
SENATE BILL 5954

State of Washington

65th Legislature

2017 2nd Special Session

By Senator Short

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

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

5 **Sec. 1.** RCW 36.70A.070 and 2017 c 331 s 2 are each amended to
6 read as follows:

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

16 (1) A land use element designating the proposed general
17 distribution and general location and extent of the uses of land,
18 where appropriate, for agriculture, timber production, housing,
19 commerce, industry, recreation, open spaces, general aviation
20 airports, public utilities, public facilities, and other land uses.
21 The land use element shall include population densities, building

1 intensities, and estimates of future population growth. The land use
2 element shall provide for protection of the quality and quantity of
3 groundwater used for public water supplies. Wherever possible, the
4 land use element should consider utilizing urban planning approaches
5 that promote physical activity. Where applicable, the land use
6 element shall review drainage, flooding, and storm water run-off in
7 the area and nearby jurisdictions and provide guidance for corrective
8 actions to mitigate or cleanse those discharges that pollute waters
9 of the state, including Puget Sound or waters entering Puget Sound.

10 (2) A housing element ensuring the vitality and character of
11 established residential neighborhoods that: (a) Includes an inventory
12 and analysis of existing and projected housing needs that identifies
13 the number of housing units necessary to manage projected growth; (b)
14 includes a statement of goals, policies, objectives, and mandatory
15 provisions for the preservation, improvement, and development of
16 housing, including single-family residences; (c) identifies
17 sufficient land for housing, including, but not limited to,
18 government-assisted housing, housing for low-income families,
19 manufactured housing, multifamily housing, and group homes and foster
20 care facilities; and (d) makes adequate provisions for existing and
21 projected needs of all economic segments of the community.

22 (3) A capital facilities plan element consisting of: (a) An
23 inventory of existing capital facilities owned by public entities,
24 showing the locations and capacities of the capital facilities; (b) a
25 forecast of the future needs for such capital facilities; (c) the
26 proposed locations and capacities of expanded or new capital
27 facilities; (d) at least a six-year plan that will finance such
28 capital facilities within projected funding capacities and clearly
29 identifies sources of public money for such purposes; and (e) a
30 requirement to reassess the land use element if probable funding
31 falls short of meeting existing needs and to ensure that the land use
32 element, capital facilities plan element, and financing plan within
33 the capital facilities plan element are coordinated and consistent.
34 Park and recreation facilities shall be included in the capital
35 facilities plan element.

36 (4) A utilities element consisting of the general location,
37 proposed location, and capacity of all existing and proposed
38 utilities, including, but not limited to, electrical lines,
39 telecommunication lines, and natural gas lines.

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

5 (a) Growth management act goals and local circumstances. Because
6 circumstances vary from county to county, in establishing patterns of
7 rural densities and uses, a county may consider local circumstances,
8 but shall develop a written record explaining how the rural element
9 harmonizes the planning goals in RCW 36.70A.020 and meets the
10 requirements of this chapter.

11 (b) Rural development. The rural element shall permit rural
12 development, forestry, and agriculture in rural areas. The rural
13 element shall provide for a variety of rural densities, uses,
14 essential public facilities, and rural governmental services needed
15 to serve the permitted densities and uses. To achieve a variety of
16 rural densities and uses, counties may provide for clustering,
17 density transfer, design guidelines, conservation easements, and
18 other innovative techniques that will accommodate appropriate rural
19 economic advancement, densities, and uses that are not characterized
20 by urban growth and that are consistent with rural character.

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

24 (i) Containing or otherwise controlling rural development;

25 (ii) Assuring visual compatibility of rural development with the
26 surrounding rural area;

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

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

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

33 (d) Limited areas of more intensive rural development. Subject to
34 the requirements of this subsection and except as otherwise
35 specifically provided in this subsection (5)(d), the rural element
36 may allow for limited areas of more intensive rural development,
37 including necessary public facilities and public services to serve
38 the limited area as follows:

39 (i) Rural development consisting of the infill, development, or
40 redevelopment of existing commercial, industrial, residential, or

1 mixed-use areas, whether characterized as shoreline development,
2 villages, hamlets, rural activity centers, or crossroads
3 developments.

4 (A) A commercial, industrial, residential, shoreline, or mixed-
5 use area are subject to the requirements of (d)(iv) of this
6 subsection, but are not subject to the requirements of (c)(ii) and
7 (iii) of this subsection.

