

**Economic Development Investment Program  
Interlocal Grant Agreement  
City of Bellingham - Meridian Birchwood Roundabout Project**

**I PARTIES**

This Agreement is made by and between **Whatcom County** (hereinafter referred to as **the County**), and the City of Bellingham (hereinafter referred to as **the City**).

**II TERM**

This Agreement takes effect upon execution hereof by the authorized representatives of both parties and continues in effect until all payments and reports required under Section V, MUTUAL CONSIDERATION have been received by the County or until terminated as provided for in Section VIII, TERMINATION.

**III PURPOSE**

The purpose of this Agreement is to provide funding support for design of Phases 1 and 2 and construction of Phase 1 of the Meridian Birchwood Roundabout Project (hereinafter referred to as **the Project**) using certain County funds designated for such infrastructure development. These funds will be used to complete the Project as outlined in the Economic Development Investment (EDI) Program Application as attached (Attachment C).

**IV RECITALS**

The Parties make this Agreement based on and in recognition of certain relevant facts and circumstances including:

A. Sales and use taxes are collected in and for the County under authority of RCW 82.14.370 and Whatcom County Code 2.130 for the purpose of financing public facilities in the County, and the proceeds are deposited in the Whatcom County Public Utilities Improvement Fund.

B. The City will design and construct the Project. The Project will be partially funded by a **\$ 2,625,000 grant from the Whatcom County Public Utilities Improvement Fund**, and the balance of the Project will be funded by the City of Bellingham, Port of Bellingham, and federal funding as outlined in Exhibit B. The Project improvements, when complete, will be owned and maintained by **the City**.

C. RCW 82.14.370 was adopted to serve the goals of promoting the ongoing operation of business in rural distressed areas, promoting the expansion of existing businesses in rural distressed areas, attracting and developing new businesses, and providing family wage jobs and the development of communities of excellence in

such areas. The parties expect the Project to further these goals.

D. RCW 82.14.370 defines public facilities to include bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroad, electricity, natural gas, buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and facilities in the state of Washington.

E. The County has created the EDI Board to review applications for loans and grants from the Public Utilities Improvement Fund and to make recommendations for Public Utilities Improvement Fund investments based on commitment of other funds, potential for resulting job creation, and other factors.

F. The EDI Board has reviewed the application for Public Utilities Improvement Funds and has recommended approval to the Whatcom County Council.

G. The County EDI Board has reviewed and recommended this project application be approved with a recommendation of a grant in the amount of \$2,625,000. A copy of the EDI application for this project is attached by reference to this Agreement.

H. The Whatcom County Council reviewed the recommendation and approved a grant to the **City** from the Public Utilities Improvement Fund in the amount of \$2,625,000.

I. The Public Utilities Improvement Fund balance is sufficient to make the requested grant to the Project.

J. RCW 39.34 authorizes interlocal agreements whereby municipal governments may jointly exercise the powers granted to each.

## **V MUTUAL CONSIDERATION**

The parties do not intend to create any new or separate legal or administrative entity by this Agreement but intend for this mutual Agreement to govern the County's financial support for the Project. The terms and conditions contained herein reflect the voluntary participation of the parties.

A. **CITY OF BELLINGHAM RESPONSIBILITIES:** The **City** hereby agrees as follows:

- (i) If after the award of the construction contract, the scope of the Project or the Project budget has changed, the **City** shall provide the County the following updated documents: 1) a detailed description of the project; 2) a project budget itemizing major improvements together with the estimated cost of the improvements; and 3) a schedule showing sources and uses of funding for the project, if any of the aforementioned documents varies from those that were submitted with the **City's** application for EDI funding.
- (ii) The **City** shall be responsible for all aspects of the design and construction of the project.

- (iii) The **City** shall be responsible for all aspects of the public works construction contract administration, which shall include, but not be limited to, advertising, bidding, and awarding the contract. The **City** will comply with all applicable laws, rules and regulations relating to bidding the project. The County shall have no responsibility for the Project other than the funding set forth herein.
- (iv) The **City** shall provide the County with a final report showing the actual cost of the project and the actual sources and uses of funding for the project.

B. WHATCOM COUNTY'S RESPONSIBILITIES: The County hereby agrees as follows:

- (i) COUNTY GRANT—The County shall issue a *grant* to the **City** for up to Two Million Six Hundred Twenty-Five Thousand Dollars and Zero Cents (\$ 2,625,000) for the Project described herein. Disbursements of grant funding shall be made contingent upon and subject to the continued commitment of the other project funding sources. This amount shall be paid in accordance with Exhibit B.
- (ii) Unless the parties to this agreement mutually agree in writing to modify the consideration, the funding identified herein is all the County is obligated to pay towards this project. The **City** agrees to protect the County from, hold it harmless from, and indemnify it for, any charges that may be levied in excess of the agreed amount.

