

Whatcom County Business and Commerce Committee  
Minutes with Discussion Transcript  
February 28, 2022

**Voting Members Present:** Debbie Ahl, Ryan Allsop (Committee Vice Chair), Paul Burrill, Clark Campbell, Casey Diggs, Andrew Gamble, Troy Muljat, Bob Pritchett, Brad Rader, Sarah Rothenbuhler (Committee Chair)

**Voting Members Not Present:** Pete Dawson

**Nonvoting Members Present:** Tyler Byrd, Don Goldberg, Michael Jones, Eva Schulte

**Nonvoting Members not Present:** Seth Fleetwood, CJ Seitz

**Public Present:** Ken Bell, Cara Buckingham, Dan Dunne, Rob Fix, Mike Hogan, Dillon Honcoop, Jon Howe, Mauri Ingram, Robert Lee, Derek Long, Jennifer Noveck, Guy Occhiogrosso, Asche Rider, Dan Robbins, Senator Simon Sezik, Satpal Sidhu, Sandy Ward, Dana Wilson

**Call meeting to order**

- Called to order at 11am

**Introductions / Comments from the Public**

- Chair Sarah Rothenbuhler introduced committee members
- No public comments

**Administrative business (10 min)**

- Approve minutes from January 2022 meeting - approved
- Move to hybrid meetings on March 21, 2022
- Chris Trout of Woodstone's application in with the County for manufacturing

**Meeting Transcript**

**Don Goldberg:** Good morning, guys. Sarah, I don't think we can vote on anything without a quorum.

**Sarah Rothenbuhler:** Yeah, the only thing we're voting on is meeting minutes, so let's get the meeting started at the end. Yeah, we'll do that at the end. 961-7295, I think is Dana Wilson, and he is a local fishermen and businessmen that I've invited to the meeting. I'm hoping that he'll take interest and want to be a part of this committee.

**Ryan Allsop:** There's Andrew. I see Andrew on.

**Sarah Rothenbuhler:** I think we're good. I'm going to call the meeting to order if we're good to go and do some brief introductions. This is the Business Commerce Advisory Committee, and our official purpose is the committee will advise the Whatcom County Council on issues, including regulations and policies that could impact local businesses, industry, or economic development. And an introduction to our voting members: Bob Pritchard, representing internet technology; Clark Campbell represents recreation; We have an applicant in for our manufacturing position -- Chris Trout of Wood Stone, so that's excellent. We have Casey Diggs with retail. We have Paul Burrell with marine trades and Pete Dawson with commercial real estate. I know Pete's on an airplane right now and won't be attending. We've got Brad Raider with ag, Andrew Gamble with the energy industry. Debbie Ahl with the health care industry. Ryan Allsop is open.

Troy Muljat is a member under an open position, and me, Sarah Rothenbuhler, and I'm also a member as 'open' and also the committee chair. So that's it for introductions.

Our next topic on the agenda is comments from the public. Does anyone from the public have anything they'd like to say? If I just want to just want everyone to know we'd love your input throughout the meeting, so you don't have to just stay in this little five-minute slot. If there's nothing else, we'll move on to the admin section of the agenda. Sound good everybody.

**Ryan Allsop:** I think we might have a quorum now.

**Sarah Rothenbuhler:** I think we do. Right on. Ok, we've got the meetings went out. Thank you, Cara and Jennifer, for getting the January meeting minutes out. Do all approve? Ok. January meeting minutes are approved. This is going to be our last all Zoom meeting. Starting in March, we'll have hybrid meetings. A lot of our members are traveling with work, and so you're completely welcome to join the meetings via Zoom, but also, the meetings will be in person at the same location that they were before. What's the official name of that room at the port?

**Rob Fix:** It is the Mount Baker Conference Room at the Port of Bellingham's main office on Roeder.

**Sarah Rothenbuhler:** And there's a bit of a limitation on how many people can be in there?

**Rob Fix:** By the time you meet next, I don't think there will be no. We'll see what the mandates do, but my guess is we can pack the house by the next time you guys meet.

**Sarah Rothenbuhler:** Oh, that's great.

**Don Goldberg:** Rob, what would you say that it would hold about 15 to 20 people?

**Rob Fix:** That room. No probably far more than that. You could probably get 40 or 50 in there if you needed to. Not everyone's going to be at the table, but we could find the chairs.

**Don Goldberg:** Ok.

**Sarah Rothenbuhler:** Great. Perfect. And then I think in the past, the port has provided food for the meeting. I think we're all good if we just have some beverages -- coffee and tea.

**Ken Bell:** You're going to lose about half of your people right there.

**Sarah Rothenbuhler:** What if we have beer, wine?

**Ken Bell:** Well, you bring them back.

**Sarah Rothenbuhler:** We can start with Casey. Casey, can you help us with that?

**Sarah Rothenbuhler:** For the next item. We just briefly mentioned that Chris Trout, CEO for Wood Stone, has an application into the county. One more introduction is Tyler Byrd. Tyler is now our official liaison as our county council member and our connection with this committee. Thank you, Tyler. And I do have permission from Dana Wilson. We've asked him to consider joining the committee. He's at a remote site, so he's coming into the meeting via phone. And if he is interested in joining, we'd love to get support from the council to move Paul Burrell into food processing. That clears the space for Dana to come in through marine trades. Does anyone have any comments on the administration business topics, or are we good to move on and let Troy talk to us? All right. Troy with Housing Subcommittee has a buildable lands and comprehensive plans update. Thank you so much for diving deep into that.

### **Housing Sub-Committee: Buildable Lands and Comprehensive Plans Update by Troy Muljat**

**Troy Muljat:** You're welcome, Sarah. So, Sarah asked me to give you an update on just a little bit of where things are at. I'm going to share my screen. I've got a PowerPoint for you. I don't believe I'm going to take anywhere close to 30 minutes, but it might spur some Q&A on a few different things. So, I want to go through where we've been, and the recommendations we've made. I've got a few stats for you on real estate stuff and then just a little bit about the Comprehensive Plan update. Those are my three things that I want to try to accomplish.

We formed a housing subcommittee -- Bob Pritchett, me, Pete Dawson, a couple of non-committee members were on that as well, like Ali Tysi. I don't believe there is anyone else on that committee. If I am missing anyone, I'm sorry, but we made some recommendations to you, the Business and Commerce Committee. You approved those, and we sent a letter back on June 6, 2019, to the Whatcom County Council. You have that letter. If you need that letter, we can resend it out to you, but that was sent out in the packet to all the members today. I'm just going to go through the six highlights that we made in the recommendations. Recommendation number one was to publicly declare a housing crisis. Recommendation two was to replace the current zoning rules, codes, and procedures with a temporary housing crisis plan. Recommendation three from this committee was to provide infrastructure and resources to increase housing availability and recommendation four was to reduce government fees for housing development. Recommendation five was to provide incentives for hitting affordable housing and workforce targets, and our sixth and final recommendation was to annex additional outlying areas. We came up with these, because one of the very first things we discovered on this committee was the fact that we would like to attract and retain and help business owners. The number one issue we came up with was affordable workforce housing and that being a big problem for people.

