



Snohomish County Food Hub
Roadmap to Redevelopment

Prepared for:
Snohomish County, Washington

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About the Roadmap to Redevelopment

The *Roadmap to Redevelopment* is a product of the [CDFA Brownfields Technical Assistance Program](#), which is funded through a grant from the U.S. Environmental Protection Agency. The program provides technical assistance to brownfields communities on redevelopment finance. For communities that require detailed, hands-on assistance for their redevelopment efforts, CDFA Brownfields Project Response Teams comprised of CDFA staff and technical assistance partners are available to conduct site visits and provide recommendations. The goal of these visits is to offer communities specific, actionable advice that can transform brownfields into economically-productive sites in accordance with the goals and plans of the community. CDFA will coordinate 36 Brownfields Project Response Teams over the life of the program.

The *Roadmap to Redevelopment* was developed through a two-day process that included interviews with numerous stakeholders from the government, agriculture, business, and non-profit sectors. The plan provides a framework for the financing of the development of a food hub in Snohomish County.

The *Roadmap to Redevelopment's* recommendations combine the input of development finance experts, CDFA staff, and the interests of stakeholder groups gathered during the Project Response Team site visit.

Background & History

Situated between the crests of the Cascade Mountains and the Salish Sea lies the picturesque county of Snohomish. Snohomish County has a rich cultural history, with several Native American tribes inhabiting the area when the first settlers arrived in the 19th century. Much of the local etymology is derived from these tribes. Snohomish County is geographically unique; the eastern half of the county is encompassed by the Mount Baker-Snoqualmie National Forest. The Stillaguamish, Skykomish, Snoqualmie, and Snohomish Rivers flow westward from the mountains toward the Sound, making much of the land fertile and ripe for agriculture. Yet even with its forests, mountains, and valleys, its population of over 800,000 makes it the third largest county in Washington. It sits within the Seattle-Tacoma-Bellevue Metropolitan Statistical Area, with the City of Everett serving as the county seat since 1896.

The County has made an effort to preserve its remaining agricultural land, which it estimates to be around 70,000 acres. The lack of affordable housing has also become a major crisis in the region. Space is at a premium, so land prices are exorbitantly high in Snohomish County. These circumstances have led the county to focus on redeveloping McCollum Park.



Picture of McCollum Park in Everett, WA

The 78-acre McCollum Park is located a 1/3 mile to the east of Interstate 5 on 128th Street SE, a major collector street joining the suburb of Mill Creek to Interstate 5. Gravel mining operations started in 1929 and lasted until the approximately 40-acre gravel pit was commissioned as a municipal solid waste. The privately-owned municipal solid waste facility was named Emander Landfill. It served as the County’s primary dumping site until 1967, when the newly established Snohomish County Parks Department worked together with citizens to condemn the landfill and take ownership of the property.

The Parks Department began converting the landfill for use as a park in 1968, with the outdoor community pool opening in 1970. The County has been responsible for post-closure care since the site was registered as a former landfill by the Washington Department of Ecology’s Solid Waste Division. The former 40-acre landfill was capped by a “membrane” barrier over the fill at about 8” to 12” below grade. Despite the refuse not yet having settled, the barrier was then covered by soil. To avoid damaging or penetrating the cover, vehicles heavier than a lawnmower cannot drive on the ground, and stakes can’t be pounded into the ground. Construction of any kind is obviously precluded. Since the waste is still settling under the cover and soil, the surrounding roads must be repaved every few years. These restrictions limit the usefulness of the 40-acre capped landfill as a park, which is now an athletic field and BMX bike track.



McCollum Park, Everett, WA

A portion of the landfill was excavated to accommodate Community Transit's new Park-and-Ride Station for Bus Rapid Transit. This excavation caused some alarming environmental concerns, including the oozing of an oil-like substance, assumed to be from a former Bunker Oil Facility that operated next to the landfill. During investigations, vinyl chloride and benzene were detected. The site was designated a Model Toxics Control Act (MTCA) site by the Washington State Department of Ecology. A landfill gas collection system was installed to flare landfill gasses. Gas production has slowed in recent years, so the system is no longer flaring. North Creek, a salmon-bearing stream, runs along the outskirts of the site, but seasonally the water flows through the capped landfill. For this reason, the Department of Ecology installed surface water and groundwater monitoring stations to ensure there was no residual contamination.