## VI RECORDS, REPORTS AND AUDITS

The **City** agrees to maintain such records, make such reports and follow such procedures pertaining to this Agreement as may be reasonably required by the County and as are typically maintained and made by the **City** in the undertaking of a project of this nature. All **City** records pertaining to this Agreement and the Project work shall be retained by the **City** for a period of three (3) years after final audit unless a longer period is required to resolve audit findings or litigation. The County and other authorized representatives of the State government shall have access to any books, documents, papers, and records of the **City** which pertain to this Agreement or the Project work for the purpose of making audit, examination, excerpts, and transcriptions.

## VII RELATIONSHIP OF PARTIES AND AGENTS

Neither the **City** nor the County shall have authority to execute contracts or to make commitments on behalf of the other, and nothing contained herein shall be deemed to create the relationship of employer and employee or principal and agent between the County and the **City**. This agreement does not create, either implicitly or explicitly, any right, duty or obligation that is not expressly provided for herein.

The **City** represents that it has or will secure at its own expense all personnel, contractors, and/or subcontractors required in order to perform the Project work. Such personnel shall not be employees of, or contractors with the County for purposes of the project described herein. All such personnel, contractors, and/or subcontractors shall be fully qualified (as determined by the **City** in its sole

discretion) and authorized/permitted under State and/or local law to perform such services.

## **VIII TERMINATION**

If the **City** fails to comply with the terms and conditions of this Agreement, the County may pursue such remedies as are legally available, including, but not limited to, the termination or closeout of this Agreement in the manner specified herein:

- A. **TERMINATION FOR CAUSE**— If the **City** fails to comply with the terms and conditions of this Agreement, the County will give notice to the **City** in writing of its failure to comply. The **City** will be given thirty (30) days from date of notice to comply with the terms of the Agreement or submit a plan acceptable to the County to bring the **City** into compliance with the Agreement within a time period reasonably acceptable to the County. Failure to comply with the terms and conditions of this Agreement by either party shall constitute an event of default. In the event of default by the **City** and a failure by the **City** to cure as provided for herein, the County may take such remedial actions under the law as are available to cure the default, including the imposition of the reasonable costs of collection. In the event of default by the County, the **City** may take such remedial actions under the law as are available to cure the default, including specific performance.
- B. **TERMINATION FOR OTHER GROUNDS**—This Agreement may be terminated in whole or in part by mutual consent and written agreement between the parties, duly authorized and executed, setting forth the conditions of termination, including effective date and, in case of termination in part, that Portion to be terminated.

## **IX COMPLIANCE WITH LAWS**

The County and the **City** shall comply with all applicable laws, ordinances, and codes of the Federal, State and local governments with regard to the performance of this Agreement.

## **X INTEREST OF MEMBERS OF THE COUNTY AND THE CITY**

No member of the governing body of either party and no other officer, employee, or agent of either party who exercises any functions or responsibilities in connection with the planning or carrying out of the Project shall have any personal financial interest, direct or indirect, in this Agreement.

## **XI HOLD HARMLESS AND INDEMNITY**

To the extent permitted by law, the **City** shall indemnify and hold harmless the County, its officers, agents, and employees, from all liability, loss or damage, including costs of defense they may suffer as a result of claims, demands, actions,

costs, or judgments which result from the activities to be performed by the **City**, its agents, employees, or subcontractors pursuant to this Agreement.

## **XII ASSIGNABILITY**

The **City** shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation) without prior written consent of the County thereto, provided, however, that claims for money by the **City** from the County under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the County by the **City**.

## **XIII NON-WAIVER**

The failure of either party to insist upon strict performance of any provision of this Agreement or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any right under this Agreement.

## **XIV CONTRACT MODIFICATIONS**

No modification or waiver of any clause or condition of this Agreement shall be binding upon either party unless such modification or waiver is in writing and duly authorized and executed by the County and the **City**.

## **XV SEVERABILITY**

If any Portion of this Agreement is changed per mutual agreement or any Portion is held invalid, the remainder of this Agreement shall remain in full force and effect.

## **XVI NOTICES**

Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand-delivered to the parties to their addresses as follows:

**TO CITY:** Eric Johnston, Public Works Director  
City of Bellingham  
2221 Pacific Street  
Bellingham, WA 98229

**TO COUNTY:** Brad Bennett, Finance Manager  
c/o Whatcom County Executive's Office  
311 Grand Avenue, Suite 108  
Bellingham, WA 98225

or to such other addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand-delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

## **XVII INTEGRATION**

This Agreement contains all terms and conditions to which the County and the **City** agreed, and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this loan and grant transaction. There

are no other oral or written agreements between the **City** and County as to the loan and grant terms contained herein. No changes or additions to this Agreement shall be valid or binding upon either party unless such change or addition be in writing, duly authorized and executed by both parties.

**XVIII GOVERNING LAW AND VENUE**

All questions of the validity, construction, and application of this Agreement shall be governed by the laws of the State of Washington. Venue for any suit between the parties arising out of this Agreement shall be the Superior Court of the State of Washington in and for Skagit County, Washington.

**XIX RECORDING**

Upon execution of this agreement by the parties hereto, the County shall cause it to be posted on the county web site, or otherwise published pursuant to the requirement contained within RCW 39.34.040.