We came to this conclusion early in 2019, and that was the letter that we had sent out. Some of the reasons for that are the following. I'm going to take you through just a few stats to kind of show you where the residential and multifamily housing market currently is. This is the median sales price in Whatcom County, and I have Bellingham on here as well. You'll see the black line is Whatcom County. That's all-

residential homes only. This does not include condos, mobile homes, or lots. This is only residential homes, and this is what has occurred both in Bellingham, which is the green line and then Whatcom County. You can see since 2015, the market has continued to move up. This is the average price -- we look at the median and the average. The average price is significantly higher than the median, mainly because we have a lot of homes that are selling above the median price, and that is well above the median price. We have a lot of million dollar plus homes selling in Bellingham and Whatcom County. This is the median price per square foot just to give you an idea. Again, we always look at the cost to reproduce a unit -- what it costs to build something versus what it would sell for. This just gives you a quick synopsis of what those prices per square foot are.

I don't want to overwhelm you with too much data, but we have lots of unique, different pieces that we can send you. This is just close sales over a 15 year+ period of time, and you'll see here the green line is Bellingham homes. They're actually flat and declining over the past six years, mainly due to the lack of supply. In Whatcom County, you can see that we have sales that are flat to increasing, mainly because people are finding more choices outside of the city limits of Bellingham.

This is the current inventory that exists, per the Northwest MLS, which is the major MLS system in Whatcom County and throughout the State of Washington. This shows you inventory back through 2006 up through the Great Recession and down through the Great Recession and then where we're at today. I think many of you understand some of these numbers. It's just good to graphically see them, so you can know where we're at. We don't have much further to go to hit zero.

Here is some permit data as well. I want to just take you on a journey of where we're at and really building up to the comprehensive plan and the update that we're in the process of doing.

This is Bellingham. Bellingham is obviously the major market in Whatcom County outside of the immediate purview of this committee. It is unique to look at the housing stock over the past 40 years, and you'll see that these are permits right off the Bellingham website. It's their numbers and their data. In 2020, we actually crossed a line where we have more multifamily permits issued than single family. I'm leading you down a path here. This is going to be a discussion point for us at some point in the future to look at and consider as we're doing a comprehensive plan update.

This is a percentage of single-family homes and housing stock in other markets, so when you look at Lynden, Ferndale, the whole State of Washington and also Bellingham, you'll see that Bellingham, as a percentage of the total product, has a significantly smaller percentage of single-family homes versus multifamily.

This is the inverse of that when you're just looking at multifamily housing stock versus non multifamily or single family. Bellingham is a college town, so we expect there to be a fair amount of multifamily permit activity. But it is increasing as you can see by this graph here. It has been increasing substantially over the past 40-years.

Because multifamily is a big market, we'd like to look at some apartment multifamily statistics. In the last 12 months in Whatcom County, we've delivered about 235 five units according to CoStar, which is a third-party service I subscribe to. It's an international group, a publicly traded company, that keeps stats in almost every major metro market, so these are their stats. We have absorbed more units than we've delivered in the past 12 months as you can see by the 408 units. The current vacancy rate that we have in multifamily is 1.6%, although at our management company that is about 0.3% less than one half of one percent today. Our average growth in apartment rents is about five percent per year. This is just showing you some of the data on multifamily apartments and between studios, 1s, 2s and three bedrooms some of the data that exists. This shows you the rent per square foot. This is the stock chart, if there is such a thing, on the apartment market in the greater Bellingham area. Since 2016, we have been increasing at a fairly dramatic rate. You can see where the pandemic was there, and we're still increasing throughout that.

This is a unique chart that really shows the market rent in the United States, which is the yellow line and then the effective rent based on everything else. This is just showing you the growth rate on a larger scale and where we're at in comparison to Whatcom County. After showing you a whole bunch of stats, and you might have some questions on those, I want to switch to really why we're talking about all these things and why that recommendation back in 2019 is still very valid and important. We are in the middle of a comprehensive plan update, and this is a snapshot right off the county's website that shows what the purpose of the comp plan is. It's really a requirement by the Growth Management Act in the State of Washington. There's 18 different counties that really need to comply with this, and we're one of those. We need to guide growth in unincorporated areas in coordination with the plans from the new cities. We're in that process. I'm sharing the current Bellingham and Whatcom County comprehensive plans, so you can download them and read them, if you want to reference these documents.

Every eight years we have to do an update, so we're in the middle of that. These are the key dates that you need to really understand. One is we're in the process of doing a buildable land study right now, and I had a presentation on that about a week and a half ago from the city and the county, and we're trying to determine what units are available, how many units we currently have in all of the cities in the county, and as a county, what we have available. That is due by June 30th of this year. After that happens, we'll have some public hearings, both at the planning commission level and the county council level. There'll be some time -- I would anticipate a significant amount of time for public comment to review the report, the data, the foundation for what the recommendations will be. So, it's an important study. After that the comp plan update is due on June 30, 2025.

This is a flowchart from the county as to exactly what's happening and when, and so this is right from right from them. We're right in the middle of the buildable lands program and trying to understand and finalize the lands report. Then we'll be starting to transition into the comp plan and UGA review. That's when some of the decisions will really need to be made and our committee, if applicable, will want to chime in on that based on the six recommendations that we made a couple of years ago.

If you want additional information on the Buildable Lands Report, there is a variety of links that are available to you. I can provide all of that for you. There's a fair amount of information -- the methodology, the surveys that were done. A lot of this activity has been happening for the past couple of years, and it will all essentially conclude here shortly. Then we'll have a chance to have some input on it. That's all I had from a presentation standpoint. That's a lot of information in a very short time. Are there any questions on what we recommended a couple of years ago, anything on the stats that I presented to you, and any questions on the Comprehensive Plan update?

**Ryan Allsop:** Lots of questions.

**Sarah Rothenbuhler:** Would you mind saying who all is involved with the work that you're doing right now?

**Troy Muljat:** I'm just a spectator. We formed a subcommittee from the Business and Commerce Committee, and we really haven't done much since we made those recommendations a couple of years ago other than my involvement in real estate locally. So, we have not been involved. I have only been involved at one meeting for the Buildable Lands Committee, and a couple of people on the call were also on there from the public as well. We basically just observe what they're doing, how they're doing it, and when they'll be done. That's really it. There's no way for us to have meaningful input at this time until the report is published on June 30, 2022. We're innocent bystanders at this time, and then we'll have a chance to really sit down and discuss the report. Some of the key things that I think the community is going to need to have some input on is what is a unit? It's important because the City of Bellingham defines a unit differently than some of the other cities in the county. Do we need more multifamily? Do we need to densify? Do we need to provide more land for single family? What is a single-family lot? Is it a three- or five-thousand-foot lot? Is it a 10, 15, 20-thousand-foot lot? Should there be a minimum size or maximum size? What is a unit is going to be the big debate.