Currently, the 78-acre McCollum Park encompasses woodlands, wetlands, nature trails, a half-mile walking path, a picnic shelter. An athletic field, a BMX bike track, and the Park-and-Ride sit atop the capped 40-acre landfill. The Inter-Urban Regional Trail, which averages 1.6 million users per year, connects to the western side of the park. Located next to North Creek is the Adopt a Stream Foundation's Northwest Stream Center, which offers educational programs, an interpretive boardwalk, and room rentals. The Washington State University (WSU) Snohomish County Extension office occupies a 4,500 square foot building at the southwestern edge of the former landfill. Adjacent to that is a 7,500 square foot facility that presently houses WSU Snohomish County Extension's Cougar Auditorium. There is an old summertime community pool in the northwest corner of the site. There are plans to significantly extend the Light Rail from Seattle to the nearby suburb of Lynnwood in the next five years. Eventually, it will reach Everett by 2035, as well as the recently opened Bus Rapid Transit Park-and-Ride at the Park. Given Snohomish County Parks Departments desire for an adaptive reuse of the site and the County's need to preserve agriculture, improve the food system, and address the lack of affordable housing, Snohomish County is interested in cleaning up and redeveloping McCollum Park.



McCollum Park, Everett, WA

Snohomish County Food Hub Roadmap to Redevelopment

Recommendations: Create a Master Site Plan

The redevelopment of McCollum Park has been discussed for many years. In order to advance the project into the development phase, a master site plan should be created. This master site plan would comprehensively plan for all aspects of the project. The Business Plan, which was most recently updated in 2018, would be useful if included as part of the master site plan. The formulation of a master site plan would enable the County to have concrete actions that can be taken to begin the development of the food hub and a phased cleanup and redevelopment of the landfill.

Part I: Evaluate All Options

In order to formulate the master site plan, the County would be wise to consider all of its options for the site. More planning has been done for the food hub project, while discussions around the landfill's future are in earlier stages. The County has made extensive plans to create a food hub at McCollum Park, but a few questions remain. Articulating the answers to these questions in a master plan would be a prudent next step.

i. Three Entities of the Food Hub

The County's Business Plan is an extensive analysis of many important aspects of developing the food hub, including business models, required materials, operational considerations, costs, and revenues. However, the Business Plan leaves a few key questions unanswered. During meetings, stakeholders indicated the existing two buildings would be structurally evaluated and then renovated. The master plan would define every unanswered aspect.

a. The 7,500 square foot WSU Cougar Auditorium Building

Snohomish County has been intent on repurposing the 7,500 square foot WSU Extension building into a food processing, aggregation and distribution center. Stakeholders believe the building's design would make conversion relatively easy, as the interior walls are removable.

b. The 4,500 square foot Snohomish County Extension Building

Plans indicated the 4,500 square foot building would become a commercial kitchen on the first floor. Stakeholders discussed the possibility of adding a second floor to house office space if the structural integrity would allow for it. This office space could double as rentable classroom spaces for training and certification classes. Choosing to add the office/classroom space could entice prospective partners such as educational, healthcare, or community institutions. Additionally, the idea of adding a third floor to the 4,500 square foot building was discussed.

c. The Community Pool

Finally, the County has indicated that it wishes to transform the community pool into a 30,000 square foot farmers market. Stakeholders intend to fill in the pool and construct a pole building over the current footprint of the pool site while retaining and/or incorporating a water feature or splash pad at the site. This would ostensibly house a year-round indoor/outdoor farmers market as well as a new community space.

