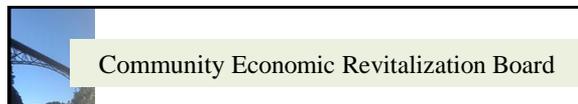




Washington State Community Economic Revitalization Board (CERB)

CERB 101 & the Application Process

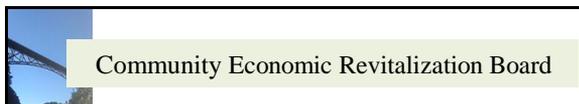



Community Economic Revitalization Board

CERB is designed to

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



Community Economic Revitalization Board

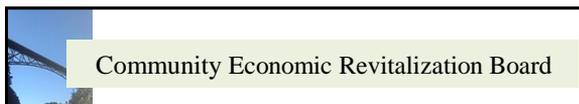
Eligible Jurisdictions

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




Community Economic Revitalization Board



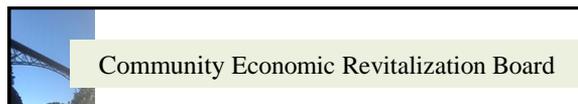
Community Economic Revitalization Board

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

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



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.



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.

- 20% cash match of total project cost
- Private business partner committed to:
 - Significant job creation
 - Significant private capital investment
- Hourly wages of created jobs must **exceed** county median wage

Rural counties/communities ONLY

- 50% cash match of total project cost
- Demonstrate economic development feasibility with supporting study
 - Study must show likelihood of significant jobs and/or significant private 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



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.



Community Economic Revitalization Board



County Median Hourly Wage

2015-17 Biennium

| | | | | | |
|----------|---------|--------------|---------|-------------|---------|
| Adams | \$15.54 | Grays Harbor | \$17.20 | Pierce | \$20.22 |
| Asotin | \$15.99 | Island | \$17.01 | San Juan | \$19.28 |
| Benton | \$21.04 | Jefferson | \$17.51 | Skagit | \$18.88 |
| Chelan | \$14.81 | King | \$28.06 | Skamania | \$16.91 |
| Clallam | \$16.22 | Kitsap | \$18.09 | Snohomish | \$23.42 |
| Clark | \$19.99 | Kittitas | \$15.64 | Spokane | \$18.59 |
| Columbia | \$17.48 | Klickitat | \$17.54 | Stevens | \$17.82 |
| Cowlitz | \$19.78 | Lewis | \$18.37 | Thurston | \$18.49 |
| Douglas | \$14.80 | Lincoln | \$17.84 | Wahkiakum | \$19.57 |
| Ferry | \$17.47 | Mason | \$16.48 | Walla Walla | \$16.00 |
| Franklin | \$15.08 | Okanogan | \$13.16 | Whatcom | \$18.90 |
| Garfield | \$17.14 | Pacific | \$15.46 | Whitman | \$17.64 |
| Grant | \$15.01 | Pend Oreille | \$22.27 | Yakima | \$14.22 |

Source: Washington Employment Security Department, Labor Market & Economic Analysis Branch, Vancouver Office, 2016.



Community Economic Revitalization Board

PUBLIC SIDE - Infrastructure




Community Economic Revitalization Board

Community Economic Revitalization Board

| | |
|--|------------------|
| Table 1. Loan Information | |
| CERB Loan Request: | \$ 0 |
| Term: | 30 |
| Interest Rate: | 2.50% |
| Est. Annual CERB Loan Payment: | \$ 0 |
| Other Annual Loan Payments associated with this project (2015-2016): | \$ 0 |
| Table 2. Operating Ratio | |
| 2014 Operating Income of the System: | \$ 24,517,026 |
| 2014 O & M Expense of the System: | \$ 16,849,049 |
| Operating Ratio: | 1.44 |
| Table 3. Debt Ratio | |
| 2014 Total Debt: | \$ 1,127,763,134 |
| 2014 Total Assets: | \$ 1,192,763,137 |
| Debt Ratio: | 0.94 |
| Table 4. Current Ratio | |
| 2014 Current Assets (Cash & Cash Equivalents): | \$ 40,858,514 |
| 2014 Current Liabilities (Debt, etc. to be paid in 12 months): | \$ 4,348,062 |
| Current Ratio: | 9.40 |
| Table 5. Short Service Coverage Ratio | |
| 2014 Total Operating Revenue: | \$ 24,517,026 |
| 2014 Total Operating Expenses: | \$ 16,849,049 |
| 2014 Net Operating Income: | \$ 7,667,977 |
| 2014 Short Term Debt, Est. 2015 CERB and Debt Loan Fees: | \$ 4,348,062 |
| Short Service Coverage Ratio: | 1.76 |

Please include:

- Balance sheets for the last 3 years
- Official (passed by the governing body of the applicant) budget for current year
- Year to date (YTD) balance sheet for the current year
- Income statements for the last 3 years
- Any of the following if they are applicable:
 - Any documentation that illustrates a restriction on the jurisdiction's ability to borrow (e.g., Other loan commitments, bond covenants, policies passed imposing limits, etc.)
 - Any documentation pertaining to lawsuits (either actual or pending) that may end in judgments of more than \$10,000.
 - Regulatory or compliance orders related to this project
 - Any other financial information relevant to CERB's consideration of your funding request.

Staff may ask for additional information.

Community Economic Revitalization Board

Staff Recommendation

Community Economic Revitalization Board

Community Economic Revitalization Board

Project Tracking

Job creation, wages, and private investment

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

Community Economic Revitalization Board

CERB Actual Investments

1982-2014

CERB INVESTED \$206 MILLION

39,870 JOBS CREATED

\$5.7 BILLION LEVERAGED PRIVATE INVESTMENT

Community Economic Revitalization Board

November - May
Application Due Dates & Board Meeting
Schedule

| Tier 1 Application Deadline | Planning & Tier 2 Application Deadline | Board Meeting |
|-----------------------------|--|------------------|
| November 14, 2016 | November 28, 2016 | January 19, 2017 |
| January 17, 2017 | January 30, 2017 | March 16, 2017 |
| March 13, 2017 | March 27, 2017 | May 18, 2017 |
| May 15, 2017 | May 29, 2017 | July 27, 2017 |



Community Economic Revitalization Board

THANK YOU!

Janea Eddy,
Program Manager
360.725.3151 or janea.eddy@commerce.wa.gov

www.commerce.wa.gov/CERB

