

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53

WHATCOM COUNTY COUNCIL  
**Finance and Administrative Services Committee**

October 10, 2006

Committee Chair Sam Crawford called the meeting to order at 11:00 a.m. in the Council Chambers, 311 Grand Avenue, Bellingham, Washington.

Present:

L. Ward Nelson  
Carl Weimer

Absent:

None

Also Present:

Dan McShane  
Seth Fleetwood  
Barbara Brenner  
Laurie Caskey-Schreiber

**COMMITTEE DISCUSSION**

**1. REPORT ON PROCUREMENT ACTIVITIES ASSOCIATED WITH EMERGENCY REPAIRS TO SLATER ROAD NOOKSACK RIVER BRIDGE NO. 512 (AB2006-369)**

Chris Brueske, Public Works Department, stated the staff is required by the purchasing code to inform the Council after an emergency declaration. The memo is self-explanatory. The outside cost for contractors was about \$190,000.

Weimer asked if the County is going to get reimbursed for the cost from the insurance company, including for the staff time. Brueske stated it will. The County staff haven't worked out specifics yet.

Crawford asked if there is any added benefit, such as a better bridge. Brueske stated the bridge is restored to its original configuration. After the repair, the bridge was load rated to make sure the repair was successful.

Nelson asked if there are additional repairs going on at this time. Brueske stated the repairs are complete.

Nelson asked if the traffic light is working. Brueske stated he's not aware of a problem.

**2. RESOLUTION AUTHORIZING THE WHATCOM COUNTY EXECUTIVE TO ENTER INTO AN INTERLOCAL AGREEMENT REGARDING PARTICIPATION IN LOCAL INFRASTRUCTURE FINANCING WITHIN BELLINGHAM'S REVENUE DEVELOPMENT AREA (AB2006-347A)**

*Crawford moved* to recommend approval, to begin discussion.

Fleetwood stated he appreciates the range of opinions and reasoning offered by the councilmembers. He brought this item forward because it's an opportunity to participate in an exciting project of countywide importance. The project fits with their economic

1 development goals expressed in the Comprehensive Plan, which includes the  
2 Comprehensive Economic Development Strategy. The issue is the question of whether or  
3 not they believe that County participation will reduce or increase County general fund  
4 coffers. The more conservative, less risk-averse position is to oppose the project on those  
5 grounds. Those reasons have been offered by the majority of the councilmembers and the  
6 Executive. However, it's likely to increase general fund revenues over time, through the  
7 County's participation. There is an increased likelihood of increased future County revenues  
8 if the County participates.  
9

10 This is a contaminated industrial site. Some people believe private capital will infuse  
11 this project and clean up the site, but that's not the case. Cleanup and infrastructure  
12 development will take significant public dollars. Forty percent of the Whatcom County  
13 citizens live in Bellingham. The County is being asked to shoulder three percent of the cost  
14 of the effort. He urged the councilmembers to support the project.  
15

16 Joan Beardsley, Bellingham City Council Member, stated the County should be part of  
17 a team to do wonderful economic development in Bellingham and the County. Bellingham is  
18 part of the county. It is a bit of a risk at the beginning. They are all a bit nervous.  
19 However, they have a better chance to make the project successful if they move forward as  
20 a team. The City is committed and has signed with the Port of Bellingham. This should be  
21 a demonstration for the entire state. Tax increment financing can be an economic  
22 development tool that can also be used for different jurisdictions that collaborate. They  
23 need the County to participate to make that point.  
24

25 The County is not investing anything. It will take money that it would not otherwise  
26 get from property taxes. If the area remains as it is, the area will remain industrial and  
27 there will be no property taxes from it. A small investment makes for a large return. The  
28 County must commit about \$580,000 per year of property tax revenue that it would get  
29 because of the development. The county won't get that revenue without the development.  
30 Also, the County will get about \$200,000 of property tax that the County gets to keep. The  
31 County's general fund coffers will increase by \$200,000 if the County commits.  
32

33 By the County's participation, the County will help the City live up to their mutual  
34 Comprehensive Plan goals. They both support economic development, increasing the  
35 density in the urban centers, and saving agricultural land. They will put 3,000 to 5,000 in  
36 housing units in this area. To put people there, the development must occur.  
37

38 Dewey Desler and Executive Kremen expressed concerns for increased costs for  
39 public safety and public health. That may be true, but those increases will happen anyway,  
40 due to additional population, not due to this development. This opportunity provides extra  
41 money in the County general fund to deal with those issues. Support this effort. There are  
42 compromises they can come up with if necessary.  
43

44 Barbara Ryan, Bellingham City Council Member, stated she has little to add to what  
45 Councilmember Fleetwood has said this morning. This project is critically important  
46 economic development for the entire county. They expect to create 3,000 to 4,000 family  
47 wage jobs. The legislators have worked hard to create this legislation that gives them all a  
48 tool to do this kind of long-term project in a way that other States have enjoyed for many  
49 years. It puts Washington in a competitive position with other states. She understands the  
50 reluctance to spend money when they believe the project will go forward anyway. However,  
51 the project will require participation from all three jurisdictions to make this a mixed use  
52 project with the level of cleanup required.  
53

