

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5473

61st Legislature
2009 Regular Session

Passed by the Senate April 19, 2009
YEAS 42 NAYS 4

President of the Senate

Passed by the House April 15, 2009
YEAS 86 NAYS 10

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5473** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5473

AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Kilmer, Pridemore, McAuliffe, and Sheldon)

READ FIRST TIME 02/05/09.

1 AN ACT Relating to streamlining development through the designation
2 of projects of statewide significance; amending RCW 43.157.005,
3 43.157.010, 43.157.020, 43.157.030, 28A.525.166, 28C.18.080,
4 43.21A.350, 43.42.060, 90.58.100, and 43.131.402; and declaring an
5 emergency.

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

7 **Sec. 1.** RCW 43.157.005 and 1997 c 369 s 1 are each amended to read
8 as follows:

9 The legislature declares that certain (~~industrial~~) investments,
10 such as investments for industrial development, environmental
11 improvement, and innovation activities, merit special designation and
12 treatment by governmental bodies when they are proposed. Such
13 investments bolster the economies of their locale and impact the
14 economy of the state as a whole. It is the intention of the
15 legislature to recognize (~~industrial~~) projects of statewide
16 significance and to encourage local governments and state agencies to
17 expedite their completion.

1 **Sec. 2.** RCW 43.157.010 and 2004 c 275 s 63 are each amended to
2 read as follows:

3 ~~((1))~~ For purposes of this chapter and RCW 28A.525.166,
4 28B.76.210, 28C.18.080, 43.21A.350, ~~((47.06.030,))~~ and 90.58.100 ~~((and~~
5 ~~an industrial))~~, unless the context requires otherwise:

6 (1)(a) A project of statewide significance is:

7 (i) A border crossing project that involves both private and public
8 investments carried out in conjunction with adjacent states or
9 provinces;

10 (ii) A development project that will provide a net environmental
11 benefit;

12 (iii) A development project in furtherance of the commercialization
13 of innovations; or

14 (iv) A private industrial development with private capital
15 investment in manufacturing or research and development.

16 (b) To qualify for designation under RCW 43.157.030 as ~~((an~~
17 ~~industrial))~~ a project of statewide significance: ~~((a))~~

18 (i) The project must be completed after January 1, ~~((1997)) 2009;~~
19 ~~((b))~~

20 (ii) The applicant must submit an application to the department for
21 designation as ~~((an industrial))~~ a project of statewide significance to
22 the department of community, trade, and economic development; and
23 ~~((c))~~

24 (iii) The project must have:

25 ~~((i))~~ (A) In counties with a population ~~((of))~~ less than or equal
26 to twenty thousand, a capital investment of ~~((twenty)) five~~ million
27 dollars;

28 ~~((ii))~~ (B) In counties with a population ~~((of))~~ greater than
29 twenty thousand but no more than fifty thousand, a capital investment
30 of ~~((fifty)) ten~~ million dollars;

31 ~~((iii))~~ (C) In counties with a population ~~((of))~~ greater than
32 fifty thousand but no more than one hundred thousand, a capital
33 investment of ~~((one hundred)) fifteen~~ million dollars;

34 ~~((iv))~~ (D) In counties with a population ~~((of))~~ greater than one
35 hundred thousand but no more than two hundred thousand, a capital
36 investment of ~~((two hundred)) twenty~~ million dollars;

37 ~~((v))~~ (E) In counties with a population ~~((of))~~ greater than two

1 hundred thousand but no more than four hundred thousand, a capital
2 investment of ~~((four hundred))~~ thirty million dollars;

3 ~~((+vi))~~ (F) In counties with a population ~~((of))~~ greater than four
4 hundred thousand but no more than one million, a capital investment of
5 ~~((six hundred))~~ forty million dollars;

6 ~~((+vii))~~ (G) In counties with a population ~~((of))~~ greater than one
7 million, a capital investment of ~~((one billion))~~ fifty million dollars;

8 ~~((+viii))~~ (H) In rural counties ~~((with fewer than one hundred
9 persons per square mile as determined annually by the office of
10 financial management and published by the department of revenue
11 effective for the period July 1st through June 30th))~~ as defined by RCW
12 82.14.370, projected full-time employment positions after completion of
13 construction of fifty or greater;

14 ~~((+ix))~~ (I) In counties ~~((with one hundred or more persons per
15 square mile as determined annually by the office of financial
16 management and published by the department of revenue effective for the
17 period July 1st through June 30th))~~ other than rural counties as
18 defined by RCW 82.14.370, projected full-time employment positions
19 after completion of construction of one hundred or greater; or

