

Minutes of Whatcom County EDI Board Meeting
November 7, 2019 – 10:30 a.m.

Board Members present at Meeting:

Tyler Schroeder, Deputy Executive
Jim Kyle, Fishing Industry
Ken Bell, POB Commissioner
Aubrey Stargell, Timber Industry
Bonnie Onyon, City of Blaine Mayor

Scott Korthuis, City of Lynden Mayor
Stephen A. Jones, Agricultural Industry
Don Goldberg, Associate Development Org.
Jeff McClure, PUD#1
Guy Occhiogrosso, Chamber of Commerce

Board Members absent:

Jack Louws, County Executive
David Franklin, At-Large

Kelli Linville, Mayor, City of Bellingham
Rud Browne, Whatcom County Council

Staff present:

Tawni Helms and Suzanne Mildner, County Executive Office

Guests present:

Steve Moore, Moore & Company
Mark Sandal, City of Lynden

Don Korthuis Front Street Station
Paul Schissler, Community Planner

1. Welcome and Introductions

Deputy Executive Tyler Schroeder acted as Chair in the absence of Board Chair, Executive Louws. Mr. Schroeder let the board know that Executive Louws was absent due to a personal commitment that came up. He then welcomed everyone and called the meeting to order. Round table introductions were made of board members and guests. The Agenda was briefly reviewed.

2. Approval of Minutes of 7-10-19 EDI Board meeting

Mr. Schroeder asked if there were any amendments to the minutes. There being no amendments, Mr. Schroeder called for a motion to approve the minutes. Mr. McClure made a motion to accept the minutes into the record; seconded by Mayor Korthuis. The vote was taken and the motion passed unanimously 10-0.

3. EDI Fund Review – Projected Cash Balances as of 12/31/19 and 12/31/20

A handout of the Rural Sales Tax/EDI Fund was provided to board members. Deputy Executive Schroeder briefly went over the revenues, expenditures and commitments noted on the revised spreadsheet. At year end 2019 there are projected cash balances of \$1.5 million for capital/county projects, -\$1.2 million for agency loans, and \$1.9 million available for agency grants. There are also 2020 projections, with 2020 sales tax revenue estimated to be \$4.7 million. Mr. Schroeder pointed out the loan interest and repayments estimated cash balance for 2020 is \$9.6 million. The fund is in good shape. He also noted that the estimated loan balance figure is a negative number: \$523,086. This is due to the fact that more money was loaned out than the 35% allocated for loans. This was deemed reasonable due to the healthy fund balance. Expenditure details are noted on the next 2 pages of the report.

Mr. Goldberg commented on the State's ".09 EDI" tax. The legislature is talking about extending it. The County's fund sunsets in 2025, he believes, and there is a movement to use .09 funds for all counties, not just rural counties. Whatcom County exceeded the population threshold designating us a rural county. However, the state legislation has allowed the counties that exceed the rural definition to remain eligible since they levied the tax prior to when we exceeded the rural threshold. The fund's sunset date was also discussed, as it is deemed to be later than 2025, however no clear date was given (Research after the meeting suggests that

according to ORD2015-030 the local fund expires July 31st, 2032). Whatcom County needs to keep informed on developments with this legislative topic.

4. Application: City of Lynden's road project for West Front Street

Mayor Korthuis introduced the West Front Street project, which involves extending the road 1900 feet to the West. He introduced Mark Sandal who provided a power point presentation. This project will provide improvements to bring the street to commercial arterial standards with full sewer and storm utilities, sidewalks, etc. It will provide commercial transportation access to about 100 acres of Lynden's growing commercial and industrial zoned lands and ultimately provide future access to another 140 acres of the city's adjacent UGA. It also will provide alternative access to Lynden Door's campus to the north – they are one of the largest door manufacturers in the western U.S. Several other current businesses will benefit and are supportive of the project. The project is listed on the county's CEDS list and is considered fitting as an economic driver due to several factors, including retention and creation of jobs, diversification of industry, agricultural support, etc.

