

Whatcom County  
Contract No.  
202409003

## Economic Development Investment Program Interlocal Loan & Grant Agreement

### I PARTIES

This Agreement is made by and between **Whatcom County** (hereinafter referred to as **the County**), and the City of Lynden (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 required under Section V, MUTUAL CONSIDERATION, Subsection C, REPAYMENT OF COUNTY LOAN, 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 Lynden Wastewater Treatment Plant 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 construct the Project. The Project will be partially funded by a **\$666,667 loan from the Whatcom County Public Utilities Improvement Fund, a \$1,333,333 grant from the Whatcom County Public Utilities Improvement Fund**, and the balance of the Project will be funded by the City and other sources as outlined in Attachment C. 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 City 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 City's 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 loan in the amount of \$666,667 and a grant in the amount of \$1,333,333, for a total of \$2,000,000. 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 loan to the City from the Public Utilities Improvement Fund in the amount of \$666,667, and a grant to the City from the Public Utilities Improvement Fund in the amount of \$1,333,333.

I. The Public Utilities Improvement Fund balance is sufficient to make the requested loan and 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 LYNDEN 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.

(v) The City shall repay the loan in full in accordance with the terms of Section V.C below and the amortization schedule set forth in Attachment A, attached hereto.

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

(i) COUNTY LOAN—The County shall *loan* Six Hundred Sixty-Six Thousand Six Hundred Sixty-seven Dollars and Zero Cents (\$666,667) for the Project described herein (the "Loan"). This Loan shall be by County warrant drawn on the Public Utilities Improvement Fund and payable to the City, available upon written request after approval and execution of this agreement by the Whatcom County Council and the City, and pursuant to the terms contained in (iii) Payout of Loan and Grant Funding.

(ii) COUNTY GRANT—The County shall issue a *grant* to the The City for up to One Million Three Hundred Thirty-three Thousand Three Hundred and Thirty-three dollars and Zero Cents (\$1,333,333) for the Project described herein. This grant shall be by County warrant drawn on the Public Utilities Improvement Fund and payable to the City upon approval of this agreement by the Whatcom County Council and the City, and pursuant to the terms contained in (iii), Payout of Loan and Grant Funding, below.

(iii) PAYOUT OF LOAN AND GRANT FUNDING—The County shall pay out the loan and grant funding to the City up to a maximum of Two Million Dollars and Zero Cents (\$2,000,000) of the total project costs. This amount shall be paid in accordance with Attachment B, attached hereto. Disbursements of grant and loan funding shall be made contingent upon and subject to the continued commitment of the other project funding sources.

(iv) 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.

C. REPAYMENT OF COUNTY LOAN—The City shall repay the Loan as follows:

(i) The term of the Loan shall be **twenty (20)** years, commencing from the date that the County disburses the Loan proceeds to the City. Interest shall accrue on the unpaid principal at a rate of 1% per annum. Interest shall begin accruing from the date of disbursement of loan funds.

(ii) The City will make loan payments to the County annually on or before the anniversary date of receiving loan proceeds in accordance with the attached amortization schedule (Attachment A). Loan payments must be delivered to the Whatcom County Executive Department, Suite 108, 311 Grand Avenue, Bellingham, WA 98225.

(iii) Failure to make the payment in the required amount by the date it is due according to the amortization schedule hereto attached shall constitute an event of default by the City. In the event that the City fails timely to make a Loan payment hereunder, the County shall notify the City of the failure and the City shall have fourteen (14) days to cure its failure. At the option of the County, such an event of default and the City's failure to cure within the stated time period is a sufficient basis upon which the County may take action to collect the amount that is delinquent, and if the County takes action to collect pursuant to this provision, the City shall pay to the County not only the amount owing, but also any collection of reasonable costs incurred by the County. Furthermore, if the City fails to make a payment on the Loan within

thirty (30) days of the date it is due, and if the County has provided the City with the notice provided for in this section, then the County may choose to declare the remaining balance of the loan due and owing.

(iv) There is no prepayment penalty should the City desire to retire this debt early, either in whole or in part.

