

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.

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**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.

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FILLABLE FORM BEGINS HERE

**Past Performance**

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

If yes, provide project name and EDI grant/loan awarded: G-Street Sewer Improvements Project; \$1,875,000 grant/ \$625,000 loan award - most recent

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 Yes; \_\_\_\_\_ No. If yes, provide details:

Summary of Audit Findings

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2018-2019 Financial and Federal

1. 2019-001 – The City did not have adequate internal controls to ensure compliance with federal procurement requirements.

2020-2022 Fraud Report

1. Fraud Investigation Report – The City Manager did not always review the Director’s credit card transactions. When secondary reviews were performed, they were not detailed enough to ensure purchases were for legitimate business purpose. The City did not have an adequate process to reconcile inventory purchases, such as through an asset tracking listing, to ensure they were properly accounted for.

2020-2021 Accountability

1. 2021-001 – The City lacked adequate internal controls over credit card purchases and small and attractive assets to ensure appropriate safeguarding of public resources.

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**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.
<u>X</u>	_____	Project included in the applicant’s Capital Expenditure Plan or adopted budget.

COMMENTS:

The project's need has been identified in the existing approved City of Blaine's Water Comprehensive Plan. City is in process of amending the Water Comprehensive Plan and this project will be included in the amendments.

**THRESHOLD PROJECT SCORING**

POINTS	<i>Preferential Project Type</i>	
<u>10</u>	<u>X</u> Jobs In Hand	<i>10 points</i>
	<u>X</u> Build It And Jobs Will Come	<i>5 points</i>
	___ Community Enhancement	<i>2 points</i>
<u>05</u>	Preferential Project Terms	
	___ Loan Only	<i>10 points</i>
	<u>X</u> Loan/Grant	<i>5 points</i>
	___ Grant Only	<i>2 points</i>
<u>05</u>	Preferential Project Amounts	
	<u>X</u> Within Dollar Limits	<i>5 points</i>
	___ Outside Preferred Dollar Limits	<i>0 points</i>
<u>20</u>		
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.</b>	

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**PROJECT APPLICANT**

Applicant Name: City of Blaine

Applicant Address: 354 Martin Street, Blaine WA 98230

Applicant Contact Person: Michael Harmon

Applicant Email and Phone Number: mharmon@cityofblaine.com; 360-332-8311

**PROJECT TITLE**

Wellfield Reservoir Replacement

**PROJECT AMOUNT REQUESTED**

\$ 2,000,000 EDI TOTAL - (Loan \$ 1,333,334 ; Grant \$ 666,666.00 )

\$ 500,000 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: 15 (years)

PROJECT LOCATION: Blaine Wellfield

**PROJECT DESCRIPTION**

(one page limit)

**Whatcom County Economic Development Investment (EDI) Program**  
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**PROJECT DESCRIPTION**  
(one page limit)

City of Blaine is proposing to replace its biggest and oldest reservoir known as 171-zone reservoir located in Blaine Wellfield. Project includes evaluation, survey, design, permitting and related services, and construction of approximately 1.6MG above ground potable water reservoir. The new reservoir will be connected to the existing wellfield piping and disinfection system to replace the existing 171 zone reservoir.

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### 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:

The total project cost will be around \$5.00 million; including design and construction. The City is requesting \$2.00 million from County, City will be contributing \$500,000 from City reserves, and will be exploring other funding options such as Drinking Water State Revolving funds and Public Works Trust funds for the remaining \$2.5 million.

<u>Funding Source</u>	<u>Amount</u>	<u>Planned/Applied For</u>		<u>Secured</u>	
Federal Dollars	\$ _____	Yes ___	No ___	Yes ___	No ___
State Dollars	\$ <u>2,500,000</u>	Yes ___	No <input checked="" type="checkbox"/>	Yes ___	No ___
Local Dollars	\$ <u>500,000</u>	Yes ___	No ___	Yes <input checked="" type="checkbox"/>	No ___
EDI Funding	\$ <u>2,000,000</u>	Yes <input checked="" type="checkbox"/>	No ___	Yes ___	No ___
TOTAL	\$ _____				

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

N/A

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

Please refer to Attachment A for the proposed improvements and Engineering estimates, and Attachment B for site map.

