Whatcom County Business and Commerce Committee
Meeting Notes
September 18, 2023

Voting Members Present: Debbie Ahl, Ryan Allsop (Committee Vice Chair), Pam Brady, Clark Campbell, Pete Dawson, Dan Dunne, Troy Muljat, Sarah Rothenbuhler (Committee Chair), RB Tewksbury, Chris Trout

Voting Members Not Present: Paul Burrill, Casey Diggs, Brad Rader, Dana Wilson

Nonvoting Members Present: Rob Fix, Mayor Seth Fleetwood, CJ Seitz

Nonvoting Members Not Present: Jori Burnett, County Council Member Kathy Kershner, Satpal Sidhu, Dr Barry Robinson

Public Present: Chris Behee, Ken Bell, Lance Calloway, Jessie Everson, Dean Fearing, Kaylee Galloway, Matthew Green, Braden Gustafson, Brian Heinrich, Pamela Jons, Todd Lagestee, Rose Lathrop, Rob Lee, Derek Long, Kim Lund, Blake Lyon, Jennifer Noveck, Emily O'Connor, Guy Occhiogrosso, Kori Olsen, Hannah Ordos, Louis Parr, Mindy Pelton, Andrea Ruback, Tyler Schroeder, Simon Sefzik, Dann Mead Smith, Gina Stark

<u>September Agenda</u>
Introductions / Administrative business / Comments welcome from the Public (5 mins)

- Committee Chair calls the meeting to order
- Committee Member Introductions
- Approve August 2023 minutes
- Invite all attendees to participate along with Committee members during Q&A sessions

Housing –

PSE Clean Energy Transition
Brian Heinrich, Government Affairs Representative, Puget Sound Energy (20 mins)
Q&A (10 mins)

The Bellingham Plan Project Introduction for the Comprehensive Plan
Chris Behee, Long Range Planning Manager, City of Bellingham (15 mins)
Q&A (10 mins)

Economic Development Investment (EDI) Program Overview
Tyler Schroeder, Whatcom County Executive (20 mins)
Q&A (10 mins)

Close

Sarah Rothenbuhler: We are officially called to order and we'll do the committee member introductions. You want to start?

Ryan Allsop: Ryan Allsop, Allsop Incorporated.

Clark Campbell: Clark Campbell, GearAid, outdoor recreation.

Gina Stark: Gina Stark, Port of Bellingham.

Sarah Rothenbuhler: CJ, can you start us on Zoom?

CJ Seitz: You bet. CJ Seitz, higher ed. Western Washington University.

Seth Fleetwood: Seth Fleetwood, Mayor of Bellingham.

Chris Trout: Chris Trout with Woodstone. Manufacturing segment.

Troy Muljat: Troy Muljat with Muljat Commercial and Landmark Real Estate, General Business.

Pam Brady: Pam Brady, Cherry Point Refinery, Energy.

RB Tewksbury: RB Tewksbury with the Pacific Northwest Chapter of the Internet Society.

Dan Dunne: Dan Dunne, CAZ Construction, Favinger Plumbing, CAZ Environmental, Construction capacity.

Sarah Rothenbuhler: Sarah Rothenbuhler, Birch Equipment. And we do have a few more members that will be joining late. All right now if everyone's had a chance to look at the August meeting minutes, do we have a motion to approve?

Clark Campbell: Motion to approve.

Sarah Rothenbuhler: Okay.. Thank you, Brian, for enlightening us on the PSE big picture game plan.

Brian Heinrich: Well, I'll do my best. And I know we do have a PowerPoint, and I guess, well, Gina pulled it up. I think what I would say is, I know we have time for Q&A, but if folks want if you have a question, go ahead and ask. I don't mind. It's not an interruption and it's going to be as much of a conversation as possible. And I think—and Sarah, help me out—I think what we're trying to talk about today is, at the July meeting I believe there were some questions about as we make this transition to greater electricity and whether it's vehicle electrification or building electrification, how do we make that transition? What does that look like? Where does that energy come from? So I'm going to try and go through. There are 16 slides here. The first ten are the most relevant. I think maybe just by way of introduction, the regulatory environment, and I'll cover this in a little bit, has really changed in the last few years. I think folks are probably aware of the Clean Energy Transformation Act. State legislation that requires the utility to be carbon free by 2045 and carbon neutral by 2030. So PSE has a couple of initiatives to achieve that requirement. Can everybody see? I assume everyone can see.

Gina Stark: Yes

Brian Heinrich: Okay, so what I just referenced just a second ago is that carbon free by 2045. And I know Mayor Fleetwood's on. He participated on the Beyond Net Zero workgroup that was hosted by PSE. As we try to achieve this goal, what do we want to do? Reduce our own carbon emissions? Like I said, net zero is the goal and that's the decarbonization of the entire energy supply. So some folks might be aware in Whatcom County, PSE is electric only, but we do have a gas portfolio in our service area. It's a ten-county service area, so, Snohomish County, Pierce and Lewis, I believe, are the natural gas customer base there. So that's going to be a challenge, right, getting off of natural gas. Dan, if you want to jump in at any point, because I know you've done some work on building electrification. You know, a significant amount of carbon emissions come from the built environment. And so how do we make that transition? I mentioned state energy policy.

Again, Clean Energy Transformation Act, CETA, is the guiding document there that was adopted in '19 and of importance to PSE is, all of our initiatives, generally speaking, have to go through the Washington Utility and Transportation Commission. Their lens is on the ratepayer. Making sure that rates don't go unchecked. And I think everybody has noticed in the last couple of years, both on the natural gas side and on the electric side, rates have gone up. So one of the things in terms of advancing initiatives to get to both carbon neutral by 2030, carbon free by 2045, is utility has to make investments and those investments are going to be paid by ratepayers. I say all this because back in June the UTC approved PSE's clean energy implementation plan. That became the blueprint really for how we move forward increasing wind power, solar power, looking at things like battery energy storage systems. Some of you might be aware that in Whatcom County we have a battery energy storage system in Glacier. They look like shipping containers. And there's many of them full of batteries. And if Glacier loses power, that system then can keep power going while that that outage is addressed.

Rob Fix: How long does it keep it going?

Brian Heinrich: That's a good question, Rob. It's not as long as you might think. It's maybe a day or two max. But there's a lot of effort being put into developing battery energy storage systems. Whatcom County adopted a year ago—Tyler, you might recall this—an ordinance around allowing that. So where can these systems be placed? For folks that really live in this space, there's a lot of conversation about creating micro grids. If that's a term that you've heard. The irony, I think, is that if you go back, you know, like a hundred years. Microgrids were how communities had power. And over time it was seen as more efficient to spread that to grow the utility grid. And now we're looking back at, okay, how do we have microgrids again?

