

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No.

201908011

| | |
|--|--|
| Originating Department: | Executive |
| Division/Program: (i.e. Dept. Division and Program) | Non-Departmental/EDI Program (Pub Util Impr Fund) |
| Contract or Grant Administrator: | Suzanne Mildner |
| Contractor's / Agency Name: | Port of Bellingham |
| Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____ | |
| Does contract require Council Approval? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If No, include WCC: _____ Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100) | |
| Is this a grant agreement? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, grantor agency contract number(s): _____ CFDA#: _____ | |
| Is this contract grant funded? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, Whatcom County grant contract number(s): _____ | |
| Is this contract the result of a RFP or Bid process? Contract _____ Cost Center: _____ Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, RFP and Bid number(s): _____ | |
| Is this agreement excluded from E-Verify? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> If no, include Attachment D Contractor Declaration form. | |
| If YES, indicate exclusion(s) below: <input type="checkbox"/> Professional services agreement for certified/licensed professional. <input type="checkbox"/> Contract work is for less than \$100,000. <input type="checkbox"/> Contract for Commercial off the shelf items (COTS). <input type="checkbox"/> Contract work is for less than 120 days. <input type="checkbox"/> Work related subcontract less than \$25,000. <input checked="" type="checkbox"/> Interlocal Agreement (between Governments). <input type="checkbox"/> Public Works - Local Agency/Federally Funded FHWA. | |
| Contract Amount:(sum of original contract amount and any prior amendments): \$ <u>\$750,000.00</u> This Amendment Amount: \$ _____ Total Amended Amount: \$ _____ | Council approval required for; all property leases, contracts or bid awards exceeding \$40,000 , and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when : 1. Exercising an option contained in a contract previously approved by the council. 2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance. 3. Bid or award is for supplies. 4. Equipment is included in Exhibit "B" of the Budget Ordinance 5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County. |
| Summary of Scope: Interlocal Grant Agreement with the Port of Bellingham utilizing EDI Program funding (from the Public Utilities Improvement Fund) for use in the Port's Rural Broadband construction project. | |
| Term of Contract: n/a | Expiration Date: On Completion |

| | | |
|-------------------|---|------------------------|
| Contract Routing: | 1. Prepared by: <u>sm</u> | Date: <u>6/12/19</u> |
| | 2. Attorney signoff: <u>Christopher Quinn</u> | Date: <u>6/12/2019</u> |
| | 3. AS Finance reviewed: <u>bbennett BR</u> | Date: <u>6/14/19</u> |
| | 4. IT reviewed (if IT related): _____ | Date: _____ |
| | 5. Contractor signed: <u>✓</u> | Date: <u>9-6-19</u> |
| | 6. Submitted to Exec.: <u>✓</u> | Date: <u>8-13-19</u> |
| | 7. Council approved (if necessary): <u>✓</u> | Date: <u>9-10-19</u> |
| | 8. Executive signed: <u>✓</u> | Date: <u>9-11-19</u> |
| | 9. Original to Council: <u>✓</u> | Date: <u>9-13-19</u> |

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| Whatcom County Contract No. 201908011 |
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**Economic Development Investment Program
Interlocal Grant Agreement**

I PARTIES

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

II TERM

This Agreement takes effect upon execution hereof by the authorized representatives of both parties and continues in effect until all payments required under Section V, MUTUAL CONSIDERATION, Subsection B(ii), PAYOUT OF GRANT FUNDING, have been made or until terminated as provided for in Section VIII, TERMINATION.

III PURPOSE

The purpose of this Agreement is to provide funding support for the Rural Broadband Construction 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 B).

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 Port will construct the Project. The Project will be partially funded by a **\$750,000.00 grant from the Whatcom County Public Utilities Improvement Fund**, and the balance of the Project will be funded by the State of Washington and the Port of Bellingham, as outlined in Attachment B. The Project improvements, when complete, will be owned and maintained by Port of Bellingham.
- 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 Port 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 \$750,000. 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 Port from the Public Utilities Improvement Fund in the amount of \$750,000.00.

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. **PORT OF BELLINGHAM RESPONSIBILITIES:** The Port 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 Port 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 Port's application for EDI funding.

(ii) The Port shall be responsible for all aspects of the design and construction of the project.

