



## AMENDMENT TO RCW 84.25 TARGETED URBAN AREAS – EXEMPTION

### BACKGROUND

Washington State House Bill 1386 was passed in 2022 authorizing Targeted Urban Areas (TUA). The bill authorizes eligible Cities and Counties to offer property tax deferral for certain improvements for up to 10 years in exchange for new industry creating a minimum number of family wage jobs. The City of Richland created a TUA in January, 2023 and approved it's first application (the first in the State) in June, 2023. ATI Inc, an advanced specialty materials company that supports aerospace and defense industries will double the size of their Richland production facility because of the Richland TUA.

### ISSUE

Richland, known for expertise and experience in the nuclear industry is considering it's second TUA with an existing Richland business, Framatome, who is partnering with Ultrasafe Nuclear Corporation to expand new, advanced nuclear fuel production in Richland to power the next generation of nuclear innovation. Nuclear facilities are regulated by the United States Nuclear Regulatory Commission and the federal licensing process lengthens the design and construction phase of new production facilities. The current TUA program as authorized in RCW only allows three years to design and construct a facility and offers one, two-year extension for a total of five years to complete a project. This time is inadequate for nuclear facilities. The Framatome and Ultrasafe Nuclear Corporation facility will be constructed out of state if this five year limitation is unchanged.

### SOLUTION

Amend a portion of RCW 84.25.110(5) as follows (underlined text is proposed as a new addition to existing code): "If the city finds that the work was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city official authorized by the governing authority may extend the deadline for completion of the work for a period not to exceed twenty-four consecutive months, unless the project is a nuclear facility requiring certification by the United States Nuclear Regulatory Commission and in that case up to two additional twenty-four consecutive month extensions may be granted."

### BENEFIT

The City of Richland has successful experience attracting world class industry using TUA. The nuclear industry is responding to newly emerging "new nuclear" technology including small modular reactors (SMR). Framatome and Ultrasafe Nuclear Corporation desire to expand in Richland creating over 600 new jobs and investing a half billion dollars of capital in Washington to meet new demand. Their fuel product will go on to produce carbon free energy for their customers across the county and will help Washington increase our export of clean fuel for the nation's consumption. This project meets and exceeds multiple State and local priorities and highlights a new opportunity for the Legislature to respond by revisiting a section of the RCW as proposed by the City of Richland.