20 ~~((+x))~~ (J) Been ~~((designated))~~ qualified by the director of
21 ~~((community, trade, and economic development))~~ the department as ~~((an
22 industrial))~~ a project of statewide significance either because: ~~((+A)
23 Because the county in which the project is to be located is a
24 distressed county and))~~

25 (I) The economic circumstances of the county merit the additional
26 assistance such designation will bring; ~~((or (B) because))~~

27 (II) The impact on a region due to the size and complexity of the
28 project merits such designation;

29 (III) The project resulted from or is in furtherance of innovation
30 activities at a public research institution in the state or is in or
31 resulted from innovation activities within an innovation partnership
32 zone; or

33 (IV) The project will provide a net environmental benefit as
34 evidenced by plans for design and construction under green building
35 standards or for the creation of renewable energy technology or
36 components or under other environmental criteria established by the
37 director in consultation with the director of the department of
38 ecology.

1 A project may be qualified under this subsection (1)(b)(iii)(J)
2 only after consultation on the availability of staff resources of the
3 office of regulatory assistance.

4 (2) ~~((The term))~~ "Department" means the department of community,
5 trade, and economic development.

6 (3) "Manufacturing" shall have the meaning assigned it in RCW
7 ~~((82.61.010))~~ 82.62.010.

8 ~~((3) The term)~~ (4) "Research and development" shall have the
9 meaning assigned it in RCW ~~((82.61.010))~~ 82.62.010.

10 ~~((4) The term)~~ (5) "Applicant" means a person applying to the
11 department ~~((of community, trade, and economic development))~~ for
12 designation of a development project as ~~((an industrial))~~ a project of
13 statewide significance.

14 **Sec. 3.** RCW 43.157.020 and 2003 c 54 s 2 are each amended to read
15 as follows:

16 Counties and cities with development projects designated as
17 ~~((industrial))~~ projects of statewide significance within their
18 jurisdictions shall enter into an agreement with the office of
19 ~~((permit))~~ regulatory assistance and the project managers of
20 ~~((industrial))~~ projects of statewide significance for expediting the
21 completion of ~~((industrial))~~ projects of statewide significance. The
22 agreement shall require:

23 (1) Expedited permit processing for the design and construction of
24 the project;

25 (2) Expedited environmental review processing;

26 (3) Expedited processing of requests for street, right-of-way, or
27 easement vacations necessary for the construction of the project;
28 ~~((and))~~

29 (4) Participation of local officials on the team assembled under
30 the requirements of RCW 43.157.030(2)(b); and

31 (5) Such other actions or items as are deemed necessary by the
32 office of ~~((permit))~~ regulatory assistance for the design and
33 construction of the project.

34 **Sec. 4.** RCW 43.157.030 and 2003 c 54 s 3 are each amended to read
35 as follows:

1 (1) The department of community, trade, and economic development
2 shall:

3 (a) Develop an application for designation of development projects
4 as ~~((industrial))~~ projects of statewide significance. The application
5 must be accompanied by a letter of approval from the legislative
6 authority of any jurisdiction that will have the proposed
7 ~~((industrial))~~ project of statewide significance within its boundaries.
8 No designation of a project as ~~((an industrial))~~ a project of statewide
9 significance shall be made without such letter of approval. The letter
10 of approval must state that the jurisdiction joins in the request for
11 the designation of the project as one of statewide significance and has
12 or will hire the professional staff that will be required to expedite
13 the processes necessary to the completion of ~~((an industrial))~~ a
14 project of statewide significance. The development project proponents
15 may provide the funding necessary for the jurisdiction to hire the
16 professional staff that will be required to so expedite. The
17 application shall contain information regarding the location of the
18 project, the applicant's average employment in the state for the prior
19 year, estimated new employment related to the project, estimated wages
20 of employees related to the project, estimated time schedules for
21 completion and operation, and other information required by the
22 department; and

23 (b) ~~((Certify that))~~ Designate a development project as a project
24 of statewide significance if the department determines:

25 (i) After review of the application under criteria adopted by rule,
26 the development project will provide significant economic benefit to
27 the local or state economy, or both, the project is aligned with the
28 state's comprehensive plan for economic development under RCW
29 43.162.020, and, by its designation, the project will not prevent equal
30 consideration of all categories of proposals under RCW 43.157.010; and

31 (ii) The development project meets or will meet the requirements of
32 RCW 43.157.010 regarding designation as ~~((an industrial))~~ a project of
33 statewide significance.