\*\*\*\*\*

IN WITNESS WHEREOF, the County and the **City** have executed this Agreement as of the date and year last written below.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2022, for the **CITY OF BELLINGHAM**:

**Departmental Approval:**

\_\_\_\_\_  
*Seth Fleetwood, Mayor*

\_\_\_\_\_  
*Eric Johnston, Department Head*

**Attest:**

**Approved as to Form:**

\_\_\_\_\_  
*Finance Director*

\_\_\_\_\_  
*Office of the City Attorney*

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF Whatcom     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me personally appeared **Seth Fleetwood**, to me known to be the **Mayor** of the City of Bellingham and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_



## EXHIBIT "A"

### SCOPE OF WORK

The Meridian Birchwood Roundabout Project is a two-phased project led by the City of Bellingham. This Project will increase safety, sight distance, access, and efficiency, implement projects listed in the Pedestrian Master Plan, Bicycle Master Plan, ADA Transition Plan, Parks PRO Plan, and coordinate with existing WTA service routes. This funding will be used for design, right-of-way acquisition the and Phase 1 construction. The two phases of the project are outlined below:

**Phase I:** This phase will merge the Squalicum Parkway freight truck route with Birchwood Avenue on the west side of Meridian Street and decommission the Meridian/Squalicum traffic signal.

**Phase II:** This phase will reconstruct the Meridian/Birchwood intersection and traffic signal as a dual -lane multimodal roundabout. A greenways trail will connect Squalicum Creek Park and Cornwall Memorial Park.

**Project Timeline:** The project will begin with permitting and design beginning in fourth quarter of 2022. Construction of Phase of the project is anticipated to begin in 2025. The EDI funds will be used first and are expected to be fully expended by 2025.



**EXHIBIT “B”  
Budget**

**City of Bellingham – Meridian Birchwood Roundabout Project  
Grant Draw Down Requirements**

The **\$2,625,000** grant funding will be disbursed as follows:

The City will send invoices for project expenses to Whatcom County Executive’s Office, 311 Grand Avenue, Suite 108, Bellingham, WA 98225. Invoices will include copies of paid invoices for project expenses. Funds will be made available by warrant within 30 days following submission of invoice and appropriate back up documentation of project expenses. The request for grant funds should reference the Whatcom County assigned interlocal agreement number.

**BUDGET**

<b>Funding Source</b>	<b>Amount</b>	
Bellingham Street Fund	\$ 375,000	
Bellingham Transportation Fund	\$ 800,000	
Bellingham Parks Greenways Fund	\$ 550,000	
Port of Bellingham	\$ 150,000	
Federal STBG	\$2,500,000	
Whatcom County EDI Fund (Grant only)	\$2,625,000	
<b>TOTAL</b>	<b>\$7,000,000</b>	
<b>Project Budget</b>		
Design and Permitting	\$1,100,000	
Right-of-way acquisition	\$ 900,000	
Construction	\$5,000,000	
<b>TOTAL</b>	<b>\$7,000,000</b>	

**ATTACHMENT "A"**  
**Funding Application**

## Meridian Birchwood Roundabout

Funding Request: \$2,625,000



**Request:** The City of Bellingham requests \$2,625,000 for the Meridian Birchwood Roundabout project. This project is broken into two phases. Phase 1 will merge the Squalicum Parkway freight truck route with Birchwood Avenue on the west side of Meridian Street and decommission the Meridian/Squalicum traffic signal. Phase 2 will reconstruct the Meridian/Birchwood intersection as a multimodal roundabout. This funding request includes design of both phases and construction of Phase 1. The total cost of this funding request is estimated at \$7 million. The City understands that the EDI request could be up to 50% EDI funding (75% grant, 25% loan) matched by 50% City funding.

The City is asking for only grant dollars and will make up the 25% loan amount with other funds as follows: \$375,000 Bellingham Street Fund, \$800,000 Bellingham Transportation Fund, \$550,000 Bellingham Parks Greenways Fund, \$150,000 Port of Bellingham funds, \$2,500,000 Federal STBG funds, and \$2,625,000 requested EDI funding (grant only). (City 62.5%, EDI (grant) 37.5%)

**Issue:** Two closely spaced intersections on a critical freight route and multimodal transportation link between the industrial Bellingham Waterfront and U.S.-Canadian border crossings connected by Interstate 5 and Guide-Meridian (SR 539) experience major congestion which delays freight movement. The recently completed Birchwood Avenue extension will increase intersection congestion due to the closely spaced signals. Better connection between Squalicum Creek Park and Cornwall Memorial Parks is also needed.

**Solution:** Phase 1—merge Squalicum Parkway with Birchwood Avenue and decommission the Squalicum/Meridian traffic signal. Phase 2—Reconstruct the traffic signal at Meridian/Birchwood as a dual-lane multimodal roundabout. A Greenways trail would connect Squalicum Creek Park and Cornwall Memorial Park. Acquire BNSF and adjacent rights-of-way to construct roundabout and trail. This project will increase safety, sight distance, access, and efficiency, implement projects listed in the Pedestrian Master Plan, Bicycle Master Plan, ADA Transition Plan, Parks PRO Plan, and coordinate with existing WTA service routes. This request is for design of both phases together with right-of-way acquisition and construction of Phase 1.