(iii) The Port 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 Port 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 Port 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 Port for up to Seven Hundred Fifty Thousand Dollars (\$750,000.00) for the Project described herein. This grant shall be by County warrant drawn on the Public Utilities Improvement Fund and payable to the Port upon approval of this agreement by the Whatcom County Council and the Port, and pursuant to the terms contained in (ii), Payout of Grant Funding, below.

(ii) **PAYOUT OF GRANT FUNDING**—The County shall pay out the grant funding to the Port up to a maximum of Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) of the total project costs. This amount shall be paid in accordance with Attachment A, attached hereto. Disbursements of grant funding shall be made contingent upon and subject to the continued commitment of the other project funding sources.

(iii) 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 Port 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 Port 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 Port in the undertaking of a project of this nature. All Port records pertaining to this Agreement and the Project work shall be retained by the Port 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 Port 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 Port 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 Port. This agreement does not create, either implicitly or explicitly, any right, duty or obligation that is not expressly provided for herein.

The Port 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 Port in its sole discretion) and authorized/permitted under State and/or local law to perform such services.

VIII TERMINATION

If the Port 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 Port fails to comply with the terms and conditions of this Agreement, the County will give notice to the Port in writing of its failure to comply. The Port 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 Port 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 Port and a failure by the Port 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 Port 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 Port 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 PORT

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 Port 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 Port, its agents, employees, or subcontractors pursuant to this Agreement.

XII ASSIGNABILITY

The Port 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 Port 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 Port.

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 Port.

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 PORT:

Rob Fix, Executive Director
Port of Bellingham
1801 Roeder Avenue
Bellingham, WA 98225

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 Port agreed, and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this grant transaction. There are no other oral or written agreements between the Port and County as to the 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 recorded with the Whatcom County Auditor, or otherwise published pursuant to the requirement contained within RCW 39.34.040.

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


EXECUTED, this 6 day of September, 2019, for the **PORT OF BELLINGHAM**:


Rob Fix, Executive Director

STATE OF WASHINGTON)

COUNTY OF Whatcom) ss.

On this 6 day of September, 2019, before me personally appeared **ROB FIX**, to me known to be the **Executive Director** of the Port 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 Bellingham
My commission expires 6-18-23



EXECUTED, this 11th day of September, 2019, for **WHATCOM COUNTY**:

Approved: Accepted for Whatcom County:




Jack Louws, Whatcom County Executive

STATE OF WASHINGTON)
) ss
COUNTY OF WHATCOM)

On this 11th day of September, 2019, before me personally appeared **JACK LOUWS**, to me known to be the **COUNTY EXECUTIVE** of Whatcom County, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Suzanne M. Mildner
NOTARY PUBLIC in and for the State of Washington,
residing at Bellingham.
My commission expires 12-31-22.



Approved as to form:


Civil Deputy Prosecutor
Date 8/13/19

ATTACHMENT A

Port of Bellingham – Rural Broadband Construction Project Grant Payout Requirements

The Port will send invoices for project expenses to the Whatcom County Executive's office, 311 Grand Avenue, Suite 108, Bellingham, WA 98225. Invoices will include copies of receipts and such invoices will be for expenses not paid by other funding sources for this project. Funds will be made available by warrant within 30 days following receipt of invoice and are for reimbursement of project expenses only. (Note: the Port's invoice request for grant funds should reference the Whatcom County assigned interlocal agreement number)

RECEIVED

APR 8 2019

JACK LOUWS
COUNTY EXECUTIVE

Whatcom County
Economic
Development
Investments Program
Application for Funding



Jack Louws, Whatcom County Executive

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

Preliminary Information and Application

Note: The intent of this Program is to be consistent with State law, RCW 82.14.370

- 1. Who is eligible to apply:** Local general or special-purpose governments and higher education.
- 2. What projects are covered:** Construction of publically-owned infrastructure, facilities, and related improvements, which enable or encourage the creation or retention of private sector businesses and jobs in Whatcom County consistent with EDI Program Policy Objectives.
- 3. What activities are fundable:** New construction, refurbishment, replacement, rehabilitation, renovation or repair. Demolition is allowable if tied to construction. Soft costs allowed within scope of construction budget. No land acquisition except right-of-way included in a construction project.
- 4. What can you use the funds for:** Transportation (roads, bridges, rail), utility services (water, sewer, storm, energy, telecom) and public buildings or structures.
- 5. Other Limitations:** Planning/feasibility only projects are not eligible. Minimum local match is 10% of EDI request. EDI Board will make recommendations to the County Council which makes the final decision.