**Sarah Rothenbuhler:** Jennifer, did you have your hand up?

**Jennifer Noveck:** I just wanted to mention the composition of that group that Troy is talking about. It's the city/county planner group. It's managed by Matt Aamot. It meets monthly, and there are representatives from all of the cities. So, City of Bellingham and all of the small cities have at least one planner who attends each meeting. Don and I have also been attending for the past year and a half of the process and the whole time have been lobbying to have Troy and Pete minimally involved with the stakeholder engagement. Every meeting we bring up bringing this to this group and to this subcommittee. If there are any other questions about that group or what it's composed of -- it's a county group. That's also where other things come up like interlocal agreements between the county and the cities, so that group can, and I assume, will be used for things other than buildable lands once that project is over.

**Sarah Rothenbuhler:** Thanks, Jennifer. Clark, did you have your hand up?

**Clark Campbell:** First up Troy, thanks for that fabulous presentation. There is some really good data that gives us a context for the basis for the original recommendations. The pandemic is probably just accentuated all those from the looks of that data. My understanding is that the comp plan update happens and then that gets run through the lens of the GMA, the Growth Management Act. Given the trends of the data that you presented, does any of that look to be the kind of thing that will trigger a shift in the formula of how the GMA is interpreted to address some of the things in our original recommendations like freeing up more land for development or land for annexation?

**Troy Muljat:** That is one of the major questions, Clark. Thank you for that. My hypothesis is that the comp plan is going to show that they're meeting or exceeding their goals as far as providing the number of units in some of the early preliminary stuff. Now I haven't gotten into the spreadsheet they have. The spreadsheet takes into a variety of assumptions. I want to get my hands on that and get into the weeds, and I haven't been able to do that. None of the community has been able to do that. With that, I think there's going to be some questions as to how we have arrived at a certain number of units that we're going to provide for the future, for the next X years, for this update and beyond. Then the discussion will need to occur. Do we need more land? Do we need to annex, you know, like I said, there's the physical facts of how many units we currently have available or not available, what the population growth is going to be -- that's really a bit about where we're at in the report -- and then there's the really more the political side of how do we grow and where do we grow?

**Dan Dunne:** Troy, can I add a little bit to that answer? So, Clark, what they're doing now is they've got this methodology, and they're going to decide whether they're meeting their goals. What they're measuring in those spreadsheets is population growth and whether they hit their targets and density and then employment growth -- the basic capacity. The thing that they are not measuring deliberately is price of housing, so when they come out in June, it's very likely they'll say, 'You know what? Everything's great, it's hunky dory. You know, our population didn't grow very much. We've got plenty of space for housing. Look at all these open lots'. What they won't say is that the reason our population didn't grow is because nobody can buy a house in Bellingham, because it's \$450K to get into a house. So, what we would probably like them to say is to recommend what they call a reasonable measure like, 'Hey, we're not hitting our targets, and we do need to adjust the comp plan and we need to do that soon'. They probably won't, because essentially, they're measuring the wrong thing.

**Tyler Byrd:** I'm glad you guys are all discussing this. It's a great topic. So, one of the things I do think that the reason we were identified as one of the counties that has to go through this review process is because there's a there's enough data that says we underestimated our growth. A big part of that conversation that initiated it was, are you meeting the growth estimates that you originally predicted or was that an initial estimate and planning for growth off? This is an opportunity to readjust if it is.

With that said, I do think that was the starting of the conversation and we can keep making sure that it heads in that direction. As far as including the pricing information and analysis, that sounds like it would be key. We need to leverage into that moving forward. Troy If you need help getting a copy of that spreadsheet and information, give me a call after this if you have time, and we can talk about what you're

looking for exactly. When this came back to us to all, a couple of us pushed hard to rebalance that committee of the cities and how it was structured, because originally it was structured where Bellingham got a vote, the county got a vote, and then all the small cities essentially got a vote. We wanted to weight it more for the small cities, so they had more influence in the process. Bellingham does not have the potential on its own to veto this or to force us to move in any one direction. They will have to have at least one or two of the small cities on board to get an approval on a final decision, so there's some influence there that we can leverage to make sure that it goes in the right direction moving forward as well. Hopefully, that's helpful.

**Troy Muljat:** Thanks, Tyler, I appreciate that. Casey's had his hand up for a long time.

**Ryan Allsop:** He likes holding his hand up.

**Casey Diggs:** Thanks, Troy. Thanks for all that info. I'm curious. Isn't there some legislation going on right now about smaller lot sizes or getting rid of single family altogether? Have you been following that, and how will that affect this plan? Right?

**Troy Muljat:** I have. And yes, there are those discussions, both here, locally, regionally, and beyond. I would say the Buildable Land Study is really just facts. It's a spreadsheet that has certain assumptions based on critical areas, setbacks -- a variety of things that could be developed. What the county and the cities have been doing is really looking at what has occurred in the last five years and what a development was actually achieved and then what was it zoned for. They're trying to make some assumptions on that, and so I'm getting a bit into the weeds on those details. Once that Buildable Lands Report's done, it really won't necessarily affect policy based on a new law that says that there has to be a minimum or a maximum lot size or a certain density or 'you no longer can build a twenty-thousand-foot lot, even if it's zoned for it', or 'you have a certain size or size density'. I would say it's to be determined, and legislation outside of our county could trump what we're able to do here locally.

**Casey Diggs:** If that law passes, doesn't that just blow up the Buildable Land Study?

**Troy Muljat:** It would radically change how we use that study. I'm trying to be like a politician,

**Ryan Allsop:** You would do a good job, actually.

**Sarah Rothenbuhler:** Ken your hand is up.

**Ken Bell:** Troy, the one thing that seems to be lacking from all these discussions is the marketplace. Has that ever entered into this discussion whatsoever? What people want. What are they buying? It seems to be social engineering, rather than letting the free market determine what housing is needed -- when and where -- has that ever been a discussion?

**Troy Muljat:** I would say it's come up. Dan was also on the call as well, and Dan chimed in a bit, and we have met and discussed this issue. I would say that there are a few people that have expressed those concerns, and it does not appear that price or buyer demand has come into any of the conversations when it comes to the Buildable Land Study. My best guess is that it will be a topic of conversation when we have hearings after those units come out, because there was a lengthy conversation about that back in 2015 and 2016 on the comp plan update that was done then as to what a unit should be. There was a conscious effort, specifically in the City of Bellingham, to move more towards multifamily. You see that by the data that the permits that I showed you earlier. That conversation needs to happen and be part of the equation, Ken. The answer is no, it hasn't been addressed yet.