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

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

17 (ii) The intensification of development on lots containing, or
18 new development of, small-scale recreational or tourist uses,
19 including commercial facilities to serve those recreational or
20 tourist uses, that rely on a rural location and setting, but that do
21 not include new residential development. A small-scale recreation or
22 tourist use is not required to be principally designed to serve the
23 existing and projected rural population. Public services and public
24 facilities shall be limited to those necessary to serve the
25 recreation or tourist use and shall be provided in a manner that does
26 not permit low-density sprawl;

27 (iii) The intensification of development on lots containing
28 isolated nonresidential uses or new development of isolated cottage
29 industries and isolated small-scale businesses that are not
30 principally designed to serve the existing and projected rural
31 population and nonresidential uses, but do provide job opportunities
32 for rural residents. Rural counties may allow the expansion of small-
33 scale businesses as long as those small-scale businesses conform with
34 the rural character of the area as defined by the local government
35 according to RCW 36.70A.030(15). Rural counties may also allow new
36 small-scale businesses to utilize a site previously occupied by an
37 existing business as long as the new small-scale business conforms to
38 the rural character of the area as defined by the local government
39 according to RCW 36.70A.030(15). Public services and public
40 facilities shall be limited to those necessary to serve the isolated

1 nonresidential use and shall be provided in a manner that does not
2 permit low-density sprawl;

3 (iv) A county shall adopt measures to minimize and contain the
4 existing areas or uses of more intensive rural development, as
5 appropriate, authorized under this subsection. Lands included in such
6 existing areas or uses shall not extend beyond the logical outer
7 boundary of the existing area or use, thereby allowing a new pattern
8 of low-density sprawl. Existing areas are those that are clearly
9 identifiable and contained and where there is a logical boundary
10 delineated predominately by the built environment, but that may also
11 include undeveloped lands if limited as provided in this subsection.
12 The county shall establish the logical outer boundary of an area of
13 more intensive rural development. In establishing the logical outer
14 boundary, the county shall address (A) the need to preserve the
15 character of existing natural neighborhoods and communities, (B)
16 physical boundaries, such as bodies of water, streets and highways,
17 and land forms and contours, (C) the prevention of abnormally
18 irregular boundaries, and (D) the ability to provide public
19 facilities and public services in a manner that does not permit low-
20 density sprawl;

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

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

25 (B) On the date the county adopted a resolution under RCW
26 36.70A.040(2), in a county that is planning under all of the
27 provisions of this chapter under RCW 36.70A.040(2); or

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

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

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

38 (a) The transportation element shall include the following
39 subelements:

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

1 (ii) Estimated traffic impacts to state-owned transportation
2 facilities resulting from land use assumptions to assist the
3 department of transportation in monitoring the performance of state
4 facilities, to plan improvements for the facilities, and to assess
5 the impact of land-use decisions on state-owned transportation
6 facilities;

7 (iii) Facilities and services needs, including:

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

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

17 (C) For state-owned transportation facilities, level of service
18 standards for highways, as prescribed in chapters 47.06 and 47.80
19 RCW, to gauge the performance of the system. The purposes of
20 reflecting level of service standards for state highways in the local
21 comprehensive plan are to monitor the performance of the system, to
22 evaluate improvement strategies, and to facilitate coordination
23 between the county's or city's six-year street, road, or transit
24 program and the office of financial management's ten-year investment
25 program. The concurrency requirements of (b) of this subsection do
26 not apply to transportation facilities and services of statewide
27 significance except for counties consisting of islands whose only
28 connection to the mainland are state highways or ferry routes. In
29 these island counties, state highways and ferry route capacity must
30 be a factor in meeting the concurrency requirements in (b) of this
31 subsection;

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

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

38 (F) Identification of state and local system needs to meet
39 current and future demands. Identified needs on state-owned

1 transportation facilities must be consistent with the statewide
2 multimodal transportation plan required under chapter 47.06 RCW;

3 (iv) Finance, including:

4 (A) An analysis of funding capability to judge needs against
5 probable funding resources;

6 (B) A multiyear financing plan based on the needs identified in
7 the comprehensive plan, the appropriate parts of which shall serve as
8 the basis for the six-year street, road, or transit program required
9 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
10 35.58.2795 for public transportation systems. The multiyear financing
11 plan should be coordinated with the ten-year investment program
12 developed by the office of financial management as required by RCW
13 47.05.030;

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

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

21 (vi) Demand-management strategies;

22 (vii) Pedestrian and bicycle component to include collaborative
23 efforts to identify and designate planned improvements for pedestrian
24 and bicycle facilities and corridors that address and encourage
25 enhanced community access and promote healthy lifestyles.

26 (b) After adoption of the comprehensive plan by jurisdictions
27 required to plan or who choose to plan under RCW 36.70A.040, local
28 jurisdictions must adopt and enforce ordinances which prohibit
29 development approval if the development causes the level of service
30 on a locally owned transportation facility to decline below the
31 standards adopted in the transportation element of the comprehensive
32 plan, unless transportation improvements or strategies to accommodate
33 the impacts of development are made concurrent with the development.
34 These strategies may include increased public transportation service,
35 ride-sharing programs, demand management, and other transportation
36 systems management strategies. For the purposes of this subsection
37 (6), "concurrent with the development" means that improvements or
38 strategies are in place at the time of development, or that a
39 financial commitment is in place to complete the improvements or
40 strategies within six years. If the collection of impact fees is

1 delayed under RCW 82.02.050(3), the six-year period required by this
2 subsection (6)(b) must begin after full payment of all impact fees is
3 due to the county or city.

