
SUBSTITUTE HOUSE BILL 2040

State of Washington 62nd Legislature 2011 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee, Hunt, Sullivan, Jinkins, Reykdal, Ryu, Darneille, Moscoso, Cody, Goodman, Pettigrew, Appleton, Moeller, Hasegawa, Hudgins, Fitzgibbon, Green, Van De Wege, Haigh, Roberts, Stanford, Frockt, Billig, Ormsby, Upthegrove, Kenney, Rolfes, and Maxwell)

READ FIRST TIME 04/12/11.

1 AN ACT Relating to state assistance for financing infrastructure
2 and economic development; amending RCW 43.155.020, 43.155.050,
3 43.155.060, 43.155.070, and 43.160.060; creating new sections; and
4 providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that timely access to
7 capital, credit, and lending opportunities is vitally important for the
8 health and economic security of all individuals in the state. The lack
9 of these financial opportunities, especially in times of economic
10 downturn, exacerbates the economic hardships faced by working families
11 and communities.

12 The legislature finds that investing in public works projects
13 around the state is an essential component in the recovery of the
14 state's economy. There are numerous unmet needs in the state's
15 communities that would be met if the state had a direct role in
16 identifying and financing infrastructure projects that serve a public
17 purpose.

18 The legislature finds that students seeking to attain higher
19 education and other career opportunities are stifled by their own

1 limited financial resources and that existing programs are not
2 adequately meeting their needs. These students would be better served
3 if the state assisted in obtaining sufficient funds to meet the cost of
4 attending school.

5 The legislature further finds that the best use of state funds is
6 to establish a means to use state funds and use them for initiatives
7 that promote the common good and public benefit of all residents of the
8 state.

9 It is the intent of the legislature to develop a means to promote
10 education, community development, economic development, housing, and
11 public works projects in Washington by building a resource to help
12 stabilize and grow the state's economy; use the resources of the people
13 of the state within the state; support the common good and public
14 benefit of the state; and use the state's financial capital and
15 resources.

16 NEW SECTION. **Sec. 2.** (1)(a) A task force is established, with
17 twenty members as provided in this subsection.

18 (i) The president of the senate shall appoint one member from each
19 of the two largest caucuses of the senate.

20 (ii) The speaker of the house of representatives shall appoint one
21 member from each of the two largest caucuses of the house of
22 representatives.

23 (iii) The president of the senate and the speaker of the house of
24 representatives jointly shall appoint:

25 (A) A member representing a state-chartered financial institution;

26 (B) A member representing a federally chartered financial
27 institution;

28 (C) Two nonvoting members representing local governments;

29 (D) Two members representing small business owners; and

30 (E) Seven citizen members representing labor, education, housing,
31 financial, agricultural, economic development, and infrastructure
32 interests.

33 (iv) The director of the department of financial institutions and
34 the state treasurer, or their designees, shall be nonvoting members of
35 the task force.

36 (v) The public works board shall select one board member to be a
37 nonvoting member of the task force.

1 (b) The task force shall choose its chair from among its
2 membership. The legislative members of the task force shall convene
3 the initial meeting of the task force within thirty days after the
4 effective date of this section.

5 (2) The task force shall develop a means to use the state's money
6 to finance public works infrastructure, student loans, and economic
7 development. The task force shall also review and make recommendations
8 on the following issues:

9 (a) Methods to coordinate and cooperate with existing public
10 entities that are engaged in work related to local government
11 infrastructure and economic development;

12 (b) Identification of existing infrastructure and economic
13 development programs that could be eliminated, accounts that could be
14 consolidated, or other means of streamlining government bureaucracies
15 in economic development;

16 (c) Alternate approaches that the state can use to assist in the
17 financing of local infrastructure, such as the contingent loan
18 agreements authorized in RCW 43.155.060, and the manner in which this
19 assistance could be provided;

20 (d) Cash management and banking needs of the state and an
21 alternative method of meeting these needs;

22 (e) Additional legislation necessary to implement this act; and

23 (f) Other matters as determined by the task force.