**Ken Bell:** So, as I look at your graph and the whole purpose for the comprehensive plan was to stop urban sprawl at some level. Yet when you look at the number of houses being built with your county versus city graph -- the city graph is going down, the county graph is going up -- it seems to me that we're accomplishing just the opposite of what the comprehensive plan set out to do. Has that been discussed at the committee level?

**Troy Muljat:** I would agree with your 100 percent. I've shared those with our chief executive with Satpal. I've looked at the volume of dollars --that's one graph I didn't give you -- but when you look at the total amount of money put in the county versus the city, it's growing at more than 200 percent the past decade as the previous decade. Just the amount of dollars going in and all real estate is growing at a pretty dramatic rate. Michael, you've had your hand up a long time, and you're way smarter than me, so please speak.

**Michael Jones:** I'm not sure about that, Troy, but thanks. A couple of comments. One is on the data that you were just talking about with Ken's question. I think we need to be careful about what the data is, because I think that the Whatcom County data that you were looking at is probably not unincorporated Whatcom County exclusively. It's probably Whatcom County as a whole and includes Bellingham and includes all the small cities, so just because those numbers look like they do that doesn't mean it's sprawl in the unincorporated areas. To go back to some of the general conversation. I just would, I guess, give a little insight into GMA.

GMA has about 10 different things that it tries to pursue: Economic development, housing, environmental protection, protection of resource lands like agriculture and forestry. It's sort of a balancing act written into that law. Price of housing is not one of the factors, but as I said economic development is and if housing is too expensive, then your economic development is probably going to be shut down which is the conversation that's come out of this committee. It's important, I think, to recognize that whole balancing act and the policy decisions that come into play there. Going and saying 'housing is too expensive, so this isn't working' -- maybe not because maybe what we want is really expensive housing that's good for property values. On the flip side, that could be bad, because no one could buy a house. Well, I have a house, you have a house, and they are all worth more money.

I'm not trying to sound difficult, but the GMA doesn't say we're supposed to build a lot of houses that people can afford. You would think that would be simply what it says. That's not really what's there, and I'd be really curious to know if you have data and you could share with us what that split of multifamily / single family housing starts in the recent past is for other cities like Bellingham in size. There's a whole bunch of those, and they're all really different like Kennewick, Federal Way, and different places like that. GMA is actually probably doing what it is supposed to do when it creates more multifamily housing in Bellingham, because Bellingham's the urban center. That's probably not out of context for what GMA is supposed to be doing. I really wonder how that works in other places.

Really good presentation, and one last thing is the market factor is like the magic dial in all of these numbers. It relates back to what Ken was saying and some others. Market factor is the idea of how many of these properties will actually be available for development during the time frame. In my experience, it is widely overestimated how many properties will actually go to development. Right now, you would think things are so valuable and you can make so much money in real estate, it would look like at the moment that if you have going to sell property, you're going to do it now. It's never been this good, but yet there's a whole bunch of properties not for sale, and I've seen in my history lots of people who are approached to developing their property say, 'over my dead body', and it doesn't matter what GMA says, it's just going to sit there and be undeveloped.

**Dan Dunne:** Michael, the county did a survey of homeowners and asked them if they would be willing to sell their land in the next 20 years. Of the people whose property was reported back as underutilized – meaning, not totally vacant but nothing on it and definitely not totally built out but there is one house on four lots -- almost half of those people said that they did not plan on developing their land over the next 20 years. The methodology limits the market factor to 25%, so you might have a situation where we're going to use a market factor realistically of half those houses that are underutilized that will not get developed. But then we're just going to crank that back to twenty five percent and pretend that we have twenty five percent of available land, even though we know that we actually don't.

**Michael Jones:** That's a great example, Dan, of the fundamental issue there. I didn't realize that the methodology said it could never be more than twenty five percent.

**Sarah Rothenbuhler:** I have a question. How much does difficulty and cost of permitting affect available housing.

**Ryan Allsop:** How are the politicians going to come at it, Troy?

**Troy Muljat:** I think it comes to the Buildable Land Study; this is why I'm hopeful to get our hands on the spreadsheet to really dove into it. I think Dan and I would both like to see it just to understand the methodology. We've got a presentation on it, so we have some further questions on it. I don't believe a lot of the real market factors have been taken into consideration. Things like sloping or development challenge; Is there a building on it that can be utilized for two hundred units? Is there a higher and better

use?; Will somebody actually sell that property? We're also relying on data over the past five years to determine the next eight. Is that the appropriate data set to be looking at?

**Michael Jones:** I know for a fact that permit fees have never been included before, so I can't imagine they are this time.

**Sarah Rothenbuhler:** With the limitation of housing, is there any benchmarking by way of city and county tracking, how many permits have been applied for housing and then how many have been approved in the same year?

**Troy Muljat:** There is some data there. We have that data. I think if I were talking on my developer friends and clients, they would tell you the permit issue is not the issue. It's the preliminary process to get to the permit. So, there is a pre permit that could take two to five times as long from the actual permit itself.

**Sarah Rothenbuhler:** I think we lumped that together. Do you mind expanding on that? Can you talk a little bit about that pre permitting?

**Troy Muljat:** That's the part that's the most difficult, and the best way to really understand that is to understand what a site was zoned for and what it achieved. We can look at developments and see a variety of cases of not being able to maximize out how much we actually have that property zoned for, what the critical area is limited on and then community and neighborhood input, development challenges and other reasons why a 176-unit site in the city of Bellingham only got 104-units. I personally worked on that to develop, and so I know a variety of issues on why we didn't achieve the total density there. Again, there are lots of questions. Clarke?

**Clark Campbell:** This comes back to your comment about what's a unit. Is most of the new development actually occurring single family homes that are being converted to duplexes? Or are these buildings with 140-units or even 50-units all rentals? You mentioned previously that condo development has pretty much ground to a halt, so I'm assuming that this discussion is about multifamily rental, not multifamily owned? My guess is that most of the developments we're talking about are fewer than 20 units. I'm asking the authority here, what are you seeing?

**Troy Muljat:** We have the data on duplex, triplex, fourplex. We have some of that smaller density stuff, but most of the new permits are all medium to larger size apartment complexes. I don't have the exact number in front of me, but I have it somewhere.

**Clark Campbell:** So, you'd say most of the units that are happening in multifamily are over 20 units.

**Troy Muljat:** There's no determination between is a multifamily unit one that's a condominium for sale or is it a rental. We don't really track that. We just know from the market, and I could show you the condo

sales and new condo projects, that they're a very small percentage of the total amount of apartment buildings that are coming online.

