

LEWIS COUNTY DISTRESSED COUNTIES (.09) FUND / RURAL ECONOMIC DEVELOPMENT PUBLIC FACILITIES ADVISORY COMMITTEE

Policies and Procedures

REVISED JULY 18, 2023

.09 / DISTRESSED COUNTIES HISTORY

In 1997, the state Legislature enacted RCW 82.14.370 to address the chronic economic challenges faced by rural areas in the state. Laws of 1997, ch. 366, § 3. The Legislature sought to assist rural counties with infrastructure development in an effort to promote and expand existing businesses and attract and develop new businesses by permitting rural counties to impose a 0.09 percent sales and use tax (rural public facility tax), credited against the state rate, to fund certain public facilities and economic development activities or to provide affordable workforce housing facilities.

Public facilities generally include telecommunications infrastructure, transportation infrastructure, commercial infrastructure, some utilities infrastructure, affordable workforce housing infrastructure or facilities, and other specifically identified facilities. The rural public facility tax may also be used to finance public facilities serving economic development purposes, and to pay for personnel in economic development offices.

ADVISORY COMMITTEE

The Lewis County Board of County Commissioners (BOCC) created the Distressed Counties (.09) Fund / Rural Economic Development Public Facilities Advisory Committee to review requests for .09 Distressed Counties funding for certain public facilities and economic development activities or to provide affordable workforce housing facilities. The committee shall review funding requests and then inform the BOCC of its recommendations.

The committee shall meet quarterly to evaluate grants and loan requests when qualifying applications are submitted. Qualifying applicants are local governments that are pursuing economic development projects that create jobs. Projects submitted must be consistent with the language of RCW 82.14.370.

This committee shall be made up of five (5) to nine (9) members representing organizations and agencies that have an active interest and involvement in economic development. They should, by their involvement and encouragement of job producing efforts, have a logical interest and role to play on this committee. The committee is chaired by a representative of the Lewis County Economic Development Council (EDC).

The membership of the Distressed Counties (.09) Fund / Rural Economic Development Public Facilities Advisory Committee shall be as follows:

- One representative from the Lewis County Board of County Commissioners (BOCC).
- One representative from the Port of Chehalis.
- One representative from the Port of Centralia.
- One representative from the East Lewis County Public Development Authority (ELCPDA).
- One representative from large cities (population over 3,000).
- One representative from small cities (population under 3,000).
- One representative from the Industrial Commission.
- One representative from the Economic Alliance (EA) to act as chair of said committee.
- Up to one other member who may be appointed to fill an at-large position based upon economic conditions and organizational priorities.

Term lengths: Appointees shall serve one-year terms that expire Dec. 31 of their appointment year.

Appointment selection process: The Economic Alliance will conduct a selection process for the at-large position and then provide its recommendation to the BOCC.

The Port of Chehalis, Port of Centralia, East Lewis County Public Development Authority (ELCPDA), the Industrial Commission and the Economic Alliance (EA) will be asked to provide to the Economic Alliance the name of their recommended representatives. The cities of Chehalis and Centralia will alternate annually to fill the “large cities” position and will be asked to provide the name of their recommended representative to the Economic Alliance. The Economic Alliance will provide the full list of recommended appointments to the BOCC.

The BOCC will conduct a selection process for the position representing small cities. The BOCC will appoint the committee members via resolution.

LOAN / GRANT LIMITS

Grants generally will be limited to \$250,000 (two hundred and fifty thousand dollars).

Requests for grants totaling up to \$250,000 will require the short application and a line item budget.

Requests for funding exceeding \$250,000 must be accompanied by a business plan, a line item budget, a list of partners and a list of other funding sources in addition to the short application.

For requests exceeding \$250,000, the committee may consider splitting the balance between loan and grant funds, for cumulative project funding totaling up to \$1 million (one million dollars).

In extraordinary circumstances, the committee and the BOCC may consider amounts exceeding \$1 million.

In the case of a loan / grant combination, a portion of the funds would be awarded as a loan and a portion of the funds would be awarded as a grant.

The committee will provide a suggested interest rate for loans. The committee will consider the current prime interest rate and may consider recommending rates as low as 0% interest. The committee may also consider recommending a deferral of payment.

The committee may request that the Lewis County Treasurer provide input on setting interest rates for loans when requested by the BOCC.

POLICIES

Project applications must outline the project's contribution to the economic growth of Lewis County.

For entities seeking grant funding, the applicant must demonstrate why a grant would be preferable to a loan.

The committee will weigh the following as part of its selection process:

- The number of jobs created or retained by the proposed project.
- How the project would bring new investment and increased wealth into the community.
- Whether the application clearly defines the project and how the project would lead to construction of infrastructure that supports economic development.

The primary goals of Chapter 366, Laws of 1997 are to:

- Promote the ongoing operation of business in rural distressed areas;
- Promote the expansion of existing businesses in rural distressed areas;
- Attract new businesses to rural distressed areas;

- Assist in the development of new businesses from within rural distressed areas;
- Provide family wage jobs to the citizens of rural distressed areas; and
- Promote the development of communities of excellence in rural distressed areas.

As outlined in RCW 82.14.370 and stated in the Attorney General of Washington opinion AGO 2001 No. 5, the .09 “Distressed Counties” funding may be used for the following:

- Capital facilities costs, including acquisition, construction, rehabilitation, alteration, expansion, or improvements of public facilities;
- Costs of development and improvement for the public facilities;
- Project-specific environmental costs;
- Land use and permitting costs;
- Costs of site planning and analysis;
- Project design, including feasibility and marketing studies and plans, and debt and revenue impact analysis.