24 (3) Staff support for the task force must be provided by the senate
25 committee services and the house of representatives office of program
26 research.

27 (4) Legislative members of the task force must be reimbursed for
28 travel expenses in accordance with RCW 44.04.120. Nonlegislative
29 members, except those representing an employer or organization, are
30 entitled to be reimbursed for travel expenses in accordance with RCW
31 43.03.050 and 43.03.060.

32 (5) The expenses of the task force must be paid jointly by the
33 senate and the house of representatives. Task force expenditures are
34 subject to approval by the senate facilities and operations committee
35 and the house of representatives executive rules committee, or their
36 successor committees.

37 (6) The task force shall report its recommendations and

1 implementation plan to the appropriate committees of the legislature by
2 December 1, 2011.

3 (7) The task force may contract with additional persons who have
4 specific technical expertise if the expertise is necessary to carry out
5 the mandates of the review and development of the implementation plan.
6 The task force may accept gifts, grants, loans, or other aid from
7 public or private entities to contract with additional persons.

8 (8) The task force, where appropriate, may consult with individuals
9 from the public and private sector or ask the individuals to establish
10 an advisory committee. Members of such an advisory committee are not
11 entitled to expense reimbursement.

12 (9) The department of financial institutions and the state
13 treasurer shall cooperate with the task force and provide information
14 as the chair may reasonably request.

15 (10) This section expires December 31, 2012.

16 **Sec. 3.** RCW 43.155.020 and 2009 c 565 s 33 are each amended to
17 read as follows:

18 Unless the context clearly requires otherwise, the definitions in
19 this section shall apply throughout this chapter.

20 (1) "Board" means the public works board created in RCW 43.155.030.

21 (2) "Capital facility plan" means a capital facility plan required
22 by the growth management act under chapter 36.70A RCW or, for local
23 governments not fully planning under the growth management act, a plan
24 required by the public works board.

25 (3) "Contingent loan agreement" means an agreement between the
26 state and a local government in which the state provides an absolute
27 and unconditional commitment to make a loan to a local government from
28 the public works assistance account in order to enhance the credit of
29 local government borrowing.

30 (4) "Department" means the department of commerce.

31 (~~(4) "Financing guarantees" means the pledge of money in the~~
32 ~~public works assistance account, or money to be received by the public~~
33 ~~works assistance account, to the repayment of all or a portion of the~~
34 ~~principal of or interest on obligations issued by local governments to~~
35 ~~finance public works projects.))~~

36 (5) "Local governments" means cities, towns, counties, special

1 purpose districts, and any other municipal corporations or quasi-
2 municipal corporations in the state excluding school districts and port
3 districts.

4 (6) "Public works project" means a project of a local government
5 for the planning, acquisition, construction, repair, reconstruction,
6 replacement, rehabilitation, or improvement of (~~streets and roads,~~
7 ~~bridges,~~) water systems, (~~or~~) storm and sanitary sewage systems
8 (~~and~~), solid waste facilities, including recycling facilities. A
9 planning project may include the compilation of biological,
10 hydrological, or other data on a county, drainage basin, or region
11 necessary to develop a base of information for a capital facility plan.

12 (7) "Solid waste or recycling project" means remedial actions
13 necessary to bring abandoned or closed landfills into compliance with
14 regulatory requirements and the repair, restoration, and replacement of
15 existing solid waste transfer, recycling facilities, and landfill
16 projects limited to the opening of landfill cells that are in existing
17 and permitted landfills.

18 (8) "Technical assistance" means training and other services
19 provided to local governments to: (a) Help such local governments
20 plan, apply, and qualify for loans and (~~financing guarantees~~)
21 contingent loan agreements from the board, and (b) help local
22 governments improve their ability to plan for, finance, acquire,
23 construct, repair, replace, rehabilitate, and maintain public
24 facilities.