1 McShane asked about the new jobs. He asked how the local infrastructure financing  
2 tool (LIFT) will guarantee that those jobs will develop. Ryan stated initial planning shows  
3 there will be a mixed use site of 137 acres to include some institutional, commercial, and  
4 light industrial uses. Those jobs, in a mixed use setting, won't happen until the site is  
5 cleaned up. The LIFT legislation will help finance the cleanup as well as finance the  
6 infrastructure that will be required to transform that area to mixed use standards.  
7

8 McShane asked what is a mixed use standard. Ryan stated it is a use that includes  
9 residential, commercial, light industrial, and institutional uses, such as the University.  
10

11 Beardsley stated the draft framework proposal is developed. The Port is renowned  
12 for its talented economic development projects. There will be a marina, with a boat and  
13 marine industry, which will require skills and higher level employees. They will be higher  
14 than average wage jobs. If they can get National Oceanographic and Atmospheric  
15 Administration (NOAA), it is an added component. The plan includes a deepwater port,  
16 which is rare on the West Coast. There will be good jobs associated with this industry. She  
17 is assured there won't be shipping container storage at the site, but other shipping  
18 industries will occur. As they work out the actual development plan, there will be other  
19 possibilities, such as a maritime training facility. Keep to the spirit of the Waterfront  
20 Futures Group to focus on water industries. That will produce more better-wage jobs.  
21

22 McShane asked if the population projection is just for the waterfront or the entire  
23 redevelopment area. Beardsley stated the projection is the housing that will be developed  
24 at the waterfront.  
25

26 Malcolm Fleming, City of Bellingham Chief Administrative Officer, stated the  
27 population projection was based on an assumption that there would be 3,000 housing units  
28 within the revenue development area (RDA), with a projected 5,700 residents, which is  
29 about 1.8 or 1.9 people per housing unit. The projection is based on looking at the land  
30 available and historical trends.  
31

32 McShane asked if a portion of that development will occur in the entire New  
33 Whatcom waterfront development area. Fleming stated that's correct. The draft plan  
34 indicates the approximate street and open space layouts. They must further develop that  
35 plan, including specific land uses, densities, and a time frame.  
36

37 Nelson stated Georgia Pacific (G-P) was the largest employer at one time. Beardsley  
38 stated it employed about 800 at one time.  
39

40 Nelson asked how they are going to fit 3,000 to 4,000 high paying jobs and 5,700  
41 residents in the same area. Fleming stated the figures are based on analysis performed by  
42 Hart Hodges at Western Washington University (WWU) and City staff.  
43

44 Nelson stated he didn't see that level of employment for 3,000 or more being  
45 created. They will certainly get some marine jobs, but not 3,000 or 4,000. Fleming stated  
46 the LIFT legislation requires documented estimates of potential jobs created. They looked  
47 at the available land and identified how much of that land would likely be light industrial,  
48 commercial, institutional, and retail. Based on the square footages available, they projected  
49 the likely employment, assuming historical trends for that kind of land use. That was  
50 calculated through their staff and corroborated independently by WWU.  
51

52 Therese Holm, City of Bellingham Finance Director, stated she told this committee  
53 three weeks ago that the economic model estimates incremental new jobs within the

1 projected 30-year development of about 2,600 new jobs. Those new jobs are based on the  
2 type of development they anticipate in the draft framework plan. For instance, the square  
3 footage devoted to the different land uses generates the total 2,600 jobs based on 5.9  
4 million square feet within the RDA. The Community Economic Revitalization Board made it  
5 important that these jobs pay above market in Whatcom County. They did quite a bit of  
6 analysis on the type of square footage, wages, and number of employees for each of those  
7 kinds of developments. The average wage of those 2,600 jobs is a little over \$35,000 in  
8 today's dollars. The current average wage in Whatcom County is about \$31,000.  
9 Significant new construction jobs would be created on the site. For each \$1 million of public  
10 investment, ten direct jobs and 14 indirect jobs would be created. Given the level of public  
11 investment and private investment they estimate, \$20 million of investment construction  
12 activity would generate another 480 annual jobs that pay an average of \$36,000 for many  
13 years. The job impact will be significant. That is all based on their initial assumption of 5.9  
14 million square feet on the site. The actual height and density won't be determined until the  
15 master plan and development agreement with the Port are complete. That is based on  
16 long-term, 30-year build out of the area.

17  
18 Weimer asked if the jobs estimate is net. If a part of the University moves, they  
19 aren't new jobs. Also, they must replace the G-P jobs. Holms stated the City's model is  
20 simply based on an incremental approach, which is new jobs. Hart Hodges estimated a  
21 total number of jobs, including existing jobs and jobs that are lost and gained, between  
22 2,500 and 4,000. The upper range includes existing jobs and attrition. The model assumes  
23 G-P will be in place in 2016. But they don't know if it will be there.

24  
25 Weimer asked if G-P can continue without the lagoon. Fleming stated G-P has a  
26 lease through 2008, with an option to renew. The Port is working with G-P to identify their  
27 solution for wastewater issues, site plant access issues, and the other utility requirements  
28 as the area develops. Those are all issues that must be resolved before the development  
29 can happen.

