~for employees that includes an option for dependents of employees;)) If~~
12 ~~the project cannot meet the requirement under either (a) or (b) of this~~
13 ~~subsection, the board may apply the following as exceptions under which~~
14 ~~to consider the project:~~

15 (i) The project is located in a county where the three-year
16 unemployment rate exceeds the state unemployment rate by twenty-five
17 percent;

18 (ii) The project is located in an innovation partnership zone that
19 has been designated under RCW 43.330.270; or

20 (iii) The project has received funding from the economic
21 development strategic reserve account as authorized under RCW
22 43.330.250.

23 (d) Whether the public facility investment will increase existing
24 capacity necessary to accommodate projected population and employment
25 growth in a manner that supports infill and redevelopment of existing
26 urban or industrial areas that are served by adequate public
27 facilities. Projects should maximize the use of existing
28 infrastructure and provide for adequate funding of necessary
29 transportation improvements; and

30 ~~(e) ((Whether the applicant has developed and adhered to guidelines~~
31 ~~regarding its permitting process for those applying for development~~
32 ~~permits consistent with section 1(2), chapter 231, Laws of 2007)) When~~
33 ~~the board applies an exception under (c) of this subsection, the board~~
34 ~~must provide written rationale for funding the project and disclose the~~
35 ~~rationale to the public, the governor, and the legislature. In~~
36 ~~addition, the board must track wage and benefits progression and~~
37 ~~employment growth for each individual project for five years after the~~

1 project is completed and submit a case study on the project as part of
2 the board's biennial report.

3 ((+9)) (8) A responsible official of the political subdivision or
4 the federally recognized Indian tribe shall be present during board
5 deliberations and provide information that the board requests.

6 Before any financial assistance application is approved, the
7 political subdivision or the federally recognized Indian tribe seeking
8 the assistance must demonstrate to the community economic
9 revitalization board that no other timely source of funding is
10 available to it at costs reasonably similar to financing available from
11 the community economic revitalization board.

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