Sarah Rothenbuhler: I'm just trying to wrap my mind around when batteries became carbon free.

Brian Heinrich: No, that's a great point. I mean, I think this conversation occurs in a lot of different spaces in terms of, you know, the battery. The materials that go into batteries come from somewhere. That's a natural resource. Lithium is mined. That's the most prevalent one, and that's going to be carbon intensive. I think the thinking is that, well, the status quo today doesn't work. In fact, we can't just do nothing. That's not viable. So I think what we're looking at is an overall reduction in the source of carbon pollution. Whether it's, you know, whether it's in the building space or in the vehicle space, those are the two I believe the two main sources of carbon emissions are those two sources. So what can we do to greatly reduce that? I don't know if that answers, I think it's a hard one to answer. It's really challenging. There's going to be an impact somewhere. Yeah.

Brian Heinrich: This slide, I think helps tell that story a little bit. We did have an interim target of 43% clean energy. We met that target. As I referenced, 100%, 2045, here's where we're at today. We're actually a little bit ahead of 63%. PSE 2030 has an initiative again to go carbon neutral. Our goal is to be at 80%. And it's this last you know, if you if you look at the I think folks refer to this, some of you referred to the 80/20 rule, whatever you're working on you can do the first 80% pretty quickly, it's that last 20% that's real challenging. So we've got a 15 year glide path, if you will, to achieve that.

Clark Campbell: And by clean, you say that solar and wind only or are there other forms?

Brian Heinrich: Hydro is going to be part of that portfolio. The battery storage is a part of that, ideally. And you know, some of this is going to be achieved also by changing consumer behavior. So PSE recently walked out a time of use pilot program. We know there are peaks in demand. And so can you change consumer behavior to just use an example of if you have a electric vehicle charging, charging overnight, charge it off peak hours, don't charge it to the peak for the most, at least in the evenings, it's usually 5 p.m. Everybody gets home, the lights are on. So run your dishwasher after 8 p.m. or overnight, set a delay, start for a clothes washer or dryer or something like that. So that's one initiative is changing that. It's consumer based as well. And I won't read this to folks, but this is, I think, what we were talking about a little bit in July. We know there's going to be increasing demand. We've been talking about it again, building electrification, vehicle electrification. Those are increasing the capacity needs. You can see that there is right now, it's double our existing resources to get to 2045 clean energy, and we have to double what we currently have today. That's a daunting thought.

Ryan Allsop: And we can assume we're not building another dam in that process.

Brian Heinrich: You know wind and solar right now are where a lot of this effort is headed. Some of you might have seen in I believe it was July, PSE entered into an agreement with a large wind farm in eastern Washington. Those conversations are happening all the time, in terms of, how do we meet that demand? We have to find those sources because, you know, some of you are aware probably that coal is not going to be a part of this equation for power in Washington. And maybe I'll go back one [slide] just again, to look at this graph. One of the reasons why in 2025 we will be well on our way is one of our coal fired plants goes offline.

Rob Fix: The Centralia plant?

Brian Heinrich: Yes. And so that's a big move.

Kim Lund: And I have some questions about shifting consumer behavior. I know Tesla, for example, after 8 pm at a supercharging station, it is much cheaper to charge at a supercharger than it is at 5 p.m. Are you guys considering a similar rate structure based on time of day?

Brian Heinrich: Yes, that's a good question. The short answer is, yes, the time of use pilot will have a variable rate. So to your point, it will be cheaper to use those resources in off-peak hours. You pay a premium for peak hours. Short answer is yes.

Clark Campbell: And then today, if I'm understanding the math correctly. So, still 60% of your revenue, it sounds like is coming from sources that are not hydro, air, wind and solar.

Brian Heinrich: Yes, I wouldn't draw that connection there. The whole energy portfolio is a mix. So today it’s coal, hydro, wind and solar are the four predominant sources. Right. I can get that breakdown year over year.

Clark Campbell: Your output is if you're at 43% now and you're trying to get to 60%, that tells me that the other side of that equation is the stuff that you're working on trying to convert, right? Yeah. So that's a big chunk. Anybody's business, if you said around this table, okay, 60% of what you do is just go away and you've got to find a way to replace it, right? That's what we're talking about here.

Brian Heinrich: That's right.

Clark Campbell: Okay.

Ryan Allsop: Is the battery system you're referring to just for backup in case of outages or is it for storing the wind and solar. That's inefficient in wind or not, but at night or when there's no wind?

Brian Heinrich: Good question. Today it is more of an outage-based response. The future will be storage. So I think again, I think folks have probably heard this that one of the dilemmas around wind and solar is, well, wind in particular. There's a lot of generation that occurs at night, but that's when use is the lowest. And then during the day that use picks up. But it's maybe not as windy, at least in Washington. So the Washington wind farms that's one of the dilemmas. So the future will be storage and then you use that storage for if you can store during peak generation and then use it 12 hours later. That's how you make up, to your point. That's how you take off, I think coal right now is, don't hold me to this, I want to say it's in 30-ish percent of the portfolio That's how you make up that difference. That goes away. So what are the things coming on that make up that difference? And I just talked about it a little. This is just reinforcing, again, where we're at in this conversation today. Our portfolio, the green is renewable. That's what it'll have to look like in 2045. That 15,000MW, that's a big number. And I'll let folks read this. You know, where do we get that from? That's what it looks like when you try and replace or find that 15,000MW is the sum of those numbers. So there's greater minds than mine, for sure, working on this and figuring out where do we get this from.

Sarah Rothenbuhler: And it's hybrid. The hybrid is not coal based generation?

Brian Heinrich: Yeah, it can't be coal based, can't be carbon based. So there's work being done on, you know, I don't know if Pam Brady's on the call—not to call on you, Pam, but there's a lot of conversation around green hydrogen. You know that renewable natural gas what does that look like? So it's so the things that I think are going to develop over again over the next 20 years, we're going to see leaps and bounds.

Ryan Allsop: I think we have a negative perception, obviously in the US, in Washington, specifically with the Hanford around nuclear. But is nuclear on the table in Europe? It is. Most of the countries are going that way and small format, highly efficient.

Brian Heinrich: Yeah. There's absolutely discussions around what they're like for sure.

Sarah Rothenbuhler: Is it capable of no waste?

Ryan Allsop: No waste? No, no. It's very, very low waste.

Dan Dunne: And when you say it's on the table, is it seriously on the table? Are they looking at smaller plants? Yeah.

Ryan Allsop: Bill Gates is backing a big, big chunk of this.

Brian Heinrich: Yeah. Not this most recent one, but I think it was the—what was it, maybe the July PUD meeting. There was a really good presentation by Energy Northwest, which is, I believe, a firm out of the Tri-Cities. And yeah, so it's very much in front of people's thinking in terms of how do we what does it look like? They call them small modular reactors.

