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1 WHATCOM COUNTY COUNCIL
2 **Finance and Administrative Services Committee**
3

4 October 26, 2004
5

6 Committee Chair Sam Crawford called the meeting to order at 12:00 p.m. in
7 the Council Chambers, 311 Grand Avenue, Bellingham, Washington.
8

9 Present:

10 Sharon Roy

Absent:

Dan McShane

11
12 Also Present:

13 Barbara Brenner

14 Laurie Caskey-Schreiber

15 Seth Fleetwood
16
17

18 **COMMITTEE DISCUSSION AND RECOMMENDATION TO COUNCIL**
19

20 **1. ORDINANCE AMENDING THE 2004 WHATCOM COUNTY BUDGET,**
21 **THIRTEENTH REQUEST (AB2004-356)**
22

23 Dewey Desler, Deputy Administrator, read the requests.
24

25 Crawford asked if this is the time to make the decision to purchase the
26 Anderson property. Desler stated this item appropriates funding. Purchase
27 approval will come before the Council at the next meeting.
28

29 Crawford stated the Council needs to formally make a decision to purchase
30 the property before approving funding. Desler stated there are timing issues,
31 including an interlocal agreement with the City of Bellingham. Approval is a two
32 step process. First, appropriate money from Conservation Futures fund, then seek
33 the legal approval to purchase the property.
34

35 Crawford stated the process seems backwards. Desler stated the Council
36 already gave the administration the go ahead with the project.
37

38 Crawford stated the Council must make sure the public has a sense of due
39 process.
40

41 Desler stated the Council could delay this item, and administration will attach
42 it to a supplemental budget request at the next Council meeting.
43

44 Crawford stated it's a good project. The public should understand that the
45 Council is following due process. Desler stated this is like any other contract. The
46 administration will seek the money for a contract, then bring the contract forward.
47

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1 Crawford stated the County doesn't have to go through with a contract just
2 because money is budgeted for the item. Desler stated that's correct.

3
4 Rand Jack, Whatcom Land Trust, stated there is a purchase and sale
5 agreement and closing date of November 5. There isn't another Council meeting
6 between now and then. The Council has to approve the project and make the
7 appropriation at this meeting. The City approved its part last night.

8
9 Crawford asked for an update on an adjoining property. Jack stated he
10 talked to the adjoining property owners who are interested in the proposal he's put
11 together, which will remain a separate process. The timing of this is important
12 because of the status of the sellers. It would be risky not to hold to the closing
13 date.

14
15 Roy stated she thought that the Council did give formal approval for the
16 project.

17
18 Crawford stated the public would be given due process when the contract
19 comes before the Council.

20
21 Desler stated he would check to see when the approval is scheduled before
22 the Council. The Council may need to approve a resolution authorizing the
23 Executive to sign the contract.

24
25 Crawford stated the Council must give the public an opportunity to comment
26 on the potential purchase. Jack stated he agrees. The problem is the closing date.

27
28 Crawford asked if the Sheriff's Office will develop a strategic and tactical
29 procedure rather than having to contract with the City of Bellingham in the future
30 for SWAT team services. Desler stated the City said it is going to start billing the
31 County when the SWAT team is called out. The Sheriff wants to develop his own
32 team over the next two years.

33
34 Brenner asked if \$90,000 is from federal funding. Desler stated a grant
35 provides for reimbursement based on a certain number of hours. The grant is
36 already in the budget. The grant is federal money.

37
38 Marvette Gwinner, Accountant, stated the grant is from Transportation
39 Safety Administration (TSA).

40
41 ***Roy moved*** to recommend approval to the full Council.

42
43 Crawford asked if there is added cost to the County based on how employee
44 comp time is calculated. Desler stated there will be issues related to expanding the
45 patrol out to the airport. The administration is discussing it.

46
47 ***Motion carried unanimously.***

1
2 **2. ECONOMIC DEVELOPMENT INVESTMENT PROGRAM FUNDING**
3 **APPLICATIONS AND RECOMMENDATION OF THE EDI BOARD**
4 **(AB2004-361)**
5

6 Dewey Desler, Deputy Administrator, stated this is the next round of
7 applications, which are in the Council's packet. The Economic Development
8 Investment (EDI) Board recommends supporting the application from the City of
9 Bellingham for \$214,000 and the application from Whatcom County.