Questions arose and were discussed, including developer fees and impact fees, as well as the numbers of jobs created as a result of this project. The businesses in the area are highly supportive and have donated right of way access. This road is classified by WSDOT as a functionally classified route (federal classification).

The ask of the EDI Program is \$2-million loan, \$1-million grant. The project timeline is estimated as follows: engineering design completed in January 2020, with bid going out in February, and construction started in March of April.

Mr. Schroeder called for questions. Commissioner Bell commented that he feels this fund request is a "heavy lift" and \$3-million is too high a figure. He's not supporting it. Mayor Korthuis spoke about other similar fund requests and in particular the West Lynden Street project that ultimately created jobs and benefitted the community. He views this fund as being for that purpose (job creation). Mr. Jones questioned what the debt repayment would look like. Mayor Korthuis said it would be coming from general fund and other impact fees. Mr. McLure asked for clarification on job creation numbers listed in the application. Lynden Door plays a large role as they are making plans for expansion. Mayor Onyon asked if there has been any discussion of latecomer fees. Mayor Korthuis brought up the \$2.5 million stormwater improvement project from several years ago, and several businesses in the area have taxed themselves to pay that back. In other words, there has been significant local investment in this area for several years now already.

Mr. Schroeder called for a motion. Mr. Jones moved that the EDI Board make a recommendation to the County Council for approval of this project for a \$2 million loan and a \$1 million grant (the loan term 20 years at 1% interest). The motion was seconded by Mr. McLure. There was further discussion, with a few board members addressing their support of the project. Mr. Schroeder noted that Executive Louws supports the project and the EDI request. He also said the discussion today has been valuable and Mayor Lynden should prepare for addressing similar inquiries from councilmembers. There being no further discussion, the vote was taken and the **motion carried 8-2.**

5. Homes Affordable Through the Work Force (HATWF) Program re-investment

Mr. Schroeder referenced the handout which outlines the program's loan history and list of projects. Approximately \$204,000 has been paid back. The program has been so successful

and the fund has been depleted. The administration is recommending an additional \$500,000 EDI investment into this loan program. Secondly, the other item on the table is to recognize this as a revolving loan fund. We have already had \$1.2-million invested, and if we add the additional \$500,000, we'll have \$1.7-million total in the revolving loan fund.

Mr. Goldberg asked about previous comment from Executive Louws regarding an alternative funding source for affordable housing. Mr. Schroeder said he believes he was referencing Senate House Bill 1406, which is the affordable housing bill that just got passed that county and cities all work together – collecting approximately \$700,000 on an annual basis (this begins next year). It doesn't get used for this program, but for other similar affordable housing programs (60% AMI requirement). There was some discussion on the definition of workforce housing vs. affordable housing – these are different concepts, but there is an overlap. Mr. Schroeder commented that the EDI dollars go towards workforce housing, trying to reduce the overall cost to allow for workers to get into them. Mr. Goldberg said that they define workforce housing as housing meant for someone who is employed, but they still can't meet their house payment.

The question was raised would we need to add to the revolving fund annually? This is a question yet to be answered and the board should continue to review how the revolving loan status is doing and make a determination as to whether the fund be limited to a certain amount.

Mr. Schroeder called for a motion. Mayor Onyon moved that EDI Program reinvest \$500,000 into the HATWF Program and also establish a \$1.7-million revolving loan fund. The motion was seconded by Jim Kyle. A vote was taken and the **motion carried unanimously 10-0.**

6. Countywide Wayfinding

Mr. Schroeder asked the board if they wanted to continue with this agenda item, and all agreed that the meeting had run long. He told the board that in the near future, there will be a request coming in for \$1-million for the county wayfinding project.

7. Other business - None

Meeting was adjourned at 11:45 a.m.

NEXT MEETING DATE: TBD

Respectfully Submitted,
Suzanne Mildner,
EDI Board Clerk
Whatcom County Executive Office