Tyler Schroeder: And they're on your plate as well, right?

Brian Heinrich: Yes. That was Energy Northwest.

Tyler Schroeder: I didn't see it.

Brian Heinrich: They spent some time. If folks are interested, go watch that PUD presentation.

Clark Campbell: Your math, getting to net zero and then getting to carbon free at the net zero level. Are there any offsets in any of that or is it just purely through reductions?

Brian Heinrich: It's a good question. We're going to be, I believe by 2030 we'll be ahead of the curve. So I think it's reduction.

Clark Campbell: But yeah, so you're not using carbon offsets or other vehicles to try to get to peaking plants.

Brian Heinrich: No.

Sarah Rothenbuhler: Is that the battery storage you're talking about?

Brian Heinrich: No, that's like what we have right over here.

Gina Stark: Sarah, do you want to check and see if anybody online had questions?

Sarah Rothenbuhler: I think Pam started to say something. We can't see our online attendees right now. So please speak up if anyone has any comments or questions.

Pam Brady: I came off mute just in case I was asked a question, I didn't have anything additional to add. But thank you.

Brian Heinrich: So switching gears a little bit, you know, we just spent a bit of time talking about generation, which is for obvious reasons, that's at the forefront of people's minds. The system reliability is one of those areas that there's been a lot of focus on, particularly at the federal level in the Inflation Reduction Act. There are significant dollars for grid modern modernization. These transmission lines are very expensive. They're very complicated. They're absolutely necessary to get that power for when we think of getting power to Bellingham, you know, or know even our entire territory, if that's coming from wind generated in eastern Washington, solar generated in eastern Washington, you've got to have a reliable system to get it here. Sort of an obvious statement, but it's one of those things that I think that sometimes gets sort of lost in this conversation is making sure that that grid system is modernized to handle it. And I think I would just acknowledge that folks, I'm sure are aware of—can't remember the exact year, was it '18 or '19, that big Paradise fire in California? The transmission lines were a part of that, why that was so destructive. And so there's absolutely conversations around, what does it look like from a wildfire mitigation standpoint? How do you make sure that these lines are not impacted by trees? You can understand the dilemma. I think we start thinking about, well, significant wildfire event, D power transmission line. What is the impact of that? Sending tens, maybe hundreds of thousands of people on a hot day with no power. It creates its own special problems as well. So that's a that's a really challenging one in terms of what do you do? And that's easy to say, well, just turn off, you know, shut power to the line. Well, it's a lot more complicated than that.

Ryan Allsop: So in the interim, that might be a problem, right?

Brian Heinrich: Yeah, exactly. And we also know that outages, you know, impact households differently. Some folks, you know, if you lost power for a couple of days and you had to throw everything your refrigerator away, that's an inconvenience for some other households. That's you know, that's a life changing event. So we want to be mindful of that, that conversation, that complication when it comes to what do you do around these systems.

Chris Behee: Brian, is part of that discussion, does it involve building additional corridors and system redundancy and maybe another like Cross Cascade corridor?

Brian Heinrich: It does, yeah, absolutely. Yeah. Again, maybe back to Ken's comment. I mean, if you are thinking it, it's on the table. There are folks thinking about all options are out there right now if we can explore what does that look like? You know, one of the things I'm learning about PSE is, in our planning process, all alternatives are considered. We exhaust every possible solution.

Clark Campbell: Well, when you think about the state of Washington and moving from coal and gas to solar, wind and hydro that says that your power generation is east of the mountains and your population is west of the mountains.

Brian Heinrich: Right.

Clark Campbell: Like that's how do you get how do you get power generation west of the mountains that's going to replace, you know, those dams and those wind farms and probably the best solar locations. That's right. Yeah, that's right.

Ken Bell: You talk a little bit about disruption to the household. Is there anything on your plate or anything in discussion about the wall panels. A typical wall panel, for example, the battery storage for households?

Brian Heinrich: I've not been made aware of that conversation. But I’m happy to chat.

Clark Campbell: In the Inflation Reduction Act, Bellingham and I think Whatcom County is considered to be a zone for solar, meaning that there's like a 30% tax credit for most regions. But I think it goes up like an extra 10% if you're in Whatcom County. Different than King County and other areas. And I think it relates to regions where a high percentage of the population is employed in carbon fuel. So if you have a coal mine in your area and those jobs are going to go away. Part of the Inflation Reduction Act was saying, okay, well let's provide more credits to the people that are in those areas to do so when their businesses. So I've been looking into it and I was surprised to see that Bellingham is one of the regions. And I think it's our proximity to Cherry Point.

Brian Heinrich: I'm almost to the end here. I just wanted to point out a couple of things. So we talked about a generation station. I think everyone's saying that this is a this is another example. And you'll see some of the other examples we've been talking about, you know, using bio diesel, nuclear, getting off of coal. And just an example, in fact, on Bellingham's City of Bellingham Water Tower, there's a solar array that is very similar to that. So those are the examples that as a community solar program and more to come on that. But it basically is what it sounds like. These are placing solar panels on community buildings to demonstrate what it looks like to have solar on, whether it's a big building or a tower or what have you.

Sarah Rothenbuhler: Would that be the definition of a solar plant?

Brian Heinrich: That is a solar array.

Clark Campbell: We have one at the Port of Bellingham, right?

Brian Heinrich: Yes.

Sarah Rothenbuhler: That was on one of the lists. Just bigger?

Brian Heinrich: Yeah, just a large scale. And so that's building mounted, they're ground mounted. Ground mounted is probably going to be more readily used in eastern Washington than it will be in western Washington.

Ken Bell: Life span of those panels today?

Brian Heinrich: Good question. I don't know.

Rob Fix: We were 40 years on the cruise terminal panels.

Brian Heinrich: And I would think that the technology building them today would be better.

Brian Heinrich: And then the last slide, a nod to a couple of things from just an equity position. We do have a bill assistance program that was heavily used during Covid. That's something the company is very proud of. We'll continue to offer that for folks. In fact, making it easier for income eligible folks to enroll to lower their bills. And then that just gives you a sense of what we've done in the last five years from a consumption perspective, making sure that folks don't lose power. Should I stop the share, Gina? That was kind of where I wanted to end. And again, I know we've been doing Q&A, but happy to answer any more questions or share.

