

Washington State Community Economic Revitalization Board (CERB)

CERB Overview





Community Economic Revitalization Board

CERB is designed to

- Finance public infrastructure construction for private business development
- Assist local governments with economic development planning



- CERB is a 20-member policy making board, meets 6 times per year and is designed to respond to immediate business needs for siting and expansion

- The Board is comprised of small and large business members across the state, representatives from Ports, Counties, Cities, Tribal, Public, and an Economist. CERB also has legislative members, and state agency members.


- Accept applications on on-going basis, first-come, first-served. Board approves projects at every meeting.

- CERB is a revolving **loan** fund – and the fund is the Public Facility Construction Loan Revolving Account

- Currently CERB has \$10.6 million for 2015-2017

There are 2 more meetings this biennium, and there is approximately \$14.2 million in projects in the pipeline, that plan to apply before the end of the biennium.

- Primarily rural program. Small urban county set-aside 75/25 split. Available: Urban \$1.2 m/Rural \$9.4 m.



Community Economic Revitalization Board

Eligible Jurisdictions

- Cities & Towns
- Counties
- Federally Recognized Tribes
- Municipal and Quasi-Municipal Corporations
- Port Districts
- Special Purpose Districts (e.g. PDAs, PUDs)



All Local Governments and Federally Recognized Tribes



Community Economic Revitalization Board



Planning Grants

\$50,000 grant maximum

- \$50,000 grant (maximum)
- 25% cash match required of total project cost
- Must be ready to proceed within 4 months of Board approval
- Complete within 2 years



Limited grants available for the biennium. Appx \$1.4 million is currently available (construction and planning grants)

Communities have learned through the recession, that they need to plan for the future.



Community Economic Revitalization Board



Planning Grants

Site-specific plans and studies related to:

- Economic feasibility
- Environmental impacts
- Capital facilities
- Land use
- Permitting
- Marketing
- Project engineering & design
- Site planning



CERB encourages planning projects that could result in a future CERB construction project.

The list of what CERB can help fund is extensive –

CERB does have minimum economic development requirements, that must be done for every project. These requirements are in line with the requirements needed to apply for the prospective development construction program.

Community Economic Revitalization Board



Planning Grants

- Pre-contract conditions
- Ready to go to contract within 4 months of Board approval.
- Complete project within 2 years.



Timing is a little different than other programs.

Typical pre-contract conditions: securing match, final scope of work and evidence consultant has been hired.



Community Economic Revitalization Board	
 Construction Programs	
Committed Private Partner Business in hand	Prospective Development Build it and they will come
\$2 million loan max.	
Up to \$300,000 subsidy or 50% of CERB request, whichever is less.	
<ul style="list-style-type: none"> • 20% cash match of total project cost • Private business partner committed to: <ul style="list-style-type: none"> • <u>Significant</u> job creation • <u>Significant</u> private capital investment • Hourly wages of created jobs must exceed county median wage 	<p>Rural counties/communities ONLY</p> <ul style="list-style-type: none"> • 50% cash match of total project cost • Demonstrate economic development feasibility with supporting study <ul style="list-style-type: none"> • Study must show likelihood of significant jobs and/or significant private investment

Two Construction Programs: Committed Private Partner & Prospective Development

- Loan and grant limits are the same
- Cash match is higher for prospective development. Match % is a percentage of total project cost.
- Cost per job Rural \$30,800 or less, Urban cost per job \$36,300 or less (based on CERB investment)
- Significant private investment is more than the state investment.



Community Economic Revitalization Board



Eligible Public Facility Projects

- Acquisition
- Construction
- Repair
- Reconstruction
- Replacement
- Rehabilitation


- Improvement of:
 - Bridges
 - Roads
 - Domestic & Industrial Water
 - Earth Stabilization
 - Sanitary Sewer
 - Storm Water
 - Railroad
 - Electricity
 - Telecommunications
 - Transportation
 - Natural Gas
 - Buildings or Structures
 - Port Facilities



Left : Comprehensive lists of activities
 Right: Eligible Systems

ALL for the purpose of job creation, retention, or expansion

Infrastructure that CERB invests in must be publicly owned and fall within one of these categories.



