

Minutes of Whatcom County EDI Board Meeting
Hybrid Meeting
March 29, 2023 – 1:30 p.m.

Board Members present at Meeting:

Satpal Sidhu, County Executive	Guy Occhiogrosso, Chamber of Commerce
Tyler Schroeder, Deputy Executive	Seth Fleetwood, City of Bellingham Mayor
Atul Deshmane, PUD#1 Commissioner	Stephen A. Jones, Agricultural Industry
Scott Korthuis, City of Lynden Mayor	Aubrey Stargell, Timber Industry
Ken Bell, POB Commissioner	David Franklin, At-Large

Board Members absent (online meeting experienced technical difficulties)

Barry Buchanan, Whatcom County Council (attempted, but unable to connect online)
Kevin Hester, City of Nooksack Mayor
Don Goldberg, Associate Development Org.(attempted, unable to connect)

Staff present: Suzanne Mildner and Kayla Schott Bresler, County Executive Office

Guests present:

Rick Metzger, DID#7	Paul Schissler, Housing Community member
Sarah Edens, Freeland & Associates	Tony Freeland, Freeland & Associates
Rob Fix, Port of Bellingham	Frank Imhof, I-5 Industrial Park
Travis Black, Alliance Properties	Samya Lutz, City of Bellingham

Welcome and Introductions

Chair Sidhu welcomed everyone and called the meeting to order at 1:32 pm. 1 online member (Deshmane) plus 9 board members present (meeting the quorum requirement). Introductions were made and guests were acknowledged and welcomed.

Review of Public Utilities Improvement/EDI fund

A handout was provided which included spreadsheets with fund balances. Mr. Schroeder gave a brief overview and summary of the EDI fund. This fund received approximately \$5.8-million in sales tax revenues annually. The estimated cash balance at the end of 2024 is \$25-million (this includes loan interest and loan repayments). Chair Sidhu reminded board members of the previous discussions on the biennial county budget and including a set-aside for EDI-eligible projects. This provides the jurisdictions to do some pre-planning in order to participate.

Review of EDI Program application from Drainage Improvement District #7 (project: Atwood Road Culvert Replacement)

Mr. Metzger said DID#7 originated in 1912 in the Custer area. The district covers about 5,000 acres and is funded with a per acre tax. They operate with a very limited budget and it currently is not big enough to support the mandated installation of fish passage culverts. City of Ferndale was contacted since they would be a beneficiary of this project, however they didn't express interest in participating.

Mr. Freeland, engineer for the project, outlined the project area and scope and indicated there is significant flooding that occurs just south of the area where the drainage improvements are needed. The EDI request is for a \$600,000 project cost and the request is for a \$300,000 loan, \$200,000 grant (and there is a partner lined up with the additional \$100,000). This project is the first phase of a larger project, wherein phase 2 will focus on the removal of sediment. The district is in the process of getting approval to increase taxes to take care of debt service.

The question arose that by adding box culverts will the flooding simply be displaced elsewhere? The retention ponds will serve to hold water and control it with slow release mechanisms in place.

Commissioner Bell spoke in favor of the project and he made a motion to approve the requested funds for loan and grant. Mayor Korthuis seconded the motion. Chair Sidhu asked for an amendment of the fund request to include \$250,000 loan and \$250,000 grant. Commissioner Bell accepted the amendment. There was discussion on the motion and the idea that drainage districts may start coming forward with requests if this application is approved. Also, Chair Sidhu believes the loan/grant ratio can be applied differently in this case (an exception to the 1/3 grant, 2/3 loan ratio) due to the fact that drainage districts are operating with very limited budgets. Mr. Schroeder said we need to consider the capacity for districts to repay loans. It is understood that this district is confident they can repay the loan once they have approval on their tax rate increase (pending in another couple of weeks). Commissioner Bell called for a vote on the motion. **The vote was taken and the motion passes unanimously 9-0.**

Affordable Housing Public-Private Partnership – King Mountain

(note: technical difficulties with Zoom limited the presentation and discussion on this topic)

Mr. Schroeder introduced the topic and then introduced Travis Black with Alliance Properties. They are builders who have a housing project, the 2nd phase of which is a large multi-family housing project in the King Mountain area near James Street, north of Bakerview Road. A whitepaper was presented and it outlines the proposal to work with City of Bellingham who will secure a purchase option on the land following completion of construction. Are infrastructure thresholds met for this project? It is considered workforce housing, affordable housing, and is in an ideal location.

The timing of City purchase was questioned and it was noted that in order for EDI dollars to be awarded Bellingham must be the owner of the land. EDI dollars do not get awarded to private businesses. Discussion continued and it was generally agreed that further legal review will be necessary to ensure that the project meets all the RCW requirements, and to be certain that public money is not being awarded to a private company ultimately. Mayor Fleetwood asked about a timeline and was told by Ms. Samya Lutz that they are awaiting EDI Board support before they move ahead with a property appraisal. Mr. Schroeder said he'd work with city staff and try to sort out the legal technicalities with EDI laws. Perhaps the board could re-convene in another month or so to discuss this further. Item tabled.

EDI and Affordable Housing – Schissler presentation

Paul Schissler of Madrona Community Development provided a handout and gave a short presentation on the concept of land banking as well as adding personnel to city and county community development departments. On the first item he made the point that there are a couple of Washington State cities that have public land that is targeted for affordable housing development. This is an effort Whatcom County could invest in. As to the second issue of adding staff, it would be a benefit to have a focused effort addressing where the gaps are in the community effort to solve the affordable housing crisis. Commissioner Bell said it would make sense to have a specific job description before deciding if hiring someone would bring a benefit to economic development efforts. Mayor Korthuis noted he'd never seen EDI dollars being directed to personnel in the past. Mr. Occhiogrosso noted that EDI pays for ADO office personnel and ADO contractors (currently over \$700,000 per year). Chair Sidhu asked that Mr. Schissler bring the board specific examples of other counties doing this. Mr. Schissler agreed.

Updated EDI Budgeting Process

Mr. Schroeder directed board members to the handout, a memorandum issued last year regarding the county's biennial budget process and the idea of establishing a better way to identify eligible infrastructure projects that can become a pre-approved segment of the budget. The next biennial budget is for 2025-26. With this new process, perhaps it's a good time for the board to refresh the EDI Program and reconsider program criteria. Is it time to consider larger scale projects (i.e., old town)? Commissioner Bell agreed with the idea of a program review and commented that he we need to beware of "mission creep." This is something we work on together with the County Council: reviewing

our goals. Mr. Schroeder proposes that the board have a work session to focus on this. Commissioner Bell made a motion that this issue be added to the next EDI Board meeting agenda. This was seconded by Mr. Schroeder, adding that perhaps the meeting occurs in June. The main focus will be to re-examine EDI policies. Let's also add/invite Christopher Quinn (Legal Department) to this discussion. (note: The Alliance/King Mountain project could be considered separately, and possibly sooner). A vote was taken and **the motion passed unanimously 9-0.**

There being no further business, the meeting was adjourned at 3:21 pm.

NEXT MEETING DATE: TBD

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