

Yakima County SIED Program -- Investment Principles

No more than \$2,000,000 total SIED funding will be awarded per qualified project with loan and grant combined.

Funds must be used to invest in “public facilities” for purposes of this program

- "Public Facilities" means bridges, roads, railroads, domestic and industrial water, sanitary sewer, storm sewer, electricity, natural gas or telecommunications in Yakima County.
- “Economic development purposes" means those purposes which facilitate the creation or retention of private businesses and jobs in a county.

Considerations when prioritizing applications

- Applications that support tangible job creation in traded sector businesses will be the highest priority. Retail or non-traded sector businesses can be considered only when traded sector growth is not likely due to infrastructure and other limitations.
- Special consideration will be given to private sector job creating projects that significantly improve the County’s quality of life, and attractiveness to professional employees seeking jobs in the County.
- Priority will be given to applications where the funding (both grant and loan) awarded is \$30,000 or less per job created or retained.
- Applications that support new or retained tax revenues will be given priority.
- Applications should be prioritized based on readiness to proceed. Applications will not be accepted to support private sector projects that are already under construction.
- Communities with higher levels of economic distress should receive higher priority.
- Communities with populations of less than 5,000 should receive special consideration and priority
- Increase funding priority if local, state or federal funds are leveraged. Private funds spent on public improvements or infrastructure will also count towards leverage.

Using funds to support job creation and private investment

- Applications that will lead to private sector investment and job creation will be funded at a 50/50 grant to loan ratio. If there is no immediate private sector investment or job creation associated with the application, then the applicant is eligible for a loan only. Interest rates for loans are negotiable based on the project size and economic impact of the project.
- Projects without immediate job creation potential should be carefully evaluated for future potential. SIED funds invested in prospective projects should be based on their readiness to proceed and the likelihood of future private sector investment and job creation.
- SIED funds will no longer be used to fund feasibility or planning studies.
- Applicants are required to complete the SIED Reporting Form as included in the SIED Funding Application.

Funds should benefit the community at-large, and be supported by the community at-large

- A 20% local match of the funds requested is required for all applications and local community commitment should be evident
- The public facilities being funded must be identified in local comprehensive plans and/or capital facilities plans.
- Care should be taken to avoid funding applications that will lead to “windfall profits” for one entity or business at the expense of the rest of the community.

Ensure the sustainability of the fund

- Use loans to support projects where private sector job creation, or private investment is not immediate or anticipated but will provide other benefits consistent with RCW 82.14.370.
- Applicants must show that SIED funds are leveraged by other funding sources and that they adequately sought all potential funding sources for the project.
- Principal and interest deferrals can be granted on loans to support applications where the board determines such deferrals are necessary or appropriate.
- A grant in excess of 50% of the total SIED request will be considered only when applications involve a business that creates at least 100 new jobs at or above the County average annual wage plus benefits, or when there is a public facilities emergency that threatens local businesses and jobs.
- If the public infrastructure project has not been completed within one year of an award of SIED funding, the applicant must request and justify an extension of the award to the board of advisors. If the project is deemed unlikely to proceed in the next year, the board may return the awarded funds to the SIED program to support applications that are ready to proceed. The applicant can re-apply when its project is ready to proceed.

Yakima County applications of regional significance

- Based on consultation with the County Commissioners, Up to \$1.8 million of SIED funding annually may be set aside for special County projects. Set asides will be established in a manner that tries to maintain historical SIED funding levels for other jurisdictions within the County.
- Yakima County will use the SIED Board to evaluate its projects when appropriate and will periodically provide the SIED Board a list of projects funded with this special set aside

Reserves and set-asides

- 20 percent of annual funding will be reserved for applications from rural communities with populations of less than 5,000. Applications from these communities must meet all policy parameters listed above and unspent funds out of this reserve fund may be rolled into the general fund for other projects at the end of the fiscal year.
- \$500,000 will be held in reserve until October of each year to fund applications for unanticipated business investment projects. Funds not used by October will be released for other appropriate projects fitting the program's investment policies.