ii. Food Hub Ownership Structure

One key aspect of the food hub that must be determined before the project can move forward is its ownership structure. Snohomish County could decide the business structure for each (or all) of the three entities of the food hub, and express it in the master plan. It would be helpful for the County to determine the tax designation (for-profit versus non-profit), the legal structure (LLC, Corporation, Cooperative, sole proprietorship, partnership, etc.), and the operational model (Wholesale Food Hub, Hybrid Food Hub, Direct to Consumer, etc.) of a potential owner/operator. Then the County can discuss whether to issue a Request for Proposals (RFP) for an owner or operator. Once these determinations have been made, they can be included in the master site plan.

iii. End-Use for the Landfill

Determining the end-use for the landfill would be prudent. Evaluating the options for the future of the landfill should take into account the potential obstacles, such as the cost of continual upkeep of the surrounding roads, maintaining the membrane barrier cap, continual monitoring of the site, and what will become of the salmon in North Creek and the Adopt-a-Stream Center. Will Snohomish County relocate the refuse and clean-close the fill, either in phases or all at once? Will the County opt to maintain the area as a smaller park? These discussions can take place while planning.

iv. Environmental Considerations

The existing environmental issues with the landfill present challenges that should be considered. It is known that the former municipal solid waste landfill contains refuse such as plastic, paper, metal, wood, glass, and perhaps even debris from concrete demolition. Chemicals such as benzene, vinyl chloride, and petroleum hydrocarbons are thought to be present. There is also an enclosure of sludge under the BMX track. Yet overall documentation of disposal operations at Emander Landfill is scarce, meaning the master site plan must take into account the potential for the discovery of unknowns. For example, the presence of ship bilge water and septic tank contents at the landfill was rumored by anecdotal information, and former truck drivers believed that the bottoms of fuel storage tanks were disposed of at Emander. Snohomish County would be wise to consider these potential unknowns when formulating a long-term vision for the landfill.

v. Anchor Institutions

Snohomish County should contemplate potential anchor institutions for every aspect of the project. Continuing to include the local farm community during every step of the planning process would be beneficial. Potential partners also can include local educational institutions. Community agencies may offer to provide research and/or support services. Additional partners would be valuable.

Healthcare institutions are increasingly interested in partnering with food initiatives. There is potential for these entities to become institutional buyers, which would provide the hub with a steady stream of revenue. Having strong partnerships with community entities and institutions will anchor this project, so they should be considered as part of planning for the master site plan.

Part II: Determine Capital Needs

The estimation of capital needs for both the food hub and the landfill can be helpful for the County’s efforts. The County’s Business Plan estimated preliminary costs for the Food Hub. The largest percentage of costs associated with the food hub will likely come from new construction adding on to existing structures and building the farmer’s market. Clearly, the food hub represents a relatively small fiscal gap to bridge.

Food Hub Project Costs	Total:	% of Total:
Renovation	\$975,000	16%
Equipment (estimated)	\$300,000	5%
New Construction	\$4,519,350	75%
Contingency	\$225,967	4%
Total Costs	\$6,020,317	100%

Source: Snohomish County Food Hub Business Plan, 2017

The same cannot be said for the landfill, however. Before rushing headlong into a phased cleanup and redevelopment of the landfill, fully understanding the financial challenge it presents would be smart. By all accounts, the cleanup of a landfill is very expensive. Given the potential of unknown contaminants in this particular landfill, the cost could be significantly higher than any projections. The potential for costs to skyrocket beyond initial projections should be taken into account during planning discussions.

The capital needs of the food hub and the landfill should be carefully considered before the County decides which development to undertake first. Once capital needs are estimated, they can be articulated in the master site plan.

Part III: Develop the Phased Master Site Plan

After having surveyed all its options, it would be prudent for the community to define its goals in a master site plan. This plan would be comprehensive in setting forth concrete objectives for the site. As mentioned during stakeholder meetings, the County may approach the project in phases. Based on cost and revenue projections, the County may consider making the food hub the first phase of the master site plan.

