

OPPORTUNITY FUND POLICY 530

.1 PURPOSE

The purpose of this policy is to provide guidelines for the use of funds in the Opportunity Fund.

.2 APPLICABILITY

- 2.1 This policy applies to all County offices/departments and agencies and to all County Officials and their employees.

.3 DEFINITIONS

The following are definitions of terms used in this policy:

- 3.1 "County Official" as used in this policy means Elected Official and/or Department Head.
- 3.2 "The Board" means Clallam County Board of Commissioners.
- 3.3 "AG" means Attorney General.

4.0 RESPONSIBILITIES

4.1 Responsibility of the Board of Commissioners

RCW 82.14.370 provides a percentage of sales tax to be returned to certain counties to be used for construction of public facilities that promote economic development and/or personnel in economic development offices. The monies provided by the State are deposited to a County special revenue fund according to Washington State Budgeting and Reporting System requirements. The Board of Clallam County Commissioners has a legal and fiduciary responsibility to ensure proper fund management and distribution of monies. Accordingly, the Board adopted an ordinance codified as Clallam County Code (CCC) Chapter 5.40. The Board maintains final authority in all decisions related to the fund.

5.0 PROJECTS CONSIDERED FOR FUNDING

There are numerous community projects that may be worthy of taxpayer funding. Many, however, do not meet the statutory intent to be funded from the Opportunity Fund. RCW 82.14.370 provides clear intent for utilization of monies provided by the State to finance infrastructure that is a public facility and that promotes economic development and/or personnel in economic development offices. The Board believes the statute and legislative intent are clear. The examples used in the statute together with the AG's opinions on eligible use provide that a "public facility" is a physical, "tangible" structure and that infrastructure facilities are typically public projects that enable economic growth and development to occur

that would otherwise be unaffordable. The AG goes on to state that the intent of the statute is to provide broad-based infrastructure improvements which facilitate or foster economic development and not to fund projects which benefit an individual business.

The Board will consider projects that meet the definition contained within the statute. Although projects may be deserving of taxpayer support, the Opportunity Fund is not intended to provide funding for a private enterprise or to provide funding for non-capital facility public projects.

6.0 GUIDELINES FOR DETERMINATION

CCC Chapter 5.40 addresses the distribution of funds through grants, loans, or a combination of both. It does not, however, provide a definition of the criteria used to determine whether loans should be considered as part of any funding award. Perpetuation of the fund through the use of loans provides long-term availability of funds for future projects in Clallam County. The Board intends to include loans as part of any funding award where the project meets the following criteria:

6.1 Public Utility Projects

Sewers and water systems where a connection and/or user fee may be charged and the utility is typically operated under Washington State law as an enterprise fund. These types of projects can be operated to provide for long-term capitalization of project costs through the user-rate structure.

6.2 Single Business, Corporation, Developer, or Development

Although the requirement for a project to be a "public facility" and be classified as infrastructure remains the same, some projects have the effect of benefiting a single business or developer. In these cases, the use of Opportunity Funds is not intended to replace the beneficiary's responsibility to provide for public impacts of development. Funds provided for public infrastructure in these cases should be considered as loans that otherwise might be paid by the project sponsor as impact fees.