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

The water system re-zoning (as explained in attachment A) will help the City to continue supply water to the existing Blaine Downtown residential and commercial properties at the adequate pressure to keep them operational. Apart from supplying water to the 171-zone customers, all the other the pressure zone, i.e. 320, 330 & 440 - zone also receives supply from the 171-zone reservoir. Therefore the proposed improvements, along with improving pressure issues will also ensure adequate water supply to all the existing water distribution infrastructure within the City.

Also, the water will be pumped from the watershed reservoir to the Harvey Road reservoir to supply water to the East Blaine growth and by improving pressure this improvement will also support west Blaine growth.

Therefore, the proposed project will address:

1. Whatcom County's housing problem;
2. help keep the existing businesses flourishing;
3. help welcome the new business opportunities in East Blaine with the upcoming development projects;
4. help ensure public safety by ensuring water supply to approximately 8000 ERUs (combined Blaine and Birch Bay Customers).



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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	_____	_____
Environmental Review	_____	_____
Design Engineering	_____	_____
Right-of-Way	_____	_____
Construction Permits	_____	_____
Environmental Permits	_____	_____
Bid Documents	_____	_____
Award Construction Contract	_____	_____
Begin Construction	_____	_____
Project Operational	_____	_____
_____	_____	_____

**Please refer to engineering estimates in Attachment A for the permit requirements and cost estimates for the project.**

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

Yes, Birch Bay Water & Sewer District is involved in the project. City of Blaine sells water to the District. All the District customers are fed from the same 171-zone reservoir that City is proposing to replace.

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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 Blaine's Public Works Department will maintain the facility. There will be no impact on utility rates.

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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?

Yes, with new housing and new businesses coming to town the City will generate new revenue stream. City of Blaine anticipate approximately 550 new homes in West Blaine (separate from attachment C) that will generate \$113,000/year (approx.) in terms of water utility revenue.

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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).

City will be using Water Capital Reserves to contribute funds to the project.

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).

Please refer to Attachment C for potential development projects.

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

The attached list of developments are proposed in existing pressure zone 171 and the proposed project will ensure water supply at adequate pressure ensuring public health & safety.

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 refer to Attachment C

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

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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 public development will attract housing and commercial industry as the proposed project will improve water supply.

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*					N/A
Technical/Prof					
Office/Clerical					
Production					
Sales					
Skilled Crafts					
Others					
Totals				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 \$\_\_\_\_\_
- b. Describe fringe benefits the company offers to regular full time employees?  
 ( health insurance, retirement plans, etc.)

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

The proposed project will help to achieve CEDS following goals: Affordable & available housing, strategic utility investments, and cultivate a business friendly environment.

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 project will promote public health and safety by ensuring safe supply of drinking water to the Blaine and Birch Bay 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.

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.

The City will demonstrate the project success as following:

1. Project's good social and economic effect on community by improving life of residents.
2. The better water supply will attract commercial expansion, attracting new businesses and tourism.

### 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: \_\_\_\_\_

DocuSigned by:  
*Michael Harmon*  
4095E6234E674BA...

Date 8/21/2023

## PROJECT DESCRIPTION and Engineering Estimates

### Water Distribution Network

The City of Blaine's distribution system is made of five interconnected pressure zones extending from the western portion of the Semiahmoo Spit area to the eastern boundary of the City's service area. A sixth zone is proposed to serve development in the northeast corner of the City, known as East Blaine Growth. The major transmission of water from the City's well field to the core distribution system is via two transmission mains – a 16-inch in Pipeline Road and a parallel 12-inch in Sweet Road. An additional transmission main is the City's 14-inch pipeline that travels under Drayton Harbor to the Semiahmoo Spit.

