

The Economic Alliance
Board Meeting
February 24, 2021
Zoom Meeting

Attending Board Members:

Chris Branch, Chairman, Okanogan County Commissioners
Lael Duncan, 1st Vice Chairman, No County #1, OCCAC
Kurt Danison, 2nd Vice Chairman, City Rep. #1, City Planner
Anna Dalbey, Secretary, South County #2, Coldwell Banker
Aaron Kester, No. County #2, Tonasket Natural Food Co-op
Rachelle Haven, Nespelem/Grand Coulee #2, GCD Chamber
Ann Davidson for George Brady, Pt Chair, So Co Rep #2, Cascade Biological Sply
Justine Salazar for Kristi O’Neill, Central County #1 Rep., WorkSource

Don Linnertz, MV #2, Twisp Works & Winthrop Chamber
Alan Fisher, Central County #2 Rep., CEO Mid Valley Hosp
Maria Lassila, Treasurer, Omak Mirage Theater
Stacy Luckensmeyer, At-Large Representative #2, WVC
Jonnie Crossland, CTFC Representative
Michael Porter, At Large #1, Omak School Superintendent

Absent Board Members:

Lanie Johns, Ok Co. Rep., clerk of the Brd
Mayra Pamatz, Community Finance Rep., Umpqua Bank
Ted Piccolo, Nespelem/Coulee Dam Rep. #1, NNDF
John St. Pierre, Colville Planning, CCT Rep

Sally Ranzau, Mayor of Winthrop, Methow Valley #1
Jon Culp, Mayor of Okanogan, City Representative #2
Amanda Jackson-Mott, Arts Comm. Rep., MAA

Guests/Staff:

Roni Holder-Diefenbach, Ex. Director
Carolyn Davis, Admin Assistant
Mikayla Marion, SubKulture
Richard Moralis, Director of Marketing, Mid Valley Hospital

Sheila Corsen, Okanogan County PUD.
Karen Frisbee, Oroville Chamber
Lauri Jones, Okanogan Co. Public Health

Chairman Chris Branch called the meeting to order.

Addition or Changes to Agenda: None

Consent Agenda: Alan Fisher made a motion to approve consent agenda (minutes 1/27/21). Aaron Kester seconded. Motion passed.

Guest Speakers

Lauri Jones, Community Health Director with the Okanogan County Health Department, spoke about the Covid pandemic. Okanogan County is still in Phase 2. We are in the 401st days of this pandemic. Okanogan County is currently keeping case counts down and doing an exceptional job at getting people vaccinated. There was a little hitch with delivery with the unexpected snow in the Seattle area. 9,000 have been given the second dose, 12,000 first doses will be given by this weekend. Hoping to have one registration spot on Ever-bridge system. Okanogan County is a leader in this model for Washington State. She is pleased with the progress and we are looking better than some other counties. Don Linnertz asked is the Ever-bridge system would alert people. Ms. Jones replied that yes that is the hope. Chris Branch stated that when the system gets up and running you can sign into a vaccine portal. The county will be making an announcement when it is available. Now you can sign into www.okanogancounty covid19.org for information and this is updated daily. Okanogan County Public Health is also on Facebook and will be putting out a survey today. There was some concern about those getting the first shot, but when it is time to get the second shot there will not be enough vaccine. Ms. Jones said that this will not be a problem. Chris Branch thanks Lauri Jones and Maurice Goodall for all their hard work during this pandemic. Ms. Jones has also been participating in the Roundtable meetings and has also been working with several businesses to get them opened. They are trying to help our struggling businesses and she appreciates the work that the Okanogan County Economic Alliance’s Board does to help our county.

Don Linnertz stated that he needed to leave for another meeting but wanted to give a brief update on Methow Valley BAT. They have wrapped up the Cerb grant report and are working on the close out of this grant. They are scheduled next Monday to give the Okanogan County Commissioners a report. They have also been working

with the EDD and the EDA in reviewing grants to continue with the process of moving the Broadband effort in the Methow forward.

