
Technology & Economic Development Committee

ESB 5111

Brief Description: Concerning projects of statewide significance for economic development and transportation.

Sponsors: Senator Brown.

Brief Summary of Engrossed Bill

- Makes changes in the criteria for designation as a project of statewide significance.
- Requires cities and counties to enter into an agreement with the Office of Regulatory Assistance for the coordinated and comprehensive review of a project of statewide significance, including consolidated processing of local administrative permits.

Hearing Date: 3/12/15

Staff: Jasmine Vasavada (786-7301).

Background:

Types of Projects of Statewide Significance.

Since 1997 a statutory process has existed to designate and expedite completion of projects of statewide significance. Projects that may receive the designation include: (1) border crossings that involve private and public investments in conjunction with adjacent states or provinces; (2) development projects with net environmental benefits; (3) development projects furthering commercialization of innovations; (4) private industrial development with investment in manufacturing or research and development; and (5) an aviation biofuels production facility.

Criteria for Designation.

To qualify for designation by the Department of Commerce as a project of statewide significance, a project other than an aviation biofuels facility must meet criteria related to the minimum capital investment, jobs created, county economic circumstances, regional impact,

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relationship to innovation activities, or net environmental benefit. For a project to qualify based on the size of its capital investment, the necessary capital investment varies depending on the size of county, from \$5 million for the smallest counties to \$50 million in a county with a population greater than 1 million. For a project to qualify based on jobs created, the requirement in a rural county, defined as a county with a population density of less than 100 persons per square mile or a county smaller than 225 square miles, is 50 jobs. For a project in a non-rural county, the requirement is 100 jobs.

Agreements with the Office of Regulatory Assistance.

Counties and cities with development projects that have received designation as a project of statewide significance must enter into agreements with the Office of Regulatory Assistance (ORA) and local project managers to expedite the processes necessary for the design and construction of projects. The ORA is within the Office of Financial Management and administered by the Governor's Office to help improve the regulatory system and assist citizens, businesses, and project proponents. The ORA must provide facilitation and coordination services to expedite completion of industrial projects of statewide significance. A project of statewide significance is designated as a "fully coordinated project." For such a project, the ORA keeps an up-to-date project management log and coordinates the timing of permit review, assisting in resolving any conflicts or inconsistency among the permit requirements and conditions imposed by the participating agencies. Each participating agency designates a single point of contact. The office may enter into cost-reimbursement agreements to recover the reasonable costs incurred in carrying out the project coordination.

Summary of Bill:

The act shall be known as the Community Prosperity and Revitalization Act.

Criteria for Designation.

The types of private industrial development projects that may qualify as a project of statewide significance are expanded to include transportation, renewable resource development, and environmental conservation or efficiency projects. "Transportation" means a project to improve or repair a highway or road, approaches to a highway, highway ramps, and parking facilities. Transportation does not include conveyance of construction materials. "Renewable resource" means: (a) wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) gas from sewage treatment facilities; (f) biodiesel fuel that qualifies for a certain business and occupations tax deduction and is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (g) biomass energy.

The requirement that certain development projects provide a net environmental benefit is modified, to specify that the net environmental benefit may be to the state as a whole, or to a region of the state.

Job creation requirements are changed to require creation of at least 30 full-time employment positions in rural counties, and at least 70 full-time employment positions in non-rural counties or when a project creates jobs in both rural and non-rural counties.

Agreements with the Office of Regulatory Assistance.

The agreement that cities or counties must enter into with ORA is broadened to include an agreement for completing a coordinated and comprehensive review of a project of statewide significance, including consolidated processing of requests for street, right-of-way, easement vacations, or other local administrative permits necessary for the construction of the project. Although the agreement must include such other actions or items deemed necessary by ORA for design and construction of the project, it cannot include items that alter any agency or local government permitting authority or other existing statutory requirements.

Appropriation: None.

Fiscal Note: Available.

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