



**Economic  
Development**

---

	<b>Budget</b>
	<b>2025</b>
SIED	16,916,279
ARPA	32,524,118
Total Expenses	<u>49,440,397</u>

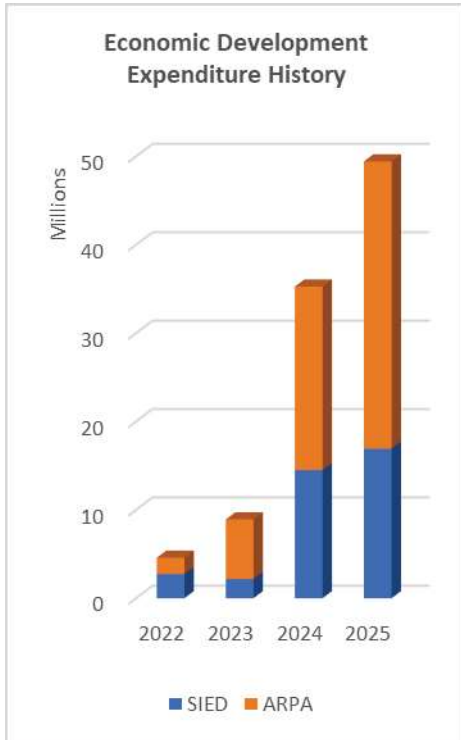
## Economic Development

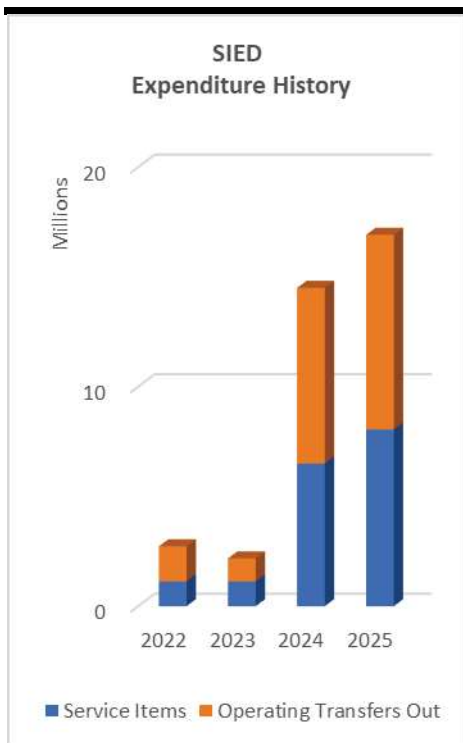
### Summary

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. All ARPA funding was committed by December 31, 2024, and will be spent by December 31, 2026.





## Support Investment in Economic Development

Expenditures	Actuals 2022	Actual 2023	Budget 2024	Budget 2025
Service Items	1,132,830	1,130,525	6,497,339	8,046,589
Operating Transfers Out	1,594,501	1,047,739	8,000,000	8,869,690
Total Expenses	2,727,331	2,178,264	14,497,339	16,916,279
Ending Fund Balance	25,920,694	14,782,854	20,313,760	20,505,040
Total Budget	28,648,025	16,961,118	34,811,099	37,421,319

### Program Description:

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

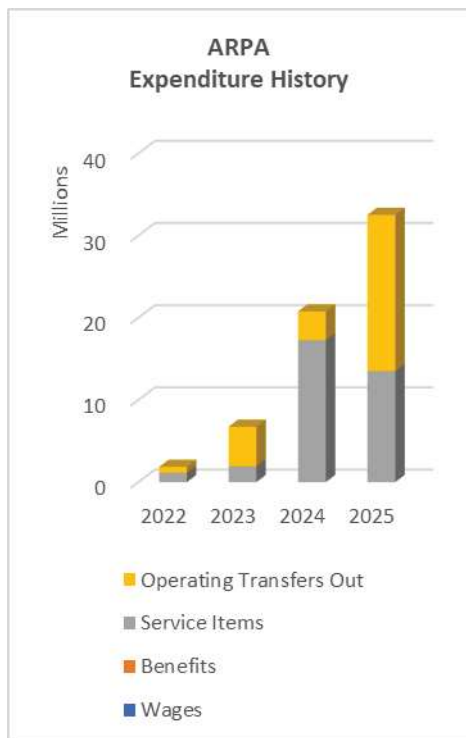
The Yakima County Commissioners have established the SIED Advisory Board to review and provide recommendations on projects seeking SIED funding. The Yakima County Development Association is contracted to provide administrative support for the program.

### Major Objectives:

- Assist in the development of local government infrastructure to promote the growth 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 creation of the Distressed County/Infrastructure Fund. This legislation allows distressed rural counties to levy an infrastructure tax of 0.04% on sales, which is credited against the state sales tax. Since then, the State legislature has expanded the state tax credit to 0.09%. It is important to note that this is not an additional tax, but rather a credit applied to the state sales tax already collected.



## ARPA

Expenditures	Actuals 2022	Actuals 2023	Budget 2024	Budget 2025
Wages	0	0	0	0
Benefits	0	0	0	0
Service Items	1,134,021	1,928,014	17,276,460	13,525,261
Operating Transfers Out	723,576	4,813,187	3,500,000	18,998,857
Total Expenses	1,857,597	6,741,201	20,776,460	32,524,118
Ending Fund Balance	(1,527,030)	452,046	1,650,000	727,860
Total Budget	330,567	7,193,247	22,426,460	33,251,978

### 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 an additional 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 expanded existing road and utility infrastructure funding that 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 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 Commissioners allocated just over \$30.76 million in ARPA funds in 2023 and have agreements in place with all of the 64 projects that were selected for funding. The Board also allocated \$9 million to support costs related to the revenue loss related to bed rentals in the County jail and the increased workers compensation costs due to COVID-19 claims at the County. All ARPA funds must be expended 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. Federal rules have continued to change and require a regular review.