Ryan Allsop: I guess I'm trying to figure out how to frame this question. We've had a lot of time in this committee talking about workforce housing, driving cost down in housing and getting housing to the point where it's affordable again for the working class and middle class. Well, to date, I mean, I've gone through a permit recently on a house. I own commercial buildings, and I've talked to contractors who have gotten a 52,000 square foot building. We're fighting with the state on trying to figure out how to get it below the 50,000 threshold to convert anything by 2026 to electricity from natural gas and commercial buildings that size and bigger than a residential. I mean, it's extremely it's prohibitively complicated to actually permit a house right now with if you've ever done the energy form, it's you have to hire almost a consultant to get it. Actually, the HVAC companies can't even do it. They say, hey, there's our consultant or they have them on staff. Now it's $1000 or $2000 additional to the process. And when's the threshold of all this? There's a lot. I feel like we're on the ramp up of cost still on this stuff. Is there a point that you guys see where it's going to drive back down and bring it back in line with gas that we would be you know, cost of gas is cheaper still for you know, heating your house, the simplicity of permitting and construction. Is there a threshold, do you guys see as the power supplier that you have gas as well?

Brian Heinrich: You know, it's a really good question. I'd almost throw that question out to others. Dan this is in your wheelhouse as well. I think what probably doesn't exactly answer your question, but I think, you know, one of the one of the things to factor in is, you know, heat pumps are, you know, whatever, $10,000, $12,000, maybe more, maybe a little bit less. The investment is high on the on the front end, but then there's savings over the life cycle. So it's kind of hard to do so. Yeah, I don't really I don't know that we know if there will be a point where costs. Get lower for new construction. That's hard to imagine. Don't know if you can add anything to that.

Dan Dunne: Yes, you're definitely right on about the difficulties and the costs involved. The new energy code was going into effect in October and it will delay that. But that requires a number of things, mostly it virtually bans gas from homes, so you use heat pumps. So that increased the cost of the build. It also makes some changes like requiring insulation to be installed on the exterior of the sheeting, which is a different type of building. And it has a lot of issues around how you flash that in, but that's a different thing. I think some core issues that I'm seeing with clients is when they're thinking about adding a dwelling to their home, like with an ADU or with HB 1110, we have the possibility to eventually add up to six homes on a lot. We look at that and they say, oh, great, well we'll build these homes and roads back up. We'll start at the street. And what's your what's your capacity coming from? And like how do you have you probably have to do you have to upgrade the transformer. How do you split that power out? How do you measure that power? And then the transformer is big enough to start there and then you kind of go back down the line. And I would anticipate that those infrastructure problems would probably be increasingly obvious as we build more homes in denser areas. But you definitely have your work cut out for you. And I appreciate PSE doing the work. I think one of my concerns is, you know, power companies kind of should be providing that baseline service. And to me, when I look at a year-round kind of aspect, the peak load seems to be those two weeks in January, February when, you know, it's very cool. The wind isn't necessarily blowing a whole lot, some sunshine, not a whole lot. If they're plugging in their, you know, electric cars and turning the heat up and those kind of things. So I don't know what time we have, but do you have any thoughts as to how PSE is going to provide service at those, those levels? So specifically in that dark, cold couple of weeks section of the year?

Brian Heinrich: Yes. So one of the things that we do now is rely on the peaking plants. So that is one way to provide that power.

Ryan Allsop: That's gas. So that goes away. It's not in your model.

Brian Heinrich: In 2045.

Ryan Allsop: Oh, that was 2045.

Brian Heinrich: 2045. And again, it goes back to the changing landscape of this industry is, is hydrogen a fuel that's able to be used at that time? It is renewable. There's a product called R99, which is a diesel. It's basically green diesel. Is that an option? Maybe not 2045, but is that what we can use in the next, say, 15 years? Renewable natural gas. Again, all those things are on the table in terms of what is going to get us first to 2030 and then that 2045. A bigger benchmark. Oh, I guess I would just acknowledge you raise a really good point in terms of the supply, the distribution to the household. What are those system impacts? Is it a transformer that needs to be replaced? Is it a substation that needs to be made bigger? Right. Those are sort of dependent upon use. And so as that development occurs, PSE is a real active participant in that new construction or increased construction conversation. So the short answer is, yes, we can provide that power. But the harder question is how do we get there? What are the costs? What is the time frame for that help? Okay.

Clark Campbell: And for you guys, PSE, if you're Cascade Natural Gas and you're looking at the same timeline, you're converting to a different business. It's not a 60/40 scenario. It's 100/0.

Brian Heinrich: Yes. You know, I'm not going to try and speak for those folks. I would just say, it's going to be a challenge for them. I'm not sure what their plans are looking forward.

Clark Campbell: Right. You can't do that through carbon offsets. So, yeah, that's important. Interesting. And is there any discussion, federal, state, on you know, the biggest issue is existing buildings. It's not the new buildings we are building. You can mandate it or you can provide incentives right.

Ryan Allsop: Over 50,000 feet as of right now, we have notification. We have to convert our buildings to electricity. Electrified by 2026 for every building we own over 50,000 feet, which is in that's which is practically speaking, is a nightmare. Right. But that's statewide. Yeah, that's a statewide mandate. Are you sure it's going to go? I'm pretty sure it's 2026. Maybe it's 2028.

Ken Bell: Maybe it is, still impossible.

Ryan Allsop: Well, think about it. We have forced air throughout the buildings and forced AC. It's not 4 or 5 big furnaces on the top of the, you know, 30,000 feet. You have to go to probably 25 to 30 mini splits to do the same thing and somehow tie it in. I don't know how you do it. I just haven't thought through it in commercial. Yeah, just kind of just ignoring it. Putting up the carpet for now.

Clark Campbell: 50 is the threshold for that?

Ryan Allsop: 50,000 feet. Then we're getting another timeline for I mean, we've all seen, it usually doesn't stop at 50. It just keeps working its way down. I mean, new construction is easy. Obviously, they can flip that. So they already have flipped that. So it's a dynamic. It's not easily done. I mean, new construction, it adds for us that, like I said, we've done our building today and our current code. We paid about a quarter million to do our building, he said. We're probably doing $700, $750,000 to do the same HVAC system today as well. And to build a new to build a new building to the new energy code. Yeah. If anybody's experienced their construction during the energy code, this is a four-year-old, five-year-old energy code. It's almost comical to go through the process. I mean, you have light sensors that, you know, for daylight and dimmer lights during the day. They put blinds in and the blinds are off the blinds, the lights go back on and everything. It's pretty—we laugh a lot.

Ken Bell: You think that's comical?

Ryan Allsop: Well, painfully comical, but it is. I don't think there's ever a developer that goes out and goes, how is this working in the real world? Like, you know, there's kind of a practical, real-world application that just seems to be left behind and houses And let's.

Gina Stark: See, what did Miss Rose put in the chat? Do you want to explain what you put in the chat for folks?

Rose Lathrop: Yes, Just wanted. Sorry. I'm on two things at once. Just a second.

Gina Stark: Sorry to call you out.