Community Economic Revitalization Board

Not Eligible

CERB may not finance projects which:

- Result in retail development
- Facilitate gambling
- Displace jobs from one part of the state to another
- Are outside the applicant's jurisdiction

CERB does not contract with private business, only the local government applying for funds.





There is two sides to each CERB construction project: the public side, that CERB invests in, and the private side, which the private partner invests in and is the driving need for the public project.

This can be retrofitting a building, equipment, or the like, but it is a cash investment into the private capital project.



Community Economic Revitalization Board

Construction Programs

- Pre-contract conditions
- Ready to go to contract within 6 months of Board approval.
- Complete project within 4 years.




Pre-contract conditions are met after Board approval, prior to contract execution.

Approved projects are essentially shovel ready.

Typical Pre-Contract Conditions

- Resolution of Repayment
- SEPA/NEPA
- Evidence of Permits
- Executive 05-05/Tribal Consultation (PERFORMED by CERB staff)
- Evidence that match is secured
- Evidence private investment is secured



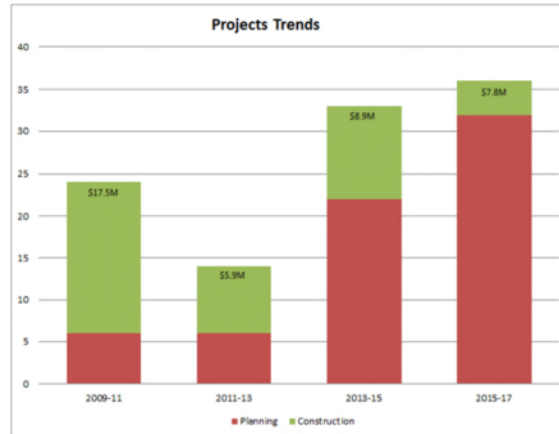
Community Economic Revitalization Board

How CERB works

- Applications are due 6-8 weeks prior to a meeting.
- Staff works with the client to vet the application and project.
- Board meets to review applications every two months.
- The applicant presents the proposal to the Board.
- The applicant will know at the meeting if their project is approved.
- CERB staff tracks projects for up to 5 years after project completion – *This includes mandatory reporting for the applicant and private partner.*