Service to customers within the 171-zone is via a network of 12-inch and smaller water mains. Service to the other pressure zones is provided by booster pump stations which are ultimately supplied by the 171-zone. Each of the pressure zones is illustrated in Figure 1.

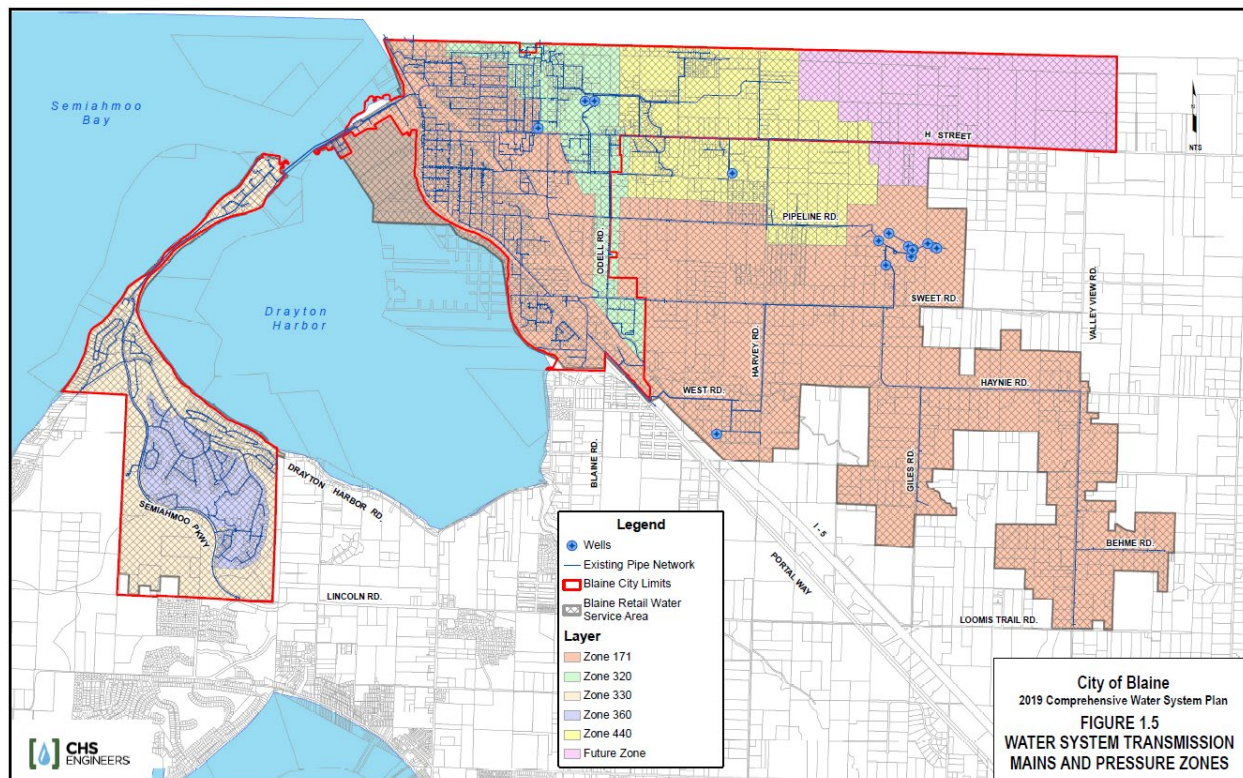


Figure 1: City of Blaine Water System Pressure zones

### Issues

The 171-zone is the City's largest zone, which contains the well field wells and #7, #8 and 8.1. The zone is fed by gravity from the two 171-zone reservoirs, i.e. Reservoir #1 located in Blaine Well field and Reservoir #4 located at Lincoln Park (which is fed by gravity from Reservoir #1 and Lincoln Park Well (well #8)). These reservoirs supply potable water to all the residents in the Blaine Downtown along the Peace Portal Drive, the major commercially developed area in the City. In addition, the two primary inter ties

supplying Birch Bay Water & Sewer District and the only inter-tie supplying Bell Bay Jackson Water Association, are within the 171-zone. Currently, draw down in the 171 reservoirs is restricted by existing customer connections at elevations that barely receive 30 psi when the reservoirs are full.