## **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. 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 OF LYNDEN**

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 THE CITY:** Jon Hutchings, Director of Public Works  
City of Lynden  
300 4<sup>th</sup> Street  
Lynden, WA 98284

**TO COUNTY:** Randy Rydel, 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.

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

Each signatory below to this Contract warrants that he/she is the authorized agent of the respective party; and that he/she has the authority to enter into the contract and to bind the party thereto.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2024, for the **CITY OF LYNDEN:**

\_\_\_\_\_  
Scott Korthuis, Mayor

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2024, for **WHATCOM COUNTY:**

**Approved:** Accepted for Whatcom County:

\_\_\_\_\_  
Satpal Sidhu, Whatcom County Executive

**Approved as to form:**

Brandon Waldron per email 09/11/2024  
Chief Civil Deputy Prosecutor                      Date

ATTACHMENT "A"

WHATCOM COUNTY						
EDI Loan City of Lynden						
Wastewater Treatment Plant Project						
		Principal			\$666,667	
		Interest Rate			1.00%	
		Term (20 years)			20	
#	Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	2025	\$666,667	(\$36,944)	6,667	(\$30,277)	\$636,390
2	2026	\$636,390	(\$36,944)	6,364	(\$30,580)	\$605,810
3	2027	\$605,810	(\$36,944)	6,058	(\$30,886)	\$574,924
4	2028	\$574,924	(\$36,944)	5,749	(\$31,195)	\$543,729
5	2029	\$543,729	(\$36,944)	5,437	(\$31,507)	\$512,222
6	2030	\$512,222	(\$36,944)	5,122	(\$31,822)	\$480,400
7	2031	\$480,400	(\$36,944)	4,804	(\$32,140)	\$448,260
8	2032	\$448,260	(\$36,944)	4,483	(\$32,461)	\$415,799
9	2033	\$415,799	(\$36,944)	4,158	(\$32,786)	\$383,013
10	2034	\$383,013	(\$36,944)	3,830	(\$33,114)	\$349,899
11	2035	\$349,899	(\$36,944)	3,499	(\$33,445)	\$316,454
12	2036	\$316,454	(\$36,944)	3,165	(\$33,779)	\$282,675
13	2037	\$282,675	(\$36,944)	2,827	(\$34,117)	\$248,558
14	2038	\$248,558	(\$36,944)	2,486	(\$34,458)	\$214,100
15	2039	\$214,100	(\$36,944)	2,141	(\$34,803)	\$179,297
16	2040	\$179,297	(\$36,944)	1,793	(\$35,151)	\$144,146
17	2041	\$144,146	(\$36,944)	1,441	(\$35,503)	\$108,643
18	2042	\$108,643	(\$36,944)	1,086	(\$35,858)	\$72,785
19	2043	\$72,785	(\$36,944)	728	(\$36,216)	\$36,569
20	2044	\$36,569	(\$36,935)	366	(\$36,569)	\$0

Attachment B

The City of Lynden – Wastewater Treatment Plant Project  
 Loan and Grant Draw Down Requirements



The \$1,333,333 grant funding will be disbursed prior to any loan funding, as follows:

The City of Lynden 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 receipts. Funds will be made available by warrant within 30 days following receipt of invoice and are for reimbursement of project expenses only. The request for grant funds should reference the Whatcom County assigned interlocal agreement number.

The \$666,667. loan will be disbursed as follows:

Following the disbursal of all grant funds, the loan funds will be made available for application to the project by warrant within 30 days of receipt of written request from Steve Banham, Public Works Director of the City of Lynden, and sent to the Whatcom County Executive's office, 311 Grand Avenue, Suite 108, Bellingham, WA 98225. The request will include the full loan amount (\$666,667.00), and a reference to the contract number assigned to this Interlocal Agreement. Repayment of the loan will begin one year from the disbursement date and follow the schedule noted in Attachment A.

ATTACHMENT 'C'

Whatcom County  
Economic Development  
Investments Program

Application for Funding



Satpal Sidhu, 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.

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

FILLABLE FORM BEGINS HERE

**Past Performance**

Have you received EDI Program funding in the past?  \_\_\_\_\_; Yes \_\_\_\_\_ No

If yes, provide project name and EDI grant/loan awarded: Multiple: South Park Street Loan, Community Center Grant, Depot to 8th Trail Grant, Grover Street 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;  \_\_\_\_\_ No. If yes, provide details:

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**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	
<u>X</u>	<u>    </u>	Project included on an adopted regional economic strategy (“CEDS” list).
<u>X</u>	<u>    </u>	Project included in the applicant’s Comprehensive Plan.
<u>X</u>	<u>    </u>	Project included in the applicant’s Capital Expenditure Plan or adopted budget.

