



MEMORANDUM

Date: September 1, 2021

To: Climate Change Advisory Committee, Environmental Technical Advisory Committee, Race Equity Advisory Committee, Sustainable Transportation Task Force, Utility Advisory Committee

From: Blair King, City Manager

Subject: Request for review and comment – ARPA Project List

Summary and Request for Feedback:

At the City Council meeting on August 24, Council and staff discussed priorities for use of funding the City will receive through the federal American Rescue Plan Act (ARPA). As you may know, the City will receive roughly \$7.0 million over the next two years, with a wide but not unlimited range of eligible uses. The Council reviewed a list of projects and has identified 12 projects and purposes for additional consideration.

At your next meeting, we'd appreciate your committee's review of the attached project list. Please provide feedback on the use of the funding for the projects or purposes shown. For example, it would be helpful for you to indicate which of the projects you feel should receive the most ARPA funding, or if there are any that you would recommend not receive further consideration, and why.

Timing:

The Council is planning further deliberation and a decision of which projects to fund on September 28. Staff will include committee feedback received by September 22 in the Council agenda materials for the September 28 discussion.

Background:

On June 15, 2021, the City Council received news that the City of Bainbridge Island would receive \$7.061 million from the \$1.9 trillion American Rescue Plan Act (ARPA). The Council was informed that these funds would be restricted to certain types of programs or expenditures and be subject to time limits. Specifically, funds need to be obligated by December 31, 2024 and expended by December 31, 2026.

As a result of the presentation the City Council in June, the Council adopted principles to guide the expenditure of ARPA funds and directed the City Manager to present specific project, programs, or opportunities consistent with the principles adopted by the City Council. The principles approved in June include A – E below, with F added in accordance with additional Council guidance.

- A. Acknowledge that ARPA funds are one-time monies and should be spent in such a way to avoid reoccurring cost
- B. To the extent practicable, funds should be spent to achieve long-lasting benefits and results - (e.g., 50-year time horizon)
- C. Activities or projects that promote fiscal and environmental sustainability will receive priority consideration
- D. Activities or projects must be completed within the expenditure deadline requirements of ARPA (funds must be committed by the end of 2024; expended by the end of 2026)
- E. Activities or projects that would not be able to be accomplished “except for” one-time impact sums will receive priority consideration
- F. Leverage other funds

These guiding principles are in addition to the federal eligibility regulations, available [HERE](#) and summarized below:

- 1. Support public health response/economic support
- 2. Premium pay for essential workers
- 3. Revenue replacement (capped at roughly \$2 million)
- 4. Investments in water, sewer and stormwater infrastructure

A list of potential projects generated by the community and staff was presented to the City Council. The City Council reviewed the information and selected a short list of projects and purposes for further review.

Staff is ready to support the City Council, advisory groups and the community through this important review.

Attachment: ARPA Project Identification memorandum to City advisory groups



ARPA Funding Discussion – Project Guidance and Options

City-Identified Parameters from June 15 Council Presentation

- A. Acknowledge that ARPA funds are one-time monies and should be spent in such a way to avoid reoccurring cost
- B. To the extent practicable, funds should be spent to achieve long-lasting benefits and results - (e.g., 50-year time horizon)
- C. Activities or projects that promote fiscal and environmental sustainability will receive priority consideration
- D. Activities or projects must be completed within the expenditure deadline requirements of ARPA (committed by the end of 2024; expended by the end of 2026)
- E. Activities or projects that would not be able to be accomplished “except for” one-time impact sums will receive priority consideration

Additional Considerations

- F. Leverage other funds

ARPA Category

1. Support public health response/economic support
2. Premium pay for essential workers
3. Revenue replacement (capped at roughly \$2 million)
4. Investments in water, sewer and stormwater infrastructure

Project Table

List developed by Council on initial review August 24. Staff has provided additional comments and is seeking input from City Advisory Groups ahead of the next Council discussion on September 28.