**Ryan Allsop:** On that last note, that's really an insurance issue, right?

**Troy Muljat:** There is another factor.

**Ryan Allsop:** The liability factor.

**Troy Muljat:** Of liability insurance and building a condo, and that is really a state issue. There's been some legislation that's kind of helped that, but really, a developer needs an additional wrap policy that is significant. There's only a very small handful of people that will insure those projects in the United States. It really depends on the legislation that exists at the state level, so if I were say the word 'condo' with some of the larger developers here in town, they would just say, 'there's the door. We don't even want to talk about it'.

**Ryan Allsop:** Otherwise, they have to wait seven years to sell them, right?

**Troy Muljat:** There's a four-year liability window at the state. There's an automatic three-year tail if anyone sues during those four years. So, by default, it's seven years. What Ryan is discussing is that somebody could build an apartment building and then after seven years, do a condo conversion and then not have the liability issue. Some people do consider that.

**Ryan Allsop:** My question was of the single-family permits that was listed in that, which is obviously incredibly low, how many of those are spec versus just custom builds? Do you have any data on that?

**Troy Muljat:** I don't have that. It's a great question, though, Ryan. I don't have that broken out.

**Ryan Allsop:** We're almost three years into when we made this suggested emergency plan. From that time, I think we were talking, we need at least 1,000 houses immediately to make any sort of dent in the housing market affordability.

**Troy Muljat:** We set some benchmarks. Going back to the six points that we made as a committee. If you can review that proposal, there are some metrics that we put in there of what we would like to see and achieve as far as inventory, rental rates, and vacancy rates. The committee actually put more data together that we did not present to in our final synopsis and letter to the council, which was again, as you all know, not received very well.

**Ryan Allsop:** Going back to that, I think you told us at the time it was 1,000 homes minimum.

**Troy Muljat:** Don't quote me on that. I think it was no less than that, but it really is a month of inventory. We're looking for a total amount of inventory, so what we traditionally do to look at inventory. Most

professionals will look at the last 15 months of inventory. They'll take an average of that and then look forward as to what we currently have. So, what is the sales that occurred in the last 15 months then what can we project based on the current inventory we have. That's really the multiplier that we have. A healthy amount of inventory is somewhere between four to six months.

**Clark Campbell:** As I recall, it was something like seven to eight percent growth of population that was occurring. We were also looking at the permits that had been issued in that period after the last big downturn. There was a drop of about 1100-units per year, so it was just crazy. There was obviously a high build rate that went to a very low rate, then a population growth, then no growth in new development happening. So, the numbers, as I recall when we were looking at those was, you had to do something like a tripling of what the current permit issuing was just to get back to the backlog that was lost. What type of housing that is, that's certainly up for discussion, but that the available supply to the demand gap has really occurred ever since the last economic downturn and it's never been replaced.

**Ryan Allsop:** I think this group was primarily focused on single family residences. We consider living wage or working job housing as something that people want to own, not just rent.

**Clark Campbell:** Well, we were looking at workforce housing full stop. So that may not always look like a single-family home, despite what people would like. It depends on what income level you're at and trying to have something that matched the affordability being 30 percent of your disposable income going to housing, not sixty.

**Ryan Allsop:** Well, that's gone up significantly. So that 30 percent is a much harder number as of right now. Anecdotally, the majority of houses being sold right now are being paid for with cash, some with multiple buyers, so financing is off the table for a lot of these purchases in Bellingham at least. I don't know what it's like in the county, but it's ridiculous from what I'm hearing from all my real estate friends that are trying to buy houses for customers. They literally cannot buy, it's so competitive.

Is it worth revisiting this with the county and the city council, or at least with the county council too, to bring back the emergency plan? It seems to be it was just left behind, right? We're talking about it, but we're talking about a comprehensive study. There's no change. I mean, what you're putting out there that they're working on is 2025. That's not emergency. That's like molasses in my world, so I'm trying to figure it out. Is there something we can do to help encourage this? Maybe we didn't go about it the right way. I don't know if Tyler has any input on that, but I'd be curious to somehow revisit the emergency plan to make changes quickly -- in the next six months to year max. Maybe Michael has an input on that too.

**Tyler Byrd:** Ryan, I think that there definitely is. I actually talked to Sarah a little bit about starting to bring those back on an individual basis. Some of the recommendations with a little more information around them could be proposed as an ordinance or resolution. Your hard part is the six months right, meaning what can actually be done in government in six months and implemented? We'd have to prioritize what would have the biggest impacts the fastest and then try to prioritize those key items and bring them forth first. The one that I was wanting to do was hiring of consultants and having them come in and essentially

assess all of our planning and development rules and regulations based on other counties in the State of Washington and be able to propose some changes to streamline that process, but if there's another one that this committee thinks is more important and would have a faster impact, then we should talk about that. That won't be done in six months, right? No one can review all that stuff and get it done.

**Dan Dunne:** Ryan if I could. I think it's important to recognize that although we're looking at a lot of numbers right now, this is a political process. You probably won't have a specific ask. For example, when the comp plan was adopted, Ordinance 2015-14, the Bellingham City Council specifically low-balled its population estimate, because they didn't want to pay for the facility upgrades to Yew Street. It's in the ordinance. You can look at their chain of reasoning. It's there. Since they lowballed the population estimate, they were able to say they could fulfill needs for this population.

If you ask for a reasonable measure, one thing might be to keep the population estimate higher or something that's more reasonable. You also might ask for some very specific things. For example, 'we would like X number of dollars for this particular facilities upgrade' or 'we would like to make the minimum lot size in Bellingham five thousand square feet' or something else. Going through the process with staff is great, but at the end of the day, it's going to be the City Council in Bellingham that sits down and writes an ordinance and approves the ordinance and votes on the ordinance. So, putting a plan together where maybe everyone on this call has consensus about the three specific things that we want and then contacts City Council members in a coordinated campaign might be most effective.

**Ryan Allsop:** Great input.

**Ken Bell:** Troy last one from me, and it'll be a quick one. Is there any correlation between the building of single units in a condo or apartment building that shows that it's going to decrease the single-family home with, say, a 5,000 - 20,000 square foot lot? Are those going to have an impact on that? My impression is that single family homes with a yard where people can actually buy the real estate and have the yard are going to continue to climb even though we build multifamily units just because the demand is there. This is where the supply and demand part of that equation fits in. Is there anything that shows that we can build as many multifamily as we want, but the price of the single-family home with that real estate is going to continue to climb? Because we're not having impact on what the demand is.