As mentioned in City of Blaine's Water Comprehensive Plan, When comparing the 171-zone's available storage volumes to the required volumes, the zone is approximately 180,000 gallons deficient in storage in 2019. By the year 2038 the deficiency is forecast to be about 331,000 gallons. These deficient volumes are mostly the result of the lack of usable storage above 30 psi, due to the high elevations of some property served in this zone.

The City's Operations crew reports that it is challenging to maintain adequate water level in the Lincoln Park Reservoir during high-demand periods. The zone and reservoirs have very limited available storage due to the amount of volume allocated as dead storage to maintain the required pressure head. The deficiency in 171-zone will cause operational and water supply issues in high pressure water zones as well, as all the zones are primarily fed by 171-zone.

### Proposed Project

The City of Blaine is proposing to replace Reservoir #1 located in Wellfield with new above ground reservoir will change biggest pressure zone from 171-zone to around 220-zone and will also make more water available for distribution which is currently designated as dead storage.

Project includes evaluation, survey, design, permitting and related services, and construction of new approximately 1.6MG above ground potable water reservoir. The new reservoir will be connected to the existing wellfield piping and disinfection system in the wellfield.

### Benefits of the Project

This water system re-zoning will help the City to continue supply water to the existing Blaine Downtown residential and commercial properties at the adequate pressure to keep them operational. Along with existing businesses, the proposed project will improve City's water supply network to support all the upcoming developments in the 171-zone and hence will contribute to improve revenue.

Apart from supplying water to the 171-zone customers, all the other the pressure zone, i.e., 320, 330 & 440 - zone also receives supply from the 171-zone reservoir. Therefore, the proposed improvements, along with improving pressure issues will also ensure adequate water supply to all the existing and proposed commercial developments.

Also, the water will be pumped from the watershed reservoir to the Harvey Road Reservoir (reservoir #5) to supply water to the East Blaine growth. This project is currently in progress. Therefore, the improved pressure zone will ensure the adequate water supply to the growing Blaine area supporting housing and commercial developments.