30  
31 Crawford asked the average wage at G-P. Fleming stated he doesn't have that  
32 information.

33  
34 McShane stated G-P has made no effort to find any other lease areas for their  
35 wastewater facility or utilities, according to a Port planner. Given that their lease for the  
36 tissue site runs out in 2008, it could be said that G-P probably won't be there after 2008,  
37 unless they're suddenly going to do something. According to the past wastewater  
38 treatment facility, they need approximately five to six acres for wastewater, unless they go  
39 with a very different technological approach.

40  
41 Fleming submitted an expanded list of reasons for the county to participate (*on file*).

42  
43 Holm stated they've been talking about County participation in LIFT with specific  
44 numbers. However, the numbers are based on the development assumption of 5.9 million  
45 square feet, which may be the high end of the development estimate. Those are not hard  
46 numbers. They don't know the allocation of potential future property tax revenues. It  
47 depends on the pace of development, the pace at which infrastructure can get in place, the  
48 private capital invested, and the interest in the site. They won't know the allocation until it  
49 actually occurs.

50  
51 Fleming stated LIFT revenues will not be used for cleanup. It can only be used to  
52 pay debt for infrastructure. The City would pay for increased operations such as public

1 safety. The area would generate sufficient revenue to pay for the City's operating cost. The  
2 increased revenue for the County would more than offset any County cost.  
3

4 Crawford asked if that statement is a response to what the County administration  
5 has said. That is the core issue. He asked if the County administration suggests that the  
6 revenue won't offset the cost. Fleming stated the RDA revenues to the County would be  
7 more than enough to cover any increased cost for that particular area. It won't generate  
8 enough revenue to cover the cost to provide the service for the entire county. The County's  
9 costs for services in the RDA are small compared to the City's costs. The 25 percent share  
10 the County gets to keep will more than offset the County cost of development in the area.  
11

12 They need the County's participation in LIFT for many reasons. If the County doesn't  
13 participate, redevelopment will still happen. The question is how quickly that development  
14 will happen and the final scale of the development. The City administration and elected  
15 officials would greatly appreciate the County's participation. They want this to happen as  
16 quickly as possible, with benefits to the entire county. Without County participation, there  
17 will be \$16 million less to work with. Redevelopment will happen more slowly and at a  
18 smaller scale, resulting in lower revenues for both the City and the County.  
19

20 Tim Douglas, City of Bellingham Mayor-appointee, stated he welcomes this open  
21 discussion. He met with Executive Kremen on Friday to talk about a number of issues,  
22 including the LIFT program. They will meet soon to go through the revenue and County  
23 expense estimates. If this information is critical to the Council to make a decision, he would  
24 like to see that everyone can see the information about the County's expected expenses  
25 versus the County's expected revenue. A good chunk of the revenue stream comes from  
26 increased property valuation in the city of Bellingham. As they've watched the  
27 transformation of the waterfront, there is opportunity for more good things to happen to  
28 make Bellingham and Whatcom County a desirable place to live with true living wage jobs.  
29 The County and City must be serious about achieving more living wage incomes. If the  
30 concern about LIFT comes down to whether there is enough revenue to cover additional  
31 costs, then sit down together to compare estimates. He is confident that the revenue  
32 stream will be more than adequate to meet the County's expenses. He would like to also  
33 learn from the County what expenses the County thinks it might have to pay.  
34

35 Crawford asked if they are able to delay this another two weeks. A recommendation  
36 to go forward from the County administration would be influential for him. Douglas stated  
37 he wants to understand the County's decision-making process. If there are lingering  
38 questions, he is prepared to get that information out.  
39

40 Holm stated they must adopt the LIFT ordinance by the end of the month. The City  
41 is scheduled to do that on October 23. The LIFT ordinance will be introduced to the City  
42 Council on the 16<sup>th</sup>. That is their outside date for any final changes. They are waiting to  
43 see whether the County participates.  
44

45 Beardsley stated they all talk about visions, but visions require huge commitments.  
46 She is also scared to take the next step. They need to find the facts and be very serious.  
47 At the same time, facts are just numbers without the vision. Work together to ask the hard  
48 questions. She needs the County to help her know the hard questions to ask. Together  
49 they will have more people to ask the good, hard questions. The City and Port agreement  
50 includes language regarding County participation, as a show of hope. She appreciates that  
51 the County is serious about this. The City is serious also.  
52

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

1  
2 Louise Bjornson, Bellingham City Council Member, stated she appreciates this  
3 discussion. She hopes the Council will go along with this program. Revitalizing the  
4 waterfront is very important. It will affect the city and county for years to come.  
5

6 Brenner stated the Council meets next week for budget talks. She would like to hear  
7 from the administration.  
8

9 Brad Bennett, Finance Division Manager, stated it's a complicated issue. Mr. Desler's  
10 initial response was good.  
11

12 Crawford stated this committee vote is advisory only. The Council could take action  
13 tonight with the Executive available to answer questions.  
14

15 Nelson stated there isn't fear about providing the financial support, but there is  
16 concern from the Council about balancing their resources and responsibilities. The County  
17 faces many issues countywide. They want to be prudent when spending County money.  
18 Keep the discussion in the light of their fiduciary obligations, not a reluctance to spend  
19 money.  
20