Roni Holder-Diefenbach reported that the Okanogan County/Colville Tribes BAT met on Monday and heard a report from the PUD. The next presentation will be from Scott Graham with Mid Valley Hospital. They also want to bring in someone from K – 12 schools to talk about their use of broadband and someone with the agriculture community. Also attending this meeting was Monica Babine, Senior Associate leading the program for Digital Initiatives with WSU. She works with business, government, economic and community development organizations on promotion, policy and program development, research, and technical assistance to increase broadband awareness, access. The BAT will submit the final report to the county and then they will submit to the Cerb. Getting a “shovel ready projects” list together helps to get funding for projects. They did receive a letter of support from the Okanogan County PUD, which is a good thing since they will be owning the infrastructure. They have not received a lot of input from local ISPs yet but want to have a meeting with the ISPs and present them with the study and get their input. This past year has been difficult as they could not have some of the meeting but were able to work around some of the problems and ACRS has done a great job of collecting information.

Reports

Executive Director Report: (see attachment #1) Roni Holder-Diefenbach reported that she has been working with a group on the Economic Recovery Dashboard. They met this month and will continue working to determine what this should look like for our area. They need to review the data and gather data from the Tribe. Will include poverty rate, household income, impacts of Covid-19, etc. The EDD is moving forward on doing a regional Economic Recovery Dashboard. This will be on a smaller scale of data points but will still be useful.

The Retail Academy is looking to recruit business to local communities. Pateros was selected to receive additional assistance.

The Downtown Academy has two Okanogan County communities that they are working with (Brewster and Oroville). They will be participating in this project if funded through the USDA. They will be looking at vacant buildings and putting together a plan for the downtown area.

The Economic Alliance is hosting another Small Business Roundtable meeting tomorrow. The Department of Health has been referring businesses that call them for questions to the Economic Alliance. We have also asked participants to complete a survey so we can gauge the impacts of Covid-19 and the impacts that the shutdowns have had on their businesses.

The president has made some changes to the PPP program and will be focusing on smaller businesses (20 or less employees) the next 2 weeks. We have seen a significant slowdown of businesses that are signing up for the PPP due to the percent they need to show of revenue lost.

Roni Holder-Diefenbach reported that she met with the Assistant State SBDC Director to discuss the SBDC Cares Act Funds and trying to hire another advisor. The contract only last for another six months and it takes a long process to get an advisor certified, so did not feel that we should try to hire another person to fill this position. We will get a final billing to SBDC and close out this SBDC Cares Act Funds contract. She has also been working with them to get the problems straighten out with the delayed payments.

Financial Report: Roni Holder-Diefenbach reported that the Economic Alliance is doing well so far this year. We had budgeted \$31,500 for medical and dental but should probably be more like \$23,600.

Business Education: Roni Holder-Diefenbach reported that in March there will be a PTAC/SBDC coffee hour meeting with discussion on Hub Zones, minority businesses, and contracting with the government.

Infrastructure Committee: Roni Holder-Diefenbach reported the RBDG has been extended to the end of March. She has been reaching out to local projects ranked through our infrastructure process to make sure they are aware of funding for projects.

Motions: WEDA Contract – This is a program for SBA PPP outreach and the Economic Alliance will work with them and they have allotted \$5,000 for this year to do this work. Kurt Danison made a motion to approve this contract. Anna Dalbey seconded. Motion passed.

Covid-19 Response: Small Business Survey – Roni Holder-Diefenbach reported that this survey is for all businesses. She has compiled all the data and impacts of Covid and sent to all our state representatives. She had good response. She also sent to local chambers and cities and information is to be shared with local businesses too.

Discussion:

Chris Branch stated that the Executive Committee needs to do an evaluation of the Executive Director. Kurt Danison, Lael Duncan, Chris Branch, Maria Lassila, George Brady, and Anna Dalbey will do this as soon as possible, before the next meeting.

Contracts:

No updates.

