
HOUSE BILL 1525

State of Washington

65th Legislature

2017 Regular Session

By Representatives Griffey, MacEwen, Taylor, Klippert, Dent,
McCaslin, Shea, and Haler

Read first time 01/23/17. Referred to Committee on Environment.

1 AN ACT Relating to the economic development element of the growth
2 management act; amending RCW 36.70A.070; adding a new section to
3 chapter 36.70A RCW; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** This act may be known and cited as the
6 economic revitalization act.

7 NEW SECTION. **Sec. 2.** Section 1 of the growth management act of
8 1990 clearly states the act is to provide for sustainable economic
9 development, and that it is in the public interest that economic
10 development programs be shared with communities experiencing
11 insufficient economic growth. Some communities are struggling
12 economically due to prescriptive implementation and interpretations
13 of the act. This result is contrary to the stated purpose of the act.
14 The legislature intends to provide common sense direction for the
15 application of the growth management act by reaffirming that local
16 governments have broad authority to make decisions that will provide
17 family-wage jobs and increase opportunities for hard-working
18 taxpayers in communities with deteriorating economies. Prescriptive
19 application of one or more provisions of the act in a manner that
20 curtails economic development, preventing people from improving their

1 economic situation, is contrary to the act's purpose of making
2 thriving communities.

3 **Sec. 3.** RCW 36.70A.070 and 2015 c 241 s 2 are each amended to
4 read as follows:

5 The comprehensive plan of a county or city that is required or
6 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
7 and descriptive text covering objectives, principles, and standards
8 used to develop the comprehensive plan. The plan shall be an
9 internally consistent document and all elements shall be consistent
10 with the future land use map. A comprehensive plan shall be adopted
11 and amended with public participation as provided in RCW 36.70A.140.
12 Each comprehensive plan shall include a plan, scheme, or design for
13 each of the following:

14 (1) A land use element designating the proposed general
15 distribution and general location and extent of the uses of land,
16 where appropriate, for agriculture, timber production, housing,
17 commerce, industry, recreation, open spaces, general aviation
18 airports, public utilities, public facilities, and other land uses.
19 The land use element shall include population densities, building
20 intensities, and estimates of future population growth. The land use
21 element shall provide for protection of the quality and quantity of
22 groundwater used for public water supplies. Wherever possible, the
23 land use element should consider utilizing urban planning approaches
24 that promote physical activity. Where applicable, the land use
25 element shall review drainage, flooding, and storm water run-off in
26 the area and nearby jurisdictions and provide guidance for corrective
27 actions to mitigate or cleanse those discharges that pollute waters
28 of the state, including Puget Sound or waters entering Puget Sound.

29 (2) A housing element ensuring the vitality and character of
30 established residential neighborhoods that: (a) Includes an inventory
31 and analysis of existing and projected housing needs that identifies
32 the number of housing units necessary to manage projected growth; (b)
33 includes a statement of goals, policies, objectives, and mandatory
34 provisions for the preservation, improvement, and development of
35 housing, including single-family residences; (c) identifies
36 sufficient land for housing, including, but not limited to,
37 government-assisted housing, housing for low-income families,
38 manufactured housing, multifamily housing, and group homes and foster

1 care facilities; and (d) makes adequate provisions for existing and
2 projected needs of all economic segments of the community.

3 (3) A capital facilities plan element consisting of: (a) An
4 inventory of existing capital facilities owned by public entities,
5 showing the locations and capacities of the capital facilities; (b) a
6 forecast of the future needs for such capital facilities; (c) the
7 proposed locations and capacities of expanded or new capital
8 facilities; (d) at least a six-year plan that will finance such
9 capital facilities within projected funding capacities and clearly
10 identifies sources of public money for such purposes; and (e) a
11 requirement to reassess the land use element if probable funding
12 falls short of meeting existing needs and to ensure that the land use
13 element, capital facilities plan element, and financing plan within
14 the capital facilities plan element are coordinated and consistent.
15 Park and recreation facilities shall be included in the capital
16 facilities plan element.

17 (4) A utilities element consisting of the general location,
18 proposed location, and capacity of all existing and proposed
19 utilities, including, but not limited to, electrical lines,
20 telecommunication lines, and natural gas lines.

21 (5) Rural element. Counties shall include a rural element
22 including lands that are not designated for urban growth,
23 agriculture, forest, or mineral resources. The following provisions
24 shall apply to the rural element:

25 (a) Growth management act goals and local circumstances. Because
26 circumstances vary from county to county, in establishing patterns of
27 rural densities and uses, a county may consider local circumstances,
28 but shall develop a written record explaining how the rural element
29 harmonizes the planning goals in RCW 36.70A.020 and meets the
30 requirements of this chapter.