- i. Master Site Plan: Vision for the Food Hub

Should Snohomish County decide to make the food hub its first priority, determining the ownership structure might be wise. The County’s preferred ownership structure could be posited in its master site plan. This might mean choosing to create a member, owner, tenant, or

contract user structure. Revenue from the commercial kitchen, processing and distribution, and any rentable office space could also be estimated in this master plan.

ii. Master Site Plan: Food Hub Construction

The master site plan could take into account all construction deemed necessary for the food hub. Plans were for the 7,500 square foot WSU Extension building to be turned into a processing and distribution center. Stakeholders also indicated a desire to turn the 4,500 square foot Extension Services building into a commercial kitchen underneath a new second floor of office space. The County also wanted to construct a farmers market at the pool's present location. Whatever the County decides to do, putting forth concrete construction plans in the master plan would help advance the project into the next phase.

iii. Master Site Plan: Financing the Food Hub

A potential master site plan might also define the projected financing needs for every aspect of the food hub. The customer markets that the food hub would target could be listed, such as local, distributed, wholesale, and other customers. The inclusion of a high-level operating pro forma - which would illustrate cash flows from operations and to support debt service - can also be considered. The master site plan could also incorporate revenues from other sources, such as training programs, certificate programs, and processing, distribution, or warehousing contracts from agricultural businesses unaffiliated with the food hub. The Business Plan included projected costs and revenues from the farmers market. Including these figures in the master site plan would give Snohomish County a bigger picture of how the financing for the food hub can be secured. Potential sources of funding will be explored later in this report.

iv. Master Site Plan: Vision for the Landfill

In the master site plan, the County might also finalize its long-term vision for the landfill. Whether Snohomish County opts to excavate and redevelop the 40-acre landfill or continue to use it as a smaller park, careful considerations of all the aforementioned factors would better inform decision makers. The document can also take into account the timing of any potential excavation and redevelopment at the landfill. For instance, trucks and excavation equipment at the landfill could impact sales and access to the food hub if it is already in operation. The timing of Light Rail development might also factor into this portion of the master plan.

v. Master Site Plan: Financing the Landfill

In this master site plan, the County would be wise to consider cost projections and financing options for any cleanup operations. The master plan could specify which sources of funding the County will attempt to pursue based on plans for the landfill site. These potential sources will be explored later in this paper.

Once complete, the master site plan would solidify the County's aims for the food hub and landfill. The County can also use the master site plan to consider potential partners within the scope of these newly-defined objectives. Perhaps most importantly it would aid in building public consensus behind the project.

Recommendations: Financing the Food Hub

Snohomish County can make the food hub grow quickly due to its comparatively small capital requirements. This section will delve into financing tools which can be used to fund the food hub.

Part I: Examine Issuing Bonds

i. Limited-Tax General Obligation (LTGO) Bonds, Unlimited Tax General Obligation (UTGO) Bonds and Revenue Bonds

Snohomish County has the power to issue bonds for County purposes, so the issuance of Limited-Tax General Obligation (LTGO) Bonds, Unlimited Tax General Obligation Bonds and Revenue Bonds may be considered. Prior to issuing such bonds however, the County's general counsel would need to verify the County is authorized to legally finance the project and operate these specific facilities financed with bond proceeds.

ii. Qualified 501(c)(3) Bonds

Qualified 501(c)(3) bonds are a type of private activity bond issued by a local or state governmental conduit entity, such as the Washington Economic Development Finance Authority¹. The proceeds of the bond are loaned to a nonprofit organization to be used to further its tax-exempt purposes; there can be no private benefit.² Qualified 501(c)(3) bonds have ownership requirements, and restrictions apply if the owner is an LLC, Joint Venture, or Partnership. This structure may be considered in the event the County does not want to issue debt to help finance the Food Hub.

iii. Small Issue Industrial Development Bonds

Small Issue Industrial Development Bonds could also be contemplated. Industrial Development Bonds (IDBs) are a type of revenue bond issued to finance the construction of industrial facilities. They're issued on behalf of a corporate borrower by a local or state development authority, but the security lies with the corporate borrower's credit. This means IDBs are not backed by the full faith and credit of the issuing body of government.³ These bonds would be repayable from the revenue generated by the food hub. Most states have one or more conduit issuers who could be able to finance the project through small issue IDBs. WEDFA may be able to act as a conduit issuer for this project.