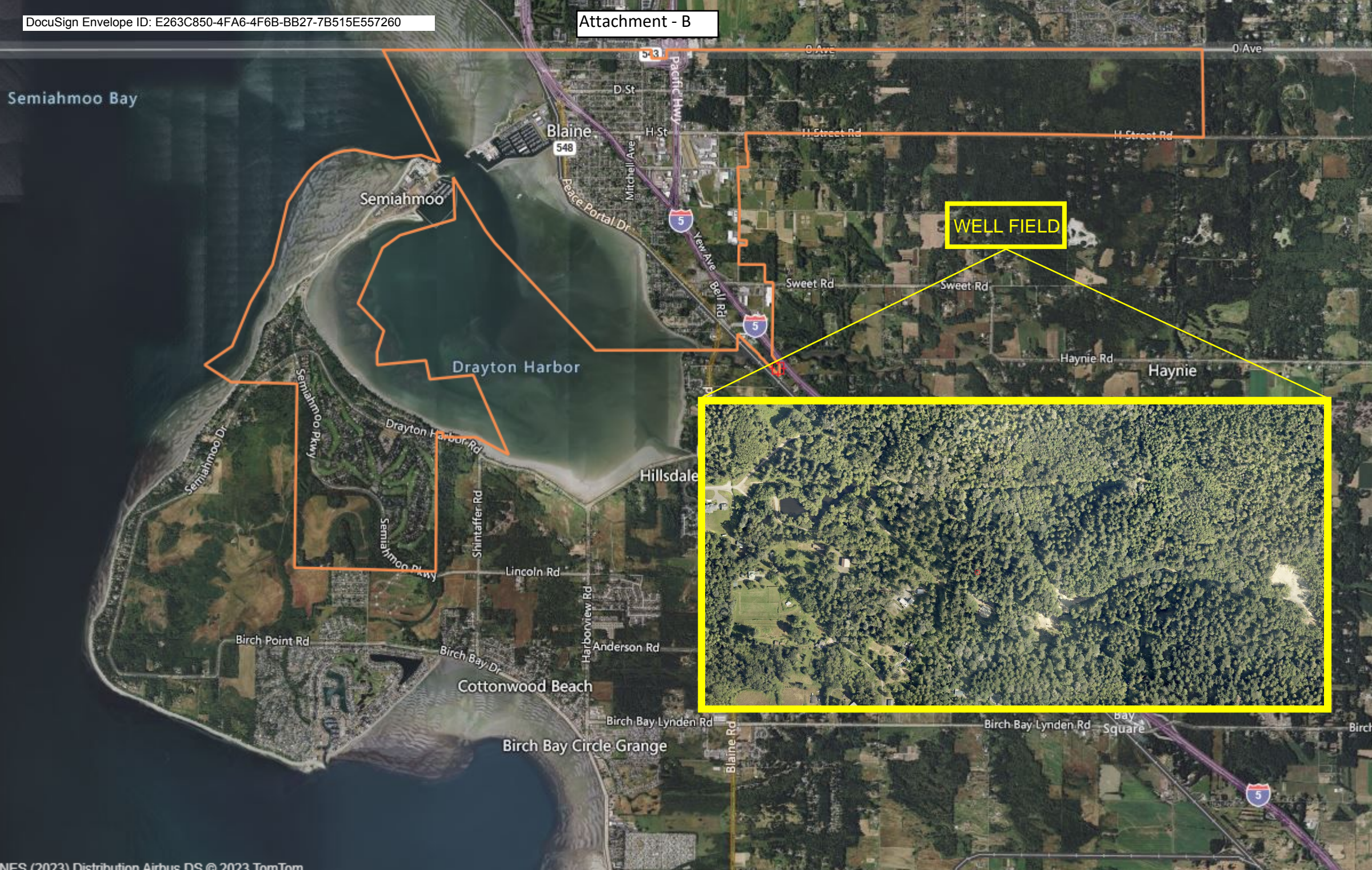
With the proposed project, City is ensuring public safety by supplying potable water at required pressures to approximately 8000 ERUs (Blaine and Birch Bay combined).

## Engineering Estimates

The engineering estimates and the major project activities are summarized in the table below.

Activity	Current Status	Total Project Amount	Notes
Engineering Report (Preliminary Engineering)	Not started	\$ 55,000	DOH Project Report (predesign), DOH construction plans submittal and response
Cultural and Historical Resources Review	Not started	\$ 50,000	Detailed review - springs area, not previously assessed, including DAHP consultation
Environmental Review	Not started	\$ 110,000	Critical areas assessment including wetland and buffer delineations, Geotechnical evaluation
Land/ROW Acquisition/Site Control	Not started	\$ 15,000	Land owned by City - allowance for survey of site relative to nearest property boundary and setting H&V control
Permits	Not started	\$ 110,000	Environmental and land use permitting, WA Wetlands certs and CSWGP, Whatcom County Pre-application, Conditional Use Permit, Fill and Grade, Prelim SW Proposal, SW Report, CSWPPP, SEPA Checklist, building permit
Public Involvement/Information	Not started	\$ 5,000	Allowance for public information
Bid Documents (Design Engineering)	Not started	\$ 595,000	Preparation of bid and construction documents including topo survey of site, construction and permanent access, stormwater management area and routes for connection to existing piping and disinfection facilities (civil, survey, minor electrical), allowance for construction support services including full time construction observation and cultural resources monitoring
Award Construction Contract	Not started	\$ 25,000	Allowance for bidding, addenda, contract review, and construction contract award
Construction Complete	Not started	\$ 2,770,000	Estimate for mobilization, site clearing and grading, and construction of approximately 1.6MG reservoir.
Project in Use	Not started	\$ 50,000	Allowance for startup, commissioning, telemetry system modifications
Investment Grade Efficiency Audit	Not started	\$ 30,000	Allowance for IGEA - increased well pumping costs vs. decreased costs to upper zones
Contingencies	Not started	\$ 1,340,000	35% contingency for preliminary estimate and escalation to time of construction, rounded up to next \$10,000
<b>Total</b>		<b>\$ 5,155,000</b>	