Shading:

- Green shading means that projects meet 5 or 6 of the criteria identified in June and are ARPA-eligible
- Yellow shading means that projects meet 3 or 4 of the criteria identified in June and are ARPA-eligible

Projects Identified for Additional Consideration

| Project Name | ARPA Information | Parameters/Notes | Additional information |
|---|------------------------------------|---|--|
| Water | | | |
| Water System Climate Resiliency Upgrades | Infrastructure \$1 M | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2022-24; Build 2024-25 • No funding sources are currently identified for these projects, however, leveraged funding from the Water Utility is anticipated. | <p>These projects were developed to ensure that the City’s water system can function during greater changes in temperature. The project proposals include redundancy (having more than one piece of equipment or facility in case one of them goes down) and other upgrades to protect equipment during extreme heat.</p> <p>This project proposal includes:</p> <ul style="list-style-type: none"> • Well site building ventilation upgrades; • Purchase spare, mobile, well pump(s); • Drill new back-up well and install new booster pumps at two well-site locations. |
| Winslow Water Tank Replacement | Infrastructure \$1.5 - \$ 2.5 M | <ul style="list-style-type: none"> • A, B, C, D, F • Design 2022-24; Build 2024-26 • Part of funding for large project. PWTF loan secured. • Replacement of critical infrastructure, including seismic protection | <p>This project meets the Council-articulated priority of climate resilience. It also supports equity in its service to the island-wide public schools, public library, diverse socio-economic neighborhoods and the downtown business district.</p> |

| Project Name | ARPA Information | Parameters/Notes | Additional information |
|---|--------------------------|---|---|
| Sewer Wastewater Beneficial Re-use | Infrastructure \$TBD | <ul style="list-style-type: none"> • B, C, E • Undetermined schedule • No funding sources are currently identified for these projects. | <p>The scope of this project is currently undetermined, but could include:</p> <ul style="list-style-type: none"> • Tertiary treatment; • Groundwater recharge for aquifer or streamflow restoration; • Re-use as irrigation. <p>Preliminary evaluation and design are likely feasible within the required timeframe for the use of funds.</p> <p>Total project costs could exceed \$20M, and would require temporary project management staff, and additional operations and maintenance staff positions.</p> |
| Wastewater Treatment Plant Near-term Capacity Upgrades | Infrastructure \$700k | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2022-23; Build 2024 • Regulatory requirement • No funding sources are currently identified for these projects, however, leveraged funding from the Sewer Utility is anticipated. | <p>Project includes mandatory, short-term capacity upgrades. Longer term upgrades will also be required but are outside the required timeframe for the use of funds.</p> |

| Project Name | ARPA Information | Parameters/Notes | Additional information |
|---|---------------------------|--|--|
| SSWM/ Groundwater | | | |
| McDonald Creek Culvert/ Springbrook Creek mitigation at High School Road and Fletcher Bay Road | Infrastructure \$1.5 M | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2022-23; Build 2024-25 • No funding sources are currently identified for the mitigation efforts, however, leveraged funding from the Storm and Surface Water Utility is identified in the City's Capital Improvement Plan. | <p>The McDonald Creek project is the replacement of a deep culvert under Eagle Harbor Drive near McDonald Ave. The project is at 90% design.</p> <p>The funds identified for this project would support environmental enhancements/mitigation required for permitting that would allow the McDonald Creek project to move forward.</p> <p>The enhancement/mitigation would physically be located near the intersection of High School Road and Fletcher Bay Road, where a separate City project, the replacement of failing culverts, would also benefit from the investment.</p> <p>See attached project page from the Adopted 2021-2026 CIP.</p> |
| Springbrook Fish Passage on Fletcher Bay Road west of New Brooklyn Road | Infrastructure \$1.5 M | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2022-23; Build 2023-24 • Funding is secured for design. No currently secured funding for construction. | <p>This project would replace an existing culvert under Fletcher Bay Road (west of the New Brooklyn intersection) with a bridge structure.</p> <p>The structure would provide fish passage upgrades for the highest priority salmonid environment on Bainbridge Island.</p> <p>https://www.bainbridgewa.gov/868/Springbrook-Creek-Watershed-Study</p> <p>The project has historically been supported by the Suquamish Tribe.</p> |