Rose Lathrop: There we go. This is the clean building performance standards, which is what he's referencing. And I just wanted to provide a link for everyone. So there are standards for buildings over 50,000 square feet, and there are incentives available now up through 2026, I think. So now is a great time to sort of try and figure out what it is that you need to do. It's not an electrification standard necessarily, but it certainly helps in terms of your energy efficiency and the targets that they're setting for the types of buildings that you have. And then there is also a standard for 20,000 square feet, which includes multifamily buildings. And if anybody has any questions or is interested in learning more, I know our energy and green building staff has done a lot of work to get up to speed on what those are. So just wanted to provide a link so people could learn a little bit more and about the incentives that are available for those buildings.

Sarah Rothenbuhler: Thank you, Rose. Hey, I'm going to cut in. We are running out of time with our time with our first speaker. Thank you Brian.

Brian Heinrich: Thank you.

Sarah Rothenbuhler: And now Chris will be speaking on the Bellingham plan.

Chris Behee: Thanks, everybody, for the invite. It's great to be in front of you all. I'm going to be going through some of what a lot of you have probably seen, if you pay attention to city council and planning commission. We've been in front of them recently to launch this update. And many of you, probably most of you have been in Bellingham long enough to have been part of our previous update in 2016 or maybe even prior to that, 2006 or even before that. So a lot of this will be familiar, but every time we do this, there are a lot of the same issues we wrestle with, but also new and emerging challenges. I'll be highlighting some of those and just encouraging all of you to really get involved in a conversation that's going to evolve over the next 18 months, really, and then aiming towards 2025, which is our adoption date for our plan. So we branded this those two right there. Great. Thank you. Super. So we're calling this the Bellingham plan. It is the Bellingham Comprehensive plan, is what this is. And we are again, really at the beginning of stepping into this 2025 update. There are 39 counties in Washington. Most of them are involved in the growth management process, responding to the Growth Management Act, Whatcom County is on the 2025 adoption schedule. Most of the central King County or central Puget Sound counties are on the 2024 schedule, so they're a little bit ahead of us.

And as this proceeds, we work with Whatcom County and with the other six cities in the county and we all march forward together. There is some work that we do corporately together, countywide environmental impact statements, growth forecasts and those kinds of things. And then there are some things that each jurisdiction does internally. So I'll be focusing on mainly our internal Bellingham community conversation. Be looking again, just kind of an overview of touch on what our previous updates focused on, the project themes that we've identified so far and give you an overview of the schedule over the next 18 to 24 months and then really focus on kind of engagement opportunities where all of you can be part of the conversation. And that's really what we're looking for, is how to hear your concerns and really reflect back on kind of where we've been and where we're going and how that fits in with all of the things you were involved with.

Again, our comprehensive plan covers a 20-year period. So the 2016 plan we're currently operating in has a 2036 planning horizon, which I mean, hearing Brian talk, 2036 is coming up pretty soon. We're pushing that out with the 2025 update to 2045. So that will be our new forecast here. So again, it feels like it's coming up really soon. We talk about some of these energy issues. It's not that long of a period of time. But that's the horizon we're looking at. And then again, it's required by the Group Management Act. And then I'll be touching on kind of the different issues that we will be anticipating and planning for as we look at the growth challenges we're facing. So again, the previous plan, we really started the conversation in 2013. It is about a two-year process to go through a plan update. There are a lot of pieces to it and we adopted that plan in 2016. And you can just see we're right there at the beginning, in 2023.

I'll talk about kind of where we're at in that in that we're in the early parts of that, really the listening, reflecting and making connections with groups like this. As we move forward in 2024 the schedule will be when we do a lot of the heavy lifting, doing updates to the actual plan, actually coming up with growth approaches and alternatives and working with the county on how those play out with our urban growth boundary and our land use map. So the land use map again is kind of a lot of you if you're in the development world or the planning world or just are aware of our plan, that's kind of a familiar piece. You're used to looking at things like different types of zoning where we can put multifamily or single family or urban village style mixed use, residential development. We have our commercial zones, our institutional campuses, all the kind of different types of land use that we plan for. And our document, like most jurisdictions, is broken into a variety of chapters.

Again, addressing required element required elements from the state, how we plan for all the municipal services that Bellingham provides, and make sure that we're growing forward as a community and that we grow at a pace that we can support those services with. The current plan is a high altitude, high level document, but it also is it references functional plans like our bicycle and pedestrian master plans, our climate action plan, which is one of our newest functional plans, utility plans, references those with goals and policies. And those are where the kind of the action hits the ground. And we actually do things as a community. So, for example, the comp plan has goals in the environment chapter about reducing contributions to climate change, mainly greenhouse gas emissions. And there's specific policy that references promoting energy efficiency in our public buildings throughout the community. And then where that actually falls into action is in our Climate Protection Action plan. And one of the recent things we did was energy upgrades to our building. And those are happening in other city facilities.

So kind of at that high level, here's where we want to go. Functional plans dictate how we get there and then actual projects, whether they be capital projects or other actions that the community can take to make those things happen. Public input is really important and that can be from individuals, it can be from groups like this. We need to reach out and listen to everybody. And again, a lot of the challenges that we're facing, we've talked about energy policy, we've talked about housing and the cost of housing and how that influences how the business community can recruit and retain employees, and how people that are here that are cost burdened might potentially have options to move into housing where they're not cost burdened. There's a lot of big picture challenges like that. We want to focus on and listen to the community and figure out what are the strengths and things about Bellingham that people are really attached to that we all value. We want to retain as we move forward and then prioritize again those maybe new issues that are emerging and figure out are there any big goals that we haven't talked about that are really important to people? We want to we want to hear those and be able to move forward on those as well.

Gina Stark: Chris, can you kind of speak towards the owl? They're kind of having a hard time hearing you on line?

Chris Behee: Sure. Sorry.

Gina Stark: I know it's hard when you speak to want to look at everyone, but then people can't hear.

Chris Behee: So again, referencing back to 2006, if you remember, that's when Bellingham really set its urban village construct for being one of our primary infill tools. And we had big community wide conversations, our community forum in 2004 and 2005 and that resulted in the urban village construct being added to our land use map. And since that time, urban villages have accommodated about 40% of all housing in Bellingham. So while we still struggle with affordability, we are achieving some of our goals from an infill standpoint. We also set the Waterfront Vision plan forward in 2006 and then our concurrency management system, which is how we account for as development occurs, we have transportation infrastructure improvements that march along with that and other like our utility billing and other things keep track of that too. So concurrency management was another system that was memorialized and set forth in our 2006 plan.

Ken Bell: The pictorial representations, just confirmation that the world does revolve around the Port.

Chris Behee: Well, you can take it that way.

Ken Bell: I did.

Chris Behee: We hear you. It's missing the recycle plant here. We'll throw something else in.