21 They recognize the economic value of the project to the community. He has a grave  
22 concern about watershed protection to fund Lake Whatcom drinking water. County  
23 resources are limited, and City resources are tied up with other stormwater activities. He  
24 asked if there was discussion with the administration to bring that to fruition. Partner with  
25 the County to provide the infrastructure they will need to sustain water quality in Lake  
26 Whatcom. Douglas stated that issue was one of the three priority matters he discussed with  
27 Executive Kremen. They didn't get to the details yet. The County, City and Water District  
28 10 are all concerned about the issue. It is something they have to do. It is one of his top  
29 three priorities.  
30

31 Nelson stated it is not much good to do all this development if water quality  
32 continues to degrade. There are countywide issues the Council has to deal with, including  
33 water resource protection. There has been discussion about how much money the County  
34 contributes. The City is asking for a 25-year commitment from the County. He asked how  
35 they protect future councils, in terms of the public demands and the revenue the citizens  
36 have to pay in taxes. This ties up the County's property tax changes for 25 years. In 25  
37 years, the County could not change the revenue stream mechanism. Douglas stated that is  
38 a true statement. However, the reverse question is what happens if they don't get any of  
39 the additional revenue. If the redevelopment doesn't occur over the long haul, then the  
40 question is what else they have to deal with in the county. The key thing is to work on this  
41 project in terms of what they anticipate as expenses, the revenues that will be available,  
42 and then assess how it all balances.  
43

44 Nelson asked if Mr. Douglas discussed with the County administration other funding  
45 mechanisms that would not tie up County resources. Douglas stated he and the County  
46 Executive discussed the Economic Development Investment (EDI) Program alternative. A  
47 question is how to make a commitment through those funds that is long enough to stand  
48 behind the bonds needed for the infrastructure. The bond financiers want a long-term  
49 commitment for funding the bonds. There is an alternative mechanism that might be  
50 possible, but it also has some significant limitations similar to the proposed funding  
51 mechanism. The alternative fund requires a mechanism that would be tough to pull off. He  
52 and Executive Kremen talked about legally binding mechanisms to secure those funds.  
53 Executive Kremen was going to look into that.

1  
2 Crawford stated the program is set up as a one-time allocation. Other counties have  
3 chosen to bond that funding stream for long-term projects.  
4

5 McShane stated the Council could choose to use those funds in any way it sees fit.  
6 The money is bondable. They encourage loans with a very favorable interest rate. There  
7 could be a project-specific approach. It could be used to match funds for a period of time,  
8 but probably not for 25 years.  
9

10 Crawford stated four or five years ago the State committed to the County for 25  
11 years. There are only about 20 years left. He doubts can bond beyond the State's  
12 commitment.  
13

14 McShane stated the County is identified as an economically distressed county, which  
15 is a reason that fund is available. The economic distress was from a downturn in the  
16 forestry and fishery industries. It should be targeted to the distressed portions of the  
17 economic sector. The waterfront could be a part of that. The types of projects on the  
18 waterfront that will fit the framework would have to be specifically looked at.  
19

20 He appreciates Mr. Douglas's outreach for alternative approaches. The resolution  
21 lacks an interlocal agreement. This process, until recently, has lacked outreach with the  
22 County to figure out what would benefit the county. The County government was never  
23 invited to participate in waterfront redevelopment. There are significant issues that are  
24 critical to County economic development and to City economic development that the County  
25 is aware of, but the City isn't. There is a policy that is outside of the Economic Chapter, but  
26 is very important to this community about economic development. Whatcom County is  
27 running out of aggregate resource. All communities that run out of aggregate resource turn  
28 to importation. It has impacts to the entire community. Transportation is a major issue,  
29 and this is a major part of the County's transportation plan.  
30

31 They are under a time crunch. If, in the next two weeks, the Executive can develop  
32 an interlocal agreement, the Council can approve it. This resolution doesn't do anything.  
33 The Council can't compel the Executive to enter into an interlocal agreement.  
34

35 Fleming stated the RDA represents less than one percent of the County's assessed  
36 value. It would tie up the County's revenue from that area, which represents less than one  
37 percent of the \$17 billion assessed value of the county.  
38

39 Nelson stated it was not to tie up the revenue source, but to tie up their ability to  
40 change the rate. Fleming stated that may not be accurate. A question discussed with the  
41 Port was whether the LIFT legislation constrains the Port's ability to change the tax rate.  
42 They assured the Port that it doesn't. There is language in the interlocal that makes that  
43 clear.  
44

45 Nelson stated a LIFT requirement is that they not make a change. Fleming stated  
46 the legislation says the County can't change its allocation of local tax allocation revenues.  
47 The County can continue to set whatever tax rates it believes is important.  
48

49 Nelson stated the worst case scenario is an initiative by the public to change the  
50 County's ability to collect revenue. The County would have to cut services to make sure  
51 that the City got it's committed funding. He can't focus on that one area. He must consider  
52 the entire county. Fleming stated the County, Port, and City can change their tax rates.

