



Community Economic Revitalization Board

# 2019-21 Program Policies

Effective July 1, 2017 – June 30, 2019



Janea Delk, Executive Director & Tribal Liaison

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Community Economic Revitalization Board

2019-2021 Program Policies

Effective July 1, 2019- June 30, 2021\*

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## CERB's Mission

The Community Economic Revitalization Board (CERB) was created as a state board in 1982 in [Chapter 43.160, Revised Code of Washington](#). CERB provides financing for public facilities and site specific planning projects designed to attract and retain private business, create permanent private jobs, and promote economic development. Projects are evaluated by the Board every two months, with funds awarded to projects with merit on a first-come, first-served basis.

## Eligible Applicants and Projects

Public entities are eligible to apply for and receive loans and grants for public facilities linked to economic development outcomes such as private business investment and job creation. CERB also finances site-specific studies and plans.

Eligible Applicants	Eligible Public Facilities	Eligible Planning Projects
<ul style="list-style-type: none"><li>• Cities and Towns</li><li>• Counties</li><li>• Federally Recognized Indian Tribes</li><li>• Municipal Corporations</li><li>• Public Port Districts</li><li>• Quasi-Municipal Corporations</li><li>• Special Purpose Districts</li></ul>	Planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of <b>public</b> : <ul style="list-style-type: none"><li>• Bridges/Roads/Transportation</li><li>• Buildings or Structures</li><li>• Domestic and Industrial Water</li><li>• Earth Stabilization</li><li>• Electricity/Natural Gas</li><li>• Port Facilities</li><li>• Rail</li><li>• Sanitary Sewer</li><li>• Stormwater</li><li>• Telecommunications</li><li>• Research, testing, training, and incubation facilities in designated Innovation Partnership Zones (IPZs) authorized under RCW 43.330.270.</li></ul>	Site-specific studies and plans that address: <ul style="list-style-type: none"><li>• Environmental impacts</li><li>• Capital facilities</li><li>• Land use</li><li>• Permitting</li><li>• Project engineering &amp; design</li><li>• Feasibility &amp; marketing</li><li>• Site planning &amp; analysis</li><li>• Project debt &amp; revenue impact analysis</li></ul>

## Ineligible Activities

Project is **ineligible** for CERB if:

- The project's primary purpose is to promote or facilitate a retail shopping development or expansion
- The project would displace existing jobs in another part of the state
- The project's primary purpose is to promote or facilitate gambling
- The project is located outside of the jurisdiction of the applicant
- A business in the marijuana industry is an **ineligible** Committed Private Partner.
- A plan that is mandated/required by a statute, law, or regulatory agency.

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#### Available Funding

\$8,600,000 million was appropriated to CERB for the 2019-2021 Biennium. By state law, CERB must award 75% of this funding to projects in rural counties.

The Board has also allocated \$1,612,500 to be available for construction grants on a first-come, first-served basis.

The Board has also allocated \$537,500 to be available planning grants on a first-come, first-served basis.

Program	Funding Limitations
<b>Committed Private Partner Construction</b>	<ul style="list-style-type: none"><li>• \$3 million per project loan/grant award limit</li><li>• Grant: Up to 25% of total award, <b>determined by</b> the underwriting process and the Debt Service Coverage Ratio.</li><li>• 20% cash match required (minimum, percent of total project cost)<ul style="list-style-type: none"><li>➤ <i>Example:</i> \$3 million CERB + \$750,000 minimum match = \$3,750,000 Total Project Cost</li></ul></li></ul>
<b>Prospective Development Construction</b>	Available to rural communities only. <ul style="list-style-type: none"><li>• \$2 million per project loan/grant award limit</li><li>• Grant: Up to 25% of total award, <b>determined by</b> the underwriting process and the Debt Service Coverage Ratio.</li><li>• 50% cash match required (minimum, percent of total project cost)<ul style="list-style-type: none"><li>➤ <i>Example:</i> \$2 million CERB + \$2 million minimum match = \$4,000,000 Total Project Cost</li></ul></li></ul>
<b>Planning/Economic Feasibility Studies</b>	<ul style="list-style-type: none"><li>• \$25,000 grant per project, for planning activities that <b>will not</b> lead to CERB construction project.</li><li>• \$50,000 grant per project for planning activities that <b>could</b> lead to CERB construction project.</li><li>• 25% cash match required (minimum, percent of total project cost)<ul style="list-style-type: none"><li>➤ <i>Example:</i> \$50,000 CERB + \$16,667 minimum match = \$66,667 Total Project Cost</li></ul></li></ul>

#### Loan and Grant Terms

##### Per Project Limits and Loan/Grant Mix

CERB is primarily a loan program. Grants for construction projects may be awarded, on a case-by-case basis, based on an applicant's financial need. If an applicant is awarded a loan and grant for a project, the loan funds will be distributed before any grant funds are paid out. Once the CERB loan award is exhausted, grant funds may be used.

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## Loan/Grant Financing Criteria and Eligibility Model

	Eligible for Grants		Loan Years					
			1-10 Years		11-15 Years		16-20 Years	
DSCR	Rural County/Community	Urban County	Distressed County**	Non-Distressed County	Distressed County**	Non-Distressed County	Distressed County**	Non-Distressed County
1.0-1.25	25%*	No	1.00%	1.50%	1.25%	1.75%	1.50%	2.00%
1.26-1.49	15%*	No	1.50%	2.00%	1.75%	2.25%	2.00%	2.50%
1.50+	No	No	2.00%	2.50%	2.25%	2.75%	2.50%	3.00%

\*Percentage is of the CERB request.

Criteria that staff uses to determine grant eligibility and interest rate:

- Debt Service Coverage Ratio (DSCR) (See [Attachment 1](#) of these policies)
- Rural/Urban Counties/Communities
- Length of Loan Term
- Annual Capital Plan

*\*\*Distressed counties are designated by the Washington State Employment Security Department. These counties are where the three-year unemployment rate is at least 20 percent higher than the statewide average.*

## Grants

Grants are based on financial need of the applicant. The applicant is asked to explain the financial need for the grant in the application. Staff also conducts an underwriting process to determine the financial health of the applicant.

## Deferrals

In unique circumstances, CERB may approve deferral of loan payments for up to three (3) years. Interest on the loan continues to accrue during any deferral period and the first payment due after the deferral shall consist of interest only. Subsequent payments will be principal and interest for the duration of the loan term. No loan term shall exceed 20 years, including any deferral period.

Deferrals are based on financial need of the applicant. The applicant is asked to explain the financial need for a deferral in the application. If a deferral is requested, staff will take this into consideration during the underwriting process.

## Loan Security

### General Obligation Loans

CERB loans are a general obligation of the taxing authority of the applicant. Applicants without taxing authority are not eligible for general obligation loans from CERB, unless the Board approves special circumstances, such as a loan guarantee authorized by a body with taxing authority.

### Revenue-Based Loans

All loans made by CERB will be secured according to the Board's policy for general obligation loans. Any request for deviation from this policy must be fully justified by the municipal entity requesting the loan and included within the loan application.\*

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If a revenue-based loan is requested, and the application contains bond counsel's opinion that the debt will not exceed the entity's legal borrowing capacity, it is the Board's policy that any such loan shall be a senior lien obligation payable from all revenues legally available to the requesting municipal entity. The Board will generally not consider requests for loans secured solely by revenues of the activity to be financed.

If a junior lien revenue pledge for the proposed borrowing is requested, the borrowing entity must provide an opinion from bond counsel that issuance of additional parity senior lien revenue debt in the amount requested would violate one or more covenants of the outstanding debt, with appropriate explanation included.

All revenue-based loan requires a cash flow projection for the five (5) years following completion of the proposed project. Projections must reflect the revenue(s) of any lease agreement(s) with the committed private partner (ISP) pertaining to the project. Cash flow must demonstrate at least 120% annual coverage of debt service on the proposed loan and any information on other outstanding revenue-backed obligations must be provided as part of the application. Prospective developments are not eligible for revenue-based loans.