Ken Bell: Something non-Port.

Chris Behee: There we go. If you want a job, Ken, we can come up with one.

Ken Bell: Okay. Bring it. Come on.

Chris Behee: We encourage you to submit your own photos. The 2016 plan. We introduced some more language, acknowledging and providing a path forward for addressing people, experiencing homelessness and how to focus on our sustainability framework. We had some healthy lifestyle editions again. The bicycle and pedestrian master plans were adopted along with the 2016 plan, and we made some changes for document accessibility. So just the 2006 plan was what we call a major update. The 2016 plan was more of a cleanup and a lighter lift update. I would say the 2025 update will harken back more to what we experienced in 2006. It will be a deeper dive, a much broader outreach, and our process will be more reflective of what we did in 2006. Again, these will come as really no surprise to anybody in the room here, but we have some major project teams that we know we'll be touching on. There will be more, no doubt that will emerge. Accessibility, diversity, equity and inclusion are a big focus not only of the goal and policy pieces in the plan and we'll be going through and changing language to be more open and inclusive, but also just in how we conduct the update. We are really, really trying to reach folks that we haven't heard from before or that have been underrepresented in our outreach efforts and in the input we receive.

So we have some consultants on board and some internal expertise with the city that we are really focusing on to make sure that we do hear from folks that we haven't heard from before. Climate, of course, is a big part of the update. We have some good language in the plan in the environment chapter and other chapters. We will be as 1181 prescribes, creating our own specific climate element in the plan, which would be more robust. And a lot of that will wrap in the hard work we've done since 2018 on the Climate Action Plan. We will be wrapping in climate resiliency piece, which is something we're just we've been moving into and we'll be moving into that more specifically with kind of goal and policy language supporting that. The economy, of course, is a big piece. That's one thing this group really can help us a lot with is we know there are pain points with recruitment and retention of employees based on the housing market in Bellingham. But also, you know, a vibrant economy is a good way of addressing and narrowing that wage income and housing gap. And so those are those are big ways that a lot of you and the group you interface with can really help us in that regard. We want to hear from you and really make sure that we're doing everything we can from a goal and policy standpoint. Charting the course forward on that. Housing is one of the biggest topics and we just see there's a variety of House bills addressing that. House Bill 1220 passed in 2021 is to build. It requires us in this plan to address housing for all income levels, which is a huge challenge. And we don't quite know exactly how we're going to do that yet. We do have consultant help and we are working on that as a part of our work in this process.

Clark Campbell: And that's a mandate from the state.

Chris Behee: It is a mandate. Yes. You got to have availability at all levels. We have to have a way to show that we support, that we have land use rules. So if we have any land use rules that in our in our development code that make it more difficult to provide housing of all forms for all income levels, we need to adjust those. And also anything we can do to incentivize production of housing, particularly for those middle and lower income levels, We need to really figure out how we can do that. We all know there's only so much leverage local government can pull. It's got to be public private partnerships. We have to continue working with the state. We have things around like condo laws and other kinds of things that we need to work with the financial industry on. So there's a whole spectrum of use and nothing about urban growth areas.

Ken Bell: Urban growth areas are part of this conversation too.

Chris Behee: Yeah, and part of that, I'll touch on that when we get to the schedule. We're doing our land capacity analysis–

Ken Bell: And there'll be some uncertainty around?

Chris Behee: We hope. Yeah, that's the goal. So we would absolutely like to have you involved in House Bill 1337.

Ken Bell: Try to avoid it.

Chris Behee: Try to avoid it? We're open and accommodating and accepting of anybody's point of view. So we'd like to have you at the table. House Bill 1337 is a piece of Bellingham just recently updated and adopted most all pieces of the state's accessory dwelling unit regulations. We did that early and we will be revisiting the piece on owner occupancy that will become part of our code once the state rules take effect in 2025. Placemaking is Bellingham is a community of great places. So we're going to continue that tradition. And as we grow up and as we grow out, to some extent, on the on the north in particular, we will continue to aim for creating great places and then public health and safety. We have a lot of challenging issues in our urban core areas and throughout the community and we will be looking at healthy lifestyle goals and policies and other ways that we can just ensure public health and safety, especially for our most vulnerable, most vulnerable members in our community. This is our general schedule, he said early in the process, right now in 2023. We're in the engagement and outreach process right now, trying to again get as many people to participate in the conversation. We will be doing, again, the county growth projections, looking forward to 2045 of employment population.

And then as part of that, we will be doing a capacity analysis, building on the Buildable Lands analysis that was completed a couple of years ago. Again, part of that involves looking at housing, providing housing for all income ranges and also, as we've already talked about, House Bill 1110, where you can build between 4 and 6 units on every buildable residential lot in the city. How do we incorporate that into our development code and what does that mean for our growth capacity? And then as we move forward through the winter months into early 2024, we'll be focusing more of our community engagement on how to home in on different growth approaches and then call those into some growth alternatives. And those will be examined in our countywide environmental impact statement. And when we get back into the middle of 2024, we'll start doing the actual chapter updates to the document and there will be some new pieces for the climate element in particular, and a completely revamped housing chapter. It will look a lot different than our current chapter does, moving that out to public open houses, getting it in front of our boards and commissions, hearing again from groups like this on how they how they see that plan working.

And then as we get into the latter part of 2024, moving this into the kind of what you're familiar with, our traditional kind of legislative adoption process, moving through planning commission and then finally early 2025 to our city council and eventually once they adopt it, it will be handed out to Whatcom County. We approved the urban growth boundary changes and wrapped this into their plan. You can also see there's an arrow up there for our development code updates, House Bill 1110 and the other related bills. There are some specific to design review processes and other elements of our development code. We need to have those adopted either by the time our plan is finalized or within six months of that. So we can't really wait until we're done with this plan. A lot of those are going to be marching forward in parallel with that.

And there's a middle housing grant that the city is applied for from the Department of Commerce, and we'll be using other resources as well to have those conversations move forward at the same time, at the same time that we're updating the comprehensive plan. Again. We'd like to hear from you. We do have a broad community-based vision survey that's on our cob.org/BellinghamPlan website right now. We're also doing a mailing of that to every household in the city in the next week or two. You may be in the city. You'll be seeing that in your mailbox. Also, we'd like you to sign up for updates on our Engage Bellingham page. Our email list. We have a couple of events coming up this Wednesday. There's an online Zoom event which will be a slightly different but similar presentation to this to orient neighborhoods and other groups that would like to participate in that. And there will be some breakout sessions where we hear from people on their kind of concerns, how they feel the city is doing on a variety of topics. And we'll also be having an open house on September 26th next week, and that will be more of a drop in and circulate and be able to connect with city staff, kind of see again a variety of topics we'll be talking about. And for us to gather kind of initial concerns and thoughts from people.