10
11 Mike Finger, Farmer's Market and Depot Market Planning Committee, stated
12 the farmer's market is likely to be the main tenant of the depot market. Support
13 the EDI Board decision to support the grant. The farmer's market has terrific
14 economic development potential and reality. This year's market sales are projected
15 to eclipse \$700,000 just for the Saturday market. The market brings in over \$1
16 million to downtown Bellingham. Over 260 businesses have been members. The
17 market is an incubator for small businesses. People are using the market to
18 develop business ideas and try them out on the public. The depot market square
19 will allow the farmer's market to expand the things it's done well all along. They
20 can expand the farmer's market season and handle bad weather better. Olympia
21 created a permanent market, and it's sales have expanded greatly. The market will
22 connect rural and urban communities. The market will also provide opportunity for
23 local agriculture and small businesses to meet the customer directly to develop
24 products. Please approve funding for the project.

25
26 Brian Griffin, Depot Market Square Committee, asked the County to help
27 fund the market venue. The depot market will become a community icon,
28 economic generator, meeting place, and tourist attraction. This project will create
29 opportunities for more than the farmer's market. The financial backers represent a
30 true partnership of interests, including the City of Bellingham, State of Washington,
31 Market Association, and many individuals. The depot market square is a volunteer
32 group of citizens that met its \$550,000 commitment. It purchased the old Skagit
33 River bridge to use as structural steel. They also solicited and received 547
34 donations totaling \$177,600. However, there is still a \$214,000 gap. He asked
35 that the County to become the fifth member of the partnership by approving the
36 EDI Board's recommendation. The project is widely supported in the community
37 and by agricultural groups, including the County's agricultural committee, Food Co-
38 Op, and Agricultural Preservation Committee. Approval of this grant is the final
39 piece in the funding. It presents a substantial development opportunity to the
40 County.

41
42 Crawford asked if the \$550,000 commitment is changed because they
43 obtained lower cost materials. Griffin stated the architect estimated that the
44 structural steel would cost \$430,000. They purchased the bridge for \$175,000,
45 which will provide all the steel needed. They have to raise \$125,000 to pay for the
46 bridge. They have an arrangement to pay for the bridge over a year, interest free.
47

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1 Crawford asked if the \$214,000 is separate from the \$550,000. Griffin
2 stated it is.

3
4 Crawford asked who owns the depot market venue. Griffin stated the City of
5 Bellingham owns the venue.

6
7 Crawford asked about operations and maintenance. Griffin stated operations
8 and maintenance would be an ongoing City obligation.

9
10 Desler stated the City is prepared to assign revenue from its parking fund to
11 pay for maintenance and operations.

12
13 Griffin stated the City would rent the facility, including to the farmer's
14 market. The structure will also generate revenue from parking under the facility.

15
16 Caskey-Schreiber stated she is in favor of the project because of its
17 connection between rural and urban communities. Citizens of the urban areas will
18 be able to fully appreciate the agricultural community in the county.

19
20 Fleetwood asked the completion date. Griffin stated he hopes to bid out in
21 January. The project should be done by early summer of 2005.

22
23 Fleetwood asked if the funds are from the Public Utility Improvement Fund,
24 and if the EDI portion constitutes one part of the Public Utility Improvement Fund.
25 Desler stated it does. The amount is about 60 percent, divided approximately 40
26 percent for loan, 20 percent for grant, and 40 percent for County public facilities.
27 The fund brings in about \$2 million per year currently.

28
29 ***Roy moved*** to recommend that the full Council authorize the County
30 Executive to sign an interlocal agreement with the City of Bellingham for the
31 implementation of the grant award to the Depot Market Square. She is in favor of
32 this because of the connection between the rural and urban areas in the county.
33 The opportunity for incubation of local businesses is worth every penny.

34
35 Crawford stated he would support the motion. The variety of funding
36 sources is a benefit.