Preferential Project Types

First Preference – “JOBS IN HAND PROJECTS” – These types of projects will allow for the immediate creation and/or retention of jobs by providing public infrastructure that directly supports jobs. A perfect example would be a private business that will build or move into a facility and hire employees if a road is built or if water/sewer lines are extended to the site. These types of proposals would include a commitment by the private sector employer to create jobs and provide private investment.

Second Preference – “BUILD IT AND JOBS WILL COME PROJECTS” – These types of projects will construct public infrastructure but are not associated with a specific commitment from a private business to locate and/or create jobs. A perfect example would be the construction of roads and utility infrastructure to serve a new business park that would benefit multiple businesses.

Third Preference – COMMUNITY ENHANCEMENT PROJECTS” – These types of projects generally improve the physical appearance or create community assets to enhance the business climate. Examples would be boardwalk, streetscaping, downtown structures, and other publicly-owned facilities that make a community or region more attractive to existing or future businesses.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

Preferential Project Terms

First Preference – EDI LOAN – Due to the preferred revolving nature of EDI funds, proposals that are loan only will receive higher scoring. Loan terms and interest rate structure matches the Public Works Trust Fund program. The county will maintain discretion to modify such as including a deferral period.

Second Preference – LOAN/GRANT COMBINATION – The preferred combination of grant funds and loan funds is 1/3 grant, 2/3 loan.

Third Preference – EDI GRANT – Due to the “one-shot” nature of grants, projects of equal scoring requesting a grant only will be scored lower than another similar project requesting a loan/grant mix.

Preferential* Project Amounts (Guidelines)

JOBS IN HAND PROJECTS - \$1,000,000 limit if grant only. \$2,000,000 limit if combination of grant and loan. \$3,000,000 limit if loan only.

BUILD IT AND JOBS WILL COME PROJECTS - \$500,000 limit if grant only. \$1,000,000 limit if combination of grant and loan. \$1,500,000 limit if loan only.

COMMUNITY ENHANCEMENT PROJECTS - \$250,000 limit if grant only. \$500,000 limit if combination of grant and loan. \$750,000 limit if loan only.

*Based on compelling reasons, the EDI Board and County Council may consider exceptions.

Past Performance

Have you received EDI Program funding in the past? Yes _____ No _____

If yes, provide project name and EDI grant/loan awarded: “C” Street Terminal \$2m Loan/\$1m Grant; Index Industries \$500,000 Loan/ \$200,000 grant; All American Marine \$2M Loan/1M Grant.

If yes, EDI Program staff and/or the EDI Board may conduct an audit to review performance measures against projected outcomes, such as job creation projections.

Has your jurisdiction received any audit findings from the Washington State Auditor in the past 10 years?

_____ Yes; _____ X No. If yes, provide details:

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

THRESHOLD PROJECT CRITERIA

Evidence of Planning

YES NO

- Project included on an adopted regional economic strategy (“CEDS” list).
- Project included in the applicant’s Comprehensive Plan.
- Project included in the applicant’s Capital Expenditure Plan or adopted budget.

COMMENTS: The project is in the 2019 Port of Bellingham CEDS project list submitted to the WCOG and County. The project is included in our Regional Economic Development Comprehensive plan and will be added to the Port of Bellingham’s Expenditure Plan in 2020.

THRESHOLD PROJECT SCORING

POINTS

Preferential Project Type

10

- Jobs In Hand *10 points*
- Build It And Jobs Will Come *5 points*
- Community Enhancement *2 points*

2

Preferential Project Terms

- Loan Only *10 points*
- Loan/Grant *5 points*
- Grant Only *2 points*

5

Preferential Project Amounts

- Within Dollar Limits *5 points*
- Outside Preferred Dollar Limits *0 points*

17

TOTAL POINTS To proceed to other parts of the application and to receive EDI Board review, a proposed project must score 10 or more points on the above section.

