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**SUBSTITUTE SENATE BILL 5075**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Hatfield, Hewitt, Kilmer, and Shin; by request of Department of Community, Trade, and Economic Development)

READ FIRST TIME 02/19/09.

1       AN ACT Relating to wage criteria used by the community economic  
2 revitalization board to determine project selection; and amending RCW  
3 43.160.060.

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

5       **Sec. 1.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to read  
6 as follows:

7       The board is authorized to make direct loans to political  
8 subdivisions of the state and to federally recognized Indian tribes for  
9 the purposes of assisting the political subdivisions and federally  
10 recognized Indian tribes in financing the cost of public facilities,  
11 including development of land and improvements for public facilities,  
12 project-specific environmental, capital facilities, land use,  
13 permitting, feasibility, and marketing studies and plans; project  
14 design, site planning, and analysis; project debt and revenue impact  
15 analysis; as well as the construction, rehabilitation, alteration,  
16 expansion, or improvement of the facilities. A grant may also be  
17 authorized for purposes designated in this chapter, but only when, and  
18 to the extent that, a loan is not reasonably possible, given the  
19 limited resources of the political subdivision or the federally

1 recognized Indian tribe and the finding by the board that financial  
2 circumstances require grant assistance to enable the project to move  
3 forward. However, no more than twenty-five percent of all financial  
4 assistance approved by the board in any biennium may consist of grants  
5 to political subdivisions and federally recognized Indian tribes.

6 Application for funds shall be made in the form and manner as the  
7 board may prescribe. In making grants or loans the board shall conform  
8 to the following requirements:

9 (1) The board shall not provide financial assistance:

10 (a) For a project the primary purpose of which is to facilitate or  
11 promote a retail shopping development or expansion.

12 (b) For any project that evidence exists would result in a  
13 development or expansion that would displace existing jobs in any other  
14 community in the state.

15 (c) For a project the primary purpose of which is to facilitate or  
16 promote gambling.

17 (d) For a project located outside the jurisdiction of the applicant  
18 political subdivision or federally recognized Indian tribe.

19 (2) The board shall only provide financial assistance:

20 (a) For a project demonstrating convincing evidence that a specific  
21 private development or expansion is ready to occur and will occur only  
22 if the public facility improvement is made that:

23 (i) Results in the creation of significant private sector jobs or  
24 significant private sector capital investment as determined by the  
25 board and is consistent with the state comprehensive economic  
26 development plan developed by the Washington economic development  
27 commission pursuant to chapter 43.162 RCW, once the plan is adopted;  
28 and

29 (ii) Will improve the opportunities for the successful maintenance,  
30 establishment, or expansion of industrial or commercial plants or will  
31 otherwise assist in the creation or retention of long-term economic  
32 opportunities;

33 (b) For a project that cannot meet the requirement of (a) of this  
34 subsection but is a project that:

35 (i) Results in the creation of significant private sector jobs or  
36 significant private sector capital investment as determined by the  
37 board and is consistent with the state comprehensive economic

1 development plan developed by the Washington economic development  
2 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

3 (ii) Is part of a local economic development plan consistent with  
4 applicable state planning requirements;

5 (iii) Can demonstrate project feasibility using standard economic  
6 principles; and

7 (iv) Is located in a rural community as defined by the board, or a  
8 rural county;

9 (c) For site-specific plans, studies, and analyses that address  
10 environmental impacts, capital facilities, land use, permitting,  
11 feasibility, marketing, project engineering, design, site planning, and  
12 project debt and revenue impacts, as grants not to exceed fifty  
13 thousand dollars.

14 (3) The board shall develop guidelines for local participation and  
15 allowable match and activities.

16 (4) An application must demonstrate local match and local  
17 participation, in accordance with guidelines developed by the board.

18 (5) An application must be approved by the political subdivision  
19 and supported by the local associate development organization or local  
20 workforce development council or approved by the governing body of the  
21 federally recognized Indian tribe.

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

25 (7) An application must demonstrate convincing evidence that the  
26 median hourly wage of the private sector jobs created after the project  
27 is completed will ((exceed)) be no less than five percent below the  
28 countywide median hourly wage of the private sector. For counties with  
29 an annual unemployment rate that is one hundred fifty percent of the  
30 state unemployment rate, an application must demonstrate convincing  
31 evidence that the median hourly wage of the private sector jobs created  
32 after the project is completed will be no less than ten percent below  
33 the countywide median hourly wage of the private sector.

34 (8) The board shall prioritize each proposed project according to:

35 (a) The relative benefits provided to the community by the jobs the  
36 project would create, not just the total number of jobs it would create  
37 after the project is completed, but also giving consideration to the  
38 unemployment rate in the area in which the jobs would be located;

1 (b) The rate of return of the state's investment, including, but  
2 not limited to, the leveraging of private sector investment,  
3 anticipated job creation and retention, and expected increases in state  
4 and local tax revenues associated with the project;

5 (c) Whether the proposed project offers a health insurance plan for  
6 employees that includes an option for dependents of employees;

7 (d) Whether the public facility investment will increase existing  
8 capacity necessary to accommodate projected population and employment  
9 growth in a manner that supports infill and redevelopment of existing  
10 urban or industrial areas that are served by adequate public  
11 facilities. Projects should maximize the use of existing  
12 infrastructure and provide for adequate funding of necessary  
13 transportation improvements; and

14 (e) Whether the applicant has developed and adhered to guidelines  
15 regarding its permitting process for those applying for development  
16 permits consistent with section 1(2), chapter 231, Laws of 2007.

17 (9) A responsible official of the political subdivision or the  
18 federally recognized Indian tribe shall be present during board  
19 deliberations and provide information that the board requests.

20 Before any financial assistance application is approved, the  
21 political subdivision or the federally recognized Indian tribe seeking  
22 the assistance must demonstrate to the community economic  
23 revitalization board that no other timely source of funding is  
24 available to it at costs reasonably similar to financing available from  
25 the community economic revitalization board.

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