

SENATE BILL REPORT

SB 5275

As Reported by Senate Committee On:
Housing & Local Government, February 11, 2021

Title: An act relating to enhancing opportunity in limited areas of more intense rural development.

Brief Description: Enhancing opportunity in limited areas of more intense rural development.

Sponsors: Senators Short, Lovelett, Das, Wellman and Wilson, C..

Brief History:

Committee Activity: Housing & Local Government: 1/27/21, 2/11/21 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Adds that (re)development within limited areas of more intense rural development be permitted subject to available public facilities and public services and be consistent with local character.
- Requires any commercial development or redevelopment within a mixed-use area must be principally designed to serve the existing and projected rural population and meet certain size restrictions
- Provides that in counties east of the Cascades with populations less than 75,000, the logical outer boundary of the existing area may include the areas receiving services from existing sanitary sewer systems in place upon the effective date of the act.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5275 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Fortunato, Ranking Member; Gildon, Assistant Ranking Member; Short, Assistant Ranking Member; Lovelett, Salomon

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

and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Cleveland.

Staff: Bonnie Kim (786-7316)

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA sets forth three broad planning obligations for those counties and cities who plan fully under the GMA: the county legislative authority must adopt a countywide planning policy; the county, and the cities within the county, must adopt comprehensive plans and designate critical areas, agricultural lands, forestlands, and mineral resource lands, and adopt development regulations accordingly; and the county must designate and take other actions related to Urban Growth Areas (UGAs).

Rural Element and Limited Areas of More Intensive Rural Development. One element that county comprehensive plans must include is a rural element. Rural character refers to the pattern of land use and development established by a county in the rural element:

- in which open space, the natural landscape, and vegetation predominate over the built environment;
- that foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;
- that provide visual landscapes that are traditionally found in rural areas and communities;
- that are compatible with the use of the land by wildlife and for fish and wildlife habitat;
- that reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;
- that generally do not require the extension of urban governmental services; and
- that are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.

Additionally, the rural element must protect rural character by applying measures that:

- contain or control rural development;
- assure the visual compatibility of rural development with surrounding rural areas;
- reduce inappropriate land conversions to low-density sprawl in rural areas;
- protect critical areas and surface and groundwater resources; and
- protect against conflicts with designated agricultural, forest, and mineral resource lands.

The rural element of county comprehensive plans allows for the designation of limited areas of more intensive rural development (LAMIRDs), including public facilities and services for the LAMIRD. Counties are authorized to designate three types of LAMIRDs.

Type I LAMIRDs consist of infill, development, or redevelopment of commercial, industrial, residential, or mixed-use areas that existed as of July 1, 1990, at the time a county became required to plan under the GMA, or at the time that a county chose to plan under the GMA. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominately by the built environment, but may also include undeveloped lands as provided by the logical outer boundary. With the exception of industrial areas, Type I LAMIRDs must be principally designed to serve rural populations. Type I LAMIRDs must be consistent with the character of existing areas and may include changes in use. Type I LAMIRDs are not, however, required to adhere to the otherwise applicable requirements that rural elements assure the visual compatibility of rural development with surrounding rural areas, and that rural elements reduce inappropriate land conversion to low-density sprawl.

Type II LAMIRDs consist of the intensification or new development of small-scale recreational or tourist uses that do not include new residential development. Type II LAMIRDs are not required to principally serve rural populations.

Type III LAMIRDs consist of isolated intensified development of nonresidential uses or of new development of isolated cottage industries and small-scale businesses. Type III LAMIRDs are not required to principally serve rural populations, but must provide job opportunities for rural residents. Type III LAMIRDs may allow the expansion of an existing business, or new small-scale business, so long as there is conformance to the rural character of the area.

Counties must adopt measures to minimize and contain existing areas subject to LAMIRDs. Counties must establish a logical outer boundary for LAMIRD lands, beyond which LAMIRDs may not extend. In establishing the logical outer boundary, the county shall address:

- the need to preserve the character of existing natural neighborhoods and communities;
- physical boundaries, such as bodies of water, streets and highways, and land forms and contours;
- the prevention of abnormally irregular boundaries; and
- the ability to provide public facilities and public services in a manner that does not permit low-density sprawl.

Master planned resorts and major industrial developments are generally not allowed under LAMIRDs.

The Department of Commerce has adopted rules, developed guidance, and provides technical assistance to GMA planning jurisdictions, including with regard to the contents of the rural elements of the county comprehensive plans and to the designation of LAMIRDs by counties.

Summary of Bill (First Substitute): Within a LAMIRD, any development or redevelopment in terms of building size, scale, use, or intensity may be permitted subject to confirmation from all existing providers of public facilities and public services of sufficient capacity of existing public facilities and public services to serve any new or additional demand from the new development or redevelopment. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use is consistent with the local character.

Any commercial development or redevelopment within a mixed-use area must be principally designed to serve the existing and projected rural population and:

- any included retail or food service space must not exceed the footprint of previously-occupied space or 5000 square feet, whichever is greater, for the same or similar use; or
- any included retail or food service space must not exceed 2500 square feet for a new use.

In counties east of the Cascades, the logical outer boundary of the existing area may include the existing utility service areas and facilities and consider needed upgrades and replacement of related infrastructure including the economies of scale for such service-related infrastructures and affordability for rate payers.

EFFECT OF CHANGES MADE BY HOUSING & LOCAL GOVERNMENT COMMITTEE (First Substitute):

- Requires any commercial development or redevelopment within a mixed-use area must be principally designed to serve the existing and projected rural population and:
 1. any included retail or food service space must not exceed the footprint of previously-occupied space or 5000 square feet, whichever is greater, for the same or similar use; or
 2. any included retail or food service space must not exceed 2500 square feet for a new use.
- Provides that in counties east of the Cascades with populations less than 75,000, the logical outer boundary of the existing area may include the areas receiving services from existing sanitary sewer systems in place upon the effective date of the act.

Appropriation: None.

Fiscal Note: Not requested.

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 on Original Bill: *The committee recommended a*

different version of the bill than what was heard. PRO: This bill is a work in progress. LAMIRDs have been frustrating and difficult for our local governments. East of the Cascades, this bill will allow outer boundaries to be in line with available services and infrastructure. LAMIRDs are islands of development that existed before GMA and have been locked in stone since that time. This bill will help our rural communities to have the services and housing they need. Jefferson County is a fan of GMA. Without sufficient infrastructure funding, we cannot build services where they are needed to drive growth where it is intended. We want counties to have more latitude in planning than what is currently allowed. LAMIRDs are significantly strained by uses as they existed in the 1990s.

CON: We are talking about current facilities that cannot be intensified or expanded. We believe this bill will allow for expansion beyond what is envisioned in the GMA and may result in harmful environmental impacts.

Persons Testifying: PRO: Senator Shelly Short, Prime Sponsor; Paul Jewell, Washington State Association of Counties; Kate Dean, Jefferson County Commissioner; Jan Himebaugh, Building Industry Association of Washington.

CON: Bryce Yadon, Futurewise.

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