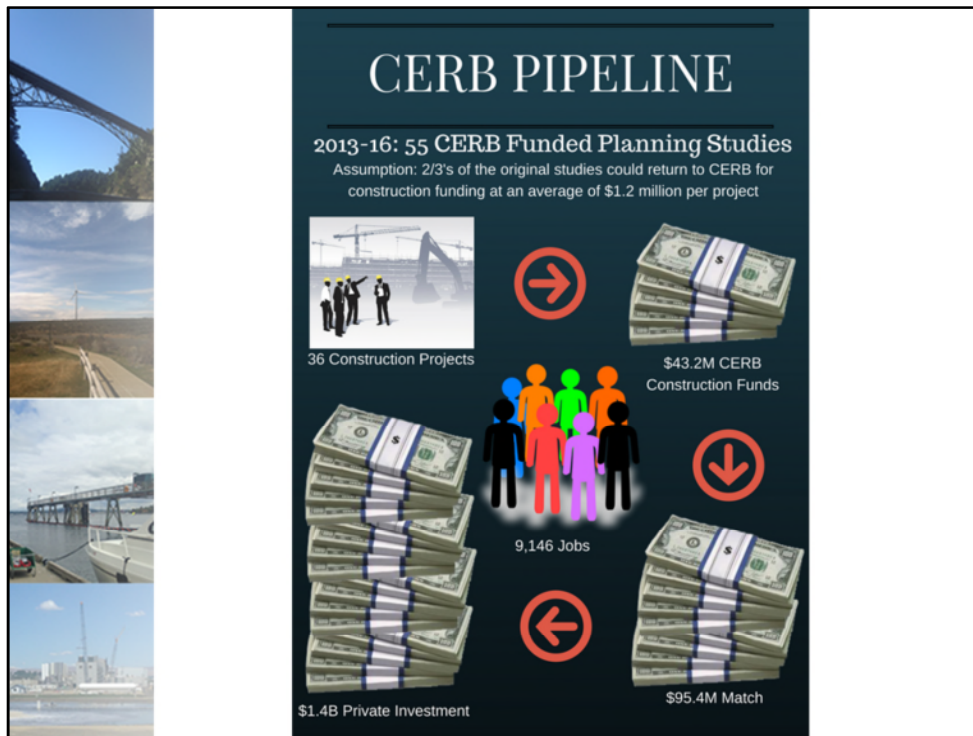


Community Economic Revitalization Board



With staff's focus on outreach and education, CERB has seen a record number of applications since 2013. As the state is still recovering from the recession, communities are looking at their future in a more focused manner. The record number of applications that CERB has received have been mostly for planning projects. Communities are taking the time to plan for their futures, making their communities a place that the residents want to live and raise their families, not just a place to work.

In any given biennium, CERB historically would receive approximately 6-8 planning project applications. In 2013-15, CERB received 23 planning applications. To date, CERB has received 30 planning applications for the 2015-17 biennium. For a total of 53 applications in just under four years.



Historically, 75% of the planning projects that are deemed feasible and eligible for CERB funding, come back and apply for construction funding.

As a result of the record number of feasibility studies, CERB has a built in project pipeline for future construction projects. Not all projects will be found feasible for construction, and not all construction projects will be funded by CERB. However, there is a potential that 2/3 of the planning projects would come back to CERB for construction funding.



Also, with staff's outreach, education and a focus on Tribe's, CERB has also seen a record number of Tribal applications. These projects have been funded since 2011.

Community Economic Revitalization Board

CERB ID	Approval Date	County	Applicant	Project Title	CERB Grant	Match
A2012-007	3/15/2012	Snohomish	Tulalip Tribe	Qualco Nutrient Recovery	\$25,000	\$14,000
A2014-020	9/18/2014	Clallam	Makah Tribe	Makah Broadband Project Feasibility Study	\$46,875	\$15,625
A2015-029	1/15/2015	Clallam	Quileute Tribal Council	Quileute Broadband Access Planning	\$45,000	\$15,000
A2016-045	1/21/2016	Clallam	Quileute Tribal Council	Higher Ground Infrastructure Master Plan	\$50,000	\$16,667
A2016-049	3/17/2016	Clallam	Jamestown S'Klallam Tribe	Wastewater Infrastructure Planning Support Study	\$50,000	\$21,389
A2016-047	3/17/2016	Spokane	Kalispel Tribe of Indians	Native American Sewing Company Planning Study	\$50,000	\$17,000
A2016-058	6/28/2016	Clark	Cowlitz Indian Tribe	Cowlitz Indian Reservation Site Plan and Development Feasibility Study	\$50,000	\$16,667
A2016-060	6/28/2016	Pend Oreille	Kalispel Tribe of Indians	Lodging & Amenities Feasibility Study	\$25,000	\$8,333
					\$341,875	\$124,681

As you can see a majority of these projects have been funded in 2016. CERB has many on-going conversations with Tribes, that indicate that there will be more projects to come, including construction projects.

I would like to add one more project one more project to the list. Last week CERB approved a \$50,000 grant for the Makah Tribe's Cape Flattery Fisherman's Co-op Expansion. A feasibility study to develop a strategy to upgrade the processing plant potential to increase value added, new sales, and create jobs. CERB funds were matched with \$16,000 of local funds.

Community Economic Revitalization Board



The grant the Makah Tribe received from CERB allowed us to move our Broadband project along from Phase I to Phase II to determine how we can expand economic opportunity in our community with immediate as well as long term results. In our "toolbox" of funding opportunities, we have CERB listed, and we look forward to working with them again in the near future.