1 The revenue under the LIFT program is devoted to pay off bonds, which are a binding  
2 commitment on the City.  
3

4 Caskey-Schreiber stated she appreciates the City presentation on September 26.  
5 She loves the concept of the project. A tremendous amount of community effort has gone  
6 into the project. She likes that everyone has bought into the project. She would like to  
7 participate. She doesn't have a concern that the County won't be able to recoup costs  
8 should it participate. However, the Port and City partnership doesn't feel like a healthy  
9 partnership. She doesn't understand how the Port can expect to recoup its investments in  
10 12 years. The City will take 30 years to recoup its investments. It doesn't seem right that  
11 the taxpayers have to keep paying another 18 years to support infrastructure of the project.  
12 If anything fails, all the risk goes to Bellingham. The Port has minimized its risk. The Port  
13 has the ability to issue bonds, but it won't have to. The Port expects to get a good portion  
14 of their profits by selling the property, from the marina operations, and from other grants.  
15 The City of Bellingham and taxpayers are taking a great risk. If the project doesn't go  
16 according to plan or if infrastructure costs escalate over the years, then she's heard the  
17 project won't get done. If the project fails, it will fall to the City of Bellingham. It doesn't  
18 seem healthy to enter into this kind of partnership. She's heard that the final development  
19 agreement has to be worked out. However, she is not comforted that will happen when  
20 they are starting with these projections. To commit to 25 years, make sure this is further  
21 vetted. Wait another year if they have to. The County experts, such as the Treasurer and  
22 Assessor, should take a good look at it and provide feedback. Also, a tax exempt district  
23 overlays some of the LIFT areas. Don't rush into anything. Fleming stated it's a common  
24 perception that the Port is taking advantage of the City and will make huge profits while the  
25 cost of the infrastructure will be borne by the City taxpayers. The development agreement  
26 between the City and the Port spells out exactly the City's and Port's obligations.  
27 Ultimately, the burden is on City and Port staff to bring forward a development agreement  
28 that the City Council can approve. He's been telling the Port that a master plan has to work  
29 for both parties. He would like to include the County. It must be good for the community.  
30 They have identified a \$78 million gap between the infrastructure and the identified sources  
31 of revenue. Bridging that gap may require delaying or canceling certain projects, getting  
32 developer contributions, or the Port to come up with additional money. Ultimately, the  
33 agreement must be approved by the City.  
34

35 John Watts, Bellingham City Council Member, stated he agrees with Councilmember  
36 Caskey-Schreiber. Until the County Council has sufficient time to understand, it is better off  
37 to not say yes. It's reasonable to wait to get more information. The councilmembers must  
38 understand what they are committing to.  
39

40 In 2002, the public facilities district (PFD) was formed. It was also new legislation.  
41 It has been in place in other places in the state. The City identified it as a potential source  
42 of income. Granted, it was a different funding mechanism, but the County did commit to  
43 funding the PFD for 25 years. The projects envisioned weren't certain, but were major.  
44 Over time, they have identified a range of things which have received the benefit of PFD  
45 funds.  
46

47 Waterfront redevelopment is the same situation, but much bigger. There are the  
48 same uncertainties and more. It may be an experiment that fails. The City and Port will try  
49 to make the project happen incrementally. Part of the work is in getting the LIFT special  
50 legislation. LIFT is different from the PFD funding mechanism in the ways that funding is  
51 raised and the tax increment financing. Other states have had that tool for years. It has  
52 been wonderfully efficient. LIFT only rewards the progress they make. There won't be any  
53 credit if they don't make any progress.

1  
2 LIFT is for 25 years because they must have a long-term stable source of funding.  
3 In this case, the long-term stable source of funding depends on progress being achieved.  
4 Because of growth in the area, the PFD is collecting more money than the original plan  
5 estimated. That may also happen with waterfront redevelopment. The redevelopment area  
6 baseline will be set as low as possible, to take credit for every bit of investment that is  
7 made in that area, beginning next year. That would benefit the project by getting credit  
8 from the State each year, up to \$25 million.  
9

10 It is a new concept. The County should not feel excluded from the process. Before  
11 the Port made any commitment, the Waterfront Visioning Group included considerable input  
12 from all parts of the county. The public expectations for redevelopment are clear. The  
13 project also builds on the ten-year effort of the Bellingham Bay Pilot Project. Waterfront  
14 redevelopment allows them to do the cleanup envisioned by the Bellingham Bay Pilot  
15 Project, but also to combine contamination left over from G-P. All of these things will be  
16 cleaned up to a higher standard than they might otherwise anticipate. There are multiple  
17 compelling reasons to consider this ambitious project, which exceeds normal expectations.  
18 Take more time if needed, but don't say no.  
19

20 Weimer stated this is his toughest issue so far. He would like to get some  
21 information from the administration. He is willing to wait for that information. If he has to  
22 vote today, his concern is the County's priorities. This project will happen with or without  
23 the County's assistance, at basically the same schedule. If the County doesn't go along, it  
24 has \$15 million more to spend. The Council must think about the priorities of the county,  
25 and whether the priority is to invest some or all of that money into waterfront  
26 redevelopment. That is not his highest priority. There are huge problems with the law  
27 enforcement and criminal justice system, basic human needs, water needs, and growth in  
28 the Planning Department. That \$15 million has higher priorities. Watts stated the 14 goals  
29 of the Comprehensive Plan don't exclude those issues. The Economic Chapter has specific  
30 goals for the County to support projects like this one.  
31