**Troy Muljat:** It's hard to tell exactly because what's happened is we have been overbuilding multifamily. But because vacancies are still below one point six percent, according to CoStar, we're under half of a percent today. Homebuyers are not able to find a product, so a story that we hear a lot is that they will rent until they find something to buy. We're absorbing at a faster rate because of the lack of product that we believe people want to buy in the single-family area. Is there data that shows how much more we can build and still not affect a certain market? It's a good question. I'm sure we could probably come to some assumptions on that, Ken, but it's a good question. Casey, and then I think Sarah is going to kick me off here shortly.

**Casey Diggs:** Yeah. Dan brought up a good point and that was my question. I was going to ask Tyler what one of the specific six requests would actually grow any traction with our county council members.

**Michael Jones:** If I can make one more comment. Going back to what Dan said about the Yew Street cost of improvements and not wanting to or not being able to fund those, I know that that was also a big factor in not annexing the Caitac land, or the cost of annexing Caitac land was certainly a big issue for providing services, not the cost of annexing it. Right now, the state legislature is considering sweeping \$100 million out of the Public Works Trust Fund, which is a low interest loan program that municipalities can use to borrow for public infrastructure. It's being diverted to transportation, so we'll lose that ability. You can comment to that, not as a committee to the county council, but you individually could comment to your legislators and say, 'don't take that money away from the local jurisdictions'. And at the county level as well, they had a program in place that was a preliminarily developed program that they were going to allocate some of the ARPA funds, the American Rescue Plan to Infrastructure. That has recently changed. So, if the county council were to change their mind back then, perhaps there might be 10 million that could help with some infrastructure projects. From the cities' side of things, we're here to grow. That's our job. That's what the GMA tells us to do. And until our citizens tell us they've had enough growth, that's pretty much what we try to do. But it's very, very expensive to provide infrastructure and to upgrade old infrastructure that's needed to expand or be replaced to accommodate new development. From my side, I'm looking at tens of millions of dollars in the next two or three years to support development of housing, and there's only so much of that that we can afford.

**Sarah Rothenbuhler:** Thank you, Michael. Hey, Derek Long, you have added some information in the chat. Do you want to speak on that a bit?

**Derek Long:** Thank you. First of all, I really recommend using the [City of Bellingham tracker](#) that Jennifer was kind enough to post. There is very good information there on all kinds of new projects at all levels of development, and hopefully we'll see a tool like that county wide in the coming years. There was a discussion about where the new housing is going and some questions about that, and I put a link in that looks at a population report for [Whatcom County in 2020](#). When you compare that to 2018, it shows that generally speaking, the county is trending in the right direction in terms of getting growth in the cities and not in the unincorporated areas. They have a couple of different approaches for determining that, but the permit data suggests that we're trending toward more growth in cities. I just want to provide that in support of the questions that came up before.

Also, the state's missing middle housing bill did die. I think it was early last week and that was really, really unfortunate. However, they probably earned a few fans in this session, and it'll probably come up again next session. The [ADU bill](#) is also important, and it's still alive at the state level. This kind of gentle density, as many people describe it, is sometimes politically very difficult to get through at the individual city level. There might be good reasons for trying to tackle it at a state level, because the housing crisis is essentially affecting the whole state, and these are important tools. So, thanks for the opportunity and happy to take questions if there are any.

**Sarah Rothenbuhler:** All right. Everybody, thank you so much. One more question that I have, Troy. You're spending the time to sit in on these comprehensive plan work and the Buildable Lands meetings, but you can't talk during these meetings?

**Troy Muljat:** They had a public presentation, basically, I think Don made that request to them. So, we got an update of where they're at. So, it's just an inside view. Once the report comes out, we can chew into the data, because there are some assumptions that just need to validate their methodology. They have done an amazing amount of work -- the cities and the county. It's a very detailed spreadsheet with a lot of analysis in it. It's much more robust than the last time that they did a buildable lands update. I'm highly anticipating getting our hands on it and understanding it better just to understand some of the assumptions. It's a city-county project and we've been told that we're not able to have any input on it at this time until it's released. Which is fine.

## **Update on new businesses to Whatcom County by Economic Development Director at the Port Don Goldberg**

**Sarah Rothenbuhler:** That's too bad, actually. Ok, if there's any other comments, otherwise, we're going to move on to next topic. All right, so now we're going to have Don Goldberg, Economic Development Director at the Port for Whatcom County. We've asked Don to come in give us a good list of businesses that came into Whatcom County in 2020 and businesses that left in 2020; businesses that came in 2021 and businesses that left in 2021, and then we're halfway through Q1 for 2022. What can you tell us? It sounds like there's some exciting stuff. Who's coming in and who are we losing?

**Don Goldberg:** Thank you, Sarah, and good afternoon, everybody. I might have misunderstood what I was going to be talking about, so I apologize that I don't have lists of things. I was thinking that I was going to be reporting out more on.

First of all, recruitment is not the primary responsibility of economic development. It is surely a big part of what we do, but it's much more important that we retain the companies that are here and support you in expansion. We don't want to bring in companies that take employees away from you, and this goes back to our conversation of housing. If we have a limited number of people that can work in this community, we don't want to bring in companies like Amazon, as an example. If they came in here and needed 1,000 workers -- that on the surface may sound good -- but those people would be pulled from all of your companies. So, we want to bring in companies that pay more and are not in direct competition with the existing companies. We have supported quite a number of companies, including some of you on expansion and retention.

Here are some of the good things that we're working on right now. Last year, we completed a project John Michener had worked on for eight years. A company called Marcon Metals came into a site in the county adjacent to Ferndale. They're a manufacturer that's based in lower B.C. Really great company. They manufacture parts for bridges. One of the things we try to do is not only bring companies in, but then connect them to existing companies here. So, for instance, we've connected them with Frank Imhoff

at IMCO, because they may be able to support each other's growth. This company pays much more than typical manufacturers. Their starting salaries are about \$60k versus \$35k with full benefit packages. They've hired about 40 people, and they're still expanding, investing over \$10 million already in the area.

A company that we're working with right now who I connected with Troy who sold them their land. It's a petfood manufacturing company. They originally were looking for a site to build 70,000-feet. I've spoken with them recently, and they're looking at building 220,000ft in Lynden on the old PeaceHealth site. They're actually looking to purchase additional land to expand, so that's another good company that's coming. And then you all know that I'm working diligently on probably the most important employer that we've lost recently, and that's Alcoa. For about six months now, we have been supporting the potential new buyer. I've been working at the Senate and House level at the state to get funding. This company, Blue Wolf, who's looking at purchasing the facility and running it, is planning on spending about \$50M and hiring 700 people, of which they think about 350 of those employees will be previous Alcoa employees. These are union, high paying jobs and people that probably could afford to live here. We hope that there'll be other businesses that will connect with them, like Morse Steel who used to buy product from Alcoa. So, a lot of times one new business or expansion of one can help other companies within our region.