By state law (RCW 53.08.040(1)), port districts operating pollution control facilities may not pay the costs of operating such a facility out of the tax revenues of the port. Therefore, loans made by CERB to port districts for such facilities shall be revenue-based loans only.

*\* When requesting deviation from the general obligation loan policy, i.e., to request a revenue-based loan, the district must submit an opinion of the requesting municipal entity's bond counsel that the amount of the requested loan would not exceed the requesting municipal entity's legal borrowing capacity. An opinion from bond counsel will be required in all cases.*

### Match Requirements

CERB requires a cash match for all projects. The cash match is identified in the application approved by CERB and subsequent pre-contract conditions. Any secured funds for the public project approved by CERB, including other state or federal loans and grants, may be considered matching funds.

### Application Requirements

CERB will only consider projects that submit complete applications before or on the due date and meet the minimum threshold criteria. Staff is responsible for determining whether or not applications are complete and pass threshold. By statute, all CERB applications must be supported by the local [Associate Development Organization \(ADO\)](#) or be approved by the governing body of a federally recognized Indian tribe.

### Committed Private Partner & Prospective Development Construction Projects

The Committed Private Partner and Prospective Development program applications are a two-tiered application. The applications are an online application; please contact staff when you are ready apply, to receive the application link.

### Evidence of Private Development

Convincing evidence that private development is ready to occur and will only occur with the construction of the public facilities, is required for all construction projects. This evidence must be included with the Tier 2 application and must consist of, at a minimum:

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- **Committed Private Sector Partner Construction:** signed Contingency Agreement(s) between the applicant and the private business. If a developer is involved in the project, the developer must also be a party to the contingency agreement. Signatures on the Contingency Agreement(s) shall be those regularly authorized to commit the parties to an agreement.

See [Attachment 2](#) of these policies for a sample Contingency Agreement.

- **Prospective Development Construction:** All Prospective Development projects must demonstrate economic benefit through a completed economic feasibility study. Minimum threshold criteria for an economic feasibility study are included under [Planning: Minimum Requirements](#) in this policy document.

#### Median Wage

By law, applicants must demonstrate convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage.

CERB works closely with the Washington State Employment Security Department (ESD) and uses ESD's most current published median wage data. The current data can be found at [County Median Wage](#). CERB's method of median wage calculation is consistent with ESD's method, ensuring an "apples to apples" comparison when determining whether the wages of the proposed CERB project jobs exceed countywide median wage.

#### Median Wage FAQ

**Q: What is the median wage requirement for CERB projects?**

**A:** By law, CERB can only consider construction projects for which an **application** demonstrates "*convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage*" (RCW 43.160.060(2)(g)).

**Q: What is a median?**

**A:** A median is defined as the midpoint in a set of numbers. It's the point at which one half (50%) of the numbers in the set fall above and one half (50%) of the numbers fall below. The median is also sometimes referred to as the "50<sup>th</sup> percentile."

**Q: How is a median calculated?**

**A:** Values (in CERB's case, jobs at hourly wage rates) are listed in order, either from highest to lowest or lowest to highest. The middle-most number is the median. If the number of values is even, the median is the average between the middle two values.

Example A:	Example B:
Hourly Wage	Hourly Wage
\$14	\$14
\$27	\$27
\$27	<b>\$27</b>
\$27	<b>\$40</b>

**Q: What is the timeframe of the projected median wage?**

**A:** CERB's application asks for the job number and wage projections for **5 years** after the construction project is complete. CERB construction projects can take approximately **4 years** to complete.

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\$30	\$40
\$40	\$55
\$40	
\$55	
\$59	
<b>Median = \$30</b>	<b>Median = \$33.50</b> (the average of \$27 and \$40)

**Q: Does the number of jobs at a specific wage impact the median calculation?**

**A:** Yes. CERB factors in the number of jobs estimated by the applicant to be created at a particular wage, a calculation which is sometimes referred to as a weighted median. This is consistent with the manner in which the Labor Market and Economic Analysis Branch of the Washington State Employment Security Department calculates median wage when publishing median wage data.

**Significant Job Creation**

By law, CERB may only fund construction projects which can demonstrate that either significant private job creation or significant private investment will occur as a result of the public project.

CERB uses a cost per job (created and retained) criteria for determining whether the estimated jobs created and retained as a result of CERB investment in a project are found to be “significant.”

*Use the table below as an example.*

CERB Cost per Job	Example 1	Example 2	Example 3
\$30,000 or less	For a \$3 million loan, a minimum of <b>100 jobs</b> created/retained	For a \$2 million loan, a minimum of <b>67 jobs</b> created/retained	For a \$1 million loan, a minimum of <b>33 jobs</b> created/retained

**Significant Private Investment**

Significant private investment is considered private investment, which exceeds the value of the CERB investment in the projects (public and private portions of the project).

**Rural Counties and Communities**

Jurisdictions in rural counties and rural communities are eligible for Prospective Development awards. Rural counties are defined as those with a population density of fewer than 100 persons per square mile or a county smaller than 225 square miles, as determined by the Office of Financial Management (RCW 43.160.020). In addition, the Board has defined rural communities in urban counties as those that meet any one of the following standards:

- Cities within an urban county that have a population of 19,999 or less.
- Federally recognized Indian tribes within an urban county.

The following cities and towns in urban counties are designated as rural communities:

- Benton County: Benton City, Prosser, West Richland
- Clark County: La Center, Ridgefield, Washougal, Yacolt
- King County: Algona, Beaux Arts Village, Black Diamond, Carnation, Clyde Hill, Duvall, Enumclaw, Hunts Point, Lake Forest Park, Medina, Newcastle, Normandy Park, North Bend, Pacific, Skykomish, Snoqualmie, Tukwila, Woodinville, Yarrow Point

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- Kitsap County: Port Orchard, Poulsbo
- Pierce County: Buckley, Carbonado, DuPont, Eatonville, Edgewood, Fife, Fircrest, Gig Harbor, Milton, Orting, Roy, Ruston, South Prairie, Steilacoom, Sumner, Wilkeson
- Snohomish County: Arlington, Brier, Darrington, Gold Bar, Granite Falls, Index, Monroe, Snohomish, Stanwood, Sultan, Woodway
- Spokane County: Airway Heights, Cheney, Deer Park, Fairfield, Latah, Liberty Lake, Medical Lake, Millwood, Rockford, Spangle, Waverly
- Thurston County: Bucoda, Rainier, Tenino, Yelm
- Whatcom: Blaine, Everson, Ferndale, Lynden, Nooksack, Sumas

### Federal Recognized Tribes:

- Clark County: Cowlitz Indian Tribe
- King County: Muckleshoot Tribe, Snoqualmie Tribe
- Kitsap County: Suquamish Tribe
- Pierce County: Puyallup Tribe
- Snohomish County: Tulalip Tribe, Sauk-Suitattle, Stillaguamish Tribe
- Spokane County: Kalispel Tribe of Indians, Spokane Tribe
- Thurston County: Chehalis Confederated Tribes, Nisqually Tribe, Squaxin Island Tribe
- Whatcom County: Nooksack Indian Tribe, Lummi Nation

### Telecommunications

CERB may finance telecommunication infrastructure investments which serve to link specific or prospective private sector developments to existing telecommunications network infrastructure to enable the connection, provide special services, or create redundancy.

CERB requires business entities to first seek telecommunications service delivery from existing private providers in support of a Committed Partner Construction project or Prospective Development projects. If an existing telecommunications service provider is unable to meet the private sector business needs, CERB will consider applications for financial assistance to meet the telecommunications need.

CERB does not invest public funds in equipment or facilities which would enable a public entity to provide retail telecommunication services or services that the entity is not authorized by statute to provide.

CERB does not invest in the deployment of publicly-owned telecommunication network infrastructure (“backbone”) solely for the sake of creating competitive, publicly-owned telecommunication network infrastructure.

