



MEMORANDUM

TO: Whatcom County Council

FROM: Kayla Schott-Bresler, Deputy Executive

THROUGH: Satpal S. Sidhu, County Executive

RE: Economic Development Investment Board – Funding
Recommendation for City of Bellingham Bear Creek Corridor, City
of Lynden Wastewater Treatment Plant Capacity Improvements,
City of Ferndale Water Treatment Plant Upgrades and Douglas
Deep Well, & HATWF

DATE: June 20, 2024

The Economic Development Investment Board met on June 11, 2024. The Board adopted a recommendation to present the following projects to the County Council for confirmation. If this recommendation of the Board is adopted by the Council, the Administration will proceed with the preparation of agreements, as well as a supplemental budget request for County Council review and approval.

With a projected fund balance of \$16,128,695 the Administration has confirmed there is sufficient funding to support the EDI recommended projects. The Administration has confirmed that the proposed projects are eligible for funding under RCW 82.14.370 and is seeking Council approval of the EDI Board recommendations. With the approval of these EDI Board recommendations the 2024 EDI projected fund balance will be just over \$11M.

Additionally, the EDI Board will hold two special sessions later this summer to discuss reformation of EDI policies and programs, including code updates, membership composition, and affordable housing funding.

| Project – City of Bellingham | Bellingham Mitigation Bank: Bear Creek Corridor Construction Project |
|-------------------------------------|---|
| Funding Request | \$1,000,000 grant |
| Board Recommendation | \$1,000,000 grant |
| Vote | 11-0 |
| Contingencies | N/A |

Project Description: Funding request to support the Bellingham Mitigation Bank initiated by the City in 2016. The Bellingham Mitigation Bank will offer credits for sale to all public and private sector developers whose projects have unavoidable impacts in the City's proposed service area.

| Project – City of Lynden | Wastewater Treatment Plant Capacity and Nutrient Improvements |
|---|--|
| Funding Request | \$666,667 loan, \$1,333,333 grant |
| Board Recommendation | \$666,667 loan, \$1,333,333 grant |
| Vote | 11-0 |
| Contingencies | N/A |
| <u>Project Description:</u> Following the 2022 engineering report on the formal analysis of its untapped wastewater treatment capacity, the City of Lynden discovered that the existing extended aeration system is approaching regulatory limits and will not meet expected future nutrient treatment requirements. This funding request is for advance purchase of long-lead equipment which is necessary to meet the 2025 construction start time and is ineligible for reimbursement under the State Revolving Fund loan until much later in the construction schedule. | |

| Project – City of Ferndale | Water Treatment Plant Upgrades and Douglas Deep Well |
|--|---|
| Funding Request | \$2,000,000 loan, \$1,000,000 grant |
| Board Recommendation | \$2,000,000 loan, \$1,000,000 grant |
| Vote | 11-0 |
| Contingencies | N/A |
| <u>Project Description:</u> First of two projects combined for this application consists of completing the construction of planned improvements to the City's Water Treatment plant following the transition from Nooksack River water to well water that occurred in the early 2010's. The second of the two projects consist of drilling a second deep well into the deep aquifer to provide additional capacity for City growth and provide necessary redundancy to the City's existing wells. Funding request to support both of the above-mentioned projects, as the actual project costs significantly exceeded engineer's estimates by approximately \$4 million. | |

| Project – EDI HATWF Funding Request | Housing Affordability through the Workforce Program |
|--|--|
| Funding Request | \$250,000 loan |
| Board Recommendation | \$250,000 loan |
| Vote | 11-0 |
| Contingencies | N/A |
| <u>Project Description:</u> The current fund balance for this program is \$86,740.64. Housing agencies typically apply up to 10 loans for each project. The impact fee loans average \$18,000 each, depending on the jurisdiction. If another 2024 application is submitted we will not have enough budget authority to approve funding. We are seeking additional funding in the amount of \$250,000 to ensure adequate budget authority is available for future EDI loan application requests for the remainder of 2024. | |

The EDI Board also discussed a future City of Ferndale project, Grandview Road Sewer Extension, which we expect to see a full application for in 2025.

The EDI funding applications are attached for your review, along with EDI Board meeting notes and HATWF Funding Request, as you consider this recommendation at your July 9, 2024 Council meeting.

Please contact Kayla Schott-Bresler at (360) 778-5200 with any questions.

Attachments: Draft Meeting Notes of the EDI Board meeting of 6/11/2024

City of Bellingham EDI Program Application

City of Lynden EDI Program Application

City of Ferndale EDI Program Application

HATWF Funding Request

Rural Sales Tax Fund