
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1648

State of Washington

63rd Legislature

2013 Regular Session

By House Capital Budget (originally sponsored by Representatives Appleton, Johnson, McCoy, Pike, Ryu, Moscoso, and Hansen)

READ FIRST TIME 02/28/13.

1 AN ACT Relating to community economic revitalization in
2 incorporated areas; and adding a new section to chapter 43.160 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.160 RCW
5 to read as follows:

6 (1) The legislature finds that there is a need to establish a
7 distinct program administered by the board to encourage the
8 revitalization of abandoned and vacant properties within incorporated
9 areas of the state. The goal of the revitalization program is to
10 maximize the number and type of businesses, services, and employment
11 opportunities available in communities and to enhance their vitality
12 and livability.

13 (2) The definitions in this subsection apply throughout this
14 section unless the context clearly requires otherwise.

15 (a) "Municipality" means a city, town, county, port district, or
16 housing authority of this state.

17 (b) "Project" means a project of a municipality for the planning,
18 acquisition, construction, repair, reconstruction, replacement,
19 rehabilitation, or improvement of a public facility.

1 (c) "Public facilities" means: (i) Bridges; (ii) roads; (iii)
2 research, testing, training, and incubation facilities in areas
3 designated as innovation partnership zones under RCW 43.330.270; (iv)
4 buildings or structures; (v) domestic and industrial water; (vi) earth
5 stabilization; (vii) sanitary sewer; (viii) storm sewer; (ix) railroad;
6 (x) electricity; (xi) telecommunications; (xii) transportation; (xiii)
7 natural gas; and (xiv) port facilities.

8 (3)(a) The board may make loans to municipalities to finance public
9 facilities projects that will improve opportunities for revitalizing
10 existing retail, industrial, or commercial properties located within
11 incorporated areas. These properties must have either been abandoned,
12 or have more than seventy-five percent of their square footage vacant.

13 (b) The board may make a revitalization program loan only for a
14 public facilities project approved by a municipality that demonstrates
15 convincing evidence that a specific private development or expansion is
16 ready to occur and will occur only if the public facility improvement
17 is made.

18 (c) An application must demonstrate convincing evidence that the
19 median hourly wage of the private sector jobs created after the project
20 is completed will exceed the countywide median hourly wage.

21 (d) The board may allow de minimis general system improvements to
22 be funded if they are critically linked to the viability of the
23 project.

24 (4) The board must not provide financing for any public facilities
25 project that:

26 (a) Has the primary purpose of facilitating or promoting a retail
27 shopping development whose floor area exceeds ten thousand square feet;

28 (b) Will result in a development or expansion that would displace
29 existing jobs in any other community in the state;

30 (c) Has the primary purpose of facilitating or promoting gambling;

31 (d) Is located outside the jurisdiction of the applicant; or

32 (e) Will result in a development or expansion of a professional
33 sports arena.

34 (5) An application for a revitalization program loan must be made
35 in the form and manner prescribed by the board.

36 (6) When evaluating and prioritizing projects for revitalization
37 program loans, the board must give consideration, at a minimum, to the
38 following factors:

- 1 (a) The project's value to the community, including evidence of
2 support from affected local businesses and government;
- 3 (b) The project's feasibility, using standard economic principles;
- 4 (c) Commitment of local matching resources and local participation;
- 5 (d) The project's inclusion in a capital facilities plan,
6 comprehensive plan, or local economic development plan consistent with
7 applicable state planning requirements;
- 8 (e) Whether the proposed project offers a health insurance plan or
9 other means of health care coverage for employees that includes an
10 option for dependents of employees; and
- 11 (f) The project's readiness to proceed.
- 12 (7) In making revitalization program loans, the board must conform
13 to the following requirements:
- 14 (a) The board must provide reasonable terms and conditions for
15 repayment for loans;
- 16 (b) The board must not make loans that exceed twenty years in
17 duration;
- 18 (c) A municipality must begin repayment of a loan five years after
19 receiving it; and
- 20 (d) One or a combination of loans made to a municipality for a
21 specific project must not exceed two million dollars.
- 22 (8) The board must make loans and administer the revitalization
23 loan program using appropriations provided specifically for that
24 purpose.
- 25 (9) No more than ten million dollars may be appropriated for the
26 revitalization loan program in the biennial capital budget.
- 27 (10)(a) The revitalization loan program account is created in the
28 state treasury. All receipts from loan repayments, any moneys
29 appropriated to it by law, and any gifts, grants, or bequests pledged
30 for the purposes of the revitalization loan program must be deposited
31 into the account.
- 32 (b) Moneys in the account may be spent only after appropriation.
33 Expenditures from the account may be used only to fulfill commitments
34 arising from loans authorized in subsection (3) of this section and to
35 pay for the associated administrative costs of the board and staff.
- 36 (c) The total outstanding amount that the board may dispense at any

1 time pursuant to this subsection shall not exceed the moneys available
2 from the account.

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