31 (b) Rural development. The rural element shall permit rural
32 development, forestry, and agriculture in rural areas. The rural
33 element shall provide for a variety of rural densities, uses, jobs,
34 essential public facilities, and rural governmental services needed
35 to serve the permitted densities and uses. To achieve a variety of
36 rural densities and uses, counties may provide for clustering,
37 density transfer, design guidelines, conservation easements, and
38 other innovative techniques that will accommodate appropriate rural
39 densities and uses (~~(that are not characterized by urban growth and)~~)
40 that are consistent with rural character.

1 (c) Measures governing rural development. The rural element shall
2 include measures that apply to rural development and protect the
3 rural character of the area, as established by the county, by:

4 (i) Containing or otherwise controlling rural development;

5 (ii) Assuring visual compatibility of rural development with the
6 surrounding rural area;

7 (iii) Reducing the inappropriate conversion of undeveloped land
8 into sprawling, low-density development in the rural area;

9 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
10 and surface water and groundwater resources; and

11 (v) Protecting against conflicts with the use of agricultural,
12 forest, and mineral resource lands designated under RCW 36.70A.170.

13 (d) Limited areas of more intensive rural development. Subject to
14 the requirements of this subsection and except as otherwise
15 specifically provided in this subsection (5)(d), the rural element
16 may allow for limited areas of more intensive rural development,
17 including necessary public facilities and public services to serve
18 the limited area as follows:

19 (i) Rural development consisting of the infill, development, or
20 redevelopment of existing commercial, industrial, residential, or
21 mixed-use areas, whether characterized as shoreline development,
22 villages, hamlets, rural activity centers, or crossroads
23 developments.

24 (A) A commercial, industrial, residential, shoreline, or mixed-
25 use area are subject to the requirements of (d)(iv) of this
26 subsection, but are not subject to the requirements of (c)(ii) and
27 (iii) of this subsection.

28 (B) Any development or redevelopment other than an industrial
29 area or an industrial use within a mixed-use area or an industrial
30 area under this subsection (5)(d)(i) must be principally designed to
31 serve the existing and projected rural population.

32 (C) Any development or redevelopment in terms of building size,
33 scale, use, or intensity shall be consistent with the character of
34 the existing areas. Development and redevelopment may include changes
35 in use from vacant land or a previously existing use so long as the
36 new use conforms to the requirements of this subsection (5);

37 (ii) The intensification of development on lots containing, or
38 new development of, small-scale recreational or tourist uses,
39 including commercial facilities to serve those recreational or
40 tourist uses, that rely on a rural location and setting, but that do

1 not include new residential development. A small-scale recreation or
2 tourist use is not required to be principally designed to serve the
3 existing and projected rural population. Public services and public
4 facilities shall be limited to those necessary to serve the
5 recreation or tourist use and shall be provided in a manner that does
6 not permit low-density sprawl;

7 (iii) The intensification of development on lots containing
8 isolated nonresidential uses or new development of isolated cottage
9 industries and isolated small-scale businesses that are not
10 principally designed to serve the existing and projected rural
11 population and nonresidential uses, but do provide job opportunities
12 for rural residents. Rural counties may allow the expansion of small-
13 scale businesses as long as those small-scale businesses conform with
14 the rural character of the area as defined by the local government
15 according to RCW 36.70A.030(15). Rural counties may also allow new
16 small-scale businesses to utilize a site previously occupied by an
17 existing business as long as the new small-scale business conforms to
18 the rural character of the area as defined by the local government
19 according to RCW 36.70A.030(15). Public services and public
20 facilities shall be limited to those necessary to serve the isolated
21 nonresidential use and shall be provided in a manner that does not
22 permit low-density sprawl;

23 (iv) A county shall adopt measures to minimize and contain the
24 existing areas or uses of more intensive rural development, as
25 appropriate, authorized under this subsection. Lands included in such
26 existing areas or uses shall not extend beyond the logical outer
27 boundary of the existing area or use, thereby allowing a new pattern
28 of low-density sprawl. Existing areas are those that are clearly
29 identifiable and contained and where there is a logical boundary
30 delineated predominately by the built environment, but that may also
31 include undeveloped lands if limited as provided in this subsection.
32 The county shall establish the logical outer boundary of an area of
33 more intensive rural development. In establishing the logical outer
34 boundary, the county shall address (A) the need to preserve the
35 character of existing natural neighborhoods and communities, (B)
36 physical boundaries, such as bodies of water, streets and highways,
37 and land forms and contours, (C) the prevention of abnormally
38 irregular boundaries, and (D) the ability to provide public
39 facilities and public services in a manner that does not permit low-
40 density sprawl;

1 (v) For purposes of (d) of this subsection, an existing area or
2 existing use is one that was in existence:

3 (A) On July 1, 1990, in a county that was initially required to
4 plan under all of the provisions of this chapter;

5 (B) On the date the county adopted a resolution under RCW
6 36.70A.040(2), in a county that is planning under all of the
7 provisions of this chapter under RCW 36.70A.040(2); or

8 (C) On the date the office of financial management certifies the
9 county's population as provided in RCW 36.70A.040(5), in a county
10 that is planning under all of the provisions of this chapter pursuant
11 to RCW 36.70A.040(5).