Whatcom County Economic Development Investment (EDI) Program
Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

PROJECT APPLICANT

Applicant Name: Port of Bellingham

Applicant Address: 1801 Roeder Ave

Applicant Contact Person: Gina Stark

Applicant Email and Phone Number: Ginas@portofbellingham.com 360-715-5117

PROJECT TITLE

Rural Broadband Construction Project, Whatcom County

PROJECT AMOUNT REQUESTED

\$ 750,000 EDI TOTAL - (Loan \$ _____ ; Grant \$750,000)

\$75,000 Local Match (10% of EDI request minimum)

PROJECT TYPE

Jobs In Hand Build It And Jobs Will Come Community Enhancement

PROJECT TERMS

Loan Only Grant/Loan Grant Only If a loan, term requested: _____ (years)

PROJECT LOCATION: The first phase of the construction starts on the Mt. Baker Highway headed east. At Nugent corner it splits off and goes north towards Limestone and east to Glacier.

PROJECT DESCRIPTION

The Whatcom County Rural broadband fiber project will create a carrier grade open access dark fiber network. The network will provide broadband to our local businesses and community members who currently are unserved or underserved by the current fiber infrastructure. In addition, the network will also provide the necessary infrastructure for strong cell coverage that is essential to our firefighters, EMTs, Sheriffs, and other first responders out in the County. (See Attachment)

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

BASIC PROJECT INFORMATION

1. Complete the public project budget and status of funds below. If EDI funds are approved is funding 100% complete? Yes No

If EDI funds are used it would contribute to the completion of segment 1 of this project.

| <u>Funding Source</u> | <u>Amount</u> | <u>Planned/Applied For</u> | | <u>Secured</u> | |
|-----------------------|----------------------------|----------------------------|----------------|------------------|-----------------|
| Federal Dollars | \$ <u> </u> | Yes <u> </u> | No <u> </u> | Yes <u> </u> | No <u> </u> |
| State Dollars | \$ <u>1.3 million</u> | Yes <u> x </u> | No <u> </u> | Yes <u> </u> | No <u> x </u> |
| Local Dollars | \$ <u>75,000</u> | Yes <u> x </u> | No <u> </u> | Yes <u> x </u> | No <u> </u> |
| EDI Funding | \$ <u>750,000</u> | Yes <u> x </u> | No <u> </u> | Yes <u> </u> | No <u> x </u> |
| TOTAL | \$ <u>2,125,000</u> | | | | |

2. Describe the amount of outside (private) funding committed to the project (eg. Plant and equipment). There is currently no private funding committed to this project.

3. Describe the public infrastructure being proposed. Include engineering estimates and a site map detailing the proposed improvements as Attachments A and B.

We are constructing an open access carrier grade dark fiber network. The engineering of segment 1 is \$247,888.82 and the overall cost of construction is 2,038,196.93. A majority of the build is aerial however, we don't anticipate having to do any poll replacement.

4. Describe how these improvements will enhance or encourage community vitality and stimulate other private development in the area.

This open access network will encourage investments by Internet Service Providers (ISPs) in our rural communities and will provide opportunities for choice between services and prices. This investment will enable existing business to grow their business and encourage new businesses to locate in these communities. Having this network would also open up the market for more home based business. These combined elements will encourage private investment in the area.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

5. List all permits and environmental reviews required for the public project and detail their status (completed, in-process, etc.)

| | In Process | Date Completed |
|-----------------------------|------------|----------------|
| Preliminary Engineering | X | _____ |
| Environmental Review | _____ | _____ |
| Design Engineering | _____ | _____ |
| Right-of-Way | _____ | _____ |
| Construction Permits | _____ | _____ |
| Environmental Permits | _____ | _____ |
| Bid Documents | _____ | _____ |
| Award Construction Contract | _____ | _____ |
| Begin Construction | _____ | _____ |
| Project Operational | _____ | _____ |

The _____

We are currently putting RFPs together to bid out for engineering/ construction companies to do the work. We plan to begin construction in Spring of 2020.