32 Crawford stated he doesn't question any components of this effort. It's a matter of  
33 priorities. There is a tremendous amount of pressure on using the tax dollars to the  
34 greatest benefit for the greatest number of people. He is excited about this project. This is  
35 the future of Whatcom County. The County should participate via the EDI fund. It may  
36 require the EDI Board to review traditional funding mechanisms and see how they can  
37 participate.  
38

39 He is concerned about the tax shift. The County tax levy rate will go up every year.  
40 They are funneling their future development stake into this area to produce revenue that  
41 will help pay for that levy. The jail service and other issues aren't going away. It is not  
42 appropriate at this time to commit those future tax increases to one particular infrastructure  
43 funding project. He will vote against the motion.  
44

45 McShane read Comprehensive Plan policy 7C-8 of the Economic Chapter. The  
46 government is charged to provide services. An easy link can be made between economic  
47 development and services. He walks to work daily along Railroad Avenue. He sees the  
48 economic consequences of not doing as well as they should. It's been difficult to figure out  
49 how to pay for an interim jail. It's easy to get capital, but it's not easy to get staff to run  
50 the jail. The County should be doing more and better on mental health and other health  
51 issues. The Health Department staff is not adequately funded. The emphasis on economic  
52 development is to put the development where it's really needed, such as the Kendall area  
53 and the Lummi peninsula. The employment factor of this project is important to him. There

1 could be economic development that will be beneficial, but the City and Port haven't figured  
2 that out yet. The question is whether it is good for the entire community as the County  
3 government sees it. He doesn't know if this project will fit the needs of the County  
4 Economic Development Chapter.

5  
6 *(Clerk's Note: End of tape one, side B.)*  
7

8 McShane continued to state that the City and Port are entering into a funding  
9 mechanism without knowing yet if it's good for the community. It's easy for them to do  
10 because they will still be negotiating with each other to do something good for the  
11 community. As the County government sees it, the question is whether it's good for the  
12 entire community in the county. He doesn't know that yet. They are asking him to support  
13 something that he doesn't know will fit for the community. Throughout the Economic  
14 Chapter, there are a lot of references to water. The County is a resource management  
15 government entity that plays a huge role in water resources in the county. They have  
16 committed millions of dollars to water. The pressure to commit more money is constantly  
17 there. Therein lies the hope. Figure out ways to benefit the City and County regarding  
18 water. He hopes to support what the Port and City come up with, but without knowing the  
19 details, he is uncomfortable committing a revenue shift from one sector of the community to  
20 another sector of the community.

21  
22 Nelson stated he thanks Councilmember Fleetwood for bringing this forward. There  
23 was a lot of concern about how they would get into the process and respond to the City. He  
24 feels somewhat left out of the process, even though Mr. Fleming and Ms. Holm have been  
25 great at providing information. He wanted to discuss the County Council's roles,  
26 responsibilities, and priorities versus the City's priorities. The City Council has done a good  
27 job evaluating and articulating the City's needs and priorities. He appreciates their hard  
28 work in advocating for the project. The City and County aren't far off from working  
29 together. He hopes they can set up a mechanism to accomplish the dream for the  
30 waterfront and to accomplish the County's goals that affect all citizens of the county.

31  
32 ***Motion failed unanimously.***  
33

34 Weimer stated he hopes the County administration would be present at the evening  
35 Council meeting to have a discussion on this issue.

36  
37 **3. RESOLUTION IN SUPPORT OF BELLINGHAM'S WATERFRONT REDEVELOPMENT**  
38 **PROJECT (AB2006-392)**  
39

40 Brenner stated she wanted to express to the City how much the County Council  
41 really cares to work with the City to make the redevelopment project happen. She was  
42 concerned that if the previous resolution failed, it would indicate that the County is not  
43 interested in the project, when it really is interested. She read the proposed resolution and  
44 list of co-sponsors. This can be supported with or without the local infrastructure financing  
45 tool (LIFT) resolution.

46  
47 ***Crawford moved*** to recommend approval to the full Council.  
48

49 ***Motion carried unanimously.***  
50

51  
52 **COUNCIL "CONSENT AGENDA" ITEM**  
53

- 1     **1.     REQUEST AUTHORIZATION FOR THE EXECUTIVE TO AWARD BID #06-99**  
2     **AND ENTER INTO A CONTRACT WITH LOW BIDDER, EBENAL GENERAL, INC.,**  
3     **FOR HVAC MODIFICATIONS TO COURTROOMS 2 & 3, IN THE AMOUNT OF**  
4     **\$222,220 (AB2006-370)**

5  
6     *Nelson moved* to recommend approval to the full Council.

7  
8     *Motion carried unanimously.*

- 9  
10    **2.     REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**  
11    **CONTRACT BETWEEN WHATCOM COUNTY AND APPLIED PRESERVATION**  
12    **TECHNOLOGIES FOR ARCHAEOLOGICAL SURVEY AND MONITORING OF THE**  
13    **DRAYTON HARBOR ROAD SHOULDER REPAIR PROJECT, IN AN AMOUNT NOT**  
14    **TO EXCEED \$18,118.60 (AB2006-371)**

15  
16    *Weimer moved* to recommend approval to the full Council.