4 (c) The transportation element described in this subsection (6),
5 the six-year plans required by RCW 35.77.010 for cities, RCW
6 36.81.121 for counties, and RCW 35.58.2795 for public transportation
7 systems, and the ten-year investment program required by RCW
8 47.05.030 for the state, must be consistent.

9 (7) An economic development element establishing local goals,
10 policies, objectives, and provisions for economic growth and vitality
11 and a high quality of life. The element may include the provisions in
12 (~~section 3 of this act~~) section 2 of this act. A city that has
13 chosen to be a residential community is exempt from the economic
14 development element requirement of this subsection.

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

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

29 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
30 RCW to read as follows:

31 (1) The economic development element required by RCW
32 36.70A.070(7) may include the following:

33 (a) A summary of the local economy, such as population,
34 employment, payroll, sectors, businesses, sales, and other
35 information as appropriate;

36 (b) A summary of the strengths and weaknesses of the local
37 economy, which may include the commercial, industrial, manufacturing,
38 natural resource, and other locally significant economic sectors and

1 supporting factors such as land use, transportation, utilities,
2 education, workforce, housing, and natural/cultural resources;

3 (c) An identification of policies, programs, and projects to
4 foster economic growth and development and to address future needs;

5 (d) Policies to promote increases in family, individual, and
6 business incomes;

7 (e) An examination of whether sites planned for economic
8 development have adequate public facilities and services, and, as
9 appropriate, a plan for any needed public facilities and services;

10 (f) Policies to encourage access to education and training for
11 family wage jobs; and

12 (g) Policies and opportunities to address economic development
13 including existing industries and businesses, value added
14 manufacturing of locally produced natural resources, and the use of
15 locally produced energy and other natural resources.

16 (2) Each county and city planning under this chapter is
17 encouraged to adopt comprehensive plans and development regulations
18 that promote economic development in urban and rural areas, and
19 evaluate economic performance in the jurisdiction in the time since
20 the most recent update to the comprehensive plan. Each county and
21 city planning under this chapter may make findings regarding the
22 economic condition of the jurisdiction. If there is stagnation or
23 economic deterioration during the period of time since the most
24 recent update to the comprehensive plan, the comprehensive plan and
25 development regulations may be modified to increase economic
26 development opportunities.

27 (3)(a) Until December 31, 2034, counties with a population of
28 less than seventy-five thousand as of January 1, 2014, as determined
29 by the office of financial management and published on April 1, 2016,
30 that are planning under this chapter, and the cities within those
31 counties, may identify policies, programs, and development
32 opportunities to address the potential for economic deterioration and
33 to seize economic development opportunities that may deviate from
34 prescriptive interpretations of this chapter.

35 (b) Any city or county that seizes economic development
36 opportunities that deviate from the prescriptive interpretations of
37 this chapter, as permitted under subsection (3)(a) of this section,
38 must submit a report to the department of commerce within one year of
39 approving such policy, program, or development opportunity. Each
40 report must identify the economic development opportunity and the

1 ways in which that economic development opportunity deviates from the
2 prescriptive interpretations of this chapter.

3 (c) Beginning on October 1, 2022, and every five years after
4 until October 1, 2032, the department of commerce must submit a
5 report to the relevant environmental and local government committees
6 of the legislature, in compliance with RCW 43.01.036. Each report
7 must include a list of jurisdictions that have reported economic
8 development opportunities under (b) of this subsection, as well as a
9 summary list of the economic development opportunities for each
10 jurisdiction. Each report must also include findings regarding the
11 ways in which economic development opportunities have deviated from
12 the prescriptive interpretations of this chapter.

13 (4) For purposes of this section, economic deterioration is
14 exemplified by, but not limited to, any combination of the following
15 performance outcomes:

16 (a) Incomes that are at least ten thousand dollars less than the
17 statewide median household income for the same year as established by
18 the office of financial management;

19 (b) A decrease in the county's household median income during any
20 year within the prior eight years;

21 (c) The inability of the jurisdiction to add new full-time jobs
22 in sufficient quantities to provide for population increases;

23 (d) Decreases or stagnation of economic start-ups during multiple
24 years within the prior eight years;

25 (e) Unemployment rates that are higher than the national and
26 statewide averages over multiple years within the prior eight years;
27 and

28 (f) Decreases or stagnation in the issuance of commercial
29 building permits during multiple years.

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