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SECOND SUBSTITUTE SENATE BILL 5320

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State of Washington

62nd Legislature

2012 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Chase, Kastama, and Shin)

READ FIRST TIME 01/30/12.

1 AN ACT Relating to prioritizing infrastructure projects; and  
2 amending RCW 43.160.060.

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

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

6 (1) The board is authorized to make direct loans to political  
7 subdivisions of the state and to federally recognized Indian tribes for  
8 the purposes of assisting the political subdivisions and federally  
9 recognized Indian tribes in financing the cost of public facilities,  
10 including development of land and improvements for public facilities,  
11 project-specific environmental, capital facilities, land use,  
12 permitting, feasibility, and marketing studies and plans; project  
13 design, site planning, and analysis; project debt and revenue impact  
14 analysis; as well as the construction, rehabilitation, alteration,  
15 expansion, or improvement of the facilities. The board may make direct  
16 loans to rural counties for carrying out an analysis of industrial  
17 sites to identify where high priority infrastructure developments are  
18 warranted. A grant may also be authorized for purposes designated in  
19 this chapter, but only when, and to the extent that, a loan is not

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

8 (2) Application for funds (~~(shall)~~) must be made in the form and  
9 manner as the board may prescribe. In making grants or loans the board  
10 (~~(shall)~~) must conform to the following requirements:

11 ~~((+1))~~ (a) The board (~~(shall)~~) may not provide financial  
12 assistance:

13 ~~((+a))~~ (i) For a project the primary purpose of which is to  
14 facilitate or promote a retail shopping development or expansion.

15 ~~((+b))~~ (ii) For any project that evidence exists would result in  
16 a development or expansion that would displace existing jobs in any  
17 other community in the state.

18 ~~((+c))~~ (iii) For a project the primary purpose of which is to  
19 facilitate or promote gambling.

20 ~~((+d))~~ (iv) For a project located outside the jurisdiction of the  
21 applicant political subdivision or federally recognized Indian tribe.

22 ~~((+2))~~ (b) The board (~~(shall)~~) may only provide financial  
23 assistance:

24 ~~((+a))~~ (i) For a project demonstrating convincing evidence that a  
25 specific private development or expansion is ready to occur and will  
26 occur only if the public facility improvement is made that:

27 ~~((+i))~~ (A) Results in the creation of significant private sector  
28 jobs or significant private sector capital investment as determined by  
29 the board and is consistent with the state comprehensive economic  
30 development plan developed by the Washington economic development  
31 commission pursuant to chapter 43.162 RCW, once the plan is adopted;  
32 and

33 ~~((+ii))~~ (B) Will improve the opportunities for the successful  
34 maintenance, establishment, or expansion of industrial or commercial  
35 plants or will otherwise assist in the creation or retention of long-  
36 term economic opportunities;

37 ~~((+b))~~ (iii) For a project that cannot meet the requirement of  
38 (a)(i) of this subsection (2) but is a project that:

1           ((+i)) (A) Results in the creation of significant private sector  
2 jobs or significant private sector capital investment as determined by  
3 the board and is consistent with the state comprehensive economic  
4 development plan developed by the Washington economic development  
5 commission pursuant to chapter 43.162 RCW, once the plan is adopted;  
6           ((+ii)) (B) Is part of a local economic development plan  
7 consistent with applicable state planning requirements;  
8           ((+iii)) (C) Can demonstrate project feasibility using standard  
9 economic principles; and  
10           ((+iv)) (D) Is located in a rural community as defined by the  
11 board, or a rural county;  
12           ((+e)) (iv) For site-specific plans, studies, and analyses that  
13 address environmental impacts, capital facilities, land use,  
14 permitting, feasibility, marketing, project engineering, design, site  
15 planning, and project debt and revenue impacts, as grants not to exceed  
16 fifty thousand dollars.  
17           ((+3)) (c) The board (~~shall~~) must develop guidelines for local  
18 participation and allowable match and activities.  
19           ((+4)) (d) An application must demonstrate local match and local  
20 participation, in accordance with guidelines developed by the board.  
21           ((+5)) (e) An application must be approved by the political  
22 subdivision and supported by the local associate development  
23 organization or local workforce development council or approved by the  
24 governing body of the federally recognized Indian tribe.  
25           ((+6)) (f) The board may allow de minimis general system  
26 improvements to be funded if they are critically linked to the  
27 viability of the project.  
28           ((+7)) (g) An application must demonstrate convincing evidence  
29 that the median hourly wage of the private sector jobs created after  
30 the project is completed will exceed the countywide median hourly wage.  
31           ((+8)) (h) The board (~~shall~~) must prioritize each proposed  
32 project according to:  
33           ((+a)) (i) The relative benefits provided to the community by the  
34 jobs the project would create, not just the total number of jobs it  
35 would create after the project is completed, but also giving  
36 consideration to the unemployment rate in the area in which the jobs  
37 would be located;

1        ~~((b))~~ (ii) The rate of return of the state's investment,  
2 including, but not limited to, the leveraging of private sector  
3 investment, anticipated job creation and retention, and expected  
4 increases in state and local tax revenues associated with the project;

5        ~~((c))~~ (iii) Whether the proposed project offers a health  
6 insurance plan for employees that includes an option for dependents of  
7 employees;

8        ~~((d))~~ (iv) Whether the public facility investment will increase  
9 existing capacity necessary to accommodate projected population and  
10 employment growth in a manner that supports infill and redevelopment of  
11 existing urban or industrial areas that are served by adequate public  
12 facilities. Projects should maximize the use of existing  
13 infrastructure and provide for adequate funding of necessary  
14 transportation improvements; and

15        ~~((e))~~ (v) Whether the applicant has developed and adhered to  
16 guidelines regarding its permitting process for those applying for  
17 development permits consistent with section 1(2), chapter 231, Laws of  
18 2007.

19        ~~((9))~~ (i) A responsible official of the political subdivision or  
20 the federally recognized Indian tribe ~~((shall))~~ must be present during  
21 board deliberations and provide information that the board requests.

22        (3) Before any financial assistance application is approved, the  
23 political subdivision or the federally recognized Indian tribe seeking  
24 the assistance must demonstrate to the community economic  
25 revitalization board that no other timely source of funding is  
26 available to it at costs reasonably similar to financing available from  
27 the community economic revitalization board.

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