12 (e) Exception. This subsection shall not be interpreted to permit
13 in the rural area a major industrial development or a master planned
14 resort unless otherwise specifically permitted under RCW 36.70A.360
15 and 36.70A.365.

16 (6) A transportation element that implements, and is consistent
17 with, the land use element.

18 (a) The transportation element shall include the following
19 subelements:

20 (i) Land use assumptions used in estimating travel;

21 (ii) Estimated traffic impacts to state-owned transportation
22 facilities resulting from land use assumptions to assist the
23 department of transportation in monitoring the performance of state
24 facilities, to plan improvements for the facilities, and to assess
25 the impact of land-use decisions on state-owned transportation
26 facilities;

27 (iii) Facilities and services needs, including:

28 (A) An inventory of air, water, and ground transportation
29 facilities and services, including transit alignments and general
30 aviation airport facilities, to define existing capital facilities
31 and travel levels as a basis for future planning. This inventory must
32 include state-owned transportation facilities within the city or
33 county's jurisdictional boundaries;

34 (B) Level of service standards for all locally owned arterials
35 and transit routes to serve as a gauge to judge performance of the
36 system. These standards should be regionally coordinated;

37 (C) For state-owned transportation facilities, level of service
38 standards for highways, as prescribed in chapters 47.06 and 47.80
39 RCW, to gauge the performance of the system. The purposes of
40 reflecting level of service standards for state highways in the local

1 comprehensive plan are to monitor the performance of the system, to
2 evaluate improvement strategies, and to facilitate coordination
3 between the county's or city's six-year street, road, or transit
4 program and the office of financial management's ten-year investment
5 program. The concurrency requirements of (b) of this subsection do
6 not apply to transportation facilities and services of statewide
7 significance except for counties consisting of islands whose only
8 connection to the mainland are state highways or ferry routes. In
9 these island counties, state highways and ferry route capacity must
10 be a factor in meeting the concurrency requirements in (b) of this
11 subsection;

12 (D) Specific actions and requirements for bringing into
13 compliance locally owned transportation facilities or services that
14 are below an established level of service standard;

15 (E) Forecasts of traffic for at least ten years based on the
16 adopted land use plan to provide information on the location, timing,
17 and capacity needs of future growth;

18 (F) Identification of state and local system needs to meet
19 current and future demands. Identified needs on state-owned
20 transportation facilities must be consistent with the statewide
21 multimodal transportation plan required under chapter 47.06 RCW;

22 (iv) Finance, including:

23 (A) An analysis of funding capability to judge needs against
24 probable funding resources;

25 (B) A multiyear financing plan based on the needs identified in
26 the comprehensive plan, the appropriate parts of which shall serve as
27 the basis for the six-year street, road, or transit program required
28 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
29 35.58.2795 for public transportation systems. The multiyear financing
30 plan should be coordinated with the ten-year investment program
31 developed by the office of financial management as required by RCW
32 47.05.030;

33 (C) If probable funding falls short of meeting identified needs,
34 a discussion of how additional funding will be raised, or how land
35 use assumptions will be reassessed to ensure that level of service
36 standards will be met;

37 (v) Intergovernmental coordination efforts, including an
38 assessment of the impacts of the transportation plan and land use
39 assumptions on the transportation systems of adjacent jurisdictions;

40 (vi) Demand-management strategies;

1 (vii) Pedestrian and bicycle component to include collaborative
2 efforts to identify and designate planned improvements for pedestrian
3 and bicycle facilities and corridors that address and encourage
4 enhanced community access and promote healthy lifestyles.

5 (b) After adoption of the comprehensive plan by jurisdictions
6 required to plan or who choose to plan under RCW 36.70A.040, local
7 jurisdictions must adopt and enforce ordinances which prohibit
8 development approval if the development causes the level of service
9 on a locally owned transportation facility to decline below the
10 standards adopted in the transportation element of the comprehensive
11 plan, unless transportation improvements or strategies to accommodate
12 the impacts of development are made concurrent with the development.
13 These strategies may include increased public transportation service,
14 ride sharing programs, demand management, and other transportation
15 systems management strategies. For the purposes of this subsection
16 (6), "concurrent with the development" means that improvements or
17 strategies are in place at the time of development, or that a
18 financial commitment is in place to complete the improvements or
19 strategies within six years. If the collection of impact fees is
20 delayed under RCW 82.02.050(3), the six-year period required by this
21 subsection (6)(b) must begin after full payment of all impact fees is
22 due to the county or city.