34 (2) The office of ~~((permit))~~ regulatory assistance shall assign a
35 project facilitator or coordinator to each ~~((industrial))~~ project of
36 statewide significance to:

37 (a) Assist in the scoping and coordinating functions provided for
38 in chapter 43.42 RCW;

1 (b) Assemble a team of state and local government and private
 2 officials to help meet the planning, permitting, and development needs
 3 of each project, which team shall include those responsible for
 4 planning, permitting and licensing, infrastructure development,
 5 workforce development services including higher education,
 6 transportation services, and the provision of utilities; and

7 (c) Work with each team member to expedite their actions in
 8 furtherance of the project.

9 **Sec. 5.** RCW 28A.525.166 and 2006 c 263 s 311 are each amended to
 10 read as follows:

11 Allocations to school districts of state funds provided by RCW
 12 28A.525.162 through 28A.525.180 shall be made by the superintendent of
 13 public instruction and the amount of state assistance to a school
 14 district in financing a school plant project shall be determined in the
 15 following manner:

16 (1) The boards of directors of the districts shall determine the
 17 total cost of the proposed project, which cost may include the cost of
 18 acquiring and preparing the site, the cost of constructing the building
 19 or of acquiring a building and preparing the same for school use, the
 20 cost of necessary equipment, taxes chargeable to the project, necessary
 21 architects' fees, and a reasonable amount for contingencies and for
 22 other necessary incidental expenses: PROVIDED, That the total cost of
 23 the project shall be subject to review and approval by the
 24 superintendent.

25 (2) The state matching percentage for a school district shall be
 26 computed by the following formula:

27 The ratio of the school district's adjusted valuation per pupil
 28 divided by the ratio of the total state adjusted valuation per pupil
 29 shall be subtracted from three, and then the result of the foregoing
 30 shall be divided by three plus (the ratio of the school district's
 31 adjusted valuation per pupil divided by the ratio of the total state
 32 adjusted valuation per pupil).

	District adjusted	Total state	
	3-valuation	÷ adjusted valuation	
Computed	per pupil	per pupil	State
State =	_____		= - % Assistance
Ratio	District adjusted	Total state	

3+valuation ÷ adjusted valuation
per pupil per pupil

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PROVIDED, That in the event the percentage of state assistance to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state assistance under RCW 28A.525.162 through 28A.525.180, the superintendent may establish for such district a percentage of state assistance not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

(3) In addition to the computed percent of state assistance developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed percent of state assistance for each percent of growth, with a maximum of twenty percent.

(4) The approved cost of the project determined in the manner prescribed in this section multiplied by the percentage of state assistance derived as provided for in this section shall be the amount of state assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction of the superintendent: PROVIDED, FURTHER, That additional state assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school facilities citizen advisory panel that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other conditions similarly emergent in nature; or (b) a special school housing burden resulting from (~~industrial~~) projects of statewide significance or imposed by virtue of the admission of nonresident students into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1969, and without benefit of the state assistance provided by prior state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of

1 such programs, after having first applied for and been denied state
2 assistance because of the inadequacy of state funds available for the
3 purpose, or (d) a condition created by the fact that an excessive
4 number of students live in state owned housing, or (e) a need for the
5 construction of a school building to provide for improved school
6 district organization or racial balance, or (f) conditions similar to
7 those defined under (a), (b), (c), (d), and (e) of this subsection,
8 creating a like emergency.

9 **Sec. 6.** RCW 28C.18.080 and 1997 c 369 s 5 are each amended to read
10 as follows:

11 (1) The state comprehensive plan for workforce training and
12 education shall be updated every two years and presented to the
13 governor and the appropriate legislative policy committees. Following
14 public hearings, the legislature shall, by concurrent resolution,
15 approve or recommend changes to the initial plan and the updates. The
16 plan shall then become the state's workforce training policy unless
17 legislation is enacted to alter the policies set forth in the plan.

18 (2) The comprehensive plan shall include workforce training role
19 and mission statements for the workforce development programs of
20 operating agencies represented on the board and sufficient specificity
21 regarding expected actions by the operating agencies to allow them to
22 carry out actions consistent with the comprehensive plan.

23 (3) Operating agencies represented on the board shall have
24 operating plans for their workforce development efforts that are
25 consistent with the comprehensive plan and that provide detail on
26 implementation steps they will take to carry out their responsibilities
27 under the plan. Each operating agency represented on the board shall
28 provide an annual progress report to the board.

29 (4) The comprehensive plan shall include recommendations to the
30 legislature and the governor on the modification, consolidation,
31 initiation, or elimination of workforce training and education programs
32 in the state.

33 (5) The comprehensive plan shall address how the state's workforce
34 development system will meet the needs of employers hiring for
35 (~~industrial~~) projects of statewide significance.

