

# Ferndale Downtown Association: Building Capacity

Funding Request: \$250,000 (2022 Block Grant)

**Request:** Designate \$250,000 as a one-time block grant to the Ferndale Main Street Program. These funds would supplement grant funds received by the State of Washington and be used to by the Ferndale Downtown Association to hire a full-time Executive Director, to pursue designation as Washington Main Street Program, and establish a revolving loan fund.

**Issue:** COVID-19 has had significant impacts on Ferndale’s Downtown, evidenced by business closings, a delay in several pending investments that were poised to occur in 2020 and 2021, and the nature of Downtown businesses that were forced to suspend or significantly modify operations as a result of health-related shutdowns. For nearly half a century, Downtown Ferndale has struggled to evolve from a traditional, weekday 9-5, auto-centric, retail-based downtown to a vibrant mixed-use, pedestrian oriented district. The Ferndale Downtown Association is at a crossroads, there has been a significant changeover in businesses downtown, and the volunteer-led organization has limited capacity to undertake new initiatives. The City of Ferndale is limited in its ability to directly assist Downtown revitalization efforts except through capital projects and land use regulations. Recent efforts by the City have been focused on incentivizing the development of mixed use projects within the downtown via tax breaks for multifamily development and waiving development review fees.

**Solution:** This request enables the Ferndale Downtown Association to build capacity with a focus on attaining accredited Main Street Program status. The block grant will enable that program to seek additional private funding through State Business and Operation Tax diversion policies. In turn, the program, operating as a non-profit, has a greater ability to provide assistance to businesses and to participate in other improvements, than the City is legally allowed to do without the gifting of public funds. ARPA provides a one-time opportunity to utilize public funding in a manner that might otherwise be considered a public gifting. The Main Street Executive Director would support a variety of business recruitment and retention measures that include but are not limited to the establishment of a revolving loan fund to support downtown façade and tenant improvements for existing and new businesses. As proposed, a one-time block grant would instill confidence within the program that there is sufficient funding for a two-year period, thus allowing the Executive Director to focus energies on not only immediate programming, but on efforts to establish sustainable funding sources that will support the program once ARPA funds are exhausted.

**ARPA Eligibility:** Funds would provide assistance to the Ferndale Downtown Association directly benefitting our local hospitality and tourism industry. Funds would go to directly support small businesses in an area of the community that has consistently struggled and was especially impacted by COVID-19. COVID 19 specifically resulted in delayed investment as well as temporary and permanent health related shutdowns in downtown. The Interim Final Rule states that “aid may be considered responsive...if it supports businesses, attractions, business districts....operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic.” (P. 26795 Interim Final Rule), “Aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.” (P. 26795, Interim Final Rule)