23 (c) The transportation element described in this subsection (6),
24 the six-year plans required by RCW 35.77.010 for cities, RCW
25 36.81.121 for counties, and RCW 35.58.2795 for public transportation
26 systems, and the ten-year investment program required by RCW
27 47.05.030 for the state, must be consistent.

28 (7) An economic development element establishing local goals,
29 policies, objectives, and provisions for economic growth and vitality
30 and a high quality of life. The element shall include(~~(a) A~~
31 ~~summary of the local economy such as population, employment, payroll,~~
32 ~~sectors, businesses, sales, and other information as appropriate; (b)~~
33 ~~a summary of the strengths and weaknesses of the local economy~~
34 ~~defined as the commercial and industrial sectors and supporting~~
35 ~~factors such as land use, transportation, utilities, education,~~
36 ~~workforce, housing, and natural/cultural resources; and (c) an~~
37 ~~identification of policies, programs, and projects to foster economic~~
38 ~~growth and development and to address future needs)) the requirements
39 in section 4 of this act. A city that has chosen to be a residential~~

1 community is exempt from the economic development element requirement
2 of this subsection.

3 (8) A park and recreation element that implements, and is
4 consistent with, the capital facilities plan element as it relates to
5 park and recreation facilities. The element shall include: (a)
6 Estimates of park and recreation demand for at least a ten-year
7 period; (b) an evaluation of facilities and service needs; and (c) an
8 evaluation of intergovernmental coordination opportunities to provide
9 regional approaches for meeting park and recreational demand.

10 (9) It is the intent that new or amended elements required after
11 January 1, 2002, be adopted concurrent with the scheduled update
12 provided in RCW 36.70A.130. Requirements to incorporate any such new
13 or amended elements shall be null and void until funds sufficient to
14 cover applicable local government costs are appropriated and
15 distributed by the state at least two years before local government
16 must update comprehensive plans as required in RCW 36.70A.130.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A
18 RCW to read as follows:

19 (1) The economic development element required by RCW
20 36.70A.070(7) must include (a) a summary of the local economy, for
21 example, population, employment, payroll, sectors, businesses, sales,
22 and other information as appropriate; (b) a summary of the strengths
23 and weaknesses of the local economy, defined as the commercial and
24 industrial sectors and supporting factors such as land use,
25 transportation, utilities, education, workforce, housing, and
26 natural/cultural resources; and (c) an identification of policies,
27 programs, and projects to foster economic growth and development and
28 to address future needs; and may include an evaluation of whether
29 there has been economic growth of the local economy during the prior
30 eight years, including whether the city, town, or county median
31 household income is above or below the state average.

32 (2) Each county and city planning under this chapter should adopt
33 comprehensive plans and development regulations that promote economic
34 development in urban and rural areas, and evaluate the economic
35 performance of the prior eight years. Each county and city planning
36 under this chapter may make findings regarding the economic condition
37 of the jurisdiction. If there is stagnation or deterioration of
38 economic development during the prior planning cycle, the

1 comprehensive plan and development regulations may be modified in a
2 manner to reduce restrictions on economic development opportunities.

3 (3) Rural counties, as defined in RCW 82.14.370(5), that are
4 planning under this chapter, and the cities within those counties,
5 may approve development in individual cases or in comprehensive plans
6 that may deviate from prescriptive interpretations of this chapter
7 upon a finding that there has been economic deterioration in the
8 jurisdiction. Economic deterioration is exemplified by, but not
9 limited to, any combination of the following performance outcomes:
10 (a) Incomes that are at least ten thousand dollars less than the
11 statewide median household income for the same year as established by
12 the office of financial management; (b) a decrease in the county's
13 household median income during any year within the prior eight years;
14 (c) inability of the jurisdiction to add new full-time jobs in
15 sufficient quantities to provide for population increases; (d)
16 decreases or stagnation of economic start-ups during multiple years
17 within the prior eight years; (e) unemployment rates that are higher
18 than the national and statewide averages over multiple years within
19 the prior eight years; and (f) decreases or stagnation in issuance of
20 commercial building permits during multiple years within the prior
21 eight years.

22 (4) In situations where the competing goals of this chapter would
23 restrain economic development in counties, and the cities within
24 those counties, that are experiencing economic deterioration, the
25 growth management hearings board and courts must afford great
26 deference to local elected officials' allocation of resources and
27 development choices that make economic development a priority.

--- END ---