25 **Sec. 4.** RCW 43.155.050 and 2010 1st sp.s. c 37 s 932 are each
26 amended to read as follows:

27 The public works assistance account is hereby established in the
28 state treasury. Money may be placed in the public works assistance
29 account from the proceeds of bonds when authorized by the legislature
30 or from any other lawful source. Moneys in the account may be expended
31 only after appropriation. Money in the public works assistance account
32 shall be used to make loans (~~and to give financial guarantees~~) to
33 local governments for public works projects and to make payments
34 required under contingent loan agreements for public works projects.
35 Moneys in the account may also be appropriated to provide for state
36 match requirements under federal law for projects and activities
37 conducted and financed by the board under the drinking water assistance

1 account. Not more than fifteen percent of the biennial capital budget
2 appropriation to the public works board from this account may be
3 expended or obligated for preconstruction loans, emergency loans, or
4 loans for capital facility planning under this chapter; of this amount,
5 not more than ten percent of the biennial capital budget appropriation
6 may be expended for emergency loans and not more than one percent of
7 the biennial capital budget appropriation may be expended for capital
8 facility planning loans. For the 2007-2009 biennium, moneys in the
9 account may be used for grants for projects identified in section 138,
10 chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007.
11 During the 2009-2011 fiscal biennium, sums in the public works
12 assistance account may be used for the water pollution control
13 revolving fund program match in section 3013, chapter 36, Laws of 2010
14 1st sp. sess. During the 2009-2011 fiscal biennium, the legislature
15 may transfer from the job development fund to the general fund such
16 amounts as reflect the excess fund balance of the fund.

17 **Sec. 5.** RCW 43.155.060 and 1988 c 93 s 2 are each amended to read
18 as follows:

19 (1) In order to aid the financing of public works projects, the
20 board may:

21 ~~((1))~~ (a) Make low-interest or interest-free loans to local
22 governments from the public works assistance account or other funds and
23 accounts for the purpose of assisting local governments in financing
24 public works projects. The board may require such terms and conditions
25 and may charge such rates of interest on its loans as it deems
26 necessary or convenient to carry out the purposes of this chapter.
27 Money received from local governments in repayment of loans made under
28 this section shall be paid into the public works assistance account for
29 uses consistent with this chapter~~((-))~~;

30 ~~((2) Pledge money in the public works assistance account, or money
31 to be received by the public works assistance account, to the repayment
32 of all or a portion of the principal of or interest on obligations
33 issued by local governments to finance public works projects. The
34 board shall not pledge any amount greater than the sum of money in the
35 public works assistance account plus money to be received from the
36 payment of the debt service on loans made from that account, nor shall~~

1 ~~the board pledge the faith and credit or the taxing power of the state~~
2 ~~or any agency or subdivision thereof to the repayment of obligations~~
3 ~~issued by any local government.~~

4 ~~(3))~~ (b) Make loans to local governments to assist those local
5 governments to pay all or a portion of the principal of or interest on
6 obligations issued to finance infrastructure projects pursuant to
7 contingent loan agreements;

8 (c) Until July 1, 2013, coordinate with the Washington state
9 treasurer, who, on behalf of the state of Washington, may prescribe the
10 terms of and enter into a contingent loan agreement between the state
11 and a local government if the state treasurer determines that a
12 contingent loan agreement is financially prudent and is consistent with
13 the provisions of this chapter. The office of the state treasurer may
14 charge a fee to local governments to recover the costs of creating the
15 contingent loan agreements. After July 1, 2013, contingent loan
16 agreements must be entered into in the manner determined by the
17 legislature.

18 (i) The state's obligation to make any loan to a local government
19 pursuant to the terms of a contingent loan agreement shall be subject
20 to appropriation from the public works assistance account;

21 (ii) In order to provide for the state of Washington's obligations
22 under the terms of contingent loan agreements, the legislature shall
23 make provision, from time to time in appropriations acts, for such
24 amounts as may be required to make timely payments from the public
25 works assistance account;

26 (d) Create such subaccounts in the public works assistance account
27 as the board deems necessary to carry out the purposes of this
28 chapter((~~-~~)); and

29 ~~((~~4~~))~~ (e) Provide a method for the allocation of loans ((~~and~~
30 financing guarantees)) and contingent loan agreements, and for the
31 provision of technical assistance under this chapter.