Other Business, News, Member Updates:

Anna Dalbey stated that she heard there was a moratorium on building in the Methow and asked if it will spill over to the rest of the county. Chris Branch reported that Okanogan County commissioners approved a six-month moratorium on the issuance of building permits on lots in the Methow watershed created by subdivisions. The court ruling said that subdivisions creating multiple lots must be served by a group-domestic well system and a water right. The moratorium was adopted unanimously on Feb. 10. About 230 parcels are affected by the ban, which covers all lots that would rely on the Methow River for water. The moratorium puts the situation in perspective for property owners and prospective developers. Because it was adopted on an interim basis, the commissioners will hold a public hearing on the ordinance April 5 at 1:30 p.m.

Chris Branch suggested a good training for prospective property owners would be “What to look for when purchasing property”.

The next meeting is scheduled for March 24, 2021.

Anna Dalbey made a motion to adjourn the meeting. Aaron Kester seconded. Motion passed.

Meeting adjourned at 12:20 p.m.

Respectfully submitted,
Carolyn Davis, Administrative Assistant



February 2021

Overview:

This month we submitted the quarterly and final report to the county for the CERB Broadband Study. We have continued to work with the NCW EDD and the MV Bat on the EDA Broadband Grant application. During February, we also met with Mika from USDA and several communities who applied to our prioritization process to be ranked to determine if their projects would fit into the RDBG program.

State Policy Issues

Below is a summary of potentially significant bills, upcoming events for this week and a list of bills of interest.

Major activities over the last week included the Governor signing the early action legislation providing for the appropriation of federal stimulus funding, release of an operating budget proposal by House Republicans, release of a Senate Republican Transportation Funding proposal, release of an updated version of cap-and-trade legislation, and passage of capital gains legislation by the Senate Ways & Means Committee. Additionally, fiscal committees passed both the House and Senate versions of the tax increment financing bills last week. You can find current versions of each bill here: [SHB 1189](#) and [2SSB 5211](#). The vote out of the House Finance Committee was 13-3 and the vote out of the Senate Ways & Means Committee was 24 yes votes and one without recommendation.

HOUSE REPUBLICAN BUDGET PROPOSAL

The total budget proposal is \$55 billion for the biennium, which includes \$1.8 billion from the rainy-day fund to pay for a series of one-time, COVID-related expenses. That leaves a four-year ending fund balance of \$768 million, bringing total reserves to \$1.8 billion by the end of fiscal year 2025. Below are some additional highlights.

- \$600 million to fund the Working Families Tax Credit.*
- \$293 million to provide a sales tax exemption for necessities, like prepared food and diapers.*
- \$160 million to provide stipends to low-income families to defray the cost of remote learning.*
- \$114 million for grants for childcare providers.*
- \$156 million for school districts, contingent on reopening.*
- \$44 million for equitable enrichment funding for charter and tribal schools.*
- \$500 million for learning “catch-up” for historically disadvantaged populations.*
- \$736 million for local governments to clean up homeless encampments near schools, parks and playgrounds.*
- \$500 million to replenish the unemployment insurance trust fund.*
- \$94 million to provide temporary business and occupation tax relief for restaurants and other hard-hit businesses.*
- \$12 million for the State’s tourism marketing campaign.*

SENATE REPUBLICAN TRANSPORTATION FUNDING PROPOSAL

Senator King released a transportation funding proposal that would provide \$10 billion in transportation investments over eight years. The proposal relies on a 3-cent fuel tax increase, various fee increases, surcharges on transit and light-rail fares and \$8.2 billion from the sales tax on the sale of motor vehicles that is currently deposited in the State’s General Fund. Below are some of the major investments in the proposal.

- \$5.1 billion for highway maintenance and preservation.*

- \$2.2 billion for state culverts and \$125 million for local culverts.
- \$276 million for various transit grant programs.
- \$300 million for ferries.
- \$1.7 billion for major projects, including the US 2 Trestle, the Hood River Bridge, the I-5 Columbia River Bridge, Snoqualmie Pass and the West Seattle Bridge.