36 (6) The board shall report to the appropriate legislative policy

1 committees by December 1 of each year on its progress in implementing
2 the comprehensive plan and on the progress of the operating agencies in
3 meeting their obligations under the plan.

4 **Sec. 7.** RCW 43.21A.350 and 1997 c 369 s 6 are each amended to read
5 as follows:

6 The department of ecology shall prepare and perfect from time to
7 time a state master plan for flood control, state public reservations,
8 financed in whole or in part from moneys collected by the state, sites
9 for state public buildings and for the orderly development of the
10 natural and agricultural resources of the state. The plan shall
11 address how the department will expedite the completion of
12 (~~industrial~~) projects of statewide significance. The plan shall be
13 a guide in making recommendations to the officers, boards, commissions,
14 and departments of the state.

15 Whenever an improvement is proposed to be established by the state,
16 the state agency having charge of the establishment thereof shall
17 request of the director a report thereon, which shall be furnished
18 within a reasonable time thereafter. In case an improvement is not
19 established in conformity with the report, the state agency having
20 charge of the establishment thereof shall file in its office and with
21 the department a statement setting forth its reasons for rejecting or
22 varying from such report which shall be open to public inspection.

23 The department shall insofar as possible secure the cooperation of
24 adjacent states, and of counties and municipalities within the state in
25 the coordination of their proposed improvements with such master plan.

26 **Sec. 8.** RCW 43.42.060 and 2007 c 94 s 7 are each amended to read
27 as follows:

28 (1) The office may coordinate the processing by participating
29 permit agencies of permits required for a project, at the request of
30 the project proponent through a cost-reimbursement agreement as
31 provided in subsection (3) of this section or with the agreement of the
32 project proponent as provided in subsection (4) of this section.

33 (2) The office shall assign a project coordinator to perform any or
34 all of the following functions, as specified by the terms of a cost-
35 reimbursement agreement under subsection (3) of this section or an
36 agreement under subsection (4) of this section:

- 1 (a) Serve as the main point of contact for the project proponent;
- 2 (b) Conduct a project scoping as provided in RCW 43.42.050(2);
- 3 (c) Verify that the project proponent has all the information
- 4 needed to complete applications;
- 5 (d) Coordinate the permit processes of the permit agencies;
- 6 (e) Manage the applicable administrative procedures;
- 7 (f) Work to assure that timely permit decisions are made by the
- 8 permit agencies and maintain contact with the project proponent and the
- 9 permit agencies to ensure adherence to schedules;
- 10 (g) Assist in resolving any conflict or inconsistency among permit
- 11 requirements and conditions; and
- 12 (h) Coordinate with relevant federal permit agencies and tribal
- 13 governments to the extent possible.

14 (3) At the request of a project proponent and as provided in RCW
15 43.42.070, the project coordinator shall coordinate negotiations among
16 the project proponent, the office, and participating permit agencies to
17 enter into a cost-reimbursement agreement and shall coordinate
18 implementation of the agreement, which shall govern coordination of
19 permit processing by the participating permit agencies.

20 (4) For (~~industrial~~) projects of statewide significance or if the
21 office determines that it is in the public interest to coordinate the
22 processing of permits for certain projects that are complex in scope,
23 require multiple permits, involve multiple jurisdictions, or involve a
24 significant number of affected parties, the office shall, upon the
25 proponent's request, enter into an agreement with the project proponent
26 and the participating permit agencies to coordinate the processing of
27 permits for the project. The office may limit the number of such
28 agreements according to the resources available to the office and the
29 permit agencies at the time.

30 **Sec. 9.** RCW 90.58.100 and 1997 c 369 s 7 are each amended to read
31 as follows:

32 (1) The master programs provided for in this chapter, when adopted
33 or approved by the department shall constitute use regulations for the
34 various shorelines of the state. In preparing the master programs, and
35 any amendments thereto, the department and local governments shall to
36 the extent feasible:

1 (a) Utilize a systematic interdisciplinary approach which will
2 insure the integrated use of the natural and social sciences and the
3 environmental design arts;

4 (b) Consult with and obtain the comments of any federal, state,
5 regional, or local agency having any special expertise with respect to
6 any environmental impact;

7 (c) Consider all plans, studies, surveys, inventories, and systems
8 of classification made or being made by federal, state, regional, or
9 local agencies, by private individuals, or by organizations dealing
10 with pertinent shorelines of the state;

11 (d) Conduct or support such further research, studies, surveys, and
12 interviews as are deemed necessary;

13 (e) Utilize all available information regarding hydrology,
14 geography, topography, ecology, economics, and other pertinent data;

15 (f) Employ, when feasible, all appropriate, modern scientific data
16 processing and computer techniques to store, index, analyze, and manage
17 the information gathered.

