

HOUSE BILL REPORT

HB 1231

As Reported by House Committee On:

Innovation, Community & Economic Development, & Veterans

Title: An act relating to accelerating rural job growth and promoting economic recovery across Washington through site readiness grants.

Brief Description: Accelerating rural job growth and promoting economic recovery across Washington through site readiness grants.

Sponsors: Representatives Berg, Chapman, Wylie, Waters, Reed, Volz, Peterson, Taylor, Leavitt, Doglio, Riccelli, Paul, Fey, McEntire, Ramel, Tharinger, Lekanoff, Slatter, Barkis and Stonier.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 1/17/23, 1/20/23 [DP].

Brief Summary of Bill

- Allows the Community Economic Revitalization Board (CERB) to provide planning program grants to qualifying projects for the costs of achieving site readiness.
- Increases the maximum award limit on the CERB planning program grants.

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: Do pass. Signed by 12 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Barnard, Assistant Ranking Minority Member; Chambers, Corry, Cortes, Senn, Shavers, Street, Waters and Ybarra.

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.

Staff: Cassie Jones (786-7303).

Background:

Community Economic Revitalization Board.

The Community Economic Revitalization Board (CERB) provides financial assistance to local governments and federally recognized tribes for public infrastructure that encourages new business development and economic growth. The Department of Commerce provides administrative support for the CERB.

The CERB is authorized to make direct loans and grants to political subdivisions of the state and to federally recognized tribes to finance public facility projects. Grants are available for eligible planning and construction projects.

Community Economic Revitalization Board Planning Program Grants.

The CERB provides grant funding for studies to evaluate economic development projects. When considering planning grants, the CERB gives priority to projects that could result in a type of project eligible for CERB construction funds. Eligible uses include site-specific plans, studies, and analyses that address environmental impacts, capital facilities, land use, permitting, feasibility, marketing, project engineering, design, and site planning.

The CERB offers grants for planning projects up to 80 percent of the total project cost. The project applicant must match the CERB's funding with at least 20 percent of the total project cost. The maximum award limit for planning grants is \$50,000.

Summary of Bill:

The CERB may award planning program grants to projects for the costs of achieving site readiness. The maximum award limit on planning grants is increased. Until December 31, 2028, there is no maximum award limit. Beginning January 1, 2029, grants may not exceed \$200,000.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) House Bill 1231 is about promoting rural job growth and economic recovery. Communities need certainty in the permitting and regulation process around siting new projects. It is difficult for parties to get to an agreement during the regulatory process. This bill will allow large site readiness awards and expand how much communities can receive in funding. It gives CERB a reliable tool to assist local communities and tribes. The CERB has funded many successful projects. Federal funding is also sought but those processes are cumbersome and untimely. Planning elements of projects are very costly. Increasing the allowable amount for planning will help rural jurisdictions be more competitive. Bringing in these infrastructure projects increases economic development and land value.

One key strategy for fostering business expansion is to get real estate sites for prospective investors ready. This bill will help accelerate job growth and increase the number of shovel-ready sites. The economic recovery from COVID-19 is ongoing and communities continue to need more tools and resources. This bill will help communities recover and grow jobs as well as foster vibrant communities. There was disappointment that the bill does not include a shovel-ready certification program that was in a similar bill from last session. Site certification is an established tool for marketing and securing a site for projects. The process provides increased certainty and lower project costs for developers.

(Opposed) None.

(Other) The work of the CERB in funding public infrastructure is supported. Industrial site readiness grants were funded by the Legislature last year. These grants compliment the efforts of CERB. The demand for site readiness grants is there. There is a large amount of need for these grants and lot of exciting work being done. There is a request to continue this program and site certification that is not in the bill. The CERB planning program was established in 1999 with a funding cap of \$50,000. Since then, the cost of activities has risen with inflation. The planning program is a well-used and relied upon tool in rural communities. The CERB has funded 235 planning studies and has a 70 percent return rate from those studies. Removing the cap on the planning grants will level the playing field for rural communities seeking these grants and make access more inclusive and equitable.

Persons Testifying: (In support) Representative April Berg, prime sponsor; Jennifer Wray-Keene, Port of Woodland; Suzanne E Dale Estey, Washington Economic Development Association; and Randy Hayden, Port of Pasco.

(Other) Robert Duff; and Janea Stark, Community Economic Revitalization Board.

Persons Signed In To Testify But Not Testifying: None.