



Rural County Economic Development Infrastructure Investment Program 2024 Policies & Guidelines

Island County is authorized by [RCW 82.14.370](#) to retain a portion of the state's share of sales and use taxes to finance public facilities. The goal of Island County's Rural County Economic Development Infrastructure Investment Program is to improve the economy of Island County by creating and retaining ongoing, private sector jobs. To achieve this, the Rural County Economic Development Infrastructure Investment Program offers grants to local governments with qualifying proposals to assist in financing the cost of public facilities that will assist businesses in creating and retaining jobs.

Local government agencies and port districts within Island County are eligible to apply for grant awards. Local governments include the county, cities, port districts, water and sewer districts and other districts that may implement projects consistent with the objectives of this program.

Public facilities mean

... bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroads, electrical facilities, natural gas facilities, research, testing, training, and incubation facilities in innovation partnership zones designated under [RCW 43.330.270](#), buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and port facilities in the state of Washington.

Public facility projects include acquisition, design, permitting, construction, repair, reconstruction, replacement, or rehabilitation or improvement to existing facilities.

Affordable workforce housing infrastructure means infrastructure that a public agency uses to support the development or preservation of housing by a qualifying provider for a single person, family, or unrelated persons living together whose income is no more than 120 percent of the area median income, adjusted for housing size. One or more occupant in each housing unit supported must be employed in Island County. It does not include actual housing units.

Qualifying provider means a nonprofit entity as defined in [RCW 84.36.560](#), a nonprofit entity or qualified cooperative association as defined in [RCW 84.36.049](#), a housing authority created under [RCW 35.82.030](#) or [35.82.300](#), a public corporation established under [RCW 35.21.660](#) or [35.21.730](#), or a county or municipal corporation.

Project initiation means submittal of a complete and accurate reimbursement request to Island County.

Program Objectives

The objectives of the program are to assist in financing public facilities that will stimulate private capital investments which benefit the community and public-at-large and

- A. Increase the number of ongoing, family wage jobs available to local residents.
- B. Retain businesses and/or facilitate the expansion of existing businesses within Island County.
- C. Attract new businesses to Island County that create family wage jobs.
- D. Support a stable and diversified local economy.
- E. Support a stable work force.
- F. Preserve public infrastructure that supports the employment base.
- G. To build capacity by effectively managing the Rural County Economic Development fund.

Project Selection

In selecting proposals for funding, Island County may give additional consideration to projects based upon

- Number of jobs created or retained.
- Clearly quantifiable jobs created or retained vs. potential jobs created or retained.
- Broad impact to Island County.
- Local business and community support.
- Leverage Rural County Economic Development funds to the greatest degree for maximum economic impact within Island County.
- Immediacy of the resulting benefit to the community.
- Readiness to proceed.
- Number of housing units supported.
- Relationship of funding amount requested compared to either jobs created, jobs retained, or housing units supported (or combination thereof).
- Housing units are evaluated qualitatively by number of bedrooms and mix of unit size, such that more total bedrooms supported are preferred, and a mix of unit size is a positive evaluation factor.
- Planning/feasibility only projects are not eligible for funding.

Program Policies

- 1) Island County will only award funds to qualifying projects that:
 - a. Comply with all federal, state, county, and other applicable local regulations;

- b. Are listed in the Island County Comprehensive Economic Development Strategy; or
 - c. Clearly align with action steps in the Comprehensive Economic Development Strategy; or
 - d. Are supported by **specific** language in the economic development element of the County's Comprehensive plan or the Comprehensive Plan of a city or town within the County, see [RCW 82.14.370\(3\)\(a\)](#); and
 - e. Meet the program objectives of the Rural County Economic Development Fund program.
- 2) Awards will be allocated through an annual application process. The Board of Island County Commissioners may choose to forgo the annual application and award process at their sole discretion. There is no obligation or commitment to award any funds in an application cycle. The Board also reserves the right to fund requests made outside of the annual application process.
- 3) Awards shall be made under three general parameters:
 - a. For projects expected to lead to development of additional jobs without a demonstrated job expansion prospect, or for the preservation of existing jobs, funding will be awarded at 50-percent grant with the remaining 50-percent in match and/or loan. Examples of these projects are utility improvements and road development into unserved or underserved areas.
 - i. Larger job numbers are preferred over fewer job numbers and increase likelihood of award.
 - b. For projects expected to support development or preservation of more than five full time equivalent jobs from a specifically designated private sector partner funding will be awarded at 25-percent match and 75-percent grant. Examples of this project category would be street frontage improvements and utility service development for an industrial or commercial development with a defined future tenant or an existing tenant.
 - i. Larger job numbers are preferred over fewer job numbers and increase likelihood of award.
 - c. For projects that develop infrastructure to support housing for those earning 120% of AMI or below, with a guarantee of affordability for a minimum of 20-years, will be awarded at 50-percent grant and 50-percent match.
- 4) For all categories:
 - a. Larger match portions are encouraged and will be considered an advantage in the competitive process.
 - b. The Board of County Commissioners may adjust parameters within the limits of [RCW 82.14.370](#) at the sole discretion of the Board.