### Greenhouse Gas Emissions Reduction

State law requires competitive state infrastructure funding programs to take into consideration the reduction of Greenhouse Gas (GHG) Emissions in the project selection process. CERB applicants must document activities undertaken intended to reduce GHG emissions, including providing any related adopted policies or standard. Below are some examples of such activities:

- Commute Trip Reduction program
- Converting to LED lighting

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- Converting to Hybrid vehicles
- Using energy efficient pumps
- Recycling

### Growth Management Act (GMA) Compliance

As provided in RCW 43.17.250, the Board shall, for appropriate jurisdictions, consider whether the applicant has adopted a comprehensive plan and development regulations as required by the GMA. Staff will verify GMA compliance as part of the application review.

### Economic Development Project Permitting

As required in RCW 43.160.060, CERB must evaluate projects based on whether or not their permitting processes are compliant with Chapter 231, Laws of 2007. This requirement is that permit applicants be provided with the following information when applying for a development permit from a city, county, or state agency:

- The minimum and maximum time an agency will need to make a decision on a permit, including public comment requirements;
- The minimum amount of information required for an agency to make a decision on a permit;
- When an agency considers an application complete for processing;
- The minimum and maximum costs in agency fees that will be incurred by the permit applicant; and
- The reasons for the denial of a permit given in writing.

CERB requires this only of **cities**, **towns**, and **counties**. The Board evaluates this based on a self-certification completed by the applicant.

### Other Funding Criteria for Construction Projects

- The relative benefits provided to the community by the jobs the project would create, not just the total number of jobs expected to be created after the project is completed, but also giving consideration to the unemployment rate in the area in which the jobs would be located;
- The rate of return of the state's investment, including, but not limited to, the leveraging of private sector investment, anticipated job creation and retention, and expected increases in state and local tax revenues associated with the project;
- Whether the proposed project offers a health insurance plan for employees that includes an option for dependents of employees;
- Whether the public facility investment will increase existing capacity necessary to accommodate projected population and employment growth in a manner that supports infill and redevelopment of existing urban or industrial areas that are served by adequate public facilities. Projects should maximize the use of existing infrastructure and provide for adequate funding of necessary transportation improvements; and

### Planning Projects

The planning application is an online application; please contact staff when you are ready apply, to receive the application link.

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#### Economic Development Minimum requirements

All planning projects funded by CERB must complete the following minimum requirements and include them in the final submitted document:

1. A product market analysis linked to economic development.
2. A market strategy containing action elements linked to timelines.
3. Identification of targeted industries.
4. Identification of the group responsible for implementing the marketing strategy. Describe the group's capacity to complete the responsibility.
5. The site's appropriateness by addressing, at minimum, appropriate zoning, affect to the state or local transportation system, environmental restrictions, cultural artifact investigation, and the site's overall adequacy to support the anticipated development upon project completion.
6. A location analysis of other adequately served vacant industrial land.
7. Total funding for the public facilities improvements is secured or will be secured within a given time frame.
8. An analysis of how the project will assist local economic diversification efforts.
9. Indicate the specific issues that will be addressed.
10. List one or more economic outcomes that you expect from the proposed CERB project.
11. Describe the specific, quantifiable measures of the outcome(s) that will indicate success. Describe in measurable terms what you expect to be able to show as progress toward the outcome for each year before the whole outcome has been achieved.
12. Describe what data you will collect to determine whether the outcome is being achieved.
13. Describe the data collection procedure including when data will be collected, from whom and by whom.
14. The estimated median hourly wage of the jobs created when development occurs.
15. If the project is determined to be feasible, the following information must be provided within the final report:
  - a. Total estimated jobs created (in FTEs).
  - b. Describe benefits offered to employees.
  - c. Describe the median hourly wage of the new jobs in relation to the median hourly county wage.
  - d. The county three-year unemployment rate in relation to the state rate.
  - e. County population change in the last five years.
  - f. The estimated jobs created represent what percentage of the county's labor force.
  - g. The estimated jobs created represent what percentage of the county's unemployed workers.
  - h. Estimated new annual state and local revenue generated by the private business.
  - i. Estimated private investment generated by project.

#### Broadband Minimum requirements

1. Community Support
  - a. Create a Community Broadband Team
    1. Provide list of members, including name and title
  - b. Hold at least one Community Broadband Meeting
    1. Send emails to broadband providers currently serving your community and invite them to the community meeting.
    2. Questions for attendees:
      - a. Which providers are currently serving your community?
      - b. Which providers attended your meeting?
      - c. How does the mapping results compare with members' actual experiences? (if there is mapping available)
      - d. Does existing broadband access meet your needs?
      - e. If it is inadequate, in what ways does it fall short?
      - f. If you have broadband, how do you use it now?

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3. Provide documentation showing meeting dates, notes, agenda and number of attendees, emails to providers and responses to the questions above.
2. Project Focus
  - a. Defines local broadband needs and goals.
  - b. Inventory existing broadband infrastructure assets within the community.
  - c. Includes a gap analysis defining the additional broadband infrastructure necessary to meet the identified goals.
  - d. Include one or more potential network designs, cost estimates, operating models and business models.
  - e. Include an assessment of municipal procedures, policies, rules and ordinances that impact or influence broadband infrastructure deployment.
  - f. Digital Inclusion
    1. Affordable Internet –Describe how community will address providing affordable internet options.
    2. Affordable Equipment - Describe how community will expand the availability of affordable equipment to low-income residents.
    3. Digital Literacy Training – Describe how community will teach people to use technology.
    4. Public Computer Access –Describe how community will increase public computer access locations.
3. Create a Vision Statement
  - a. A Vision Statement is created by Community Broadband Team with input from the public at the Community Broadband Meeting, with the goal to take a first step toward being able to set a direction for the community's future broadband efforts.
  - b. The statement should describe the role broadband would play in the community's future.
    1. Identify specific priority areas (*e.g.*, connecting community anchor institutions, ensuring older citizens can age in place, closing the "homework gap", providing affordable high-speed connections to a business park).
  - c. Explain how this effort conforms to other planning documents/published visioning efforts on other issues in your community.
4. Financial Commitment and Budget
  - a. Submit a budget for the plan aligned to significant project plan milestones, costs and tasks.
  - b. Submit Pro Forma Income Statement and Expenses.
    1. Income Statement
    2. Balance Sheet
    3. Cash Flow
  - c. Identify potential sources of funding for the broadband infrastructure.
  - d. Include letters of commitment for community funding.
  - e. Include letters of commitment from any Internet Service Providers.
5. Identify Key Documents/Existing Efforts
  - a. Does the municipality use broadband to deliver municipal services? Describe the services, and how broadband is used to deliver these services.
  - b. Is there local or regional economic development plans in which broadband could play a role? If so, provide a list of these documents.
  - c. Are there any on-going community projects focusing on the digital divide or information technology (public access through schools or libraries, training, improving access to broadband, etc.?)
6. Identify potential Community Anchor Institutions and Businesses
  - a. Provide a list of potential community anchor institutions\*.
  - b. Provide a list of businesses\*\* that could benefit from lower cost, higher bandwidth, and/or improved reliability of broadband.

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\*CERB reserves the right to update these policies through Board action at any time. Updates will be published in this document and posted at [www.commerce.wa.gov/cerb](http://www.commerce.wa.gov/cerb).

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1. Including the level of broadband improvements needed by the business to become and/or remain competitive and/or expand markets.
7. Development of a Management Plan
  - a. Define (or refine) the broadband plan. The plan should have a clear definition of roles and responsibilities, partners required, levels of effort and associated costs, and a timeline. Plans and actions must include promotion and community awareness, and extend beyond the initial deployment.
8. Complete Readiness Self-Assessment
9. Evaluate how the project would benefit health and safety for the community.
10. Evaluate how this project would benefit education access (for all ages).
11. Identify if the community unserved or underserved (defined by the Board).
  - a. Provide evidence of how this was determined.