All this will be feeding into, again as we move towards more definitive alternatives over the winter months and into early spring, being able to reflect back what we've heard, hear people's concerns and see how we can mesh those concerns with the pieces that we know we need to address from the state and be able to make all that into a cohesive plan as we move forward. How are we doing on time here. We got a few minutes left. I'm happy to respond to any questions any of you might have, but again, I appreciate the opportunity. I do feel like having all of you involved in this conversation will be a critically important piece. You come with a diversity of backgrounds and connections in the community and differ a little bit from a lot of the other people that we're hearing from. So I think we'd love to hear from you and have you involved not just at this early stage, but as we go through, we'd like to hear your comments. We would like to get members of our team in front of your organizations. If you'd like us to come talk specifically on an issue or just get more of an overview. So please, we're at your disposal and we're wanting to, again, hear from everybody in the county, to ensure that that we address people's concerns and are able to incorporate those into our work.

Sarah Rothenbuhler: Thank you. Thank you. I have a quick question. How many buildable residential lots are in the city of Bellingham right now?

Chris Behee: It depends how you characterize those are buildable lands report that we finished about two years ago and that was just looking at the current land use conflict. It does not take into account the new builds in the state just passed. So again, discounting the four units allowed outright on every lot within the city. We have capacity on paper for between 4000 and 5000 single family homes and upwards of 12,000 or more multifamily units. So again, those are in a wide variety of zones that are kind of traditional multifamily residential zones, but also all of our urban village mixed use areas. So that's kind of again, the overall capacity that we have, and that includes both the city and the unincorporated urban growth area that we can annex into and the annexation.

Sarah Rothenbuhler: And that number seems really big, it's including the annexation?

Chris Behee: Right. So a lot of those units would be ones that we would we would the zoning that supports those units, the urban growth area, there is a large proportion of the urban growth area that it needs to be annexed before people can apply for building permits because we need to provide utilities to those areas. So most of the areas that we've extended utilities into are already developed. Right.

Sarah Rothenbuhler: So what percentage of that 4 to 5000 is represented in the annexation?

Chris Behee: About 10% is in the urban growth area and the rest is in the city. So it's already within our within the incorporated limits. So yeah.

Clark Campbell: And you're getting started on this process now, 2023, to be done by 2025. Have you got a baseline yet of just population growth? I mean, if I look at I look at since 2000, we've grown 37% in the county from like 166 to 228. If you look at 2010 to now, it's more like 14%. So, you know, that kind of tells me by 2045, we're going to be looking at something like 315,000 people in the county. If you did the same as the last plan. Right. Or the last 25 year, 20 year period.

Chris Behee: Yeah. I'd say you're not far off. Yeah. We always get the state Office of Financial Management puts out their forecasts and so in 2022 they published their out to out to 2050 forecast. We're going to be on that 2025 to 2045 piece of that forecast. And historically, Whatcom County and Bellingham would echo this this pattern we track very closely in the mid-range that puts out. They put out a pretty low, low range and a pretty high range. And the range is usually pretty close to what we're actually doing and we're up above or below a percentage or two, but pretty close to that. So if you think the 2016 plan included about 30,000 people over the course of 20 some years, 20 years, we actually had a 23 year forecast because we started in 2013. But if you take just that 20 year piece, it was around 30,000 people. I would say we're probably looking at a similar number this time. We'll have consultants that will refine that number and portion that out to each city in the county and the rural component. But that's a ballpark figure.

Sarah Rothenbuhler: Troy, could you go and then Derek?

Troy Muljat: Yeah, my question was just in the comments there. I was just wondering, we hear a lot about 4000 to 5000 lots. But what is a lot like how do we define that? Because when I talk to the builder community, I get one answer. When I seem to see what maybe is in the buildable land study, it seems to be a different answer. So clarity on what a lot is, or maybe the range would be really helpful for us to participate in the vision.

Chris Behee: Absolutely. We'd love to have you guys be part of that conversation. We've taken a deep dive into the Buildable Lands Report a couple of times with different groups. We'd love to do that with our land capacity analysis moving forward. And none of this is simple. We have some lots that are actually bona fide lots in plats that are being built out now. And we just, you know, count ones that are fully serviced, you know, 5000, 3000, 4000 square foot lots in existing subdivision phases that are just yet to have building permits. And some of them are completely vacant land on hillsides around the edge of town that's still forested, but they're in zones that would support residential development. And we do that math again, it gets down in the weeds, but we do that. We subtract environmental constraints and market factors. Future infrastructure. And we come up with our best guess about what might be buildable in those areas. So we would love to have you as part of that conversation moving forward and make sure that we're all talking about things in an apples-to-apples fashion.

Troy Muljat: Yeah, just to follow up to that, I think that would be really good to understand what is available today, what those size of those lots are and then what is potentially going to be developed because, "potentially going to be developed", that is a huge gray area, as I know you're aware, Chris, with critical areas, setbacks, staff determination, preliminary process. So that's where the rubber meets the road. And that's what's still hard for me to understand. As someone who's seen the buildable land study as to what a lot is.

Chris Behee: Great. Yeah. Thank you. Again, please stay involved. And especially as we move forward with the code updates for House Bill 1110 and try and wrap those things into our future capacity analysis. That'll be critical to have as many of those heads around the table as possible.

Sarah Rothenbuhler: Derek?

Derek Long: Thanks, Sarah. My comment is or question is right along the same lines how do we adjust with 1337 and 1110? I'm assuming there's going to be an attempt to adjust those numbers, making a lot of assumptions, but it's it needs to be factored in right in in what we have that's buildable. So I don't know if you have anything more to add to that, Chris, but thank you for your presentation.

Chris Behee: Fair enough. Thanks, Derek. Yeah, absolutely. That will be part of the conversation. We will be having to adjust our forward looking estimates to include 1110, our recently adopted regulations that reflect 1337 and also just looking at not just what lands are available today and what might be reasonably considered to be buildable by the end of our planning period, but also what would be the affordability ranges that we would attach to those, knowing what we know today, to make sure that we're actually meeting those, the affordable component of that capacity analysis. Because when we look at the numbers from the state, it's the perimeter. Preliminary information looks like upwards of 60% of our future capacity will need to be affordable to people making 80% or less of median, which mean we all know right now we're not there. So we need to figure out how we're going to get there.

Sarah Rothenbuhler: Jennifer.

Jennifer Noveck: So I just wanted to bring up the Whatcom County CEDS and its relationship to the comprehensive plan, particularly the economic development element. And, you know, I've offered the county and the other cities as well for our team and for me in particular, to be of service to the cities and counties in order to make sure that the CEDS is in alignment with the economic development elements. If other cities, aside from Bellingham, choose to have them. So Chris, I would love to be, you know, have a conversation with you or once you're into the process, have our team get involved with that conversation so we can make sure the CEDS is in alignment with the economic development element.