37
38 ***Motion carried unanimously.***

39
40 Desler stated the second EDI Board recommendation is for a grant to the
41 developer of a light industrial park development in the northern Ferndale urban
42 growth area (UGA). Staff has been working on this development to help construct
43 a road to divert traffic onto a different road.

44
45 Hal Hart, Planning and Development Services Director, stated he is working
46 with Klaus Klix, the County Engineering Division, and County legal counsel on this
47 project. A small segment of road is necessary to provide access to the industrial

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1 area. The cost incurred by the County is \$170,000. Mr. Klix has done engineering
2 for that road segment already. Rerouting the traffic will improve access to the
3 industrial area, consistent with GMA. The road segment will also address safety
4 concerns at Grandview and Vista roads and will support job creation, consistent
5 with EDI program goals and objectives. This grant allows a light industrial park to
6 go forward and provide up to 200 jobs. The State Department of Community,
7 Trade, and Economic Development says this is one of the best projects they've
8 seen this year.

9
10 Caskey-Schreiber asked if the annexation of this area could be conditioned
11 on reimbursement from the City of Ferndale for this investment. Hart stated legal
12 counsel would address that issue.

13
14 Roy asked the location of the Ferndale UGA boundary. Hart indicated the
15 location on a map. The site is near the headwaters of California Creek. There are
16 wetlands. Mr. Klix has met every condition the County has required.

17
18 Dan Gibson, Senior Civil Deputy Prosecutor, stated the sales and use tax
19 fund is not for the benefit of the County general fund. The fund is for the benefit of
20 development of distressed areas. It is not an opportunity for the County to make
21 money. The question to consider is about who is being reimbursed.

22
23 Caskey-Schreiber asked if the County can get reimbursement from the City
24 of Ferndale if funded from the general fund. She likes the project. Gibson stated
25 from a property tax standpoint, the County would continue to collect property taxes
26 when the area is annexed. However, when annexed, the County road fund would
27 no longer receive a tax benefit. When a property is annexed into a city, the
28 property continues to pay property tax from which the County continues to benefit.
29 However, the County no longer collects taxes for the road fund.

30
31 *(Clerk's Note: End of tape one, side A.)*

32
33 Gibson continued to state that road funds are used when the County
34 negotiates with the City for reimbursement.

35
36 Fleetwood stated the question is whether the County can legally be
37 reimbursed. Gibson stated constitutionally, one fund cannot benefit another. The
38 question to consider is which fund benefits. There is no problem with one fund
39 benefiting itself. In terms of negotiations with cities for road improvements, it is
40 done in light of the road fund revenue stream. They are not talking about road
41 fund expenditure or general fund expenditure, but sales and use tax funds for
42 distressed areas. In that case, application of funds doesn't make a difference.

43
44 Brenner stated Mr. Klix has put a lot of his own resources into this project
45 already. Creating 200 good-paying jobs is appealing.

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1 Joe Rutan, County Road Engineer, stated he asked for the ability to close
2 that section of Delta Line Road, which the Council approved. The County maintains
3 the underlying right-of-way.
4

5 Desler stated County administration and Mr. Klix will have an agreement.
6 The County will acquire right-of-way if Mr. Klix develops the road to certain
7 standards.
8

9 Caskey-Schreiber asked if this is similar to a latecomer's fee, only
10 backwards. Gibson stated it's more like road development within a subdivision.
11 Someone comes to the County, brings a proposal for developing roads within the
12 boundaries of the development, and the County assumes control of the roads.
13

14 Caskey-Schreiber asked if the County could do the work for a lower cost.
15 Gibson stated it could not.
16

17 Klaus Klix, project proponent, stated a lot of industrial jobs have left the
18 county and have not been replaced. Industry is important for a diversified
19 economy. It's important to do something different. They can carry on industry in
20 this county in a responsible way that protects the environment and also makes
21 money. Protecting the environment enhances the value of the property and
22 businesses that locate there. There is a better business climate for the whole
23 county. This is the best solution for the long-term. This project also opens up
24 industrial land already zoned light impact industrial.
25