¹ "The Washington Bond Market: 2016 Washington Financing Roundtable Conference." Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open=open&id=2016-WA-Bond-Wendt>

² "Qualified 501(c)(3) Bonds." Retrieved from [https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open=open&id=201808_Qualified501\(c\)\(3\)Bonds_Frederic-Marienthal.html](https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open=open&id=201808_Qualified501(c)(3)Bonds_Frederic-Marienthal.html)

³ "Municipal Bonds - Common Terms." Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open=open&id=201505-MuniTerms.html>

Part II: Pursue Grant Opportunities

There are several grants available which may provide additional sources of funding for the food hub. Snohomish County officials indicated they maintain a great relationship from Washington’s Department of Agriculture and Department of Ecology. These relationships could be leveraged into funding opportunities. The County can also pursue grant funding from several other entities. It should be noted that Snohomish County may or may not be eligible for the following grant opportunities depending on the ownership structure and specificities of each grant program.

i. U.S. Department of Agriculture

The **Value-Added Producer Grant** aims to assist producers with activities such as the processing and marketing of new agricultural products. This grant is administered by USDA Rural Development and offers planning grants of \$75,000 as well as working capital grants of \$250,000. Grant funds received require a 50% match.⁴

The USDA’s Agricultural Marketing Service administers the **Local Food Promotion Program (LFPP)**. Designed to assist regions with growing local food enterprises, this program offers planning grants and implementation grants to cooperatives, producer networks, for-profit groups, nonprofits, community supported networks, and regional farmers’ market authorities.⁵

The **Federal-State Marketing Improvement Program (FSMIP)**, also overseen by the USDA’s Agricultural Marketing Service, is available for communities to take advantage of new market opportunities for food products. A dollar-for-dollar match is required, and several state-level government entities (including state colleges) are eligible.⁶

The USDA National Institute of Food and Agriculture manages the **Community Food Projects Competitive Grant Program (CFPCGP)**. This grant program intends to fund projects which would improve food distribution, food access, and community outreach to low-income communities. Awards range from \$35,000 to \$400,000, and roughly 18% of applications receive funding.⁷

ii. Washington Department of Agriculture – Specialty Crop Block Grant

The **Specialty Crop Block Grant** is designed to cultivate the competitiveness of specialty crops. The program is funded by the USDA and the funds are administered by the Washington Department of Agriculture. Awards usually are between approximately \$25,000 and \$250,000. Grants are awarded competitively after a two-phase proposal process.⁸

⁴ Value Added Producer Grants. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/1106365770?open&login>

⁵ Local Food Promotion Program. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/1218936220?open&login>

⁶ Federal-State Marketing Improvement Program (FSMIP). (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/1941317767?open&login>

⁷ Community Facilities Direct Loan & Grant Program. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/7288725375?open&login>

⁸ Specialty Crop Block Grant Program. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/5097428854?open&login>

iii. Washington Department of Ecology – Public Participation Grants

The Washington Department of Ecology directs the **Public Participation Grant Program** with the goal of increasing public involvement in cleaning up MTCA sites. The grant is available to non-profit organizations and individuals. Up to \$120,000 for a two-year project is available through the program, and matching funds are not required.⁹ The County could potentially use these funds to increase awareness of the project, which may increase its network of institutional partners and financing opportunities.

iv. Washington Recreation and Conservation Office – Estuary and Salmon Restoration Program

The Washington State Recreation and Conservation Office provides the **Estuary and Salmon Restoration Program**. This program's objective is to provide grants to projects that restore and protect salmon habitats. Local, state, private, and nonprofit entities are eligible to apply, as are academic institutions. It is necessary for recipients to match 30% of total project costs.¹⁰ Given Emander Landfill's close proximity to a salmon-bearing stream, this grant may be an option.

v. Additional Grant Opportunities

Grants might be obtainable through **Sustainable Agriculture Research & Education (SARE)**. These grants are meant to support agricultural research, educational, and producer-led projects. Since 1988, SARE has awarded \$8,481,599 to 157 projects in Washington State. Of these, 67 projects were led by producers, and 41 were educational / research-based projects.¹¹

Community Development Financial Institutions (CDFIs) can provide capital to micro-enterprises, housing projects, agricultural projects, and small businesses. The Pacific Northwest is home to dozens of CDFIs which may be interested in providing financing for the project. CDFIs such as Craft3, the Northwest Access Fund, Business Impact NW, Impact Capital, the Lower Valley Credit Union, the Center for Business Development, the Office of Rural & Farmworker Housing, and HomeSight may be potential partners.