\* *Community Anchor Institutions definitions: includes facilities such as libraries, township halls, fire and police stations, city halls, county buildings, state facilities, public safety locations, hospitals and nursing homes, and educational institutions.*

\*\**Business definitions: all business types; includes farms & home-based businesses, and work-at-home/telecommuter use of broadband.*

## Application Process

### Due Dates

- **Construction** Tier 1 applications are due approximately 60 days prior to the CERB meeting, at which the application will be considered.
- **Construction** Tier 2 are due approximately 45 days prior to the CERB meeting, at which the application will be considered.
- **Planning** applications are due approximately 45 days prior to the CERB meeting, at which the application will be considered.

Application [due dates](#) are published on the Board's annual meeting schedule and are posted to the CERB website.

### Staff Recommendation

Once the application has passed the threshold review, staff will work with the applicant to vet the application and the project. Staff will write a staff recommendation to the Board, the applicant will be able to review the staff recommendation prior to submission to the Board.

### Applicant Attendance at a Board Meeting

Applicants are **required** to attend the Board meeting at which their project is being considered. For Committed Private Partner applications, the committed private partner identified in the application is also **required** to attend and be available to respond to questions from the Board. Applicant and private partner presentations to the Board are not required, but generally are given. Applicant presentations are limited to 20 minutes.

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## After Board Approval

### Initial Offer of Financial Aid

Upon project approval by the Board, an Initial Offer of Financial Aid will be sent to the award recipient. The Initial Offer must be signed by the recipient within 45 days of the award. If the Initial Offer is not signed within this time period, it will be assumed that the award recipient has chosen to withdraw from the project.

### Readiness to Proceed

Prior to execution of a final contract, award recipients must meet pre-contract conditions within the following timeframes:

- **Construction:** pre-conditions must be met within 6 months of the award decision
- **Planning:** pre-conditions must be met within 4 months of the award decision

### Extension Requests

The award recipient must have all pre-contract conditions fulfilled within the time period specified in the Initial Offer of Financial Aid. If an extension of time to meet the pre-contract conditions is necessary, the award recipient may make a request in writing, 3-weeks prior to the pre-contract conditions due date. When the Board considers extensions to the Initial Offer, the standard extension period shall be:

- **Construction:** Six months. In exceptional circumstances, an extension of up to one year may be granted; however, the Board will be explicit in its reasoning for such an exception. Generally, the Board will not consider extensions beyond 12 months.
- **Planning:** Four months. In exceptional circumstances, an extension of up to 6 months may be granted; however, the Board will be explicit in its reasoning for such an exception. Generally, the Board will not consider extension beyond 6 months.

The Board must approve the extension of the Initial Offer by the pre-contract conditions due date, or the offer shall be considered withdrawn.

### Archaeological & Cultural Resources

In order to protect the rich cultural heritage of Washington State, Governor Christine Gregoire signed Governor's Executive Order 05-05 (GEO 05-05). All projects awarded state capital funds must have consultation conducted with the Department of Archaeology & Historic Preservation (DAHP) and any Federally recognized Indian tribes that may have cultural/historic interest or concerns in your project's vicinity.

However, if your project, through federal involvement, will be subject to Section 106 of National Historic Preservation Act, that *may* satisfy the GEO 05-05 process.

Please remember that the GEO 05-05 process must be completed prior to the **start of construction**.

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#### Process Administration

- The funding recipient starts the process by submitting an EZ1 form to the CERB Executive Director & Tribal Liaison.
- The CERB Executive Director & Tribal Liaison will conduct the consultation with DAHP and the Tribes.

#### DAHP Consultation

The GEO 05-05 process requires funding recipients *define* the construction project area for potential impact and *identify* any building or structures 45 years or older that are located within the project site. For projects that plan to alter structure 45 years of age or older, an online inventory survey must be completed, by the funding recipient.

DAHP can issue a broad range of responses to the submittal. A common response is a "No Effect Upon Cultural/Historic Properties" letter. If you receive such a letter, you have completed the DAHP portion of the review.

If DAHP requires more information (completion of additional forms, cultural survey, inadvertent discovery plan, etc.) you must comply with the request. It is possible that you will need to hire a professional archaeologist to address this. Only when DAHP concurs with the additional materials provided is the DAHP portion of GEO 05-05 complete.

#### Tribal Consultation

Tribal consultation is initiated by sending a letter, including any project information describing the location, extent of the project to the potential affected Federally recognized Indian tribes(s), and a map of the impacted area.

See [Attachment 3](#) of these policies for Cultural Resource Review Checklist.

See [Attachment 4](#) of these policies for CERB EZ-1 Form.

The Tribe(s) will be allowed at least 30 days to respond. There may be no response, or there may be a wide range of responses to the information provided. As with DAHP, if additional materials are required, they must be provided to the Tribe(s) and they must concur with the findings.

### Contract Requirements

Once CERB funds have been committed to a project and pre-contract conditions have been met, the Board will execute a contract with the award recipient. The following requirements are highlighted:

#### Project Commencement

Projects must commence within six months of contract execution. The Board may approve extensions on a case-by-case basis upon written request.

#### Matching Funds

Projects must spend at least 25% of the identified matching funds prior to drawing any CERB funds. Match expenditures must be documented in a form acceptable to CERB.

See [Attachment 5](#) of these policies for the CERB Funds & Match Tracking Form.

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#### Disbursement of CERB Funds

CERB funds are disbursed on reimbursement basis-only for eligible costs within the approved project's scope of work. CERB funds will be reimbursed and the identified match funds will be paid out, in concert at the same percentages as the total project cost split, until CERB funds or matching funds are exhausted. Exceptions to this requirement may be granted by the Executive Director & Tribal Liaison on a case-by-case basis. The Recipient must meet the identified match commitment over the project period.

Reimbursement includes both invoices that have been paid and invoices due within 30 days of reimbursement request.

If a project has been awarded a combination of loan and grant funds, loan funds will be disbursed prior to grant funds.

See [Attachment 6](#) of these policies for the reimbursement Instructions.

#### Repayment

Unless a deferral has been approved by the Board, annual loan repayments begin 13-19 months following the first disbursement of loan funds. If the first disbursement occurs between January 1 and June 30, the first loan repayment will be due July 31 of the following year. If the first disbursement occurs between July 1 and December 31, the first loan repayment will be due January 31 of the year following the first anniversary of disbursement.

*Example:* If Project A draws CERB loan funds on March 1, 2017 their first loan payment will be due on July 31, 2018. If Project B draws CERB loan funds on September 10, 2017 their first loan payment will be due on January 31, 2019.

See [Attachment 7](#) of these policies for a sample amortization schedule.

#### Eligible Costs

Eligible activities include the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of public facilities identified in these policies and in the approved project scope of work. See [Attachment 8 and 9](#) of these policies for a list of eligible and ineligible costs for construction and planning projects.

#### Reporting

After contract execution, projects must provide quarterly progress reports to CERB by the following dates:

- January 15
- April 15
- July 15
- October 15

Quarterly reports shall be submitted in a format approved by CERB and are to be submitted until the project is completed.

A final project report must be submitted with the final request for reimbursement. If the project was a planning grant/economic feasibility study, a copy of the feasibility study or planning document must also be provided.

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CERB will collect project outcome data for a minimum of five years after the public project is completed. See [Post-Project Data Reporting Requirements](#) for more detail.

### Retainage

Ten percent (10%) of the CERB award will be withheld until the CERB-funded project is completed and a final project report and other deliverables identified in the contract have been submitted to CERB. Final project reports must be submitted on forms provided by CERB.

### Project Completion

- Construction projects must be complete within four (4) years of contract execution.
- Planning projects must be complete within two (2) years of contract execution.

Exceptions may be granted on a case-by-case basis by the Board.

### Facilities Constructed with CERB Funds

Facilities constructed with CERB funds must be used for the purpose that was originally identified in the CERB application for a period of 10 years from date of final contract execution. If a facility is converted within that time period without prior approval, the Board will insist upon immediate repayment of all loan and grant funds awarded to project.