26 Fleetwood asked the reason for opposition to the project from
27 Councilmember McShane and Mr. Louws.
28

29 Caskey-Schreiber stated Councilmember McShane feels that Mr. Klix will
30 benefit financially, and the tenants should carry the cost. However, this is a cost of
31 economic development.
32

33 Klix stated there's no guarantee that he will make money on this. Given the
34 investment, he hopes to expect some profit.
35

36 Brenner stated it shouldn't matter to the Council who may or may not make
37 a profit. The Council shouldn't base its decisions on who profits. It would bring the
38 Council to a stand-still on all kinds of things. She hopes Mr. Klix makes a profit.
39 She's concerned that people won't come to the County with these kinds of ideas if
40 they won't make a profit, and the good-paying job market won't expand.
41

42 **Roy moved** to recommend to the full Council to authorize the County
43 Executive to enter into a Developer Agreement process for the Delta Line Road
44 project in accordance with Revised Code of Washington (RCW) 36.70B.170.
45

46 ***Motion carried unanimously.***
47

1
2 **COUNCIL "CONSENT AGENDA" ITEM**
3

4 **1. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
5 **CONTRACT AGREEMENT BETWEEN WHATCOM COUNTY AND**
6 **NORTHWEST HYDRAULIC CONSULTANTS FOR THE DEVELOPMENT OF**
7 **A HYDRAULIC MODEL OF THE SOUTH FORK NOOKSACK RIVER FROM**
8 **SAXON TO THE CONFLUENCE WITH THE NORTH AND MIDDLE FORKS**
9 **AND FOR EVALUATION OF ALTERNATIVES FOR THE POTTER ROAD**
10 **BRIDGE REPLACEMENT PROJECT, IN THE AMOUNT OF \$200,000**
11 **(AB2004-362)**
12

13 Paula Cooper, River and Flood Division Manager, stated this is a follow up
14 regarding projects at the south fork of the Nooksack River. The advisory
15 committee approves of the study and this contract.
16

17 **Roy moved** to recommend approval to the full Council, but she's not sure
18 about the project. This project has created a lot of community concern. Cooper
19 stated there have been concerns from the community, which is why the County
20 chose this path. Staff was also concerned about hydraulic analysis that had been
21 done in the initial design. The staff's concerns and the community outcry resulted
22 on postponing the project for one year. They still hope to build next year. This will
23 help make sure that the hydraulic analysis was adequate to address concerns.
24 Ideally, this project will be designed so it doesn't have adverse impacts on flood
25 levels or channel migration. The model will help the Lummi Nation and Nooksack
26 Tribe evaluate their project.
27

28 Roy asked why the tribes aren't paying the cost. Cooper stated they are
29 paying \$10,000 for the model development costs. It's a \$200,000 contract. Of
30 that, \$30,000 is for contingencies, \$40,000 is for the County's Potter Road analysis,
31 and \$130,000 is for the model development.
32

33 Roy stated it seems like a lot of money to build a model in reaction to
34 someone else's project. Cooper stated it does. One of the projects is the County's.
35 They've needed this model in the past to grab opportunities that passed by the
36 County. This has been on her work plan for five years, but she's never gotten to it.
37

38 Crawford asked for an update on the amount collected by the flood tax.
39 Cooper stated she thinks the amount is about \$2.5 million.
40

41 Crawford stated this amount represents about seven or eight percent of the
42 annual revenue received from flood fees.
43

44 Caskey-Schreiber stated she liked that they will develop up to three
45 alternative bridge roadway concepts. The Council needs the science to support its
46 decisions to make sure they are taking the best course of action for their significant
47 investments.