32 (2) Neither the board nor the state treasurer may pledge the faith
33 and credit or the taxing power of the state or any agency or
34 subdivision thereof to the repayment of obligations issued by any local
35 government.

36 (3) The board shall consult with the community economic
37 revitalization board established in chapter 43.160 RCW to explore
38 opportunities for coordination and consistency.

1 (4) All local public works projects aided in whole or in part under
2 the provisions of this chapter shall be put out for competitive bids,
3 except for emergency public works under RCW 43.155.065 for which the
4 recipient jurisdiction shall comply with this requirement to the extent
5 feasible and practicable. The competitive bids called for shall be
6 administered in the same manner as all other public works projects put
7 out for competitive bidding by the local governmental entity aided
8 under this chapter.

9 **Sec. 6.** RCW 43.155.070 and 2009 c 518 s 16 are each amended to
10 read as follows:

11 (1) To qualify for a loan~~((s))~~ or ~~((pledges))~~ contingent loan
12 agreement under this chapter the board must determine that a local
13 government meets all of the following conditions:

14 (a) The city or county must be imposing a tax under chapter 82.46
15 RCW at a rate of at least one-quarter of one percent;

16 (b) The local government must have developed a capital facility
17 plan; ~~((and))~~

18 (c) The local government must be using all local revenue sources
19 which are reasonably available for funding public works, taking into
20 consideration local employment and economic factors;

21 (d) The local government must have an equitable sewer user charge
22 system for residential, commercial, and industrial users that the
23 governing body of the local government determines will provide for the
24 maintenance and operation of that system and for the timely payment of
25 all financial obligations of the planned sewer utility;

26 (e) The connection fees for new connections to a sewer system must
27 reflect a fair share cost of infrastructure from which new connections
28 will benefit;

29 (f) The local government must have a capital wastewater facilities
30 reserve fund dedicated to paying for wastewater infrastructure and
31 equipment replacement; and

32 (g) A sewer use ordinance must restrict certain connections and
33 wastes to protect a local government's investment and enhance the
34 wastewater treatment's process stability and effluent quality. The
35 ordinance must, at a minimum:

36 (i) Require new sewers and connections to be properly designed and
37 constructed;

1 (ii) Require a provision with a timeline and proximity in which
2 existing and future residences must connect to the sewer system;

3 (iii) Prohibit inflow sources into the sewer system; and

4 (iv) Prohibit introduction of toxic or hazardous wastes into the
5 sewer system in an amount or concentration that endangers the public's
6 safety or the physical integrity of the system which may cause
7 violations of the national pollutant discharge elimination system
8 permit or state waste discharge permit; and

9 (h) For projects involving repair, replacement, or improvement of
10 a wastewater treatment plant or other public works facility for which
11 an investment grade audit is available, the local government must have
12 received such an audit in order to be eligible for a loan or contingent
13 loan agreement.

14 (2) Except where necessary to address a public health need or
15 substantial environmental degradation, a county, city, or town planning
16 under RCW 36.70A.040 must have adopted a comprehensive plan, including
17 a capital facilities plan element, and development regulations as
18 required by RCW 36.70A.040. This subsection does not require any
19 county, city, or town planning under RCW 36.70A.040 to adopt a
20 comprehensive plan or development regulations before requesting or
21 receiving a loan or ~~((loan guarantee))~~ entering into a contingent loan
22 agreement under this chapter if such request is made before the
23 expiration of the time periods specified in RCW 36.70A.040. A county,
24 city, or town planning under RCW 36.70A.040 which has not adopted a
25 comprehensive plan and development regulations within the time periods
26 specified in RCW 36.70A.040 is not prohibited from receiving a loan or
27 ~~((loan guarantee))~~ from entering into a contingent loan agreement under
28 this chapter if the comprehensive plan and development regulations are
29 adopted as required by RCW 36.70A.040 before submitting a request for
30 a loan or ~~((loan guarantee))~~ contingent loan agreement.