### Post-Project Data Reporting Requirements

In addition to quarterly project updates throughout the construction of a CERB-funded project, the Board continues to collect project outcomes for five years after the public project is complete. These outcomes are reported to the governor and the legislature and include:

### Construction Projects

- Private jobs created and retained
- Wages and benefits of jobs created/retained
- Private investment in the project
- State and local tax revenue
- Other criteria as determined by the legislature and the Board

### Planning Study

- Outcomes and next steps for the planning study

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**Attachment 1: Debt Service Coverage Ratio Worksheet**

<b><u>Table 1. Loan Information</u></b>	
CERB Loan Request:	\$
Term:	\$
Interest Rate:	\$
Other Annual Loan Payments associated with this project: _____	\$
<b><u>Table 2. Operating Ratio</u></b>	
year _____ Operating Income:	\$
year _____ O & M Expense:	\$
<i><b>Source of data:</b> Profit and Loss or Income Statement.</i>	
<b><u>Table 3. Debt Ratio</u></b>	
year _____ Total Debt:	\$
year _____ Total Assets	\$
<i><b>Source of data:</b> Balance Sheet.</i>	
<b><u>Table 4. Current Ratio</u></b>	
year _____ Current Assets (Cash & Cash Equivalents):	\$
year _____ Current Liabilities (debt, etc. to be paid w/in 1 year):	\$
<i><b>Source of data:</b> Balance Sheet.</i>	
<b><u>Table 5. Debt Service Coverage Ratio:</u></b>	
year _____ Total Operating Revenue:	\$
year _____ Total Operating Expenses:	\$
year _____ Net Operating Income:	\$
year _____ Short Term Debt, Est. 201_ CERB and Other Loan Payment:	\$
<i><b>Source of data:</b> Recent Adopted Budget or Profit and Loss/Income Statement and Balance Sheet.</i>	

\*CERB reserves the right to update these policies through Board action at any time. Updates will be published in this document and posted at [www.commerce.wa.gov/cerb](http://www.commerce.wa.gov/cerb).

## Attachment 2: Sample Contingency Agreement

### Contingency Agreement

In order to show that a specific private investment is ready to occur, but will do so only if CERB funding is made available to the applicant, CERB requires a signed Contingency Agreement(s) between the applicant and **each** private sector business named in the application.

The contingency agreements must contain the following terms:

#### 1. PARTIES

The parties to this Agreement are *THE APPLICANT* and *THE PRIVATE BUSINESS*.

If a developer is involved in the project, the developer must also be a party to this contingency agreement.

#### 2. PURPOSE

The purpose of this Agreement is to clarify the intentions of the parties regarding the completion of *THE PUBLIC FACILITIES PROJECT*. This section should also contain an explanation of the need for the public improvements.

#### 3. BACKGROUND

The purpose of this section is to provide a description of the public improvements which can be referenced, hereafter, as the “public facilities project.”

#### 4. AGREEMENT

This section must contain the following:

- a) A statement that the applicant agrees to construct the required public improvements providing that CERB financing is approved.
- b) A statement by the business of the projected number of permanent, full-time jobs created and/or retained as a result of the public facilities project. (*Job estimates identified here must equal those in Question 3.7/3.8.*)
- c) A statement by the business of the estimated private capital investment.
- d) An agreement by the business to contact the local Workforce Development Council (WDC) and the State Employment Security Department for assistance in filling new positions.
- e) An agreement by the business to provide the applicant with employment and investment data as requested by CERB for a period no less than five years following the completion of the public facilities project.
- f) If applicable, this section must also contain a list of any public and/or private contributions to the public facilities project, such as cash contribution or donated land.

#### 5. CONTINGENCY

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This Agreement is contingent upon receipt of CERB funds by *THE APPLICANT* and is intended to provide convincing evidence of private development as required by CERB.

The Agreement must be signed by all parties.

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Attachment 3: Cultural Resource Review Checklist

Governor's Executive Order 05-05  
Historic and Cultural Review Process & Checklist

**1a. Section 106 of the National Historic Preservation Act (Federal Funding)**

The project is subject to Section 106 of the National Historic Preservation Act

- Provide CERB Executive Director & Tribal Liaison with letter certifying Section 106 requirements have been completed.
- The CERB Executive Director & Tribal Liaison reviews submitted documentation, and concurs that no other steps need to be taken.
- Process Complete

**1b. Executive Order 05-05 (State Funding)**

Department of Archaeology and Historic Preservation (DAHP) Consultation

Step 1:

- Client submits, by email, Form EZ1 to CERB Executive Director & Tribal Liaison
- If a historic property is involved, Client complete online inventory
  - Notify CERB Executive Director & Tribal Liaison that the online inventory was completed
- CERB Executive Director & Tribal Liaison will initiate consultation with DAHP

Step 2a:

DAHP issues a "No Effect upon Cultural/Historic Properties" letter

- DAHP consultation complete

Step 2b:

DAHP requires further information (may occur several times)

- Provide requested information to DAHP and the CERB Executive Director & Tribal Liaison

Step 3:

DAHP issues final concurrence letter

- DAHP consultation complete

**2. Federally-recognized Indian Tribes consultation (may involve multiple Tribes)**

Step 1:

- CERB Executive Director & Tribal Liaison will initiate consultation with the Tribe(s) and will send notification to:
  - Tribal Cultural Resource Contact
  - Tribal Historic Preservation Officer
  - Tribal Chair
  - Applicant

Step 2a:

No response received from Tribe after at least 30 days

- CERB Executive Director & Tribal Liaison will follow-up with a phone call and email

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No response received from Tribe after at least 60 days

- CERB Executive Director & Tribal Liaison will follow-up with a phone call and email
- Tribal consultation complete

Step 2b:

Tribe issues “No Impact” letter

- Tribal consultation complete

Step 2c:

Tribe requests further information (may occur several times)

- Provide requested information to the CERB Program Manager
- Tribal consultation complete

Step 3:

Tribe issues final concurrence letter

- Tribal consultation complete

**3. Cultural Resource Review Process Completion**

Funding recipient has completed:

- Section 106 or

CERB has completed:

- DAHP Consultation, and
- Tribal Consultation

**4. Next Steps**

CERB Executive Director & Tribal Liaison has confirmed that the Cultural Resource Review Process has been completed.

- Funding recipient may begin construction.

Funds cannot be reimbursed\* until:

- All other pre-contract conditions have been met.
- A CERB contract has been executed.

\*Funds cannot be reimbursed for costs incurred prior to the initial offer date.

If you have any questions, please contact:

Janea Delk, CERB Executive Director & Tribal Liaison  
360-725-3151 or [Janea.Delk@commerce.wa.gov](mailto:Janea.Delk@commerce.wa.gov)

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Attachment 4: CERB EZ-1 Form

**PROJECT REVIEW SHEET – EZ1**  
HISTORIC & CULTURAL RESOURCES REVIEW

PROPERTY / CLIENT NAME:

FUNDING AGENCY: Community Economic Revitalization Board (CERB)

Project Applicant:	<input type="text"/>	County: <input type="text"/>
Contact Person:	<input type="text"/>	
Address:	<input type="text"/>	
Phone:	<input type="text"/>	
E-Mail:	<input type="text"/>	

**Funding Agency:** DAHP will *email* responses directly to the agency/organization contact listed here. The Project Applicant will be copied on the response.

Organization: Community Economic Revitalization Board (CERB)

Phone: 360-725-3151

Contact: Janea Delk, Executive Director & Tribal Liaison

**PLEASE DESCRIBE THE TYPE OF WORK TO BE COMPLETED**  
(Be as detailed as possible to avoid having to provide additional information)

Please describe the proposed work and detail ALL ground disturbing activities.

If building(s) over 45 years old will be altered or demolished, please complete a DAHP EZ-2 form in WISAARD for each building affected before submitting this form.