18 (2) The master programs shall include, when appropriate, the
19 following:

20 (a) An economic development element for the location and design of
21 industries, (~~industrial~~) projects of statewide significance,
22 transportation facilities, port facilities, tourist facilities,
23 commerce and other developments that are particularly dependent on
24 their location on or use of the shorelines of the state;

25 (b) A public access element making provision for public access to
26 publicly owned areas;

27 (c) A recreational element for the preservation and enlargement of
28 recreational opportunities, including but not limited to parks,
29 tidelands, beaches, and recreational areas;

30 (d) A circulation element consisting of the general location and
31 extent of existing and proposed major thoroughfares, transportation
32 routes, terminals, and other public utilities and facilities, all
33 correlated with the shoreline use element;

34 (e) A use element which considers the proposed general distribution
35 and general location and extent of the use on shorelines and adjacent
36 land areas for housing, business, industry, transportation,
37 agriculture, natural resources, recreation, education, public buildings

1 and grounds, and other categories of public and private uses of the
2 land;

3 (f) A conservation element for the preservation of natural
4 resources, including but not limited to scenic vistas, aesthetics, and
5 vital estuarine areas for fisheries and wildlife protection;

6 (g) An historic, cultural, scientific, and educational element for
7 the protection and restoration of buildings, sites, and areas having
8 historic, cultural, scientific, or educational values;

9 (h) An element that gives consideration to the statewide interest
10 in the prevention and minimization of flood damages; and

11 (i) Any other element deemed appropriate or necessary to effectuate
12 the policy of this chapter.

13 (3) The master programs shall include such map or maps, descriptive
14 text, diagrams and charts, or other descriptive material as are
15 necessary to provide for ease of understanding.

16 (4) Master programs will reflect that state-owned shorelines of the
17 state are particularly adapted to providing wilderness beaches,
18 ecological study areas, and other recreational activities for the
19 public and will give appropriate special consideration to same.

20 (5) Each master program shall contain provisions to allow for the
21 varying of the application of use regulations of the program, including
22 provisions for permits for conditional uses and variances, to insure
23 that strict implementation of a program will not create unnecessary
24 hardships or thwart the policy enumerated in RCW 90.58.020. Any such
25 varying shall be allowed only if extraordinary circumstances are shown
26 and the public interest suffers no substantial detrimental effect. The
27 concept of this subsection shall be incorporated in the rules adopted
28 by the department relating to the establishment of a permit system as
29 provided in RCW 90.58.140(3).

30 (6) Each master program shall contain standards governing the
31 protection of single family residences and appurtenant structures
32 against damage or loss due to shoreline erosion. The standards shall
33 govern the issuance of substantial development permits for shoreline
34 protection, including structural methods such as construction of
35 bulkheads, and nonstructural methods of protection. The standards
36 shall provide for methods which achieve effective and timely protection
37 against loss or damage to single family residences and appurtenant
38 structures due to shoreline erosion. The standards shall provide a

1 preference for permit issuance for measures to protect single family
2 residences occupied prior to January 1, 1992, where the proposed
3 measure is designed to minimize harm to the shoreline natural
4 environment.

5 **Sec. 10.** RCW 43.131.402 and 2007 c 231 s 7 are each amended to
6 read as follows:

7 The following acts or parts of acts, as now existing or hereafter
8 amended, are each repealed, effective June 30, 2012:

- 9 (1) RCW 43.42.005 and 2003 c 71 s 1 & 2002 c 153 s 1;
10 (2) RCW 43.42.010 and 2007 c 231 s 5, 2003 c 71 s 2, & 2002 c 153
11 § 2;
12 (3) RCW 43.42.020 and 2002 c 153 s 3;
13 (4) RCW 43.42.030 and 2003 c 71 s 3 & 2002 c 153 s 4;
14 (5) RCW 43.42.040 and 2003 c 71 s 4 & 2002 c 153 s 5;
15 (6) RCW 43.42.050 and 2002 c 153 s 6;
16 (7) RCW 43.42.060 and 2009 c . . . s 8 (section 8 of this act) &
17 2002 c 153 s 7;
18 (8) RCW 43.42.070 and 2002 c 153 s 8;
19 (9) RCW 43.42.905 and 2002 c 153 s 10;
20 (10) RCW 43.42.900 and 2002 c 153 s 11; and
21 (11) RCW 43.42.901 and 2002 c 153 s 12.

22 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

--- END ---