Grants might also be available from **private and non-profit entities**. The W.K. Kellogg Foundation, the Tilth Alliance, the Bill & Melinda Gates Foundation, Kaiser Permanente, and RCAC may be interested in partnerships. Seeking grants from these entities can strengthen the institutional partners of the project. Furthermore, the County could explore online clearinghouses that list dozens of grants all in one place, such as the Rural Health Information Hub and GrantWatch.

Part III: Investigate Loan Funding

i. U.S. Department of Agriculture – Intermediary Relending Program

⁹ Public Participation Grant Program. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/6300450141?open&login>

¹⁰ Estuary and Salmon Restoration Program (ESRP). (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/1041428244?open&login>

¹¹ "Sustainable Agriculture Research and Education Program - Grants and Education." SARE. <https://www.sare.org>

USDA Rural Development's **Intermediary Relending Program** is an RLF which offers low-interest loans for businesses in rural regions. The fund provides low-interest loans to local intermediaries, who then re-lend that capital to businesses.¹² Eligible intermediaries include public agencies, cooperatives, non-profits, and Federally-recognized Tribes. There are many other eligibility requirements that the County should explore to determine whether it is eligible.

ii. U.S. Economic Development Administration – Revolving Loan Fund Grantees

The Economic Development Administration (EDA) offers to re-capitalize several revolving loan funds that serve the area. The **National Development Council's Grow America Fund** is an EDA RLF grantee. The **Center for Business Development** also operates an RLF. EDA has an interactive economic development directory that lists Revolving Loan Fund Grantees.¹³

iii. Craft3 – Revolving Loan Fund

Craft3 runs a revolving loan fund for food and agricultural businesses, community facilities, land conservation, and general businesses. In 2017, Craft3 agreed to purchase the North Central Washington Business Loan Fund¹⁴ enabling Craft3's fund to provide loans that are generally \$50,000 to \$3 million. Thus, the County might inquire about funding from Craft3.

iv. Office of Rural & Farmworker Housing – Revolving Loan Fund

The **Office of Rural & Farmworker Housing** is a 501(c)(3) non-profit Community Development Financial Institution. It offers a revolving loan fund for pre-development costs. The fund's low-interest loans are for planning-phase expenses related to moving a project from planning to construction.

v. Enterprise Community – Regional Equitable Development Fund

Enterprise Community operates the **Regional Equitable Development Initiative (REDI) Fund**. The REDI Fund is available to finance transit-oriented developments. Eligible types of projects include affordable housing, community facilities, and mixed-use developments.

vi. RSF Social Finance – Loan Funds

RSF Social Finance has several funding programs which may be of interest to the County. RSF's **Food System Transformation Fund** is tailored to organizations that involve processing, aggregation, distribution, and market access for farmers. RSF's **Seed Fund** offers between \$500 and \$3,500 for food and agriculture solutions. Finally, capital ranging from \$200,000 to \$5 million may be available through RSF's **Social Enterprise Loans** once the project has been in operation for three years.

¹² Intermediary Relending Program (IRP). (n.d.). Retrieved from

<https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/197814796?open&login>

¹³ "Washington – Economic Development Directory." EDA. <https://www.eda.gov/resources/economic-development-directory/states/wa.htm>

¹⁴ "Craft3 Announces Agreement to Purchase North Central Washington Business Loan Fund." Craft3. <https://www.craft3.org/About/news/news-detail/2017/09/06/craft3-and-ncwblf>.