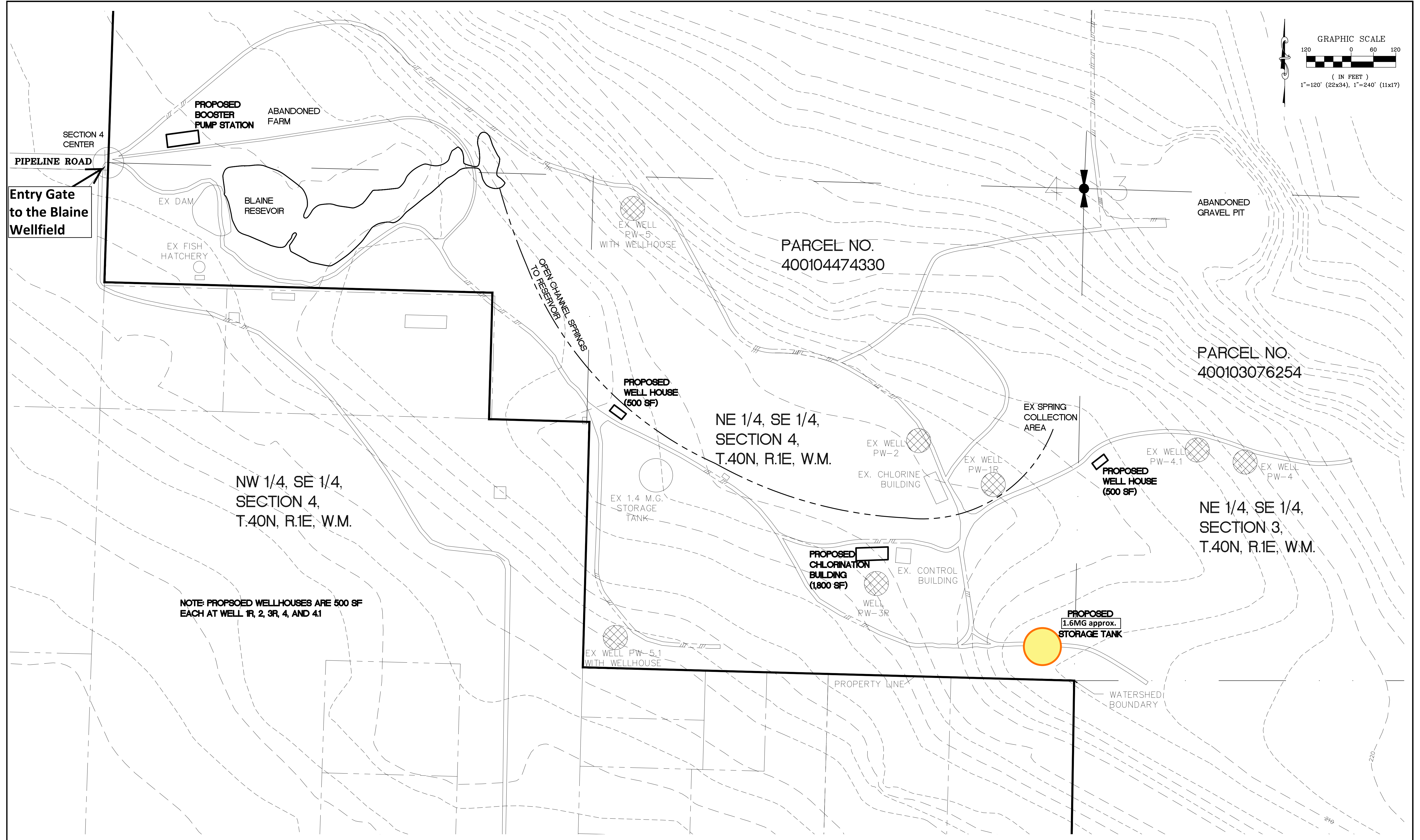
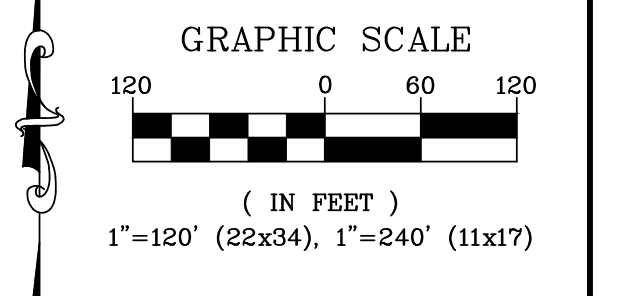
Attachment - B