Please include the Project Number generated by WISAARD for the EZ-2 form here:

**Provide a detailed description of the proposed project. Include the dimensions of the area to be disturbed:**

**Describe the existing project site conditions (including building age, if applicable):**

**Describe in detail the proposed ground disturbing activities (length, width, and depth of proposed ground disturbance).**

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**PLEASE ATTACH A MAP of the PROJECT AREA**  
(Use Google Maps to find the location, then capture the image with the Snipping Tool or other screen capture method. Click [HERE](#) for Snipping Tool Tutorial if needed.)

**Project Location**

Township:  Range:  Section:

(Please include TRS if the project when an address is not available or may not help locate the property.)

Please draw a line around the project area.

Address:  City:  County:

CLICK in the box to upload a MAP. FILE must be a PDF format.



**eMail this form to:**  
Janea Delk, Executive Director & Tribal Liaison  
360-725-3151  
[Janea.Delk@commerce.wa.gov](mailto:Janea.Delk@commerce.wa.gov)

**NOTE:** To save this fillable form you must fill it out in Adobe Acrobat or use the PRINT to PDF function in Acrobat Reader. In Reader choose File>Print and choose Adobe PDF as the printer. The file will save to your computer.

Please be aware that this form may only initiate consultation. For some projects, DAHP may require additional information to complete our review such as plans, specifications, and photographs. An historic property inventory form may need to be completed by a qualified cultural resource professional.



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## Attachment 6: Reimbursement Instructions

### CERB Contract, Reimbursement and Reporting Process and Policies

Once CERB funds have been committed to a project and pre-contract conditions have been met, the Board will execute a contract with the client. The following requirements are highlighted:

#### Project Commencement

Projects must commence within **six months** of contract execution. The Board may approve extensions on a case-by-case basis upon written request.

#### Dedicated Account for Loan Repayment

As a general condition, all Contractors must establish a dedicated fund\* for CERB repayments. Contractors, unless guaranteed by another entity, must retain one year's repayment in the account at all times. *\*Per the Washington State Budgeting, Accounting, and Reporting System (BARS).*

#### Matching Funds

The Recipient must meet the identified match commitment over the project period. Match expenditures must be documented in a form acceptable to CERB.

#### Disbursement of CERB Funds

CERB funds are disbursed on reimbursement basis-only for eligible costs within the approved project's scope of work. CERB funds will be reimbursed and the identified match funds will be paid out, in concert at the same percentages as the total project cost split, until CERB funds or matching funds are exhausted. Exceptions to this requirement may be granted by the Executive Directory & Tribal Liaison on a case-by-case basis.

The Recipient must meet the identified match commitment over the project period.

Reimbursement includes both invoices that have been paid and invoices due within 30 days of reimbursement request. (ONLY submit invoices)

If a project has been awarded a combination of loan and grant funds, loan funds will be disbursed prior to grant funds.

#### A-19 Reimbursement Requests

The following needs to accompany **every** submitted A-19:

- Match & CERB Tracking Sheet (attached)
- All invoices that are listed on the above tracking sheet; these invoices **must** equal the match amount and requested reimbursement amount listed on the A-19.

The completed *A-19 Invoice Voucher* and supporting vendor billings should be directed to:

Janéa Delk  
Executive Director & Tribal Liaison  
CERB  
PO Box 42525  
Olympia, WA 98504-2525

#### Reporting

Projects must provide quarterly progress reports to CERB by the following dates:

- January 15

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## CERB Contract, Reimbursement and Reporting Process and Policies

- April 15
- July 15
- October 15

Quarterly reports shall be submitted until the project is completed.

### Retainage

Ten percent (10%) of the CERB award will be withheld until the CERB-funded project is completed and a final project report and other deliverables identified in the contract have been submitted to CERB. Final project reports must be submitted on forms provided by CERB.

### Project Completion

**Construction** projects must be complete within **four (4) years** of contract execution.

A final project report must be submitted with the final request for reimbursement.

**Planning** projects must be complete within **two (2) years** of contract execution.

A final project report must be submitted with the final request for reimbursement, and **one copy** of the feasibility study or planning document must also be provided

### Facilities Constructed with CERB Funds

Facilities constructed with CERB funds must be used for the purpose that was originally identified in the CERB application for a period of **10 years from date of final contract execution**. If a facility is converted within that time period without prior approval, the Board will insist upon immediate repayment of all loan and grant funds awarded to project.

### Post-Project Data Reporting Requirements

In addition to quarterly project updates throughout the construction of a CERB-funded project, the Board continues to collect project outcomes for five years after the public project is complete. These outcomes are reported to the governor and the legislature and include:

#### Construction Projects

- Public match
- Actual FTEs
- Private Investment
- Average Wage
- Other Businesses sited to Location

#### Planning Study

- Outcomes and next steps for the planning study

**If you have any questions, please contact:**

Janéa Delk  
Executive Director & Tribal Liaison  
360-725-3151  
[Janea.Delk@commerce.wa.gov](mailto:Janea.Delk@commerce.wa.gov)

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**Attachment 7: Sample Amortization Schedule**

**Estimated Repayment Schedule - Level Annual Payments  
No Deferral**

**Name of Borrower:** Project A  
**CERB Project Number:**

Enter Original Principal Amount	2,000,000.00
Enter Annual Interest Rate	3.00%
Enter the term of contract	20 (Note: Contract term in years)
Enter # periods per year	1 (Note: Number of payments per year.)
<b>APPROVAL DATE</b>	<b>7/16/2017</b> (Note: Date of Project Approval)
Enter first disbursement date	3/20/2016 (Note: Date the first disbursement was made)
<b>DATE of FIRST Payment</b>	<b>7/31/2019</b> (Note: Date of first repayment)
<b>Annual Payment</b>	<b>\$134,431.42</b>

Pmt No	Payment Due Date	Beginning Balance	Interest Paid	Principal Paid	Ending Principal	
					Balance	Total Payment
1	7/31/19	2,000,000.00	60,000.00	\$74,431.42	1,925,568.58	\$134,431.42
2	7/31/20	1,925,568.58	57,767.06	\$76,664.36	1,848,904.22	\$134,431.42
3	7/31/21	1,848,904.22	55,467.13	\$78,964.29	1,769,939.93	\$134,431.42
4	7/31/22	1,769,939.93	53,098.20	\$81,333.22	1,688,606.71	\$134,431.42
5	7/31/23	1,688,606.71	50,658.20	\$83,773.22	1,604,833.49	\$134,431.42
6	7/31/24	1,604,833.49	48,145.00	86,286.42	1,518,547.07	134,431.42
7	7/31/25	1,518,547.07	45,556.41	88,875.01	1,429,672.06	134,431.42
8	7/31/26	1,429,672.06	42,890.16	91,541.26	1,338,130.80	134,431.42
9	7/31/27	1,338,130.80	40,143.92	94,287.50	1,243,843.30	134,431.42
10	7/31/28	1,243,843.30	37,315.30	97,116.12	1,146,727.18	134,431.42
11	7/31/29	1,146,727.18	34,401.82	100,029.60	1,046,697.58	134,431.42
12	7/31/30	1,046,697.58	31,400.93	103,030.49	943,667.09	134,431.42
13	7/31/31	943,667.09	28,310.01	106,121.41	837,545.68	134,431.42
14	7/31/32	837,545.68	25,126.37	109,305.05	728,240.63	134,431.42
15	7/31/33	728,240.63	21,847.22	112,584.20	615,656.43	134,431.42
16	7/31/34	615,656.43	18,469.69	115,961.73	499,694.70	134,431.42
17	7/31/35	499,694.70	14,990.84	119,440.58	380,254.12	134,431.42
18	7/31/36	380,254.12	11,407.62	123,023.80	257,230.32	134,431.42
19	7/31/37	257,230.32	7,716.91	126,714.51	130,515.81	134,431.42
20	7/31/38	130,515.81	3,915.47	130,515.81	-	134,431.28
		<b>Totals</b>	<b>688,628.26</b>	<b>2,000,000.00</b>		<b>2,688,628.26</b>

**Pmt Due Date Note:** Payment Date is determined by date of first draw.

Unless a deferral has been approved by the Board, annual loan repayments begin 13-19 months following the first disbursement of loan funds. If the first disbursement occurs between January 1 and June 30, the first loan repayment will be due July 31 of the following year. If the first disbursement occurs between July 1 and December 31, the first loan repayment will be due January 31 of the year following the first anniversary of disbursement.