COMMENTS:

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**THRESHOLD PROJECT SCORING**

POINTS	<i>Preferential Project Type</i>	
<u>    10    </u>	<u>X</u> Jobs In Hand	<i>10 points</i>
	<u>    </u> Build It And Jobs Will Come	<i>5 points</i>
	<u>    </u> Community Enhancement	<i>2 points</i>
<u>    5    </u>	Preferential Project Terms	
	<u>    </u> Loan Only	<i>10 points</i>
	<u>X</u> Loan/Grant	<i>5 points</i>
	<u>    </u> Grant Only	<i>2 points</i>
<u>    5    </u>	Preferential Project Amounts	
	<u>X</u> Within Dollar Limits	<i>5 points</i>
	<u>    </u> Outside Preferred Dollar Limits	<i>0 points</i>
<u>    20    </u>	<b>TOTAL POINTS</b>	

**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: City of Lynden  
Applicant Address: 300 4th Street  
Applicant Contact Person: Jon Hutchings  
Applicant Email and Phone Number: hutchingsj@lyndenwa.org / 360-354-3446

PROJECT TITLE

Wastewater Treatment Plant Capacity and Nutrient Improvements

PROJECT AMOUNT REQUESTED

\$ 2,000,000 EDI TOTAL - (Loan \$ 666,667 ; Grant \$ 1,333,333 )  
\$ 200,000 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: 20 (years)

PROJECT LOCATION: 800 South 6th Street, Lynden

PROJECT DESCRIPTION

(one page limit)

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

PROJECT DESCRIPTION  
(one page limit)

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The City of Lynden operates a conventional extended aeration Wastewater Treatment Plant (WWTP) that currently satisfies the City's wastewater treatment needs. Residential and commercial growth pressures during the past 20 years, together with recent commitments from regional and international food processing interests, caused the City to conduct a formal analysis of its untapped wastewater treatment capacity. The 2022 engineering report showed that the existing extended aeration system is approaching regulatory limits for flow and biological oxygen demand (BOD) loading, and will not meet expected future nutrient treatment requirements. The report presented alternatives for up-fitting the facility to meet an additional 20+ year planning period that includes additional food processing capability. The State Department of Ecology subsequently confirmed the report, enabling the City to secure a State Revolving Fund (SRF) loan for design of appropriate WWTP improvements. In addition to locking-in regional economic development benefit and further reducing nutrient loading in the Nooksack River, this project will be delivered using the State Department of Enterprise Services Energy Savings Performance Contracting to maximize energy efficiency gains and lower energy costs for consumers.

The City of Lynden is now on the preliminary SRF loan funding list for construction in mid-2025 through 2026. To meet the 2025 construction start, advance purchase of long-lead equipment must occur by June, 2024. Advance-purchased equipment is ineligible for reimbursement under the SRF program until late in the construction schedule. The City must order the integrated motor control center (\$690,000) and three aeration blowers (\$910,000) in June 2024 for delivery in mid-2025 and installation in the fall. Reimbursement will not be considered until after installation and testing, causing a cascading cash-flow burden on the City's sewer fund. This EDI grant/loan will remedy the cash-flow up front, maintaining fund reserves to process the five successive months of outlays in excess of \$1M per month.



**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

Please explain:

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<u>Funding Source</u>	<u>Amount</u>	<u>Planned/Applied For</u>	<u>Secured</u>
Federal Dollars	\$ 18,050,000	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
State Dollars	\$ _____	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Local Dollars	\$ 200,000	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
EDI Funding	\$ 2,000,000	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>TOTAL</b>	<b>\$ 20,250,000</b>		

2. Describe the amount of outside (private) funding committed to the project (eg. Plant and equipment).

Up to \$16,072,000 SRF loan (offered) + \$1,978,000 SRF design loan (in-hand); both of these are repaid by private industrial and residential ratepayers over 20 years.

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

Wastewater Treatment Plant capacity, nutrient removal improvements and energy efficiency upgrades.

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

The City of Lynden and regional economic development partners, have successfully encouraged relocation of large-scale industrial food processing and cold storage companies from British Columbia to West Lynden Industrial zoned property. This recent and rapid increase in agricultural-based commercial/industrial activity places growing demand on the City's wastewater treatment system. This, along with rapid growth and increased densities in all land-use zones, has accelerated the City's schedule for wastewater treatment improvements that increase plant capacity, manage nutrient loading, and introduce energy efficiencies.