OTHER SIGNIFICANT BILLS OF INTEREST

SHB 1170—An Act Relating to Building Economic Strength through Manufacturing, is sponsored by Representative Boehnke (R-Kennewick). The legislation establishes a goal to double the state’s manufacturing employment base in 10 years, requires the Department of Commerce to prepare a biennial report to the Legislature on the state of manufacturing in Washington and requires the Department to convene a manufacturing council to advise and consult on the development of the report and recommendations. The Appropriations Committee passed the substitute bill without changes on February 17th.

HB 1496—An Act Relating to Creating a More Progressive Tax System in Washington, is sponsored by Representative Senn (D-Mercer Island). The legislation establishes a seven percent capital gains tax on real property and a 9.9 percent capital gains tax on long-term capital assets. The tax does not apply to residences, retirement accounts, agricultural land and timberland. Portions of the proceeds from the tax must be deposited into the Fair Start for Kids Account and dedicated to childcare funding. The remaining proceeds must be deposited into the State’s general fund. The bill had a public hearing on February 11th.

SSB 5096—This is the Senate’s capital gains bill and is sponsored by Representative Robinson (D-Everett). It imposes a 7% capital gains tax on the sale or other voluntary exchange of long-term capital gains assets by individuals. The tax does not apply to real estate, retirement accounts, livestock related to farming or ranching, agricultural lands, assets acquired and used by a sole proprietorship and timber and timberlands. The Senate Ways and Means Committee passed the bill on a vote of 13-10, with Senator Van De Wege voting without recommendation.

HB 1406—An Act Relating to Improving the Equity of Washington State’s tax code is sponsored by Representative Frame (D-Seattle). The bill establishes a one percent wealth tax on intangible financial assets of more than \$1 billion. The House Finance Committee considered the bill on February 2nd.

SSB 5115—An Act Relating to Establishing Health Emergency Labor Standards is sponsored by Senator Keiser (D-Des Moines). This legislation includes the following provisions: Creates an occupational disease presumption for frontline workers during a public health emergency for the purposes of workers’ compensation.

- Requires employers to notify L&I when a certain percentage of their workforce becomes infected during a public health emergency; and
- Requires employers to provide written notice to employees of potential exposure to the infectious or contagious disease during a public health emergency.

This Senate Labor, Commerce and Tribal Affairs Committee passed the bill on February 15th.

SHB 1095—This legislation is sponsored by Rep. Walen (D-Kirkland) and provides a business and occupation tax, a public utilities tax, and a retail sales tax exemption for qualifying grants received after February 29, 2020, that are related to a national or state emergency proclamation. Both the House and Senate passed this bill and it is waiting for the Governor’s signature.

HB 1018 and SB 5176—These bills sponsored by Rep. Lovick in the House and Senator Van De Wege in the Senate, apply existing motorized boater education standards to canoes, kayaks, rafts, stand-up paddleboards and dragon boats. The House Community and Economic Development Committee had a public hearing last week and based on concerns expressed, Representative Lovick is working with stakeholders on a potential substitute version of the bill. The Senate Agriculture, Water, Natural Resources and Park Committee considered a substitute version of the bill in its

public hearing on January 28th. Here is the link to the proposed substitute: [PSSB 5176](#). No action has been taken in either Committee since the public hearings. These bills are dead for this legislative session.

[2SHB 1263](#)—This bill, sponsored by Representative Abbarno (R-Centralia), creates a rural infrastructure assistance account and establishes a competitive grant program to award funding to local governments located in rural counties for public facilities, including broadband. The Appropriations Committee passed a 2nd substitute version of the bill on February 19th.

[SHB 1333](#)—Sponsored by Representative Tharinger (D-Sequim), extends the expiration of the local sales and use tax for public facilities in rural counties until December 31, 2054. The extension only applies to those counties that imposed the full capacity of the tax prior to August 1, 2009. The Finance Committee passed a substitute version of the bill on February 19th. The substitute bill clarifies that the extension of the expiration of the tax rate applies to those counties that no longer meet the definition of a rural county, but met the definition as of August 1, 2009.