Part IV: Carefully Consider the Implications of Community Revitalization Financing and Special Assessment

The County should think critically about whether a special district would be feasible. Tax-Increment Financing and Special Assessments may not seem palatable to Snohomish County. Even if these options are not realistically on the table, this project deserves due diligence.

i. Community Revitalization Funding

Community Revitalization Funding is used to finance public improvements through revenues generated from incremental increases to assessed value (for property taxes) or sales and use taxes within an increment area.¹⁵ Once an increment area is duly formed, Community Revitalization Funding may be an option to finance public improvements to the site such as street and road construction costs; water and sewer system improvements; sidewalks and streetlights; additional park and ride facilities; additional park facilities and recreational areas; stormwater and drainage management systems; environmental analysis, professional management, planning, and promotion within the increment area and other public improvement costs as defined in RCW 39.89.020.¹⁶

ii. Local Improvement District funds to Service Debt

State Law authorizes Counties to service debt on bonds using revenue from special assessments evaluated against property receiving a greater benefit than the general public to the improvements within the established boundaries of a Local Improvement District (“LID”). Thus, the creation of a Local Improvement District could generate funds that would be used to service debt on bonds.

¹⁵ See Chapter 39.89 RCW

¹⁶ See Chapter 39.89.020 RCW

Recommendations: Financing the Landfill

Should Snohomish County decide to clean up and redevelop the landfill site, securing financing and long-term timing will need to be taken into account. As mentioned earlier, the cleanup of the landfill could cost a significant amount so funding from numerous sources may be required. This section will delve into these considerations for the landfill.

Part I: Financing the Landfill Cleanup

i. U.S. Environmental Protection Agency – Cleanup Grants

Snohomish County may seek Federal EPA Funding to complete the capital stack. Participating in a State-administered voluntary cleanup program can lead to federal dollars, and McCollum Park is already a registered MTCA site through the Washington Department of Ecology. EPA Cleanup grants up to \$500,000 and Multi-Purpose grants of up to \$800,000 could be sought.¹⁷

ii. Examine Issuing Bonds

The issuance of bonds may be considered to fill a portion of the capital gap for the landfill. There are various types of bonds available to the County for such purposes. Some of the more traditional bond financings include Revenue Bonds, Limited Tax General Obligation (LTGO) Bonds, and Unlimited Tax General Obligation (UTGO) Bonds. Each has various pros and cons.

Prior to issuing revenue bonds, Snohomish County would need to determine a reliable source of revenue to address the debt service on the bonds. Typically, revenue bonds are issued to acquire, construct, maintain, repair and operate various revenue-producing facilities, such as parks and recreation facilities.¹⁸ The revenue from such facilities is then pledged to pay debt service on the bonds. The issuance of revenue bonds often includes conducting a feasibility study and creating a special fund to receive revenue pledged for bond repayment. Though issuing revenue bonds may require additional diligence up front, the source of repayment would be the revenue generated by the revenue source. Thus, it will not deplete the County’s debt capacity, nor property tax revenue, which could be used for other purposes.

LTGO Bonds are secured by the full faith, credit, and resources of the County, limited as to rate and amount. The source of funds to service the debt on the bonds is payable from the County’s ad valorem property taxes. LTGO Bonds may be issued for general County purposes – meaning that prior to their issuance, the County’s general counsel would need to verify the County is legally authorized to finance the project and operate the specific facilities financed with bond proceeds. LTGO bonds do not need to be approved by voters at an election, but issuing these bonds will require the County to use some of its non-voted debt capacity (limited to 1 ½% of the value of the taxable property within the County) and will require repayment from ad valorem property taxes, which could otherwise be used for other County purposes.

¹⁷ Brownfields Cleanup Grants. (n.d.). Retrieved from <https://www.cdfa.net/cdfa/cdfaweb.nsf/programs/9656736850?open&login>

¹⁸ See Chapter 36.67 RCW

UTGO Bonds, like LTGO Bonds, are secured by the full faith, credit and resources of the County, but are unlimited as to rate or amount. UTGO Bonds are also payable from the County's ad valorem property taxes revenues and may be issued for general county purposes. However, prior to the issuance of UTGO Bonds, the County will have to hold an election to approve the incurrence of the debt and levy of the property tax to pay the debt service on the UTGO Bond. Issuing these bonds will also require the County to utilize some of its voted debt capacity (limited to 2 ½% of the value of the taxable property within the County).