6. Are any other public jurisdictions involved in this project? If so, in what way?

The townships of Kendall, Mt. Baker, Deming and Glacier, as well the school districts are aware of the project. The Small City Caucus is highly supportive of the project. We will continue to do outreach and keep them informed as the project moves forward. In addition, we are working in partnership with PUD No 1 of Whatcom on this project.

7. Who will maintain the public facility/infrastructure to be completed with EDI funds? Will this project impact utility rates within the jurisdiction?

The Port of Bellingham will provide the initial maintenance and operations of the fiber network. The Port may subcontract for some of the maintenance services. In the future, the Port and PUD may partner on the maintenance of the network. There will be no impact to utility rates.

8. Will this project directly generate a revenue stream that could be used to repay an EDI loan? Will this project spur indirect revenues that could be used to repay an EDI loan? If no to either question – why?

The project is expected to generate revenues however the revenues will be needed to pay for the operation and maintenance of the system. If a loan is necessary, then a portion of the revenues could be used to repay an EDI loan but unlikely.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

9. What other revenue sources are available for this project and have they been considered. This includes forming a Local Improvement District (LID or ULID), issuing Councilmanic Bonds, Revenue Bonds, or other source(s).

The other source of funding for this project is the Community Economic Revitalization Board (CERB) Grants/Loan program. We have explored the option of Federal funding under the USDA Re-Connect and Community Connect program but this project does not match the guidelines/requirements for their grants/loans.

10. Describe the private development project that will be supported by this public facility project. If there is a committed private sector partner include Contingency Agreement (Attachment C).

The private investment in this project will be in the form of the ISPs that agree to lease our dark fiber and the potential for the construction of additional cell towers.

11. Explain why the private development requires the proposed public improvement(s).

This is not a private development however it will require the participation of private ISPs. It is set in the guidelines of CERB funding the project is required to be a publicly owned open access infrastructure. However, since it is a publicly owned network it allows for multiple providers to lease the dark fiber and provide services to the end users.

12. What is the status of the associated private development review and permits. List all permits required and give the current status (applied for, being reviewed, issued). There is not private development.

| | In Process | Date Completed |
|-----------------------|------------|----------------|
| Environmental Review | _____ | _____ |
| Construction Permits | _____ | _____ |
| Environmental Permits | _____ | _____ |
| _____ | _____ | _____ |

13. Describe the type of industry or economic activity the public development will attract. What is the strategy to attract industry to the project site?

The introduction of rural broadband will make these areas more marketable to new businesses to establish their business in the rural region. This project also encourages the growth of more home-based businesses who currently are unable to do so based upon lack of high speed internet. The network will also enable businesses to grow their on-line marketing base which will provide them with access to new markets that were previously unobtainable to them. In addition, if businesses are paying significantly less for internet services they can invest this additional capital back into their business. Our economic development division will advertise and promote the new connectivity of the area to existing and potential new businesses that we work with. We will also encourage our other economic development partners to market the new connectivity of these communities.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

14. List the number of projected jobs, by type, to be retained and/or created by the private entity.

| Occupation | Current Jobs Retained** (In FTEs) | # Of Jobs Created Year 1 (In FTEs) | # Of Jobs Created by Year 5 (In FTEs) | Hourly Wage of current or new position | Local Occupational Hourly Wages*** |
|-----------------|-----------------------------------|------------------------------------|---------------------------------------|--|------------------------------------|
| Mgmt./Admin* | | 1 | 1 | \$62,000 | N/A |
| Technical/Prof | | 2 | 5 | \$26.89 | |
| Office/Clerical | | | | | |
| Production | | | | | |
| Sales | | | | | |
| Skilled Crafts | | 1 | 5 | \$25.81 | |
| Others | | | | | |
| Totals | | 4 | 11 | N/A | N/A |

* Indicate Management positions in annual salary.

** Retained jobs are defined as jobs that would otherwise be lost from the county without this project.

*** This column will be populated with data from the state before application is distributed and revised annually.

- a. Projected annual gross payroll for all job classifications \$ 214,812.80 year one/\$567,920 at the five year (this will cover the whole network build) This does not count the employment due to construction.
- b. Describe fringe benefits the company offers to regular full time employees? (health insurance, retirement plans, etc.) Health insurance (medical and dental) Paid sick leave, paid time off, and retirement. Some may be contracted so unsure of what their benefits will be.