17  
18    Nelson stated this gets a consultant to help the County plan for dealing with  
19    archaeological features of the Drayton Harbor Road project.

20  
21    Chris Brueske, Public Works Department, stated the contract is to do advance  
22    monitoring in support of the shoreline permit application and to monitoring construction.  
23    They will become aware of any sensitive sites before construction. This is also to monitor  
24    the actual work.

25  
26    Nelson asked if they are doing construction outside of any areas already disturbed.  
27    Brueske stated there is a concern because they are working on the beach itself, which has  
28    not been disturbed for road construction. They may come across archeological resources.

29  
30    Nelson asked if that's why this is necessary. Brueske stated it is.

31  
32    *Motion carried unanimously.*

- 33  
34    **3.     REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**  
35    **CONTRACT BETWEEN WHATCOM COUNTY AND THE STATE OF WASHINGTON**  
36    **DEPARTMENT OF ECOLOGY CONSERVATION CORPS TO PARTNER IN**  
37    **FUNDING SUPERVISION OF A WASHINGTON CONSERVATION CORP WORK**  
38    **CREW, IN AN AMOUNT NOT TO EXCEED \$75,000 (AB2006-372)**

39  
40    *Nelson moved* to recommend approval to the full Council.

41  
42    *Motion carried unanimously.*

- 43  
44    **4.     REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**  
45    **CONTRACT BETWEEN WHATCOM COUNTY AND THE FERNDALE SCHOOL**  
46    **DISTRICT PROVIDING FUNDING TO INCREASE COMMUNITY-BASED WORK**  
47    **EXPERIENCE AND EMPLOYMENT OUTCOMES FOR TRANSITION AGED**  
48    **STUDENTS WITH DEVELOPMENTAL DISABILITIES AGED 14-21, IN THE**  
49    **AMOUNT OF \$22,400 (AB2006-373)**

50  
51    *Crawford moved* to recommend approval to the full Council.

1 Weimer stated the Developmental Disabilities Board approves of this contract. It is  
2 an important program. Get the schools to deal with transition issues earlier on. It may help  
3 get people placed as they move into their adult lives.  
4

5 ***Motion carried unanimously.***  
6

- 7 **5. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO A**  
8 **CONTRACT BETWEEN WHATCOM COUNTY AND A NORTHWEST**  
9 **COLLABORATIVE TO DEVELOP A DESIGN STANDARDS ORDINANCE AND**  
10 **GUIDANCE DOCUMENT FOR THE BIRCH BAY COMMUNITY, IN AN AMOUNT**  
11 **NOT TO EXCEED \$46,000 (AB2006-374)**  
12

13 ***Weimer moved*** to recommend approval to the full Council.  
14

15 Brenner stated the contractor is an incredible person. This will help the Birch Bay  
16 area.  
17

18 ***Motion carried unanimously.***  
19

- 20 **6. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO AN**  
21 **INTERLOCAL AGREEMENT BETWEEN WHATCOM COUNTY AND THE CITY OF**  
22 **SUMAS TO IMPLEMENT THE CITY/COUNTY JAIL INVESTMENT PROGRAM**  
23 **(AB2006-375)**  
24

25 ***Nelson moved*** to recommend approval to the full Council.  
26

27 ***Motion carried unanimously.***  
28

- 29 **7. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO CONTRACT**  
30 **AMENDMENT #1 BETWEEN WHATCOM COUNTY AND SUN COMMUNITY**  
31 **SERVICES TO EXTEND THE DURATION AND FUNDING FOR AN ADDITIONAL 5**  
32 **MONTHS, IN THE AMOUNT OF \$37,500, FOR A TOTAL AMENDED CONTRACT**  
33 **AMOUNT OF \$90,000 (AB2006-376)**  
34

35 ***Crawford moved*** to recommend approval to the full Council.  
36

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

- 39 **8. REQUEST AUTHORIZATION FOR THE EXECUTIVE TO ENTER INTO CONTRACT**  
40 **AMENDMENT #2 BETWEEN WHATCOM COUNTY AND PUGET SOUND**  
41 **RESTORATION FUND TO INCLUDE SAMPLING SITES, SAMPLING METHODS**  
42 **AND A QUALITY ASSURANCE/QUALITY CONTROL STRATEGY IN NORTHERN**  
43 **CHUCKANUT BAY, IN THE AMOUNT OF \$10,787, FOR A TOTAL AMENDED**  
44 **CONTRACT AMOUNT OF \$54,185.60 (AB2006-377)**  
45

46 ***Weimer moved*** to recommend approval to the full Council.  
47

48 Nelson stated they've had some preliminary information on what this will look like.  
49 He asked how this would be put together in a way that makes sense. Sampling has to be  
50 consistent and equal. He asked if another group would do the sampling.  
51

52 Erika Strobel, Public Works Department, stated this project is to work with the  
53 Marine Resources Committee (MRC) to bring in community volunteers to collect baseline

1 water quality information. The most places they will collect in are areas they don't have any  
2 information or recent information. They hoped to expand to Chuckanut Bay, but didn't have  
3 the budget for it initially. They will look at Chuckanut Bay as a separate area. It won't  
4 compare it to Birch Bay or Drayton Harbor. This information will help them characterize  
5 what is happening in the northern section of Chuckanut Bay and whether there are places  
6 where they need to follow up.

