

EXECUTIVE'S OFFICE

County Courthouse
311 Grand Ave. Suite #108
Bellingham, WA 98225



Satpal Singh Sidhu
County Executive

MEMORANDUM

TO: Whatcom County Council members

THROUGH: Satpal Sidhu, County Executive

FROM: Tyler Schroeder, Deputy Executive

RE: EDI Board Recommendation – Countywide Infrastructure Program

DATE: September 27, 2022

The County Executive is requesting the County Council to approve eleven (11) EDI funding contracts. These contracts are being brought forward as a result Council's approval of the EDI Board's recommendation to provide funding from the EDI Fund to support the construction of eleven countywide infrastructure projects.

▪ **Background and Purpose**

In 2021, the County Council considered utilizing ARPA funds to stimulate the economy by funding Countywide infrastructure projects. At that time, there were questions about how this program would be developed and if it was more appropriate to use the EDI fund for these types of projects. In coordination with the City Mayors and representatives of the Port of Bellingham it became clear that the EDI Fund is the most appropriate funding source and that the fund has an available balance to accomplish the project list.

The EDI board considered the project list and funding allocations in Exhibit A at their April 27th meeting. Additional details on the projects are also provided in the project "white papers". After thorough discussions on the economic benefit of the projects and the existing fund balance the EDI Board unanimously approved the list for Council consideration.

Since April, the City of Bellingham and the Port of Bellingham have both rescinded the loan portion of their funding request. Additionally, the Cities of Ferndale and Lynden both agreed to designate their largest project to apply the entire loan portion of their requests. Exhibit A, reflects the updated allocations.

▪ **Funding Amount and Source**

\$10.3 Million dollars will be drawn from the EDI Program's loan and grant program and the existing loan repayment balance. This will include \$8.66 Million in grants and \$1.6 Million in loans. With the matching funds from the local jurisdictions these local dollars will be leveraged to accomplish approximately \$27.3 Million worth of community economic development projects throughout Whatcom County.

Over the last few years the EDI fund has developed a very sizable fund balance. This is in large part to the loan program that the County has been utilizing since the development of the program. The Loan Interest and Repayment section of the fund has an estimated balance of approximately \$13 Million at the end of 2022. The Grant and Loan program has an estimated balance of \$4.25 Million. In total, the program, excluding the County's Capital Facility portion, has approximately \$17.25 Million available to spend. With the approval of these subject projects the fund will still have approximately \$6.5 million in estimated fund balance at the end of 2022.

On an annual basis, the Grant and Loan portion of the fund collects approximately \$4 million a year. With the approval of these projects, the Grant and Loan portion of the EDI Fund is still projected to have a fund balance of close to \$10 Million at the end of 2023.

With the Council approval of the requested funding, the Administration has entered into an infrastructure loan and grant agreement with each jurisdiction for their respective EDI infrastructure allocation.

- **Requested Council Motion**

The County Administration, with unanimous support from the EDI Board, requests the County Council to approve this contract for funding from the EDI Fund.

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

Enclosure