**Interest calculation method is by simple interest.**

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## Attachment 8: Eligible Costs for CERB Construction Projects

Eligible project costs are those incurred on or after the offer date of the Initial Offer of Financial Aid. This policy applies to eligible costs for CERB reimbursement and for eligible match expenditures.

CERB funds may be used to pay for the following construction-related expenses within the approved project's scope of work, commencing no earlier than the date of the Initial Offer of Financial Aid:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor (*from external sources only*)\* and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*);\*\*
- initial furnishings;\*\*\*
- landscaping; and
- real property when purchased specifically for the project, and associated costs.\*\*\*\*

At least 90% of the funds awarded for the project must be used for the construction/equipment/land acquisition portion of the project.

**\*Construction labor** does **not** include work typically performed by *employees of the applicant, unless the employee is hired solely and specifically to perform construction labor for the awarded project.*

**\*\* Construction management and observation** is *on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work typically performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the applicant, unless the employee is hired solely and specifically to perform on-site construction management as defined above.*

**\*\*\* Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

**\*\*\*\* Costs directly associated with property acquisition** include *appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.*

**Ineligible costs:** internal administrative activities, project management (from any source), fundraising activities, feasibility studies, computers or office equipment, rolling stock (such as vehicles), lease payments for rental of equipment or facilities, maintenance and operating, mortgages or property leases (including long-term), the moving of equipment, furniture, etc., between facilities, and salary & benefits for the employees of the applicant.

CERB will not recognize any requests for project costs overruns.

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**Attachment 9: Eligible Costs for CERB Planning Projects**

Eligible project costs are those incurred on or after the offer date of the Initial Offer of Financial Aid. This policy applies to eligible costs for CERB reimbursement and for eligible match expenditures.

Costs to be reimbursed by CERB under a contract are those eligible costs within the approved project's scope of work, incurred by the hired CONSULTANT during the performance of the project, commencing no earlier than the date of the Initial Offer of Financial Aid, and detailed in Attachment A of the contract. Attachment A: Scope of Work and the CERB Economic Development Minimum Requirements.

**Ineligible costs:** internal administrative activities, fundraising activities, and salary & benefits for the employees of the applicant.

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**Attachment 10: Committed Private Partner Threshold Checklist**

Threshold Criteria  
2019-2021

Project is **ineligible** for CERB if:

- The project’s primary purpose is to promote or facilitate a retail shopping development or expansion
- The project would displace existing jobs in another part of the state
- The project’s primary purpose is to promote or facilitate gambling
- The project is located outside of the jurisdiction of the applicant

**Eligible Applicants:** port districts, counties, cities, towns, special purpose districts, tribes and any other municipal corporations or quasi-municipal corporations.

**Eligible Projects:** planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, electricity, telecommunications, transportation, natural gas, buildings or structures, port facilities, and research/testing/incubation facilities in a designated IPZ.

<b>Threshold Requirements</b>	
<b>TIER 1 Application</b>	
<input type="checkbox"/>	Eligible applicant type
<input type="checkbox"/>	Eligible project type
<input type="checkbox"/>	Requested CERB loan does not exceed \$3 million ( <i>\$3 million includes any grant request</i> )
<input type="checkbox"/>	Committed cash match at least 20% of total <b>project cost</b>
<input type="checkbox"/>	A specific private development or expansion is ready to occur and will occur only if the public facility improvement is made.
<input type="checkbox"/>	Demonstration that funds are not available from other sources at rates reasonably similar to CERB’s (Federal, State, Local, Bond Market, Financial Institutions)
<input type="checkbox"/>	Project will result in the creation of significant private sector jobs or significant private sector capital investment <ul style="list-style-type: none"> <li>• Significant private investment is more than the CERB request <b>and/or</b></li> <li>• A significant number of jobs are being <i>created</i></li> </ul>
<input type="checkbox"/>	Median hourly wage of the private sector jobs <b>created</b> will exceed the countywide median hourly wage County Median Wage _____ Company Median Wage _____
<input type="checkbox"/>	In conformance with GMA (applies to cities, towns, counties only) -CERB Staff Verifies

\*CERB reserves the right to update these policies through Board action at any time. Updates will be published in this document and posted at [www.commerce.wa.gov/cerb](http://www.commerce.wa.gov/cerb).

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<input type="checkbox"/>	No significant audit findings over past 3 years (will not deny based on this, but will flag in staff analysis) -CERB Staff Verifies
<input type="checkbox"/>	Private sector partner is currently licensed to do business in Washington (might not deny based on this, but will flag in staff analysis) -CERB Staff Verifies
<b>TIER 2 Application</b>	
<input type="checkbox"/>	Project would not displace existing jobs in any other part of the state
<input type="checkbox"/>	A specific private development or expansion is ready to occur and will occur only if the public facility improvement is made. <ul style="list-style-type: none"> <li>• Signed contingency agreement for each business</li> <li>• Business plan for each business</li> </ul>
<input type="checkbox"/>	If revenue loan is requested, a cash flow projection for the five (5) years following completion of the proposed project, certified by an independent CPA, demonstrating at least 110% annual coverage of debt service on the proposed loan and any other outstanding revenue-backed obligations must be provided as part of the application.
<input type="checkbox"/>	If a grant or a loan deferral is requested, justification based on financial need is attached.
<input type="checkbox"/>	Project will improve opportunities for successful maintenance, establishment or expansion of industrial or commercial parks or facilities, or otherwise assist in creation or retention of long-term economic opportunities
<input type="checkbox"/>	Greenhouse gas policies adopted
<input type="checkbox"/>	Resolution authorizing application
<input type="checkbox"/>	Support letter from local ADO or local workforce development council or approved by Governing body of the federally recognized Indian tribe.
<input type="checkbox"/>	A letter from the applicant's bond underwriter describing the costs associated with issuing a bond for the portion of project funding being requested from CERB. Include associated fees, debt service deposit, and amount available for construction, interest rate and bond term. (ONLY REQUIRED FOR APPLICANTS <u>NOT</u> ISSUING BONDS FOR THE PROJECT DESCRIBED IN THIS APPLICATION)
<input type="checkbox"/>	Application is complete and received by the deadline

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**Attachment 11: Prospective Development Threshold Checklist**

Threshold Criteria  
2019-2021

Project is **ineligible** for CERB if:

- The project’s primary purpose is to promote or facilitate a retail shopping development or expansion
- The project would displace existing jobs in another part of the state
- The project’s primary purpose is to promote or facilitate gambling
- The project is located outside of the jurisdiction of the applicant

**Eligible Applicants:** port districts, counties, cities, towns, special purpose districts, tribes and any other municipal corporations or quasi-municipal corporations.

**Eligible Projects:** planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, electricity, telecommunications, transportation, natural gas, buildings or structures, port facilities, and research/testing/incubation facilities in a designated IPZ.