7  
8 Nelson asked if they can characterize it with the limited amount of sampling they will  
9 do. Stroebel stated they intend to begin characterizing it. They want to start gathering  
10 information to help prioritize areas in Chuckanut Bay. If they find an area that has  
11 consistently high bacteria levels, they can begin to check upstream.

12  
13 Nelson asked if the State Department of Ecology (DOE) has done anything in this  
14 area. Stroebel stated the State has not done anything in this area. The State Department  
15 of Health used to collect marine water quality samples in this area. In the mid-1990's they  
16 were not meeting water quality standards, that sampling effort stopped because the  
17 shellfish growing area was closed. It is a recreational shellfish growing area.

18  
19 Nelson stated there is a question of priority. The process must be in place to  
20 address the information gathered, what that information says, and how it prioritizes with  
21 other marine areas. The Council can't do that from its dais. The process they establish  
22 must make sense. He doubts that work of this low cost will tell them much. It may be an  
23 area in which they may want to spend more to evaluate the effects on the marine life of the  
24 area. Stroebel stated another benefit is the community support it will build. There is a lot  
25 of interest in Chuckanut Bay, but not much work has been done in that area. This is an  
26 opportunity to raise the community's awareness of water quality issues.

27  
28 Roll stated most of the responses in Portage Bay and Drayton Harbor first triaged  
29 what was there. This information leads to a strategy for making fixes, which leads to a  
30 thoughtful and careful monitoring strategy to identify sources. The fixes cost serious  
31 money. As they take each of these progressions, they will need more resources.

32  
33 Look comprehensively at the entire marine shoreline in Whatcom County. The  
34 question is how to meet all the needs. They look at this in the long-term with individual  
35 committees from individual areas.

36  
37 Stroebel stated this project is grant funded. The MRC brings in grant funds to  
38 expand the knowledge of water quality issues in this area.

39  
40 Weimer stated he supports this item. The Drayton Harbor Shellfish Protection  
41 District and Birch Bay folks have tried to figure out how to do some of this monitoring. Here  
42 they go again. They need to address this issue.

43  
44 ***Motion carried unanimously.***

45  
46 **9. REQUEST APPROVAL OF WASHINGTON STATE UNIVERSITY'S REQUEST FOR**  
47 **EDI FUNDING IN THE FORM OF A \$300,000 GRANT FOR THE**  
48 **REVITALIZATION AND EXPANSION OF THE NORTHWEST WASHINGTON**  
49 **AGRICULTURAL RESEARCH AND EXTENSION CENTER (AB2006-378)**

50  
51 ***Crawford moved*** to recommend approval to the full Council.  
52

1 Brad Bennett, Finance Division Manager, stated this is subject to approval in the  
2 Comprehensive Economic Development Strategy (CEDS). It must be a project listed in the  
3 CEDS list. That will come forward on October 24<sup>th</sup>. This directs the Executive to move  
4 forward with amending the list.

5  
6 Weimer asked if it is a problem to spend money in another county. Bennett stated  
7 this is a regional facility. There isn't a problem.

8  
9 ***Motion carried unanimously.***

10  
11 **10. RESOLUTION TO SET HEARING AND NOTICE OF HEARING OF THE SALE OF**  
12 **COUNTY TAX TITLE PROPERTY BY NEGOTIATION – REQUEST #TR2006-12**  
13 **(AB2006-379)**

14  
15 ***Nelson moved*** to recommend approval to the full Council.

16  
17 ***Motion carried unanimously.***

18  
19 **11. RESOLUTION TO SET HEARING AND NOTICE OF HEARING OF THE SALE OF**  
20 **COUNTY TAX TITLE PROPERTY BY NEGOTIATION – REQUEST #TR2006-13**  
21 **(AB2006-380)**

22  
23 ***Nelson moved*** to recommend approval to the full Council.

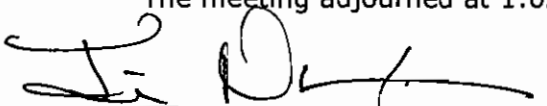
24  
25 ***Motion carried unanimously.***

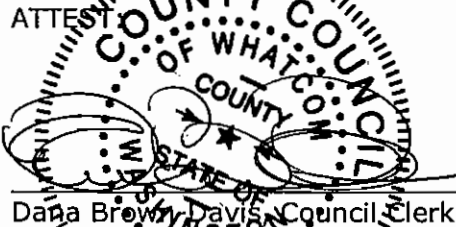
26  
27  
28 **OTHER BUSINESS**

29  
30 There was no other business.


31  
32 **ADJOURN**

33  
34 The meeting adjourned at 1:02 p.m.

35  
36  
37  
38   
39 Jill Nixon, Minutes Transcription

40  
41 ATTEST  
42  
43  
44  
45  
46  
47   
Dana Brown Davis, Council Clerk

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

  
Sam Crawford, Committee Chair