
Environment Committee

SSB 5790

Brief Description: Concerning the economic development element of the growth management act.

Sponsors: Senate Committee on Local Government (originally sponsored by Senators Short, Sheldon, Angel and Wilson).

Brief Summary of Substitute Bill

- Makes the specific contents of the economic development element of Growth Management Act (GMA) comprehensive plans discretionary, rather than requirements of cities and counties planning under the GMA.
- Allows, in certain rural counties with economic deterioration, economic development that deviates from prescriptive interpretations of the GMA.
- Allows counties to reduce restrictions on economic development opportunities if there is stagnation or deterioration of economic development.

Hearing Date: 3/16/17

Staff: Jacob Lipson (786-7196).

Background:

The Growth Management Act (GMA) is the comprehensive land-use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, the GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA (GMA planning jurisdictions).

Counties that fully plan under the GMA must designate Urban Growth Areas, areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Growth Management Act Comprehensive Plan Elements.

The GMA planning jurisdictions are required to adopt internally consistent comprehensive land-use plans that are generalized, coordinated land-use policy statements of the governing body. Comprehensive plans must address specified planning elements, each of which is a subset of a comprehensive plan.

One element that county comprehensive plans must include is a rural element. The GMA provides that urban growth is typically required to be served by urban services, while rural areas generally do not require the extension of urban services. To achieve a variety of rural densities, counties may varied techniques, including conservation easements and clustering, to accommodate growth that is consistent with rural densities and character and that is not characterized by urban growth.

A second element that comprehensive plans must include is an economic development element. The economic development must include a summary of the local economy, a summary of strengths and weaknesses of the local economy, and an identification of policies, programs, and projects to foster economic growth and development.

Growth Management Hearings Board.

A seven-member Growth Management Hearings Board (GMHB) is established under the GMA. The GMHB may hear and determine petitions alleging specific issues, including that a state agency, county, or city planning under the GMA is not in compliance with requirements of the GMA. Alternatively, under the GMA, a superior court may directly review a petition for review filed with the GMHB.

Identification of Certain Rural Counties.

Several state laws define rural counties to include those counties with a population density of less than 100 persons per square mile or that cover less than 225 square miles. According to the Office of Financial Management, 30 of the state's 39 counties meet these definitional requirements as of April 1, 2016 (OFM-identified rural counties). Benton, Clark, Kitsap, King, Pierce, Snohomish, Spokane, Thurston, and Whatcom counties are not OFM-identified rural counties.

Summary of Bill:

Job creation and commercial, industrial and other economic development are added to the enumerated techniques that counties may use to achieve a variety of rural densities. These county techniques must accommodate rural densities and uses that are consistent with rural character, but counties are no longer expressly required to accommodate rural densities and uses that are not characterized by urban growth.

The GMA planning jurisdictions may, rather than must, include specified components of the economic development elements in their comprehensive plans. The components of the economic development elements of GMA comprehensive plans may additionally include an evaluation of whether economic growth has occurred during the previous eight years, including the median income of the city, town, or county relative to the state average.

The GMA planning jurisdictions are encouraged to adopt comprehensive plans and development regulations that promote economic development in urban and rural areas, and to evaluate their economic performance over the prior eight years. The GMA planning jurisdictions may make findings regarding the economic condition of the jurisdiction. If there is economic development stagnation or deterioration during the prior planning cycle, comprehensive plans and development regulations may be modified to reduce restrictions on economic development opportunities.

The OFM-identified rural counties, and the cities within those counties, that are GMA planning jurisdictions may approve development in comprehensive plans or individual cases that may deviate from prescriptive interpretations of the GMA, upon a finding that economic deterioration has occurred in the jurisdiction. Six examples of economic deterioration that make a jurisdiction eligible to deviate from prescriptive GMA interpretations are enumerated:

- incomes of at least \$10,000 less than the statewide median household income established by the Office of Financial Management;
- a decrease in the county's household median income during any of the previous eight years;
- inability of a jurisdiction to add new-full time jobs in sufficient quantity to provide for population increase;
- decreases or stagnation of economic start up activity during multiple of the previous eight years;
- unemployment rates higher than the national and statewide averages during multiple of the previous eight years; or
- decreases or stagnation in commercial building permit issuance during multiple of the previous eight years.

If competing goals of the GMA would restrain economic development in the GMA planning jurisdictions experiencing economic deterioration, the GMHB and courts must give great deference to local elected officials' allocation of resources and development choices to prioritize economic development.

Appropriation: None.

Fiscal Note: Requested on March 28, 2017.

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