15. How does this project support the economy of Whatcom County and how does it fit into a county-wide economic development strategy?

The Whatcom County Economic Development Strategy states that investing in infrastructure is very important in maintaining the competitiveness of the region, including broadband access and reliable cellular phone service. Also the CEDS supports the smaller communities in order to grow their economies and recognized as one of their impediments is the lack of infrastructure especially high speed internet and reliable cell phone services. This project would address a major impediment to the growth of our rural communities.

Whatcom County Economic Development Investment (EDI) Program

Revolving Loan and Grant Program to Encourage Creation or Retention of Private Sector Jobs

16. What will the effect of this project be on the natural environment – does the project address any issues related to public health, pollution, or quality of life?

The Rural Broadband Project of Whatcom County does not affect the natural environment. The project does address public health and safety.

Rural broadband will enable first responders to communicate to community members who currently have difficulty calling 911 due to lack of cell coverage. Segment 1 will be the first phase of a network that will enable the establishment of hotspots allowing EMT's to send real time information to the local hospitals. Finally, it will provide the necessary technology for the development of tele-medicine giving rural communities emergency medical information. All of these elements will increase the quality of life for rural Whatcom County residents.

17. Does this project address any existing issues related to public safety and/or does it increase public safety in the future or address a potential future public safety issue?

Yes, the project does. Cell services is seriously lacking along this route. Currently, community members lack adequate cell coverage to dial 911. Once this project is completed it will increase cell coverage enabling first responders to communicate to their community member and to each other. This project will provide a market for cell phone carriers. With the increased coverage community members will be able to dial 911 and receive the help they need.

18. Describe specific quantifiable measures of the outcomes, other than purely jobs, that will demonstrate project success. Describe how you will measure this and explain what you expect to show as progress toward the outcome.

In early 2019 we conducted an in depth survey of regional gaps and needs. After implementation we will conduct an additional survey and compare the results. Our intention will be to measure how many new businesses locate in the area and how many businesses expand. We will also be able to measure the number of ISPs on the network, the increase in fiber to the home and businesses and the increase of revenues.

Application for Funding – Certification

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IN THIS APPLICATION TO WHATCOM COUNTY FOR INVESTMENTS IN ECONOMIC DEVELOPMENT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature of Responsible Public Official: _____