WELL FIELD







**Entry Gate to the Blaine Wellfield**

**PROPOSED BOOSTER PUMP STATION**

BLAINE RESEVOIR

PARCEL NO. 400104474330

PARCEL NO. 400103076254

NW 1/4, SE 1/4, SECTION 4, T.40N, R.1E, W.M.

NE 1/4, SE 1/4, SECTION 4, T.40N, R.1E, W.M.

NE 1/4, SE 1/4, SECTION 3, T.40N, R.1E, W.M.

NOTE: PROPSOED WELLHOUSES ARE 500 SF EACH AT WELL 1R, 2, 3R, 4, AND 4.1

**EXHIBIT**

DESIGNED BY TB  
 DRAWN BY JJN  
 CHECKED BY TB

**R&E Reichhardt & Ebe ENGINEERING INC**  
 P.O. Box 978 | 423 Front Street  
 Lynden, WA 98264 (360) 354-3687

NO.	DATE	DESCRIPTION	BY

CITY OF BLAINE  
 1200 YEW STREET  
 BLAINE, WA 98230

**WELLFIELD**  
 PROPOSED IMPROVEMENTS

DWG# 21025.2 BLAINE WELL FIELD	DATE 2/13/23
JOB# 21025.2	SCALE H: 1" = 120' v: N/A
SHEET 1 of 1	

## Attachment C

Potential/Proposed Development Projects within 171-pressure zone	
<b><i>Project Name</i></b>	<b><i>Stage in Development</i></b>
Blaine Industrial Park	Pre-Application; General and Specific Binding Site Plans are approved.
4450 Sweet Road Industrial Development	Pre-Application
Blaine Retail	Four lots remaining to be developed. A site plan has been submitted for two of the lots.
Ben's Market	Under development
Northwood Motel Extended Stay	Pre-Application
Mary Ave Multifamily	Site Plan Review application under review
Lil Sprouts Facility Expansion	Variance for new building has been authorized. Site plan review and building permit required.
Peace Portal Project	Pre-Application
Peace Portal Multifamily	Revising stormwater design
Cedar Court Apartments	Site Plan Review application submitted, but not complete.
Peace Portal Condominiums	Conditional Use for new building has been authorized. Site plan review and building permit required.
830 Peace Portal	Pre-Application
Blaine Shipyard	Pre-Application
Portal Business Park	2 Additional Buildings Planned
Tranquil Waters Mixed Use	Pre-Application
383 Martin	Site Plan Review application under review
351 Martin	Construction underway
Peace Portal Center	Pre-Application
Portal Way Industrial park	Phase 1 construction underway, an additional phase has been discussed with City
COB Library and Housing Project	Pre-Design, project kickoff meeting scheduled in August
Sundance	Pre-Application
Hughes Avenue Commercial General Binding Site Plan	General Binding Site Plan recorded.