31 (3) In considering awarding loans ~~((for public facilities to))~~ or
32 entering into contingent loan agreements with a special district((s))
33 requesting funding for a proposed facility located in a county, city,
34 or town planning under RCW 36.70A.040, the board shall consider whether
35 the county, city, or town planning under RCW 36.70A.040 in whose
36 planning jurisdiction the proposed facility is located has adopted a
37 comprehensive plan and development regulations as required by RCW
38 36.70A.040.

1 (4) The board shall develop a priority process for public works
2 projects as provided in this section. The intent of the priority
3 process is to maximize the value of public works projects accomplished
4 with assistance under this chapter. The board shall attempt to assure
5 a geographical balance in assigning priorities to projects. The board
6 shall consider at least the following factors in assigning a priority
7 to a project:

8 (a) Whether the local government receiving assistance has
9 experienced severe fiscal distress resulting from natural disaster or
10 emergency public works needs;

11 ~~((b) ((Except as otherwise conditioned by RCW 43.155.110, whether~~
12 ~~the entity receiving assistance is a Puget Sound partner, as defined in~~
13 ~~RCW 90.71.010;~~

14 ~~((c))~~ If the project is located in the Puget Sound region, whether
15 the project is referenced in the action agenda developed by the Puget
16 Sound partnership ((under RCW 90.71.310)). Any project designed to
17 address the effects of storm water or wastewater on Puget Sound may
18 receive assistance under this section only if the project is not in
19 conflict with the action agenda developed by the Puget Sound
20 partnership under RCW 90.71.310;

21 ~~((d))~~ (c) Whether the project is critical in nature and would
22 affect the health and safety of a great number of citizens;

23 ~~((e))~~ (d) Whether the applicant has developed and adhered to
24 guidelines regarding its permitting process for those applying for
25 development permits consistent with section 1(2), chapter 231, Laws of
26 2007;

27 ~~((f))~~ (e) The cost of the project compared to the size of the
28 local government and amount of loan money available;

29 ~~((g))~~ (f) The number of communities served by or funding the
30 project;

31 ~~((h))~~ (g) Whether the project is located in an area of high
32 unemployment, compared to the average state unemployment;

33 ~~((i))~~ (h) Whether the project is the acquisition, expansion,
34 improvement, or renovation by a local government of a public water
35 system that is in violation of health and safety standards, including
36 the cost of extending existing service to such a system;

37 ~~((j))~~ (i) Except as otherwise conditioned by RCW 43.155.120, and
38 effective one calendar year following the development of model

1 evergreen community management plans and ordinances under RCW
2 35.105.050, whether the entity receiving assistance has been
3 recognized, and what gradation of recognition was received, in the
4 evergreen community recognition program created in RCW 35.105.030;

5 ~~((+k))~~ (j) The relative benefit of the project to the community,
6 considering the present level of economic activity in the community and
7 the existing local capacity to increase local economic activity in
8 communities that have low economic growth; and

9 ~~((+l))~~ (k) Other criteria that the board considers advisable.

10 (5) Existing debt or financial obligations of local governments
11 shall not be refinanced under this chapter. Each local government
12 applicant shall provide documentation of attempts to secure additional
13 local or other sources of funding for each public works project for
14 which financial assistance is sought under this chapter.