Date 4/29/19

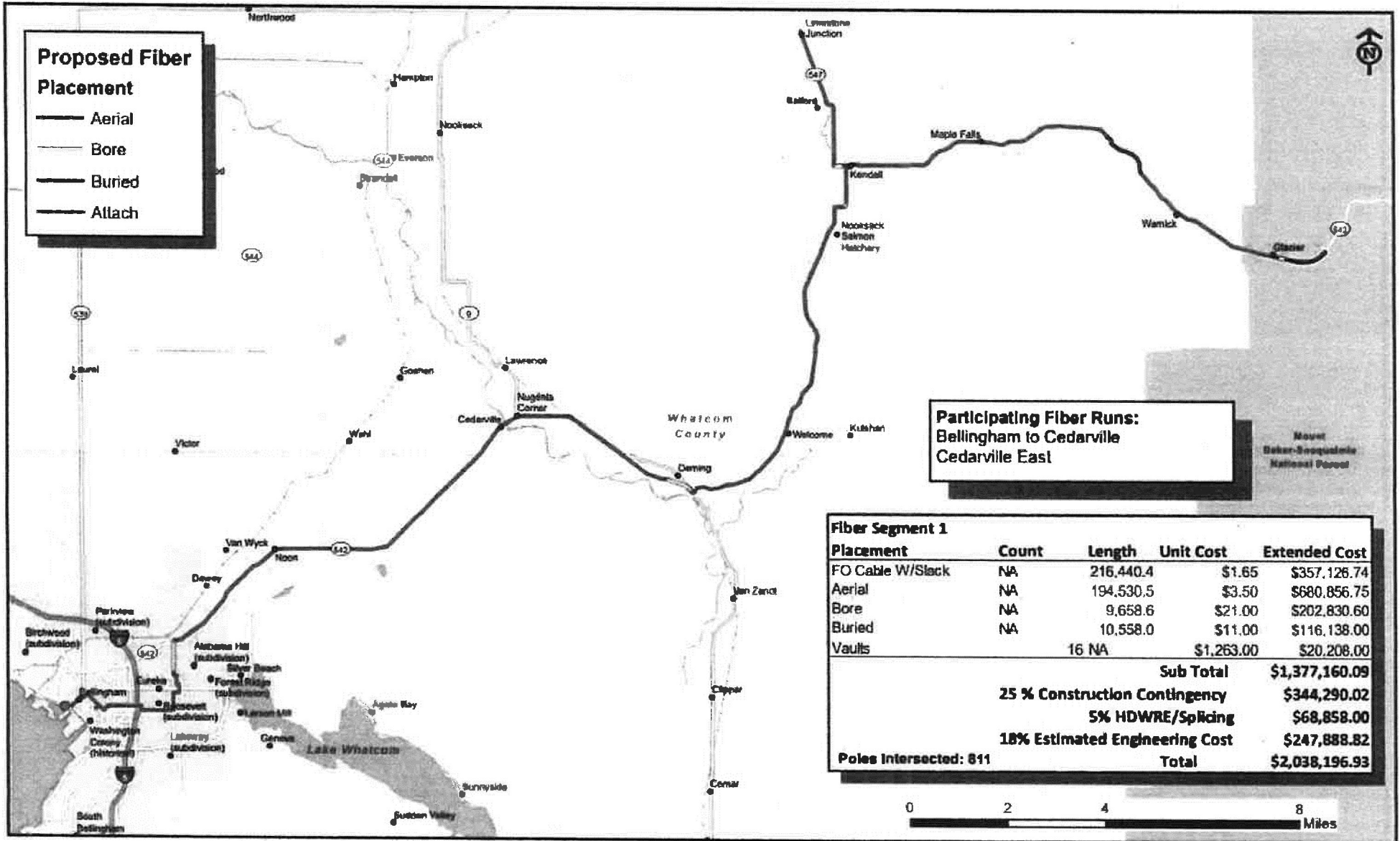
Project Description

The Whatcom County Rural broadband fiber project will create a carrier grade open access dark fiber network. This network will provide broadband to our local businesses and community members who currently are unserved or underserved by the current infrastructure. This network will also provide the necessary infrastructure for strong cell coverage that is essential to our firefighters, EMTs, Sheriffs, and other first responders out in the County.

The Whatcom County Rural Broadband project includes four routes throughout the county totaling 113.2 miles. This project we are focusing on the construction of segment 1 which goes from Bellingham to Glacier and north east up Hwy 543 just past Kendall. Other routes go from Lynden to Blaine, Blaine to Lummi, and down Hwy 9. This project will include laying of fiber along PSE poles, in conduit, and underground. It will also include the construction of vaults along the various routes.

This is a project that will result in immediate employment opportunities for our community in the form of planning, engineering and construction jobs. In the long term this system will provide broadband service to our small business enabling them to grow and expand their businesses increasing the amount of jobs and our overall economy. It will make our rural community more marketable to outside businesses who may want to come to our area. This project grows and retains jobs in Whatcom County and provides opportunity for equity for our community members.

Segment 1 Construction Costs (40.6 Miles)



**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse
311 Grand Avenue, Suite #108
Bellingham, WA 98225-4082



Jack Louws
County Executive

MEMORANDUM

TO: Whatcom County Council members

FROM: Jack Louws, County Executive

RE: EDI Program - Interlocal Grant Agreement with
The Port of Bellingham

DATE: June 12, 2019

Enclosed are two (2) originals of an Interlocal Grant Agreement between Whatcom County and the Port of Bellingham for your review and approval.

▪ **Background and Purpose**

On May 7, 2019, the Council adopted the EDI Board's recommendation to provide funding through the EDI Program for the Port of Bellingham's Rural Broadband Construction project.

This grant agreement is being presented to you now for approval. Once approved, we respectfully request your authorization for the County Executive to execute this agreement.

▪ **Funding Amount and Source**

\$750,000.00 will be drawn from the EDI Program's grant program, which funding is derived from the Public Utilities Improvement Fund.

Please contact me with any questions or concerns regarding the terms of this agreement.

Enclosures