Washington Small Business Resources Mobilization Campaign:

Organizations that serve small businesses and non-profit organizations are working together to maximize the amount of federal aid that will come to our state through the Washington Small Business Resources Mobilization Campaign, which WEDA is helping coordinate. We are committed to working proactively to provide accurate information about the relief opportunities and to connecting people to technical assistance should they want help navigating the process and forms/requirements. This group has a major focus on reaching and serving small businesses and non-profit organizations in underserved communities and areas of the state, including rural. The scale of the challenge is enormous, the needs are unprecedented. We are continuing to receive emails from the SBA about what's happening on the new round of PPP and other resources such as EIDL and the Shuttered Venues grants and attending weekly webinars to receive updates to the programs.

The landing webpage www.SmallBizHelpWA.com is intended to be a relatively simple portal/hub for resources such as the SBA and SBDC. It includes a roster of technical assistance providers, a resource portal, a training calendar that is inclusive of and beyond SBDC and SBA, and soon, a rapidly updated statewide list of lending institutions available for PPP lending. If you have additional resources or updates for the website, please email: SmallBizHelpWA@gmail.com. Additional Technical Assistance providers can be considered by completing this Google form: [Technical Assistance Organization Sign Up: WA State Small Business Resources Mobilization Campaign](#)

Federal Policy issues

President Biden just announced some new changes to the PPP program. The [fact sheet released from The White House is linked here](#) and a link to the [video of the announcement is linked here](#).

Pasted below is a summary from Melanie Norton from the Small Business Administration (SBA's) Seattle District office with the SBA's media release and additional details on the changes. Non profits **ARE** eligible to apply for PPP and EIDL Disaster Loans.

The SBA will:

- Establish a 14-day, exclusive PPP loan application period for businesses and nonprofits with fewer than 20 employees **starting Wednesday, Feb. 24 at 9 a.m. EST.**
- Allow sole proprietors, independent contractors, and self-employed individuals to receive more financial support by revising the PPP's funding formula for these categories of applicants.
- Eliminate an exclusionary restriction on PPP access for small business owners with prior non-fraud felony convictions, consistent with a bipartisan congressional proposal.
- Eliminate PPP access restrictions on small business owners who have struggled to make federal student loan payments by eliminating federal student loan debt delinquency and default as disqualifiers to participating in the PPP.

- *Ensure access for non-citizen small business owners who are lawful U.S. residents by clarifying that they may use Individual Taxpayer Identification Number (ITIN) to apply for the PPP.*

We continue to work with local businesses to share information with them regarding all the SBA programs available to them.

LOCAL/REGIONAL:

Economic Recovery Dashboard: *I am working with a group to develop a Okanogan County specific Economic Recovery Dashboard. We met this month and will continue working to determine what that should look like for our area. There is a potential that working with the EDD we can expand this to continue an annual basis.*

Downtown Academy- *Okanogan County has 2 communities, Brewster and Oroville who are participating in this project if funded through the USDA.*

Small Business Roundtables-*partnership with Ok Public Health to roll out new guidance and provide updated resources to small businesses (SBDC, Worksource/ESD). We are also answering questions that they have. We have also asked participants to complete a survey so we can gauge the impacts COVID-19 and the shutdowns have had on their businesses.*

Small Business Working Group-*Led by Representative Cindy Ryu, MBA, (D-32nd)*

Community and Economic Development Committee Chair and Representative Noel Frame, 36th Legislative District, Chair of the House Finance Committee and I will be representing small businesses and rural communities we will meet biweekly through the session.

Okanogan County/CCT Broadband Action Team:

We will continue to meet monthly and are scheduling presentations from the different industries directly impacted by COVID-19 and how lack of broadband access has affected their business and industry.

External Board of Directors: *Currently I am representing the Economic Alliance on the following boards:*

<i>NCW Economic Development District</i>	<i>NCW Career Connect Leadership Team</i>
<i>NCW Workforce Development Council</i>	<i>Family Health Centers Board</i>
<i>CFNCW Helping Hands Grant Committee</i>	<i>Washington Economic Development Association</i>