**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	_____	11/1/23
Environmental Review	_____	3/29/24
Design Engineering	_____	4/5/24
Right-of-Way	N/A	_____
Construction Permits	7/8/24	_____
Environmental Permits	_____	3/29/24
Bid Documents	7/8/24	_____
Award Construction Contract	7/8/24	_____
Begin Construction	NTP 4/18/25	_____
Project Operational	5/15/26	_____
_____	_____	_____

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

DOE is certifying project, loaning pre-design and construction funds. Dept of Enterprise Services overseeing Energy Savings Performance Contract

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

City of Lynden will maintain. Sewer utility rates and connection charges will be impacted. A rate study is underway now.

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's treatment capacity increase will meet sewer demands called out in the City's Comprehensive Plan for a twenty-year planning horizon, including industrially zoned land in West Lynden. Latecomer fees, capital improvement charges, and utility impact fees paid by these future users will repay the EDI and SRF loans.

## **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 Councilmatic Bonds, Revenue Bonds, or other source(s).

Public Works Trust Fund grant applied, but not offered, Ecology SRF loans are paying for design and most of construction, Special Assessments for industrial zones and Pepin Subarea are being crafted to help service 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).

Alliance Freeze Dried, Premier Packing, Lynden Door, Open Windows, are all on track for location in West Lynden. Utility revenues from these industries will substantially benefit loan service.

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

Accelerated industrial and ag-related growth in the West Lynden area has required the City to restructure projected flow and loads from all land uses and seek more effective treatment systems. This need, together with forthcoming nutrient requirements, makes the current project timely and allows for system upgrades to be financed by future industrial 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).

Please see answer to question 14.

## **Whatcom County Economic Development Investment (EDI) Program**

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

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 West Lynden area is a prime location for agricultural processing and other industry requiring large parcels of land and access to Interstate 5. The area is a particular target for international businesses looking to access US markets. See attached economic information.

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

### **West Lynden Development Update-Spring 2024**

Recent planning estimates project that between 388 and 944 new industrial jobs will add to the Lynden UGA by 2045. Today, the City of Lynden has the following industrial projects underway or pending for the West Lynden Industrial District and Industrial Business Zone.

Alliance Freeze Dry. \$40M 220,000 sqft freeze dried pet food processing plant at 675 Redwood. Fully permitted and under construction. 77 employees.

Lynden Door Trucking. 35,000 sqft mechanic shop at 8317 Guide Meridian. SEPA completed, civil and bldg Permits submitted. 2024 start. 10 employees.

Open Windows. Finished window pane manufacturing facility at 2301 Main Street. Building application received, plan check fee paid, review in process. 10 employees.

Premier Packing. 194,000 sqft frozen fish processing plant at 603 Curt Mayberry. SEPA review concluded and Conditional Use granted. Building application pending. 50 new employees.

Berry Hill. \$20M frozen berry processor at 602 Redwood. On hold. 40 employees.

BC Frozen Foods. Frozen produce processor at 2084 Main Street. Preapplication.

Structure Craft. Wood beam manufacture at Alderwood. Preapplication.

Everblue, Inc. Blueberry processor at 2263 Main Street. Preapplication.

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

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

The proposed project makes way for 1) anticipated placement of food processors and other industrial users in north Whatcom County and 2) meeting present and future (nitrogen) discharge requirements for the Nooksack River and ultimately Puget Sound. Additional benefits accrue from more efficient process components, lower energy costs, and lower maintenance costs associated with aging/obsolete system components.

16. What will the effect of this project be on the natural environment – does the project address any issues

This project (1) adds nitrogen removal to the process train at Lynden's Wastewater Treatment Plant, ensuring maximum wastewater quality entering the Nooksack watershed, and (2) reduces energy use by approximately \$534,000 kWh with associated benefits to the region's carbon emissions. Public health and quality of life benefits result from a safe, reliable and resilient system for collecting and treating municipal sewage.

17. Does this project address any existing issues related to public safety and/or does it increase public safety

The project results in a much more robust and resilient municipal wastewater system that must operate continuously during all weather, including flooding, extreme low temperatures, and other natural and human-caused disasters. Public safety benefits accrue to operators, emergency responders, and, ultimately, the public in the way of assured public health results.

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.

Meet projected 2046 flow. Discharge monitoring

Meet projected 2026 loading. Discharge monitoring.

Meet projected 2026 Ecology NPDES permit standards for discharge. Required monthly testing.

Removal of nitrogen. Monthly testing

**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 5/7/24