And then, aside from the previous topic on worker housing. We are still very involved with childcare -- what I call below the iceberg. One third of the iceberg is showing on top, but below the iceberg is housing, childcare, shovel-ready sites, permits process that we've been talking about. All of those things aren't visible on the surface for workers, but those are a lot of the most important things on actually making an environment that allows companies to grow and to relocate here. Then the last company I'll bring up today is a few years ago, I went with commerce to Norway on a trip on maritime electrification. Norway's the leader in the world. They have a company that has a facility in Canada called Corvus, and we're very close to bringing Corvus to this region. It would be their U.S. manufacturing facility. They're the largest maritime marine technology company in the world, and so not only potentially good jobs, but industries that will support other industries that will grow within our region, such as Silfab and others that are in this maritime or electrification alternative energy.

One last thing. I've gone public a little on this. I'd love any of your support. Three years ago, I started a process with BP in Cherry Point on trying to get them to use some of their land from for solar that they can't build on for buildings. They are still very interested in potentially approving what I think would be the largest commercial solar facility west of the Cascades. It would take about 700 acres and be 70 megawatts. This is probably a \$100 million investment. Originally, they laughed at me, and now it's at corporate and they are very, very seriously considering it. We're supposed to be here by the end of 2022 if they budget it and move forward. Potentially some of that power would go for themselves, and some of that would be available for the county and the city to support other businesses with green power. So, I think that's the short of it. We're working on a lot of companies right now -- new and existing -- and we're here to support you all as well.

**Sarah Rothenbuhler:** Thank you Don. All good topics. All good updates, and then maybe in one of these upcoming meetings that it still would be just great to hear that list format of companies that have come in and companies that that have left. You are our resource for that, and we appreciate it.

**Don Goldberg:** Sarah what I might suggest is -- CJ's not here today, but Ash is for the SBDC -- they track more of the small businesses that are coming in and out, so maybe together we might be able to get a list of both small as well as the larger entities.

**Sarah Rothenbuhler:** Yeah, it'd be nice to know. Thank you. Good. Does anyone have any other questions? Clark.

**Clark Campbell:** Yeah, just a quick one. I know that, particularly at the smaller company level, there's been a lot of mergers and acquisition activity in the last year. I know in the outdoor industry just recently KONA Bikes was just acquired by a company from Ohio, and Scott Holley, who I am in contact with at Eddyline Kayaks, just took an investment from the Walton family. Both of those are likely to remain in the area. In terms of Eddyline Kayaks that's enabled them to expand to a second facility while they've doubled their current facility in Burlington. Their business is just off the hook, and I know from people I know in the bike industry, bikes have been a pretty strong seller in the last the last year or so. Don, are you seeing any companies relocating away from Whatcom or toward Whatcom as a function of any of that M&A activity?

**Don Goldberg:** So far, Clark, we've been very fortunate that all of the major acquisitions or mergers have stayed here locally. I think the one that we were most nervous about was Alpha Technologies when they were purchased by Enersys, but they not only stayed here, but they closed their Arlington facility and moved it up here. I'm in contact with them and they at least publicly are staying. That would be true of pretty much all of the organizations, including the tenant that's moving into or just recently moved into the waterfront. That was a company that was here that was purchased and expanded. I think lifestyle brings people here, and they want to stay here, but the topics that we've been talking about, housing in particular, could change that if they're unable to grow. So, it's very important that we address it.

**Sarah Rothenbuhler:** Very good. Any other questions?

**Ryan Allsop:** Do you know what Janicki's intentions are for the Safran building in Barkley.

**Don Goldberg:** Yeah. I worked with the broker on that deal originally, and they've been trying to get that information as well. We know that they're going to use the majority of the building themselves, but they haven't said for what. We did refer them a company that was unable to expand here, that works with them, and we haven't heard yet, but we know they were in final negotiations on subleasing some of the space. Janicki has openly said that they will only sublease space to contractors that they work with, and they do plan on at some time, building more on the lot next door. But we have not gotten any clarity on what they're going to use it for.

**Sarah Rothenbuhler:** They're a great company. We work with them as well, and if there's interest, we could get them into speak.

## **2022 Critical Path for the Whatcom County Business and Commerce Committee by Chair Sarah Rothenbuhler**

**Sarah Rothenbuhler:** OK. Thank you, Don. We're going to move on to the next topic. Being the new chair for this committee, I just want to lay out a critical path. I was hoping I'd be a bit further along by now, but the first step was just to touch base with all of our voting members and see if everyone had interest in staying involved. It was a hundred percent. Thank you so much everyone for your participation up until now and ongoing participation through 2022. I'm looking forward to the seeing the approval on the manufacturing seat, and then it will be nice to hear what Dana Wilson has to say about becoming involved and perhaps moving in with marine trades. Then we'd have Paul Burrell step into food processing with the County Council's blessing. I assume we'll be headed up by Tyler Byrd, so thank you. County Council and Tyler Byrd for your support as we move forward on that.

The topics that keep coming up are big water issues with Whatcom County that are going to affect development, affordability, agriculture, and fisheries, so Brad Rader and Paul Burrill will be heading up our people coming in to speak on water issues. Dana Wilson would also be a part of that if he joins. The other big topic is buildable lands, the comprehensive plan and permitting. That is, as you saw today, will be headed up by Troy Muljat. Thank you, Troy.

**Troy Muljat:** Happy to relinquish that to anyone else and just be on the committee.

**Sarah Rothenbuhler:** But until then, thank you so much. Community safety is another huge topic for Whatcom County. The West Coast struggles with that. I was in 12 states last year, and it's interesting to hear a lot of people say that's just the way it is everywhere now, and that's really not the case. The crime and as we learned last meeting with Lieutenant Johnson, it's really not a lot of homeless camps, it's really more drug camps, and our police are struggling to help keep our community safe. That also is a huge impact on business and all the other topics that we have been talking about, so we'll be bringing speakers in. Last meeting was Lieutenant Johnson. In April, we'll have Sheriff Bill Elfo coming to speak, and we're asking the speakers to help guide us what can we do and how we can help.

As I said in the beginning, our duty is to advise on issues, including regulations and policies that can impact local business, industry, or economic development, and it's so difficult when most of us are working 40-to-70-hour weeks. It's hard to keep up on current and upcoming policy, so Casey Diggs -- thank you, Casey -- he is going to be really watching our county and city council meetings and then doing summary updates at some of our meetings to let us know what we're looking at and what we're dealing with in case there's any way we can give some guidance before things become locked and in place.

On the other issue with affordability, we will continue to try to bring people in to speak. Childcare keeps coming up. It's a huge challenge in our community, and Debbie, we have some speakers in the wings that we would like to bring in for future meetings. You and I have played a bit of phone tag. You're such a champion in that area, so I'd love to get your help there.