<b>Threshold Requirements</b>	
<b>TIER 1 Application</b>	
<input type="checkbox"/>	Eligible applicant type
<input type="checkbox"/>	Eligible project type. If an IPZ project, verify that IPZ is currently designated
<input type="checkbox"/>	Requested CERB loan does not exceed \$2 million ( <i>\$2 million includes any grant request</i> )
<input type="checkbox"/>	Committed cash match at least 50% of total <b>project cost</b>
<input type="checkbox"/>	Demonstration that funds are not available from other sources at rates reasonably similar to CERB’s (Federal, State, Local, Bond Market, Financial Institutions)
<input type="checkbox"/>	Median hourly wage of the private sector jobs <b>created</b> will exceed the countywide median hourly wage County Median Wage _____ Company Median Wage _____ -Staff will validate information in the feasibility study attached in the Tier 2 application.
<input type="checkbox"/>	Project will result in the creation of significant private sector jobs or significant private sector capital investment <ul style="list-style-type: none"> <li>• Significant private investment is more than the CERB request <b>and/or</b></li> <li>• A significant number of jobs are being <i>created</i></li> </ul> -Staff will validate information in the feasibility study attached in the Tier 2 application.
<input type="checkbox"/>	Project is located in rural county or rural community as defined in Board policy -CERB Staff Verifies

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<input type="checkbox"/>	In conformance with GMA (applies to cities, towns, counties only) -CERB Staff Verifies
<input type="checkbox"/>	No significant audit findings over past 3 years (will not deny based on this, but will flag in staff analysis) -CERB Staff Verifies
<b>TIER 2 Application</b>	
<input type="checkbox"/>	If <b>revenue loan</b> is requested, a cash flow projection for the five (5) years following completion of the proposed project, certified by an independent CPA, demonstrating at least 110% annual coverage of debt service on the proposed loan and any other outstanding revenue-backed obligations must be provided as part of the application.
<input type="checkbox"/>	Feasibility study backing up the project is attached
<input type="checkbox"/>	Demonstrates project feasibility using standard economic principles <ul style="list-style-type: none"> <li>• Meets min. CERB feasibility study criteria</li> </ul>
<input type="checkbox"/>	If a grant or loan deferral is requested, justification based on financial need is attached.
<input type="checkbox"/>	Project will improve opportunities for successful maintenance, establishment or expansion of industrial or commercial parks or facilities, or otherwise assist in creation or retention of long-term economic opportunities
<input type="checkbox"/>	Resolution authorizing application
<input type="checkbox"/>	Greenhouse gas policies adopted
<input type="checkbox"/>	Support letter from local ADO or local workforce development council or approved by Governing body of the federally recognized Indian tribe.
<input type="checkbox"/>	A letter from the applicant's bond underwriter describing the costs associated with issuing a bond for the portion of project funding being requested from CERB. Include associated fees, debt service deposit, and amount available for construction, interest rate and bond term. (ONLY REQUIRED FOR APPLICANTS <u>NOT</u> ISSUING BONDS FOR THE PROJECT DESCRIBED IN THIS APPLICATION)
<input type="checkbox"/>	Application is complete and received by the deadline

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**Attachment 12: Planning Threshold Checklist**

Threshold Criteria  
2019-2021

Project is **ineligible** for CERB if:

- The project’s primary purpose is to promote or facilitate a retail shopping development or expansion
- The project would displace existing jobs in another part of the state
- The project’s primary purpose is to promote or facilitate gambling
- The project is located outside of the jurisdiction of the applicant

**Eligible Applicants:** port districts, counties, cities, towns, special purpose districts, tribes and any other municipal corporations or quasi-municipal corporations.

**Eligible Projects:** site specific plans, studies and analyses that address environmental impacts, capital facilities, land use, permitting, feasibility, marketing, project engineering, design, site planning, and project debt and revenue impacts.

<b>Threshold Requirements</b>	
<input type="checkbox"/>	Eligible applicant type
<input type="checkbox"/>	Eligible project type: must be site-specific
<input type="checkbox"/>	Grant request does not exceed \$50,000
<input type="checkbox"/>	Committed cash match at least 25% of total <b>project cost</b>
<input type="checkbox"/>	Proposed scope of work meets CERB minimum criteria for feasibility studies
<input type="checkbox"/>	*Attachment A: Resolution authorizing application
<input type="checkbox"/>	*Attachment B: Evidence of Public Notification
<input type="checkbox"/>	*Attachment C: Evidence of Local Support ( <i>A statement of support from the local Associate Development Organization (ADO) or the governing body of a Federally Recognized Indian Tribe is required.</i> )
<input type="checkbox"/>	Client has looked at other sources for the project (Federal, State, Local, Bond Market, Financial Institutions)
<input type="checkbox"/>	No significant audit findings over past 3 years (will not deny based on this, but will flag in staff analysis)
<input type="checkbox"/>	Application is complete and received by the deadline

\*Attachments submitted after staff has reviewed the online application for threshold.

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## Attachment 13: Inadvertent Discovery Language

**Post copies of this plan throughout the construction area.**

If ground disturbing activities encounter human skeletal remains during the course of construction, then all activity will cease that may cause further disturbance to those remains. **The area of the find will be secured and protected from further disturbance.**

The finding of human skeletal remains will be reported to the **county medical examiner/coroner** and local law enforcement in the most expeditious manner possible. The remains will not be touched, moved, or further disturbed.

The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and make a determination of whether those remains are forensic or non-forensic.

If the county medical examiner/coroner determines the remains are non-forensic, then they will report that finding to the **Department of Archaeology and Historic Preservation (DAHP)** who will then take jurisdiction over the remains.

The DAHP will notify any appropriate cemeteries and all affected tribes of the find. The State Physical Anthropologist will make a determination of whether the remains are Indian or Non-Indian and report that finding to any appropriate cemeteries and the affected tribes. The DAHP will then handle all consultation with the affected parties as to the future preservation, excavation, and disposition of the remains.

In the event any archaeological or historic materials are encountered during project activity, work in the immediate area (initially allowing for 10' buffer, this number may vary by circumstances) must stop and the following actions taken:

1. Implement reasonable measures to protect the discovery site, including and appropriate stabilization of covering.
2. Take reasonable steps to ensure the confidentiality of the discovery site.
3. Take reasonable steps to restrict access to the site of the discovery.

The project proponent will notify the concerned Tribes and all appropriate county, state, and federal agencies, including the Department of Archeology and Historic Preservation (SHPO for Washington). The agencies and the Tribe(s) will discuss possible measures to remove or avoid cultural material, and will reach an agreement with the project proponent regarding actions to be taken and disposition of the material.

See Revised Code of Washington, Chapter 27.53 "Archaeological Sites and Resources," for applicable state laws and statutes. See Washington Executive Order 05-05, "Archaeological and Cultural Resources." Additional state and federal law(s) may also apply.

### **When to stop work:**

Construction work may uncover previously unidentified Native American or Euro-American artifacts. This may occur for a variety of reasons, but may be associated with access restrictions during project development, or if the area contains

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impervious surfaces throughout most of the project area which would have prevented standard archaeological site discovery methods.

Work must stop when the following types of artifacts and/or features are encountered:

*Native American artifacts may include (but are not limited to):*

- Flaked stone tools (arrowheads, knives scrapers etc.)
- Waste flakes that resulted from the construction of flaked stone tools.
- Ground stone tools like mortars and pestles.
- Layers (strata) of discolored earth resulting from fire hearths. May be black, red or mottled brown and often contain discolored cracked rocks or dark soil with broken shell
- Human remains
- Structural remains- wooden beams, post holes, fish weirs

*Euro-American artifacts may include (but are not limited to):*

- Glass (from bottles, vessels, windows etc.)
- Ceramic (from dinnerware, vessels etc.)
- Metal (nails, drink/food cans, tobacco tins, industrial parts etc.)
- Building materials (bricks, shingles etc.)
- Building remains (foundations, architectural components etc.)
- Old Wooden Posts, pilings, or planks (these may be encountered above or below water)
- Even what looks to be old garbage could very well be an important archaeological resource
- Remains of ships or sea-going vessels, marine hardware etc.
- Old farm equipment may indicate historic resources in the area

**When in doubt, call it in!**

#### **CONTACTS:**

Project Proponent:

Jurisdiction: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

#### **Community Economic Revitalization Board (CERB)**

Janea Delk, Executive Director & Tribal Liaison

360.725.3151 or [janea.delk@commerce.wa.gov](mailto:janea.delk@commerce.wa.gov)

#### **Department of Archeology and Historic Preservation (DAHP)**

Allyson Brooks, Ph.D., State Historic Preservation Officer/Director

360.586.3066 or [Allyson.brooks@dahp.wa.gov](mailto:Allyson.brooks@dahp.wa.gov)

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