- c. Matching funds can be in the form of a loan from the RCED program to be paid back over a time frame and at an interest negotiated between the County and the recipient.
 - d. Matching funds may be provided by the recipient, a private partner, or non-profit partner.
- 5) The Board of Island County Commissioners may at its sole discretion reduce or partially fund requests based upon review of the applications and funds available.
- 6) Applications must be submitted using the Rural County Economic Development Fund Application online form. Supplemental materials may be included in a submittal package.
 - a. Applications for non-housing projects must include job and wage information to be considered complete.
 - b. Applications for housing infrastructure projects should provide information on local workforce housing needs/deficiencies and should illustrate the impact of the project on that need.
 - c. Applications must cite specific reference(s) to the subject project or project type pursuant to Section 1 (document title, adopting date, and page number) to be considered complete.
 - d. In order to be considered, applications must be complete and submitted by the announced deadline.
- 7) Each project application must have a project description that identifies distinct project objectives directly related to the program objectives. Measurable milestones should be included.
- 8) Rural County Economic Development grants may be used to leverage other funding sources toward financing the total project. Funding awarded to any project shall be contingent on the project securing matching funds (if applicable) from additional sources (grants, loans, etc.) within the timeline proposed in the application.
- 9) The applicant's match may be reduced to ten percent (10%) of the total project costs at the discretion of the Board. The local match can be provided by investing cash in the project, grants, loans, in-kind contribution, donations, private investment, or other appropriate revenue source.
- 10) Project proposals must demonstrate a budget or complete financial plan that will be used to successfully complete the project. Projects that initiate operation of a facility should include information in the application that shows long-term operational viability such as a funding stream.

- 11) The applicant documents all permits required to complete the project and describe the anticipated timeframe for securing such permits.
- 12) Only design, A&E services, permits and construction costs will be reimbursed. Construction costs include project materials, payments to contractors for work performed, etc. Rural County Economic Development monies may not be spent on soft costs such as planning and feasibility studies or administrative costs. However, soft costs may be used as matching funds. In the rare occurrence of a project being cancelled, stopped, or otherwise ended before completion, any reimbursements for design costs and A&E services must be repaid to the Rural County Economic Development Infrastructure Investment Program. Funds may not be used to reimburse work performed prior to the start date of the grant award agreement with Island County, unless otherwise approved.
- 13) Island County will not increase grant awards to pay for project overruns. Therefore, applicants should rationally anticipate contingency costs associated with the project.
- 14) Awards will be withdrawn if project initiation does not occur within 12 months of the award date. At the time of grant award, the Board may authorize a 24-month project initiation due to complex permitting factors. The Board does not grant extensions for project initiation. Projects that do not begin in a timely manner will have funding withdrawn. Applicants may reapply if funding is withdrawn.

Successful applicants will be required to enter into an Interlocal grant agreement and to submit annual project reports and data necessary for reporting to the State Auditor's Office.

Selection Process

- I. Applications will be reviewed for completeness by county personnel.
- II. Projects meeting the minimum requirements will be presented to the Board of County Commissioners for consideration. Some, all, or none of the applicants may be asked to make an oral presentation to the Board of County Commissioners at a public meeting. Representatives from the cities, town, and port districts with Island County and the Economic Development Council will be invited to attend presentations, and asked to provide written comments on each application presented within 2 weeks after presentations.
- III. Within 60 days of applicant presentations, the Board of County Commissioners will consider awards, if any. The Board of Island County Commissioners is the decision-making authority for all Rural County Economic Development fund awards.

Timeline

Prior to February 15 annually	County Commissioners review financial projections and sustainability of the Rural County Economic Development Program and determine whether or not to call for applications.
No later than February 15	Eligible entities will be notified of an award cycle.
March 31	Deadline for submittal of applications
April	County personnel review applications for completeness and minimum program requirements.
May/June	Qualifying applicants make oral presentations at Commissioners' meeting. Written comments by cities, town, ports, and EDC on each application presented are due 2 weeks after oral presentations.
Within 60 days of presentations	County Commissioners consider awards.

Program Administration

- 1) The Island County Rural County Economic Development fund is administered by the County Administrator's office under the supervision of the Board of Island County Commissioners.
- 2) Rural County Economic Development funds will be used to pay for administrative costs of managing the program.
- 3) The County Administrator will
 - a. Administer the application process according to the policy and procedures.
 - b. Monitor the financial performance of the Rural County Economic Development Fund program and promptly inform the Board of Island County Commissioners of any matters requiring its attention.
 - c. Review reimbursement requests to ensure such costs are eligible for reimbursement under the terms of the grant award.
 - d. Prepare an annual Rural County Economic Development budget submittal as part of the overall county budget.
 - e. Prepare and submit to the Board of Island County Commissioners an annual program report. This report will include:
 - i. Rural County Economic Development fund financial performance.
 - ii. Summary of activities financed during the reporting period.
 - iii. Summary of data and statistics reported by each agency receiving Rural County Economic Development funds.