

From: Bonnie Onyon
Sent: Friday, July 26, 2019 10:22 AM
To: City Council
CC: Michael Jones; Ravyn Whitewolf; Sam Castro; Jeffrey Lazenby
Subject: FW: EDI Board meeting notes -DRAFT for review
Attachments: Notes of Mtg EDI Board 07-10-19.docx

FYI EDI July Board minutes where Gateway stormwater pond loan and grant were approved.

From: Suzanne Mildner <SMildner@co.whatcom.wa.us>
Date: Monday, Jul 22, 2019, 9:29 AM
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Cc: Tawni Helms <THelms@co.whatcom.wa.us>
Subject: EDI Board meeting notes -DRAFT for review

Good Morning,

Attached are the meeting notes from the last EDI Board meeting on July 10, 2019. Please review and let us know if there are any corrections.

Thank you,

Suzanne,

Suzanne Mildner
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Minutes of Whatcom County EDI Board Meeting

July 10, 2019 – 9:00 a.m.

Board Members present at Meeting:

Jack Louws, County Executive
Kelli Linville, Mayor, City of Bellingham
Ken Bell, POB Commissioner
Aubrey Stargell, Timber Industry
Bonnie Onyon, City of Blaine Mayor

Tyler Schroeder, Deputy Executive
David Franklin, At-Large
Don Goldberg, Associate Development Org.
Jeff McClure, PUD#1
Guy Occhiogrosso, Chamber of Commerce

Board Members absent:

Rud Browne, Whatcom County Council
Scott Korthuis, City of Lynden Mayor

Stephen A. Jones, Agricultural Industry
Jim Kyle, Fishing Industry

Staff present:

Tawni Helms and Suzanne Mildner, County Executive Office

Guests present:

Ravyn Whitewolf, City of Blaine
Ron Freeman, Blaine
Ken Van Winkle, Bellingham Housing Authority (BHA)
Janice Willis, BHA
Inga Drechsel, Freeland & Associates
David Yorkston, Yorkston Oil Company
Jim Gibson, Chuckanut Bay Foods

Michael Jones, City of Blaine
Mike Ken, Blaine
Cameron Hatcher, BHA
Nancy Larsen, Whatcom Skagit Housing
Matt Yorkston, Yorkston Oil Company
Paul Schissler, Community Planner

1. Welcome and Introductions

Board Chair, Executive Jack Louws welcomed everyone and called the meeting to order. Round table introductions were made of board members and guests.

2. Approval of Minutes of 4-16-19 EDI Board meeting

Chair Louws asked if there were any amendments to the minutes. There was one correction on Page 3 – reference to Mr. Goldfogel is incorrect; should be Goldberg. Receiving no further amendments, Executive Louws accepted the minutes into the record with the change noted above.

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

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 \$2.5 million for capital/county projects, \$1.3 million for agency loans, and \$3.5 million available for agency grants. It was noted that more than ½ of the 2020 Fund Balance is due to loan repayments and suggested the Board may want to discuss in the future. The fund's revenues remain stable and this fund is in good shape, which means there are sufficient funds to allow for allocation to the two projects being reviewed today, if they are approved.

4. Application: City of Blaine's project for Gateway Regional Stormwater Project

Chair Louws introduced Ravyn Whitewolf, Public Works Director for the City of Blaine, and invited her to address the board. Ms. Whitewolf presented a power point which summarized the project and the benefits it will bring to the community and the region at large. This project is for a regional storm water and wetland facility for the Gateway industrial and commercial area. This will support development of over 30 acres of industrial zone properties and provide developable parcels with stormwater connections. She spoke about the support of various stakeholders, some of whom are present today at this meeting. The airport property which Blaine has

acquired adds approximately 30 acres for this redevelopment effort. There will be a pond area set aside, with trails for recreational use. The issue of job retention and job creation was outlined, along with the potential for future jobs. The existing wetlands will be enhanced and water quality improved in Cain Creek. The project budget was outlined briefly, and Ms. Whitewolf noted that the city's portion of the budget does not include the value of the land, which is \$440,000. If funded, this project is ready to begin immediately, with a contractor already lined up – their goal is to start and finish the project in 2019.

