

Port of Douglas County
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Port of Douglas receives approval for pre-construction loan from PWTF for sewer project

The loan will allow the Port to move ahead with the final engineering work needed for the PMA Industrial Park Sewer Project, and increase the possibility for final approval of a \$2.5 million construction loan with the Public Works Trust Fund board.

After three attempts, the Port of Douglas finally received approval in December for a low-interest loan with the Public Works Trust Fund Board. The \$238,000 pre-construction loan will provide funding for the remaining engineering work needed for the sewer project at the Pangborn Memorial Airport Industrial Park. The Douglas County Sewer District made the PWTF loan application and the Port will sign an interlocal agreement with the District for repayment of the 1/2 percent loan with a 5-year term.

"This brings us one step closer to finally getting this project completed", said Pat Haley, Director of the Port of Douglas. "Approval of the pre-construction loan allows us to understand how to best complete the construction application for funding of the \$2.5million project."

The PWTF provides low interest loans for statewide infrastructure projects. The Port of Douglas has been turned down on previous applications because of competition for the low-interest loans, and missing the award criteria based on the objectives of the Washington State Public Works Board. As described by Isaac Huang, Public Works Regional Account Executive, the highest rankings were given to projects that had an existing need or were related to some type of environmental issues including endangered species protection. An "existing need" is defined as a project that is failing or

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has the potential for failure. Because the Port's application is related to economic development, the Board has scored these applications with the lowest priority.

The Port has been hesitant about pursuing other funding sources for the sewer project because of the low interest rate offered by the State Public Works Trust Fund. "The difference between PWTF rate of 1/2% and the general obligation bonding rate of 5 to 6 % nearly doubles the payments for the loan," said Haley. "A higher interest rate makes it a much more riskier project for the port as we attempt to recruit new businesses to our Industrial Park."

The Douglas County Sewer District will do a Construction Loan application in May. If the Port is successful in getting the low-interest loan approved, construction of the project will begin in the spring of 2003. The line will extend from Kentucky Street up Grant Road to Union Street. It will then extend down Union Street through Port property to Eighth Street. Upon completion, this extension will provide the only sewer service to industrial lands in the greater East Wenatchee area.

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