| Project Name | ARPA Information | Parameters/Notes | Additional information |
|---|---|---|--|
| Stormwater/Non-motorized demonstration project | Infrastructure or Revenue Replacement, \$ TBD | <ul style="list-style-type: none"> • A, B, C, D, E, F • Undetermined schedule • Design and construction TBD • No funding sources are currently identified for these projects, however, leveraged funding from the General Fund and Stormwater Utility is anticipated. | <p>Added by Council on Aug. 24</p> <p>The project scope is undetermined. See Madison Avenue Sidewalk Project for additional information.</p> |
| Transportation | | | |
| Sustainable Transportation Plan (STP) Implementation Set-aside | Revenue Replacement, \$ TBD | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2022-24, Build 2024-26 • Eligible for ARPA-related “replacement” funding for 23-24 biennium • No funding sources currently identified for these projects, however, leveraged funding from the General Fund is anticipated. | <p>The project scope is undetermined. The STP project is anticipated to be reviewed with City Council November 2021.</p> |
| Madison Avenue Sidewalk/Bike Lanes Project | Revenue Replacement, \$1.0 M | <ul style="list-style-type: none"> • A, B, C, D, E, F • Design 2021-22; Build 2023 • Eligible for ARPA-related “replacement” funding for 23-24 biennium • Leveraged funding from multiple sources identified in the City’s Capital Improvement Plan, including General Funds, Sewer Funds, and federal grant funds. | <p>The project scope includes multiple necessary and desired improvements along the Madison Avenue corridor between Winslow Way and SR305, including sidewalk replacement, pavement replacement, separated bicycle lanes, sidewalk infill and sewer replacements.</p> <p>This project has a hard 9/28 deadline for scoping decision due to federal grant requirements.</p> <p>https://www.bainbridgewa.gov/1310/Madison-Avenue-Sidewalk-Improvements</p> |

| Project Name | ARPA Information | Parameters/Notes | Additional information |
|--|--|---|--|
| Other Funds | | | |
| Affordable housing projects | Response to negative economic impact, \$ TBD | <ul style="list-style-type: none"> E Schedule TBD Not eligible under category 1 unless HUD qualified Census Tract (QCT) Limited by revenue loss defined by ARPA regulations. Currently at \$2.0 million | <p>The project scope is undetermined.</p> <p>Administration of a housing program would require City staffing and program development consideration.</p> |
| Biodigester | Revenue Replacement, \$ TBD | <ul style="list-style-type: none"> B, C, E Schedule TBD Eligible under infrastructure category if used to finance the generation and delivery of clean power to a wastewater system or water treatment plant | <p>The project scope is undetermined.</p> <p>The Climate Change Advisory Committee has begun research on a potential project. Initial information indicates a project cost range of \$8.6M - \$10.9M.</p> <p>Presentation from March 17, 2021 is available for review.</p> |
| Premium pay for childcare workers | Premium pay, \$ TBD | <ul style="list-style-type: none"> D Schedule TBD Eligible, but does not meet any of the parameters | Premium pay could be provided to eligible workers in accordance with the terms of the ARPA program. |
| Solar panels on emergency hubs/shelters | Revenue Replacement, \$ TBD | <ul style="list-style-type: none"> A, B, C Schedule TBD | The project scope and location(s) are undetermined at this time. |
| Buy or lease space to medical group for former Swedish clinic to improve health care access | Not eligible | <ul style="list-style-type: none"> E Schedule TBD This would subsidize private enterprise and would not be an eligible use of ARPA funds unless a grant was provided to an impacted business. | <p>Additional work would be needed to determine if a grant could be provided in accordance with the terms of the ARPA program.</p> <p>Administration of a grant program would require consideration of additional City staffing.</p> |

