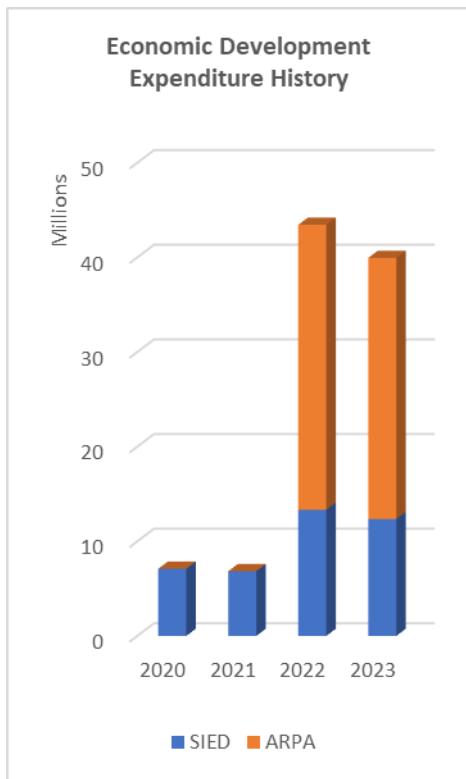

Economic Development

	Budget 2023
SIED	12,362,591
ARPA	27,590,029
Total Expenses	<u>39,952,620</u>

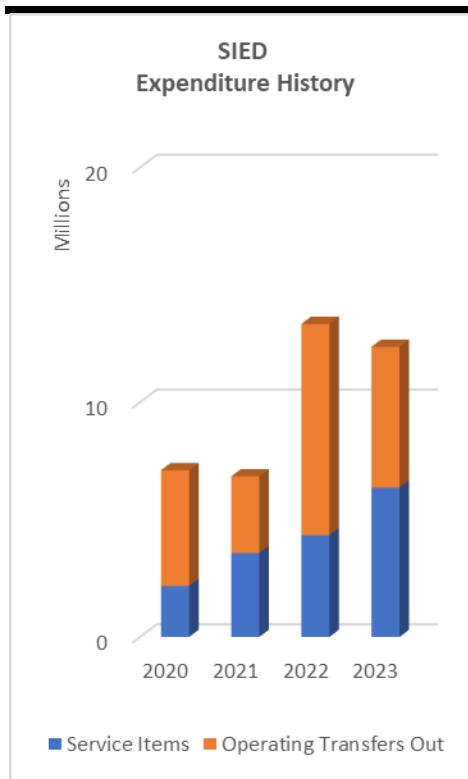


Summary

The Economic Development priority includes efforts that seek to improve the economic well-being of our community by creating and/or retaining jobs and supporting or growing incomes and the tax base. Support for the Yakima County Development Association would be an example.

Current Issues

- Yakima County receives a .09% Sales Tax Credit from the State of Washington to be used specifically for economic development purposes. This funding goes into a fund called the Supporting Investments in Economic Diversification (SIED) and through the support of the Yakima County Development Association (YCDA), applications for use of these funds are reviewed and then recommended to the County Commissioners for approval. The sales tax credit is due to expire in 2032 and Yakima County is working with other counties across the state to extend this funding for an additional 30 years.
- Yakima County received \$24,364,569.50 in 2021 and an equal amount in 2022 from the federal American Rescue Plan Act (ARPA) to aid in the response and recovery from the COVID-19 pandemic. Yakima County began awarding these funds based on applications received in 2022. It is anticipated that awards of the remaining funds will be made during 2023. All ARPA funding must be committed by December 31, 2024, and spent by December 31, 2026.



Support Investment in Economic Diversification

Expenditures	Actuals 2020	Actuals 2021	Budget 2022	Budget 2023
Service Items	2,174,403	3,576,504	4,335,397	6,362,591
Operating Transfers Out	4,932,009	3,269,468	9,000,000	6,000,000
Total Expenses	7,106,412	6,845,972	13,335,397	12,362,591
Ending Fund Balance	23,336,893	22,463,230	15,421,581	19,748,269
Total Budget	<u>30,443,305</u>	<u>29,309,202</u>	<u>28,756,978</u>	<u>32,110,860</u>

Program Description:

The Support Investment in Economic Diversification program (SIED) was established to assist local government infrastructure development to promote ongoing operation and expansion of businesses, to attract new businesses to rural communities, and promote the development of communities of excellence in rural distressed areas of Washington.

Yakima County Commissioners have established the SIED Advisory Board to review and make recommendations to the Commissioners regarding projects requesting SIED funding. The Yakima County Development Association is contracted to provide administrative support to the program.

Major Objectives:

Assist local government infrastructure development in order to promote development of communities of excellence in rural distressed areas of Washington.

Revenue/Expenditure Comment:

House Bill 2894, Referendum No. 49 became law on December 3, 1998 and authorized the Distressed County/Infrastructure Fund. Distressed rural counties are allowed to levy an infrastructure tax of .04% on sales, which is credited against the state sales tax. The State legislature has since expanded the State tax credit to .09%. This is not an additional tax, but a credit against the already collected State sales tax.

ARPA



Expenditures	Actuals	Actuals	Budget	Budget
	2020	2021	2022	2023
Wages	0	0	80,080	0
Benefits	0	0	28,453	0
Service Items	0	0	30,000,000	24,858,328
Operating Transfers Out	0	0	0	2,731,701
Total Expenses	0	0	30,108,533	27,590,029
Ending Fund Balance	0	113,924	18,914,570	26,000,000
Total Budget	0	113,924	49,023,103	53,590,029

Program Description:

Yakima County received \$24,364,569.50 in 2021 from the federal American Rescue Plan Act (ARPA) to aid in the response and recovery from the COVID-19 pandemic. In 2022, the County received another payment equal to 2021, bringing the total available recourse to just over \$48.7 million.

Through a focus on shovel ready infrastructure projects, Yakima County will expand existing road and utility infrastructure which will increase the ability of existing households to connect to municipal drinking water, superior wells, sewer or superior drain fields, and expand broadband access across the county. These funds will also be used to support law and justice services that have been impacted by COVID-19. These improvements will increase public health and safety while simultaneously increasing affordable housing development opportunities by reducing distances to newly established connection points. This increased access to connectivity will also have a positive economic impact across the entire community and enhance quality of life for residents and cities who historically have lacked the ability to make large infrastructure investments and whose residents are among the most impoverished within the county and state. The investments will strengthen vital public services and contribute to stabilizing the Yakima County economy in the aftermath of the COVID-19 global pandemic.

Major Objectives:

Yakima County received 152 grant applications for ARPA funds in 2022. All projects will be reviewed and considered by the BOCC for funds obligation by December 31, 2024 and all funds must be expended by December 31, 2026. If an application is not selected, or is not funded up to the full request, applicants may re-apply in the next open grant application period. Grant applicants must attest to their project readiness for expenditure of all County provided funds by December 31, 2026.

Revenue/Expenditure Comment:

Yakima County, along with many other counties and municipalities across the state and country, have waited to allocate the ARPA resources until the final rules were received from the US Treasury in 2022.

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