15 (6) Before November 1st of each even-numbered year, the board shall
16 develop and submit to the appropriate fiscal committees of the senate
17 and house of representatives a description of the loans made under RCW
18 43.155.065, 43.155.068, and subsection (9) of this section and the
19 contingent loan agreements made under RCW 43.160.030, during the
20 preceding fiscal year, and a prioritized list of projects which are
21 recommended for funding by the legislature(~~(, including one copy to the~~
22 ~~staff of each of the committees)~~). The list shall include, but not be
23 limited to, a description of each project and recommended financing,
24 the terms and conditions of the loan (~~(or financial guarantee)~~), the
25 local government jurisdiction and unemployment rate, demonstration of
26 the jurisdiction's critical need for the project, and documentation of
27 local funds being used to finance the public works project. The list
28 shall also include measures of fiscal capacity for each jurisdiction
29 recommended for financial assistance, compared to authorized limits and
30 state averages, including local government sales taxes; real estate
31 excise taxes; property taxes; and charges for or taxes on sewerage,
32 water, garbage, and other utilities.

33 (7) The board shall not sign contracts or otherwise financially
34 obligate funds from the public works assistance account before the
35 legislature has appropriated funds for a specific list of public works
36 projects. The legislature may remove projects from the list
37 recommended by the board. The legislature shall not change the order
38 of the priorities recommended for funding by the board.

1 (8) Subsection (7) of this section does not apply to loans made
2 under RCW 43.155.065, 43.155.068, and subsection (9) of this section or
3 the contingent loan agreements made under RCW 43.160.030.

4 (9) Loans made for the purpose of capital facilities plans shall be
5 exempted from subsection (7) of this section.

6 (10) To qualify for a loan(~~s~~) or (~~pledges~~) contingent loan
7 agreement for solid waste or recycling facilities under this chapter,
8 a city or county must demonstrate that the solid waste or recycling
9 facility is consistent with and necessary to implement the
10 comprehensive solid waste management plan adopted by the city or county
11 under chapter 70.95 RCW.

12 ~~((11) After January 1, 2010, any project designed to address the~~
13 ~~effects of storm water or wastewater on Puget Sound may be funded under~~
14 ~~this section only if the project is not in conflict with the action~~
15 ~~agenda developed by the Puget Sound partnership under RCW 90.71.310.))~~

16 **Sec. 7.** RCW 43.160.060 and 2008 c 327 s 5 are each amended to read
17 as follows:

18 (1) The board is authorized to make direct loans to political
19 subdivisions of the state and to federally recognized Indian tribes for
20 the purposes of assisting the political subdivisions and federally
21 recognized Indian tribes in financing the cost of public facilities,
22 including development of land and improvements for public facilities,
23 project-specific environmental, capital facilities, land use,
24 permitting, feasibility, and marketing studies and plans; project
25 design, site planning, and analysis; project debt and revenue impact
26 analysis; as well as the construction, rehabilitation, alteration,
27 expansion, or improvement of the facilities. A grant may also be
28 authorized for purposes designated in this chapter, but only when, and
29 to the extent that, a loan is not reasonably possible, given the
30 limited resources of the political subdivision or the federally
31 recognized Indian tribe and the finding by the board that financial
32 circumstances require grant assistance to enable the project to move
33 forward. However, no more than twenty-five percent of all financial
34 assistance approved by the board in any biennium may consist of grants
35 to political subdivisions and federally recognized Indian tribes.

36 (2) Application for funds shall be made in the form and manner as

1 the board may prescribe. In making grants or loans the board shall
2 conform to the following requirements:

3 ~~((1))~~ (a) The board shall not provide financial assistance:

4 ~~((a))~~ (i) For a project the primary purpose of which is to
5 facilitate or promote a retail shopping development or expansion.

6 ~~((b))~~ (ii) For any project that evidence exists would result in
7 a development or expansion that would displace existing jobs in any
8 other community in the state.

9 ~~((c))~~ (iii) For a project the primary purpose of which is to
10 facilitate or promote gambling.

11 ~~((d))~~ (iv) For a project located outside the jurisdiction of the
12 applicant political subdivision or federally recognized Indian tribe.