1
2 Roy stated this is an appropriate use of flood money.
3

4 ***Motion carried unanimously.***
5

6 **2. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**
7 **PROFESSIONAL SERVICES AGREEMENT BETWEEN WHATCOM COUNTY**
8 **AND BECKWITH CONSULTING GROUP TO REVIEW AND UPDATE THE**
9 **COMPREHENSIVE PARKS AND RECREATION OPEN SPACE PLAN, IN**
10 **THE AMOUNT OF \$155,416 (AB2004-363)**
11

12 Mike McFarlane, Parks and Recreation Department Director, stated they
13 interviewed four firms. This group is most in tune with the project. It recently
14 completed the City of Bellingham Comprehensive Parks and Open Space Plan. That
15 is a good fit with urban growth areas to determine how those connections will be
16 made between the city and county areas.
17

18 This plan will pull together a number of things. He is also asking the
19 contractor for a business plan to determine future funding. This will be a very
20 public process that includes open houses, surveys, retreats, and meetings. He
21 hopes to ask for approval of the plan in about one year. The first meeting is
22 scheduled for November 17, 2004.
23

24 ***Roy moved*** to recommend approval to the full Council.
25

26 Fleetwood asked if the plan would include recommendations on future
27 acquisitions or just development. McFarlane stated it would include acquisitions.
28

29 Caskey-Schreiber stated this is a good idea. An issue before the Council is
30 whether potential land acquisitions are good investments. This will be a tool to
31 come up with future parkland plans. They need to figure out how to serve areas of
32 the county that are growing, but don't have access to parks.
33

34 Brenner stated she agreed with Councilmember Caskey-Schreiber. The
35 County is required to do the plan anyway.
36

37 Roy stated the Planning Department has a staff person who works on open
38 space, transfers of development rights, and purchases of development rights. She
39 asked if this process would link with that person. McFarlane stated Mr. Holbrook
40 will coordinate with the process.
41

42 ***Motion carried unanimously.***
43

44 **3. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO AWARD BID**
45 **#04-70 TO THE LOWEST BIDDER, EBENAL GENERAL, FOR THE ONE-**
46 **STOP PERMIT CENTER AND REMODEL AT THE NORTHWEST ANNEX,**
47 **IN THE AMOUNT OF \$226,138 (AB2004-364)**

1
2 **Roy moved** to recommend approval to the full Council.

3
4 **Motion carried unanimously.**

5
6 **4. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO AWARD BID**
7 **#04-71 TO THE LOWEST BIDDER, MILLER'S PAINTING, FOR**
8 **MISCELLANEOUS PAINTING WITHIN COUNTY BUILDINGS, IN THE**
9 **AMOUNT NOT TO EXCEED \$60,000 (AB2004-365)**

10
11 Crawford asked what they are painting.

12
13 Dewey Desler, Deputy Administrator, stated staff will be painting interior
14 walls.

15
16 Mike Russell, Finance Division Supervisor, stated the County does \$60,000 of
17 interior painting per year. They will do one and a half floors. The County will be
18 painting for the next five years.

19
20 Crawford asked how they insure the quality of the product. Russell stated
21 the County tells the bidders the specific paint brand. If a bidder offers an
22 alternative brand, the alternative will have to meet the same qualifications.

23
24 **Roy moved** to recommend approval to the full Council.

25
26 **Motion carried unanimously.**

27
28
29 **OTHER BUSINESS**

30
31 **Purchase of the Anderson Property (AB2004-378)**

32
33 Dewey Desler, Deputy Administrator, stated the documentation in the
34 Council packet should have asked the Council to authorize the Executive to
35 complete the purchase of the property. He submitted paperwork (*on file*). He
36 asked the committee to approve this authorization. The conservation easement is
37 already in the Council's packet.

38
39 Crawford stated the committee already moved to recommend to the full
40 Council to approve funding of the purchase.

41
42 **Roy moved** to authorize the Executive to complete the Anderson Property
43 purchase project in an amount of \$382,500.

44
45 Crawford asked if Mr. Gibson is comfortable with this motion, from a legal
46 perspective.

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1 Dan Gibson, Senior Civil Deputy Prosecutor, stated he is.
2

3 ***Motion carried unanimously.***
4

5
6 **ADJOURN**
7

8 The meeting adjourned at 1:18 p.m.
9

10
11
12 _____
13 Jill Nixon, Minutes Transcription
14

15 ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

16
17
18
19
20 _____
21 Dana Brown-Davis, Council Clerk

Sam Crawford, Committee Chair