Chair Louws opened the issue to discussion. Mayor Linville expressed her strong support for this project, saying it is an *ideal* "EDI" project. There was some discussion about the LID, when and how it will be structured, etc. and Ms. Whitewolf indicated there are further discussions to be had with stakeholders on LID structuring, considering upfront payments or perhaps interest over time. Chair Louws offered his support for the project, as did Mr. McClure, who said he is very much in favor of regional stormwater as an economic benefit.

Mr. Franklin made a motion to recommend approval to the County Council for the City of Blaine's request for a \$1,766,666 loan and an \$883,333 grant from the EDI Program for this project. The motion was seconded by Mayor Linville. Chair Louws asked if there was any additional discussion, and there being none he called for a vote on the motion. The vote was taken and the **motion carried unanimously 10-0**. Mr. Schroeder said the administration will make an effort to move this recommendation forward quickly and expect that it will go before County Council at the August 7th meeting.

5. Bellingham Housing Authority's Samish Way Development Project

Executive Louws introduced Ken Van Winkle, Director of the Bellingham Housing Authority, and asked him to address the board. Mr. Van Winkle presented a power point which summarized the project. It is a two phase project and proposes construction of 69-units of housing as well as offices for Housing Authority staff. The subject property was acquired from City of Bellingham and the construction period is expected to be 16 months. Mr. Franklin asked about the office space and suggested the need is greater for housing and therefore he supports funding for housing but not office space construction. Mr. Van Winkle clarified that the EDI funds requested are not allocated to office space – that portion will come from the housing authority budget. One of the reasons they are planning for new office space, besides the problems with the current building with all its inefficiencies, is that it is a good time to sell that property now. They also want a front end presence for the new housing and the urban village.

Discussion continued with questions raised about the request for loan repayment being deferred, the alignment this project has with the Housing Affordable for the Workforce model, leveraging other funding and additional housing units, and height restrictions in this area (noted that Phase 2 will allow for increased height). Mr. McClure commented about the parking ratio having an impact on the total number housing units. He said he's supportive of this project but would recuse himself from voting due to his professional involvement.

Mr. Goldberg commented he supports the project however he's not in favor of the loan terms in the application: 50 years is out of line. Also, the property is in the opportunity zone which will provide greater return to investors. Chair Louws said this is a good project for urban village revitalization, but has reservations regarding whether EDI money is the right fit. Discussion continued.

Mayor Linville made a motion that the board accepts this proposal, in order to get it on the floor for further discussion. Mr. Goldberg seconded the motion. Chair Louws offered an amendment

to the motion suggesting the loan terms be discussed in more detail. He noted that Senate HB 1406 will be coming online in Washington communities in the coming year, and should be considered as another funding source. This idea was discussed further. Mr. Louws moved that the board approve a recommendation to the County Council for a loan of \$600,275.00 at 1% interest, with no deferment, and for a loan term of 20 years. Mayor Linville accepted this motion as a friendly amendment and seconded the motion. There being no further discussion, the vote was taken and the **motion passed unanimously 9-0** (Mr. McClure abstained).

Mayor Onyon made a motion that prior to the EDI board making another recommendation on a affordable housing project the board will consider how potential dollars from HB 1406 can be utilized instead of EDI dollars. Commissioner Bell seconded the motion. Mr. Occhiogrosso commented it seems more appropriate for EDI dollars to be used for affordable housing if the housing is going to be utilized for workforce housing. A vote was taken and the **motion carried unanimously 10-0**.

6. Future Applications

Chair Louws told the board that he will be recommending to the County Council that \$168,000 in EDI loan payments be re-integrated into the EDI fund. He also took a brief moment to review upcoming projects that may be brought before the board in the coming months.

7. Other business - None

Meeting was adjourned at 10:26 a.m.

NEXT MEETING DATE: TBD

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