Chris Behee: Yeah, that's great. Thank you. And the sooner the better. Just shoot me an email and we'd love to wrap you into the conversation.

Jennifer Noveck: Awesome.

Dan Dunne: Just also as you go through the process, I think it's important to consider how other policies that might be outside comp plan impact housing. Right now, the Urban Growth Management plan, your best-case scenario is like, Hey, have some trees, whatever. Worst case scenario is trees become like a little wetland and like a tree there. You can't build a house there. And I think that's sort of exemplified by this project by the Bellingham Golf Course over there by the Guide or wherever that is. And that is where it's much needed right now. And that would like to build a bunch of houses. Great neighborhood for houses. It's right on bus lines. It's close to town and freeway, whatever. But there's a lot of pushback about we want to keep the trees as they are, which is understandable. You know, you got to have, you know, hear from both sides. How do you think the city will address those sort of balancing acts of like, on one hand, wanting to save trees and save the environment? On the other hand, we want to build houses.

Chris Behee: Right? Yeah, I'm right there with you. We're wrestling with exactly that. The Urban Forest Plan will be again, one of those plans that's adopted by reference into the comprehensive plan and will absolutely have an influence on how we develop as a community moving forward. That's coming to Council on the 25th, a brief on where the Urban Forest Plan is. So definitely more conversation to come and we are wrestling with exactly that, that balancing act, how to make that work. So thanks, everyone. I think I'm out of time. Okay.

Tyler Schroeder: Just one last thing, Chris. I would be interested in seeing where the city and even the county is, and I'm just kind of speaking on my own. You're looking into regional connectivity, especially from a transportation and economic standpoint. You know, there's the Cascadia Innovation Corridor presentation that happened last week, and one of the big takeaways was just high-speed rail or what that would look like just making our megaregion in the Cascadia area. It's going to get smaller and smaller, meaning closer and closer. I think Bellingham could play a big role in that and Whatcom County. And I think that if we're looking out to 2045, 20 years from now, it might be worth having some conversations in a comp plan about that.

Chris Behee: No, absolutely. Yeah, 100% that needs to be in there.

Sarah Rothenbuhler: And in summary with the forestry comment, the 4 to 5000 lots in our beautiful Pacific Northwest just went to 4 or 5 buildable lots. The trees, slopes - unbuildable. So ending on that humor. (laughter) Thank you so much Chris. Tyler?

Tyler Schroeder: Tyler Schroeder, Deputy Executive for Whatcom County. Sarah reached out last week for me to give a little update or background on the Economic Development Investment Fund for Whatcom County. So over the last 20 or 23 years, in the late 90s, the state passed a law allowing for a state rate rebate of sales tax back to rural counties. For more than two decades, we've productively worked with all of the Cities and the Port of Bellingham to invest back into the creation of public facilities that are connected to economic development opportunities. It's connected actually with the Growth Management Act in the 90s. It was a way to allocate out dollars for rural areas to be able to invest in capital facilities and infrastructure, to support, attract, retain overall economic development and growth where we're at.

I think what I thought would be somewhat interesting is just to walk through the different types of projects that we've seen over the last two decades. There's been about $60 million of investment through this fund out into the different areas. So recently we've been able to invest in a crisis stabilization facility, which is a behavioral health component. And again, there's kind of three or actually two components. There's a capital facility, so the county and the cities could use it for their own capital facility projects. And then we can also use it for infrastructure. So roads, sewer, water, stormwater associated with that. So the county really collects and receives about 30% of the annual income for capital facilities. The rest, the 70%, is then in a grant and loan program that we work with the cities and the port to make decisions on what types of projects could apply for grants and loans.

The first couple of examples are capital facility projects. Crisis Stabilization Center is one of them, was about $11 million project. We use $1 million in EDI funds to help close the gap to get that facility up and running. And anybody who's been out to the Kendall area, the East Walkup Regional Resource Center. Which is becoming more and more of kind of a community hub out in the Kendall area. We used about $2 million for that. I think overall that project was $6 to $8 million. That included the resource center and the food bank that's recently there. And so again, that's another example of a capital project from the county standpoint. And then you get out into different grants and loans. I'd say one of the beacons of this program is the All American Marine project by the Port of Bellingham. They were able to use $2 million, I think grant and $1 million loan to retain All American Marine and build that new facility on port property and then also for the infrastructure associated with it.

We have also started to get into the affordable housing component recently. In the last 2 or 3 years, we've had conversations about how could help with the workforce housing. So one example, not specifically on the workforce housing, but on the affordable housing, Bellingham Housing Authority's new projects there on Samish. We were able to provide a $1 million loan for infrastructure associated with it. The important component there is the Bellingham Housing Authority is a public entity. And so we were able to use the EDI dollars to help support that project. We are unable to, at this point to be able to provide EDI dollars to private entities only within the public realm and the infrastructure associated with it. So that's an important component to remember. In the last year, we've actually been able to approve and get out about $8 to $9 million to the Port of Bellingham and the cities. So the city of Bellingham, we provided a grant and loan for the Birchwood roundabout at their Meridian and Birchwood that's going to be built in the next 2 to 3 years, I believe. Working with the Port of Bellingham, we were able to provide some dollars available for PST electrification, telecommunication. There at the waterfront. And then working with Lynden on a couple of their capital facilities in Ferndale, on the Ferndale Intertie and products we import. Luckily, the Washington State Association of Counties and the Association of Washington Cities and the Economic Development Associates worked with the state to extend this program. They just passed House Bill 1333, I think it was a year or two ago to extend the program out to 2054. So it gives another 20 or 30 years of the program.

[The meeting recording was cut off due to network failure at 12:20 pm. Dan Dunne has provided a summary of the final 10 minutes of the meeting.]

The EDI fund has about $24m in cash, $10m out in loans, and collects $4.5-$5m each year from a portion of sales tax.

None of the money is used for administrative expenses, and all the money that gets loaned out is returned to the EDI fund plus interest and is available for other EDI projects. Of the amount that is collected each year from the State, 30% goes to County capital projects, and 70% goes to grants and loans.

The money has to go to a public entity, like a city or housing authority, it can't go to private organizations. It is allowed to be used for affordable housing, but the County hasn't figured out all the details yet.
I suggested using it to support workforce housing (80% to 120% AMI), Clark suggested Bellingham Mountain Rescue building, and Ken suggested Cherry Point.

<u>**Next meeting**</u>**:**
Monday, October 16, 2023, 11-12:30 pm
Hybrid Meeting – In-person encouraged and Zoom option available