iii. Insurance Archaeology

Insurance archaeology can be a lesser-known but useful financing method. Environmental cost recovery claims can be costly and time-consuming but may be worthwhile if Washington's State Law allows for it. Essentially, insurance archaeology means attempting to recover costs from those responsible for the pollution and their historic insurers. It could mean anything from a simple demand letter to a lawsuit. Any party responsible for the release of hazardous substances may be liable for the cleanup costs incurred by anyone else.¹⁹ Costs recoverable through CERCLA may include site investigation, preparation of a work plan, removal of contamination and disposal of waste, remediation activities, engineered barriers and treatable equipment, monitoring, oversight, and demolition. The State of Washington also has laws regarding recoverable costs that may be worth investigating.

iv. Washington Department of Transportation Financing

The Washington Department of Transportation may also be interested in providing some financing for the project. For instance, the State's DOT may be interested in financing the cleanup in order to expand parking for the adjacent Park-and-Ride. This represents the opportunity to gain an institutional anchor.

Part II: Timing Considerations

The potential timing of redevelopment at the former Emander landfill site should also be taken into consideration. Snohomish County would be wise to reevaluate their plans for the former Emander landfill site as time goes on. For instance, when the Food Hub is operating, any construction at the landfill would hamper access to the Food Hub and decrease revenues. The timing of any redevelopment can also be continuously reexamined as Community Transit constructs Light Rail nearby. Therefore, Snohomish County would be wise to revisit their master site plan and update it periodically as the overall ecosystem evolves.

¹⁹ Brownfields Redevelopment Financing Webinar Series - Digging for Clean-up Funds: Insurance Archeology. CDFA. <https://www.cdfabrownfields.org/cdfa/cdfaweb.nsf/ordredirect.html?open=open&id=Brownfieldswebcast12>

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Additional Resources

CDFA Brownfields Financing Toolkit |

<https://www.cdfabrownfields.org/cdfa/cdfaweb.nsf/pages/brownfields-resources.html>

CDFA Online Resource Database |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordsearch.html>

CDFA Federal Financing Clearinghouse |

<https://www.cdfa.net/cdfa/cdfaweb.nsf/ffcsearch.html>

Types of Brownfields Grant Funding (Environmental Protection Agency) |

<http://www.epa.gov/brownfields/types-brownfields-grant-funding#tab-1>

McCollum Pioneer Park |

<https://snohomishcountywa.gov/Facilities/Facility/Details/McCollum-Pioneer-Park-43>

Revised Code of Washington Chapter 39 |

<https://apps.leg.wa.gov/rcw/default.aspx?Cite=39>

Puget Sound Food Hub |

<https://pugetsoundfoodhub.com/>

Northwest Agriculture Business Center (NABC) |

<https://www.agbizcenter.org/>

Washington State University Extension - Snohomish County |

<https://extension.wsu.edu/snohomish/>

Greater Seattle SCORE |

<https://seattle.score.org/>

U.S. Department of Agriculture - Rural Development |

<https://www.rd.usda.gov/>

U.S. Department of Agriculture - National Institute of Food and Agriculture |

<https://nifa.usda.gov/>

U.S. Economic Development Administration |

<https://www.eda.gov/>

RSF Social Finance |
<https://rfsocialfinance.org/>

Craft3 |
<https://www.craft3.org/>

Office of Farmworker & Rural Housing |
<https://www.orfh.org/>

Enterprise Community |
<https://www.enterprisecommunity.org/financing-and-development/community-loan-fund>

GrantWatch
<https://www.grantwatch.com/>

Tilth Alliance
<http://www.tilthalliance.org/>

Bill & Melinda Gates Foundation
<https://www.gatesfoundation.org/How-We-Work/General-Information/Grant-Opportunities>

Kaiser Permanente
<https://wa.kaiserpermanente.org/>

RCAC
<https://www.rcac.org/>

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Snohomish Conservation District
Sno-Isle Libraries
Snohomish County Agriculture
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