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**SUBSTITUTE HOUSE BILL 1173**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Community & Economic Development (originally sponsored by Representatives Berry, Frame, Dolan, and Lekanoff)

READ FIRST TIME 02/01/21.

1 AN ACT Relating to state lands development authorities; and  
2 adding a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** (1) State lands development authorities  
5 are hereby authorized to oversee and manage the development or  
6 redevelopment of state-owned property that is within or adjacent to  
7 manufacturing industrial centers.

8 (2) The legislative delegation from a district containing state-  
9 owned land that is included within, or is adjacent to, a  
10 manufacturing industrial center may propose the formation of a state  
11 lands development authority. The proposal must be presented in  
12 writing to the relevant legislative committees in both the house of  
13 representatives and the senate. The proposal must contain:

14 (a) The proposed general geographic boundaries of the state lands  
15 development authority; and

16 (b) Legislative findings relating to formation of the state lands  
17 development authority which find that:

18 (i) The state owns property within the boundaries of the proposed  
19 state lands development authority;

20 (ii) The state-owned land is located within or adjacent to a  
21 manufacturing industrial center;

1 (iii) The state agency with custodial responsibility for the  
2 property has completed an assessment regarding the current use,  
3 future use, and a projected date or conditions when the land is  
4 vacant, excess, or surplus to the mission of the state agency;

5 (iv) The legislature intends that the state lands development  
6 authority be appropriately funded and staffed; and

7 (v) The formation of a state lands development authority to  
8 oversee and manage the development or redevelopment of the state-  
9 owned land will be useful and beneficial to the community within and  
10 adjacent to the boundaries of the state lands development authority.

11 (3) Formation of a state lands development authority is subject  
12 to legislative authorization by statute.

13 NEW SECTION. **Sec. 2.** (1) The affairs of a state lands  
14 development authority shall be managed by a board of directors.

15 (2) The initial board of directors of a state lands development  
16 authority must be appointed by the governor upon recommendation from  
17 the state legislative delegation from the district in which the  
18 boundaries of the state lands development authority are contained.

19 (3) The number of persons on the board of directors must be  
20 included in the proposal to establish a state lands development  
21 authority under section 1 of this act.

22 (4) Members of the board of directors must include:

23 (a) At least one member representing each of the following:

24 (i) The governing body of each city included in the boundaries of  
25 the state lands development authority;

26 (ii) The mayor's office of each city included in the boundaries  
27 of the state lands development authority;

28 (iii) The governing body of each county included in the  
29 boundaries of the state lands development authority; and

30 (iv) The governing body of each port district included in the  
31 boundaries of the state lands development authority;

32 (b) Additional members if required by the proposal to establish a  
33 state lands development authority under section 1 of this act; and

34 (c) Ex officio, nonvoting members if required by the proposal to  
35 establish a state lands development authority under section 1 of this  
36 act.

37 NEW SECTION. **Sec. 3.** (1) State lands development authorities  
38 have the power to:

- 1 (a) Accept gifts, grants, loans, or other aid from public and  
2 private entities;
- 3 (b) Employ and appoint such agents, attorneys, officers, and  
4 employees as may be necessary to implement its purposes and duties;
- 5 (c) Contract and enter into partnerships with individuals,  
6 associations, corporations, and local, state, and federal  
7 governments;
- 8 (d) Buy, own, and lease real and personal property;
- 9 (e) Sell real and personal property, subject to any rules and  
10 restrictions contained in the proposal to establish a state lands  
11 development authority under section 1 of this act;
- 12 (f) Hold in trust, improve, and develop land;
- 13 (g) Invest, deposit, and reinvest its funds;
- 14 (h) Incur debt in furtherance of its mission;
- 15 (i) Lend or grant its funds for any lawful purposes. For purposes  
16 of this section, "lawful purposes" includes without limitation, any  
17 use of funds, including loans thereof to public or private parties,  
18 authorized by agreements with the United States or any department or  
19 agency thereof under which federal or private funds are obtained, or  
20 authorized under federal laws and regulations pertinent to such  
21 agreements; and
- 22 (j) Exercise such additional powers as may be authorized by law.
- 23 (2) A state lands development authority that accepts public funds  
24 under subsection (1) (a) of this section:
- 25 (a) Is subject in all respects to Article VIII, section 5 or 7,  
26 as appropriate, of the state Constitution, and RCW 42.17A.550; and
- 27 (b) May not use such funds to support or oppose a candidate,  
28 ballot proposition, political party, or political committee.
- 29 (3) State lands development authorities do not have any authority  
30 to levy taxes or assessments.

31 NEW SECTION. **Sec. 4.** A state lands development authority has  
32 the duty to:

- 33 (1) Adopt bylaws for the authority that will govern how the  
34 authority will generally conduct its affairs;
- 35 (2) Establish specific geographic boundaries for the authority  
36 with its bylaws based on the general geographic boundaries  
37 established in the proposal approved by the legislature;
- 38 (3) Assume responsibility for the development or redevelopment of  
39 the state-owned property within the boundaries of the authority;

1 (4) Create a strategic plan for the development or redevelopment  
2 of the state-owned property that includes, but is not limited to, the  
3 following elements:

4 (a) An examination of the existing uses of the property and an  
5 assessment of whether such should change in the future in order for  
6 the use of the property to achieve maximum public benefit;