The other goal is to get our meetings time and date and Zoom link set on the website, so it's a lot easier to access our meetings. Then we'll be posting the agendas on there as well. I hope that these meetings and the speakers that are coming look valuable enough for all of you to invite 10 people. I think the more people that we have and the more eyes and ears on what we're trying to do and bring forth for our county health and wellbeing, the better. Anybody have any questions?

I did see Senator Sefzik. I am sharing meeting information with anyone that crosses my path that might have valuable input for us, and I had the honor of crossing paths with Senator Sefzik. He will be an upcoming speaker for us to on the work that he's doing in Olympia and what we see coming our way. And since we have a few minutes, Senator, do you want to say hi or have any updates for us?

**Simon Sefzik:** Hi, Sarah, thanks for having me. Thanks everybody for being here. I think we've already covered some of the different issues that have hit the county recently in the state. The accessory dwelling units bill is one that there's several different opinions on, so we'll be watching eagerly to see what happens with that bill. I think you already touched on a lot of the big issues. For water rights, the Riparian Stock Water Bill died in rules, but there is a stakeholder process being organized. The buffer bill also died in the House, but they're trying to put it in the budget right now, so that's something we're keeping an eye out on. I don't know if any of you have heard about the nature of the ergonomics bill, but it's being pushed right now and they're going to create an amendment on it. It's still something I think that would be very bad for Whatcom County in terms of employment. There's another interesting debate going on with gillnetting and permitting on the Columbia River and the fishing process. Nothing in the Puget, but just keep an eye on that.

We've already talked about the missing middle bill and some other bills. Senate Bill 1990 is a bill that adds climate change to the Growth Management Act and another bill that adds salmon recovery to the Growth Management Act, so we're looking out to see what the fine lines and the amendments on those bills will be. It's interesting right now to get a feel for where the temperature is on how bad the majority party wants to push some of these. We're keeping an eye out on a lot of those, and it'll be interesting to see what happens. I think it was mentioned earlier the six-cent export fuel tax died in the House on Saturday. That does shift costs like we talked about for better or for worse, but I'm happy that got cut out of the transportation funding. We'll see what ends up happening with the final transportation package as well. But those are the hot topics in addition to different budget items right now, Sarah. Sorry, that's an on-the-fly update for you.

**Sarah Rothenbuhler:** That's great. I see Brad Rader; do you have your hand up?

**Brad Rader:** It was nice to hear that quick update. I just wondered before we close if we can take five minutes to do a quick water adjudication update but didn't want to interrupt the other questions with those guys.

**Sarah Rothenbuhler:** Thank you, senator, for your quick update.

**Simon Sefzik:** The one thing that I was going to add to that is I sponsored a bill, Brad, that would basically delay a water adjudication to require the Department of Ecology to have to announce the number of expected water rights that would occur in an adjudication and then to also have to analyze the cost of a potential adjudication. These things are, as you know, long and expensive, so the idea is, at the very least as a transparency measure, there should be some sort of requirement from ecology to have to disclose some of that information. We'll see what ends up happening. I don't think it's going anywhere this session, but it's definitely still part of the ongoing conversation.

**Brad Rader:** We certainly appreciate you working on that. I listened to what we talked about earlier on development and Troy's great presentation, and it's all tied together. This is not just an agricultural issue. It is an issue for small cities and development that Don's working on. It's tied together with all the industry and all of housing, so we're very concerned about it and watching closely. Sarah, I don't want to take over the meeting. I know Dillon's on, and I think Fred Likkel too. I'm just wondering if we can give everybody a quick update here at the end. I know there's an agenda item that we'll try to get speakers for in a couple of meetings, but maybe we can do a quick update.

**Sarah Rothenbuhler:** This is great. We've covered all our topics on the agenda with six minutes left.

**Brad Rader:** o I said in my part. Dylan and Fred are on, I believe, and I'm going to hand it over to them. I know they probably have more than six minutes worth of presentation, but we'll save that for another day.

**Dillon Honcoop:** Thanks, Brad. don't think Fred is with me right now. He's on another call at the moment since we understood that we weren't going to give the long version today. We look forward to being able to do that in the near future. The big picture is more than water rights adjudication as ecology has proposed which discusses a lot about water supply and presupposes a lack of water supply. We're very focused right now on also highlighting the needs and the problems exposed by the flooding disaster that the North County experienced in November and tying that together to reinforce that it's not a water supply problem that we have. We have lots of water. We have a water management problem, and we have water in the wrong place at the wrong time. We need to be focused on solutions that address the whole problem and the real causes of the problem, not Band-Aids or things that ultimately distract or delay those fixes.

That flood disaster really upped the ante on that for our community as well, because there are a lot of people making decisions right now. Do we reinvest in the City of Sumas, Everson, and Nooksack? There are even questions for Lynden and Ferndale. How do we rebuild? What is the future if this is just going to happen again? And how do we protect people's safety, their homes, and their livelihoods from this major threat. People are taking that very seriously suddenly now that we've seen just how bad it can be. We're

trying to say, we need to focus on water management as a whole, and we've got some pretty important suggestions that we're bringing forward and encouraging the whole community to get behind and get serious about.

Also, the mayors of the small cities who asked Everson, Nooksack, Lynden, and Ferndale have been speaking out about this, sending their thoughts on it to state leaders asking for action and asking for a step back from a legal process of a water rights adjudication. That's going to tie up a lot of money and a lot of time, likely for at least 20 to 30 years or more. We want to get to work on specific solutions that can really address this problem. We're looking to see the growth and the development of a local coalition to really bring together, as Brad said, the many different elements of our community that are impacted by this. It's not just about farming or businesses or cities or tribes. It affects everyone in the Nooksack basin together to really key in on discussing actual solutions, not pushing things off the table, or dismissing things out of hand. It's actually giving all of the potential solutions a good hard look and then proceeding as a community collaboratively rather than in an acrimonious court proceeding the state has proposed. So that's where we're at. I have a lot more detail I can share in an upcoming meeting. We'd certainly love support from anyone who's interested in this issue, and welcome people from diverse perspectives in the community to come together as a community to work on this.

**Sarah Rothenbuhler:** Dylan, thank you. Excellent update, and we look forward to hearing more from all of you. Thanks, Brad. Thanks. So, we are two minutes to closing the meeting. Does anyone else have anything they'd like to say? We'll make sure to include Troy's updates. And Troy, I know there'll be some touch bases on how we can connect the committee to help see some solution on your update Troy. With that being said, I think we're good to wrap up this meeting for now. Thank you so much for everyone that presented and participated. Thanks.

**Close Next meeting: Monday, March 21, 2022, 11am hybrid via Zoom with in-person option available to committee members only at the Port of Bellingham, 1801 Roeder Ave, Mt Baker Room**