13 ~~((2))~~ (b) The board shall only provide financial assistance:

14 ~~((a))~~ (i) For a project demonstrating convincing evidence that a
15 specific private development or expansion is ready to occur and will
16 occur only if the public facility improvement is made that:

17 ~~((i))~~ (A) Results in the creation of significant private sector
18 jobs or significant private sector capital investment as determined by
19 the board and is consistent with the state comprehensive economic
20 development plan developed by the Washington economic development
21 commission pursuant to chapter 43.162 RCW, once the plan is adopted;
22 and

23 ~~((ii))~~ (B) Will improve the opportunities for the successful
24 maintenance, establishment, or expansion of industrial or commercial
25 plants or will otherwise assist in the creation or retention of long-
26 term economic opportunities;

27 ~~((b))~~ (ii) For a project that cannot meet the requirement of
28 ~~((a))~~ (b)(i) of this subsection but is a project that:

29 ~~((i))~~ (A) Results in the creation of significant private sector
30 jobs or significant private sector capital investment as determined by
31 the board and is consistent with the state comprehensive economic
32 development plan developed by the Washington economic development
33 commission pursuant to chapter 43.162 RCW, once the plan is adopted;

34 ~~((ii))~~ (B) Is part of a local economic development plan
35 consistent with applicable state planning requirements;

36 ~~((iii))~~ (C) Can demonstrate project feasibility using standard
37 economic principles; and

1 ~~((iv))~~ (D) Is located in a rural community as defined by the
2 board, or a rural county;

3 ~~((e))~~ (iii) For site-specific plans, studies, and analyses that
4 address environmental impacts, capital facilities, land use,
5 permitting, feasibility, marketing, project engineering, design, site
6 planning, and project debt and revenue impacts, as grants not to exceed
7 fifty thousand dollars.

8 ~~((3))~~ (c) The board shall consult with the public works board
9 established in chapter 43.155 RCW to explore opportunities for
10 coordination and consistency.

11 (d) The board shall develop guidelines for local participation and
12 allowable match and activities.

13 ~~((4))~~ (e) An application must demonstrate local match and local
14 participation, in accordance with guidelines developed by the board.

15 ~~((5))~~ (f) An application must be approved by the political
16 subdivision and supported by the local associate development
17 organization or local workforce development council or approved by the
18 governing body of the federally recognized Indian tribe.

19 ~~((6))~~ (g) The board may allow de minimis general system
20 improvements to be funded if they are critically linked to the
21 viability of the project.

22 ~~((7))~~ (h) An application must demonstrate convincing evidence
23 that the median hourly wage of the private sector jobs created after
24 the project is completed will exceed the countywide median hourly wage.

25 ~~((8))~~ (i) The board shall prioritize each proposed project
26 according to:

27 ~~((a))~~ (i) The relative benefits provided to the community by the
28 jobs the project would create, not just the total number of jobs it
29 would create after the project is completed, but also giving
30 consideration to the unemployment rate in the area in which the jobs
31 would be located;

32 ~~((b))~~ (ii) The rate of return of the state's investment,
33 including, but not limited to, the leveraging of private sector
34 investment, anticipated job creation and retention, and expected
35 increases in state and local tax revenues associated with the project;

36 ~~((c))~~ (iii) Whether the proposed project offers a health
37 insurance plan for employees that includes an option for dependents of
38 employees;

1 ~~((d))~~ (iv) Whether the public facility investment will increase
2 existing capacity necessary to accommodate projected population and
3 employment growth in a manner that supports infill and redevelopment of
4 existing urban or industrial areas that are served by adequate public
5 facilities. Projects should maximize the use of existing
6 infrastructure and provide for adequate funding of necessary
7 transportation improvements; and

8 ~~((e))~~ (v) Whether the applicant has developed and adhered to
9 guidelines regarding its permitting process for those applying for
10 development permits consistent with section 1(2), chapter 231, Laws of
11 2007.

12 ~~((9))~~ (j) A responsible official of the political subdivision or
13 the federally recognized Indian tribe shall be present during board
14 deliberations and provide information that the board requests.

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

--- END ---