- Crystal Hottowe, Grants Writer
Makah Tribe



In September 2014, CERB approved a \$46,875 grant for the Makah Broadband Feasibility Study. This was a feasibility study concentrating on closing the fiber optic cable gap between Clallam Bay and Neah Bay (phase II planning). CERB funds were matched with \$15,625 of local funds.

The Tribe has a microwave link that has connected their school to OSPI, they have connected 3 government buildings, with 7 more to be connected by the end of the year.



Community Economic Revitalization Board

Project Tracking

Job creation, wages, and private investment



Tracked for 5 years **after** a project is complete.



CERB's project tracking is a very unique nexus of the program.

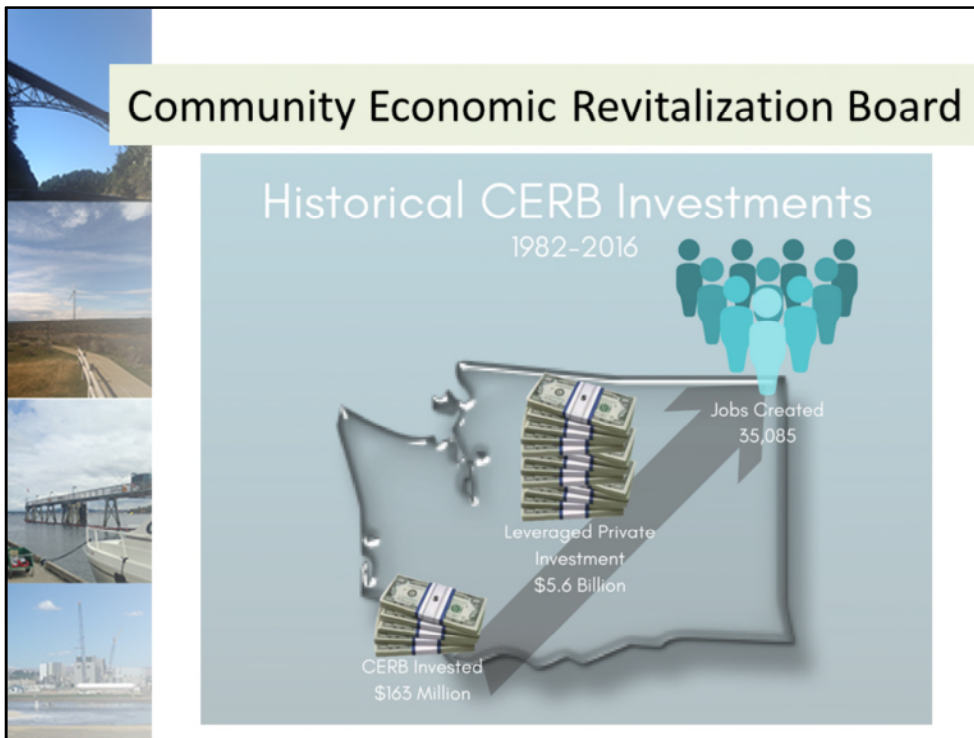
CERB tracks ALL project for 5 years after completion.

Planning projects are tracked on average for 7 years.

Construction projects are tracked on average for 9 years.

The data collected is reported to the legislature in the Boards biennial report.

Community Economic Revitalization Board




Here is a snap shot of historical actuals based on the data collected.

Other data points:

Historical local match \$370 M

Historical cost per job \$4,645

Historical private investment \$34 for per \$1 of CERB



Community Economic Revitalization Board

THANK YOU!

Janea Eddy,

Program Director & Tribal Liaison

360.725.3151 or janea.eddy@commerce.wa.gov

www.commerce.wa.gov/CERB



CERB had an agency request for \$8 million for the 2017-19 biennium, which was the anticipated loan and interest repayment revenue. In the Governor's 2017-19 Budget, CERB did not receive an appropriation. The funds from the Public Facility Construction Loan Revolving Account were appropriated to the State's Brownfields Program, for affordable housing.

The Public Facility Construction Loan Revolving Account, is the account CERB's loan repayments and interest are deposited into, this account is also the account CERB receives authority to loan and grant money from.