7 (b) An examination of options for development or redevelopment  
8 that include industrial uses only, mixed-use commercial and  
9 residential development, and mixed-use light industrial and  
10 residential development, as well as the incorporation of community-  
11 oriented facilities, and an evaluation of which options would achieve  
12 maximum public benefit;

13 (c) A plan for extensive public engagement throughout the  
14 development or redevelopment process, which must include a regular  
15 schedule of public meetings and opportunities for public comment; and

16 (d) A financial plan for the authority that identifies funding  
17 sources necessary to carry out the authority's strategic plan;

18 (5) Use gifts, grants, loans, and other aid from public or  
19 private entities to further the development and redevelopment  
20 projects identified in the authority's strategic plan; and

21 (6) Submit a written report to the relevant committees of the  
22 legislature by December 1st of each even-numbered year that  
23 summarizes the authority's strategic plan and details the progress of  
24 the authority in meeting its strategic goals related to development  
25 and redevelopment, public engagement, and financial planning.

26 NEW SECTION. **Sec. 5.** The state lands development authority  
27 account is created in the state treasury for use if the legislature  
28 provides state funds for authority purposes. The account is composed  
29 of two subaccounts, one for moneys to be appropriated for operating  
30 purposes and the other for moneys to be appropriated for capital  
31 purposes. Moneys in the account may be spent only after  
32 appropriation. Expenditures from the account may be used only for  
33 projects under this chapter.

34 NEW SECTION. **Sec. 6.** (1) The legislature finds:

35 (a) The state of Washington owns a property of approximately 25  
36 acres in size located at 1601 West Armory Way within Seattle's  
37 Ballard-Interbay northend manufacturing industrial center and  
38 Interbay neighborhood, known as the Interbay property. The Interbay

1 property was transferred to the state of Washington in 1971 with deed  
2 limitations which limit use of the property for national guard  
3 purposes only. The national guard currently uses the Interbay  
4 property for the Seattle readiness center, built in 1974. The  
5 national guard has determined that it must relocate from the Interbay  
6 property to another site, and an assessment has been completed  
7 pursuant to section 1(2)(b) of this act. Once the national guard  
8 facilities are funded and constructed and the national guard is  
9 relocated in a new, fully operational readiness center, and the  
10 department of defense has released its use restrictions on the  
11 property, the Interbay property will be available for redevelopment.

12 (b) The formation of a state lands development authority to  
13 oversee and manage the redevelopment of the Interbay property will be  
14 useful and beneficial to the community within and adjacent to the  
15 Interbay neighborhood in the city of Seattle. The legislature intends  
16 that the authority be appropriately funded and staffed.

17 (2) The legislature authorizes the establishment of the Ballard-  
18 Interbay state lands development authority, which boundaries are  
19 coextensive with the boundaries of the Interbay property.

20 (3) The Ballard-Interbay state lands development authority may  
21 exercise its authority in furtherance of projects that are located  
22 only within the boundaries of the Interbay property.

23 (4) The Ballard-Interbay state lands development authority does  
24 not have site control or access until after the national guard  
25 relocation and may not sell the Interbay property or portions of the  
26 Interbay property to another entity.

27 (5) The affairs of the Ballard-Interbay state lands development  
28 authority shall be managed by a board of directors, consisting of the  
29 following members:

30 (a) One member with experience developing workforce or affordable  
31 housing;

32 (b) One member with knowledge of project financing options for  
33 public-private partnerships related to housing;

34 (c) Two members with architectural design and development  
35 experience related to industrial and mixed-use zoning;

36 (d) One member representing the port of Seattle;

37 (e) One member representing the governor's office;

38 (f) One member representing the King county council;

39 (g) One member representing the city of Seattle mayor's office;

40 (h) One member representing the Seattle city council; and

1 (i) Two members of the thirty-sixth legislative district  
2 delegation.

3 (6) No member of the board of directors may hold office for more  
4 than four years. Board positions must be numbered one through 11 and  
5 the terms staggered as follows:

6 (a) Board members appointed to positions one through five shall  
7 serve two-year terms, and if reappointed, may serve no more than one  
8 additional two-year term.

9 (b) Board members initially appointed to positions six through 11  
10 shall serve a three-year term only.

11 (c) Board members appointed to positions six through 11 after the  
12 initial three-year term shall serve two-year terms, and if  
13 reappointed, may serve no more than one additional two-year term.

14 (7) The initial board of directors of the Ballard-Interbay state  
15 lands development authority must be appointed by the governor upon  
16 recommendation from the legislative delegation from the district in  
17 which the boundaries of the authority are contained, as required by  
18 section 2(2) of this act. With respect to the appointment of  
19 subsequent boards of directors, the existing board members must  
20 develop a list of candidates for each position and deliver the  
21 recommendations to the members of the legislative delegation for the  
22 district in which the authority is located. The legislative  
23 delegation must present the list of candidates for recommendation to  
24 the governor for appointment to the board of directors. In developing  
25 the list of candidates, the board of directors must consider racial,  
26 gender, and geographic diversity so that the board may reflect the  
27 diversity of the community.

28 (8) For purposes of this section, "Interbay property" means a  
29 state-owned property with deed limitations indicating it may be used  
30 for national guard purposes only located at 1601 West Armory Way,  
31 consisting of approximately 25 acres of land within Seattle's  
32 Ballard-Interbay northend manufacturing industrial center and  
33 Interbay neighborhood.

34 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act  
35 constitute a new chapter in Title 43 RCW.

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