

# SENATE BILL REPORT

## SB 5621

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As of February 14, 2017

**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:** Senators Brown, Hobbs, Rivers, Sheldon, Ericksen, Warnick, Honeyford, Becker, Braun and Wilson.

**Brief History:**

**Committee Activity:** Agriculture, Water, Trade & Economic Development: 2/14/17.

**Brief Summary of 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.

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### SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

**Staff:** Karen Epps (786-7424)

**Background:** Projects of statewide significance may be designated as such to expedite their completion. 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.

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 the 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.

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. 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 industrial development projects in transportation, renewable resource development, and environmental conservation or efficiency projects may be designated as a project of statewide significance. Transportation is defined as 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 is defined as wind; solar energy; geothermal energy; landfill gas; gas from sewage treatment facilities; and 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 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.

The agreement that cities or counties must enter into with ORA is modified 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. The agreement must include such other actions or items deemed necessary by ORA for design and construction of the project, but it cannot include items that alter any agency or local government permitting authority or other existing statutory requirements.

**Appropriation:** None.

**Fiscal Note:** Requested on February 8, 2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill is similar to other bills introduced in previous years. The state was able to expedite and streamline the permitting process to get the Skagit River Bridge up again. This bill would allow that process to be used again; it is just good policy. The bill would expand the availability of the statewide significance designation. This bill is a common sense approach to allow large-scale projects with broad economic impacts to expedite the permitting process without changing the regulatory requirements.

**Persons Testifying:** PRO: Senator Sharon Brown, Prime Sponsor; Mike Ennis, Assoc. of WA Business.

**Persons Signed In To Testify But Not Testifying:** No one.