

SENATE BILL REPORT

SB 5111

As Reported by Senate Committee On:
Trade & Economic Development, January 28, 2015

Title: An act relating to projects of statewide significance for economic development and transportation.

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

Sponsors: Senator Brown.

Brief History:

Committee Activity: Trade & Economic Development: 1/21/15, 1/28/15 [DP, DNP].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Brown, Chair; Braun, Vice Chair; Angel and Ericksen.

Minority Report: Do not pass.

Signed by Senators Chase, Ranking Minority Member; Frockt and McCoy.

Staff: Jeff Olsen (786-7428)

Background: In 1997 a process was enacted to expedite the development of industrial projects of statewide significance. To qualify for designation as a project of statewide significance, a project must meet capital investment or job creation requirements. The job creation requirements are full-time employment of at least 50 people in rural counties or at least 100 people in urban counties. Border-crossing projects, private projects investing in manufacturing, research, and development, projects that will provide a net environmental benefit, and a project that will further commercialization of an innovation may all be designated as projects of statewide significance.

An application for designation as a project of statewide significance must be submitted to the Department of Commerce. The application must include a letter of approval from jurisdictions where a project is located and must commit to providing the local staff necessary to expedite the completion of a project. Counties and cities requesting a project's

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designation as one of statewide significance must ensure the participation of local officials on the public-private team expediting a project's completion.

Counties and cities with projects 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. ORA must provide facilitation and coordination services to expedite completion of industrial projects of statewide significance. The project proponents may provide the funding necessary for the local jurisdiction to hire the staff required to expedite the process.

Summary of Bill: Private development projects that invest in conveyance of construction materials, development of a renewable resource, or environmental conservation or efficiency may be designated as projects of statewide significance.

Job creation requirements are changed to full-time employment of at least 30 people in rural counties, at least 70 people in urban counties, or at least 70 people if the project creates jobs in both rural and urban counties.

The agreement between ORA and cities or counties must include provisions relating to completing a coordinated and comprehensive review of a project of statewide significance. The application process is changed. Upon a proponent's application, responsible local jurisdictions must provide a letter stating whether the jurisdiction joins the request for designation and whether they have or will hire staff to expedite the processes necessary to the completion of the project. An approval letter from the local legislative authority is no longer required for a project to be designated as a project of statewide significance.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill focuses on creating jobs and encouraging economic development, ensuring large-scale projects with large economic impacts get through the regulatory process faster, without making any changes to existing regulatory requirements. The projects of statewide significance designation is a tool to keep costs down to attract new projects and create jobs. A predictable timeline for obtaining permits is important, and this approach is cost effective.

CON: Expediting review of complex projects that may have significant environmental and habitat impacts is not appropriate. The removal of the requirement for approval by the local government is a concern. Speeding up the process can limit involvement by the public and local governments. Regulatory reform and streamlining needs to be balanced among all interests.

Persons Testifying: PRO: Senator Brown, prime sponsor; Mike Ennis, Assn. of WA Business; Josh Swanson, International Union of Operating Engineers; Phil Watkins, city of Kennewick.

CON: Bruce Wishart, WA Environmental Council.