Whatcom County Business and Commerce Committee
Meeting Notes
November 13, 2023

Voting Members Present: Debbie Ahl, Ryan Allsop, Pamela Brady, Paul Burrill, Clark Campbell, Pete Dawson, Dan Dunne, Sarah Rothenbuhler, Russell Tewksbury, Chris Trout

Voting Members Not Present: Casey Diggs, Troy Muljat, Brad Rader, Dana Wilson

Nonvoting Members Present: Rob Fix, CJ Seitz

Nonvoting Members Not Present: Jori Burnett, Seth Fleetwood, Whatcom County Councilmember Kathy Kershner, Barry Robinson, Satpal Sidhu

Public Present: Chris Behee, Lance Calloway, Jane Carten, Doug Chadwick, Erika's iPhone, Perry Eskridge, Brian Heinrich, Rob Lee, Kim Lund, Blake Lyon, Jennifer Noveck, Guy Occhiogrosso, Emily O'Connor, Kori Olsen, Hannah Ordos, Lin Nelson, Scott Pelton, Anna Robbins, Gina Stark, Brock Talb, Brien Thane, Skip Williams, Michael Lilliquist

<u>November Agenda</u>

Introductions / Administrative business / Comments welcome from the Public (5mins)

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

Policy–

Whatcom County 2023 Election Results
Bellingham Regional Chamber of Commerce President & CEO Guy Occhiogrosso (20 mins)
Q&A (10 mins)

Housing –

Demand for Industrial Property in Whatcom County
Director of Real Estate and Asset Management for Port of Bellingham Elliot Smith (20 mins)
Q&A (10 mins)

Housing: Designated Areas for Annexation Within Whatcom County
Government Affairs Director of Whatcom County Association of Realtors® Perry Eskridge (15 mins)
Q&A (10 mins)

Ryan Allsop: That's great. I think we have a quorum, so I guess we'll just kick it off, get started, and call the meeting to order.

Clark Campbell: Second.

Ryan Allsop: The first order of business is I guess to do quick introductions. Any members. And then approve minutes. Ryan Allsop, Allsop Incorporated.

Clark Campbell: Clark Campbell, Gear Aid.

Gina Stark: Gina Stark, Port of Bellingham.

Paul Burrill: Paul Burrill, food processing.

Dan Dunne: Dan Dunne, construction.

Ryan Allsop: On zoom—Sarah?

Sarah Rothenbuhler: Hi, Sarah Rothenbuhler, Birch Equipment.

Chris Trout: Yes. Good morning. Chris Trout with Woodstone.

Pam Brady: Pam Brady, BP Cherry Point Refinery, in the energy sector.

CJ Seitz: Good morning. CJ Seitz of Western Washington University for higher ed.

Debbie Ahl: This is Debbie Ahl for health care.

RB Tewksbury: Good morning. This is RB Tewksbury with the Pacific Northwest chapter of the Internet Society.

Pete Dawson: Hey. Good morning. Pete Dawson of Dawson Construction. Real estate. Thank you.

Ryan Allsop: That's it. I think that's all committee members. Unless I missed somebody.

Gina Stark: No. You got everyone.

Ryan Allsop: Perfect. And then, did everybody get the meeting minutes from last month's meeting in the email. Anybody have questions or changes to it? All in favor? Thank you. And as always, Sarah does a good job of stating this. You know, everybody here, not just committee members, we invite you to speak up, ask questions and bring things forward. The bigger the group is, and the more we actually open up the big group to our thought process and kind of what's going on in this town and county. And there's a lot more, as we know. So I guess we'll start—I think Guy just walked in—and maybe take the swishy coat off. Sarah is going to hear that the whole time.

Guy Occhiogrosso: You know, just for you.

Gina Stark: And talk directly into the OWL so those online can hear you.

Guy Occhiogrosso: Oh, I know how to facilitate an OWL meeting.

Ryan Allsop: So I'm not sure if you heard, last week there was an election.

Guy Occhiogrosso: Was there? I wasn't sure. I don't know, was there? You tell me. For those not in the room, I'm looking at Kim. So Guy Occhiogrosso, president and CEO of the Bellingham Regional Chamber of Commerce. Sarah asked me to do a little bit of a debrief of the election results as they stand now, which I don't really think that anything is that close at this point. I'm always more interested and find more value in Q&A—I think we all know the election results at this point in time. Based upon Sarah's and my conversation, I think three buckets that we'll kind of go down. We'll start with the city.

Clearly: the mayor's race. I think you could probably speak to that better than I could. Again, looking at Kim, mayor elect. I think as far as a council perspective as it impacts the business community: when three of the incumbents win, I wouldn't expect a lot of change. And I think with Jace winning the open at-large seat, functionally leaning in, I would say, to that activist councilmember role, a very similar role that Kristina kind of self-described. So I don't really see too many community changes from a city council perspective. Again, how the exec's office operates, we'll see. And again, I would be remiss to not have Kim speak to that point. Looking at County Council, that's where I think some of the changes that were my biggest surprises with the District 4. I think the county still has to figure out what actually happens. And this is the Mark/Kathy race. I think we'll kind of see what Mark's allowed to vote on, will vote on, what kind of path forward. I think there's a lot of questions to ask there. Functionally, I think, the results really again solidify to me Kaylee's role as the swing vote on County Council. Even, to a degree, I could see John, newly elected council member, kind of aligning in that same role. So it'll be interesting to see how the dynamics change at County Council. Of course, the exec's office status quo, and I think that's probably the biggest impact to this body as the entity that it reports to.

Public safety: I think there's a lot of not-surprises. Not shocked that the jail ballot passed, overwhelmingly so. I was surprised it got that much. But I think when we listen to the humans in our community, public safety is always top of mind. I think people are exhausted, and people recognize the nuance to public safety and making sure that it's equitable and safe for all humans. And I would hope that extends to, you know, properties and business properties and engagement as well. And so I think it'll be interesting seeing a new sheriff. That role doesn't really necessarily engage too much with the business community necessarily. But I think it is a significant change. I mean, whenever you have any elected city leader of almost 30 years leave, that's a significant change.

The biggest piece, I think, as it relates to the business community are the initiatives, specifically the wage initiative. I've spoken to this body a number of times at length, I think. I think we all, as the business community, need to recognize that prices are going to go up, right. That is going to be a direct result of this. Not every business is created equal. It would be foolish to look around the businesses on this table and in this room, and understand and think that they all act and operate the same. Right? Broadly, prices will go up. We as the chamber are engaged in starting a study now to kind of build the trend out over the next two years. I've been quoted a couple of times, so I'll try to articulate it the way that I've written it down for journalists. The probable negative impacts of this hopefully will be less than the intended good. Right. I fully expect some negative impacts because of both initiatives, but specifically the wage initiative. Let's hope the intended good is more than the negative. And let's hope there is no negative. Now, don't think that that's realistic, but that's my hope. So let's plan a data set that we can measure over the next few years to see if that holds true. And at two years' point, we would have the opportunity to engage with the city council to alter it and change it. I thought I saw Perry on the screen. And so even though the realtors aren't officially taking a stand on the rental initiative, Perry probably speaks more eloquently than I could on that. But I think it's indicative that we saw no one oppose this. And why that is, is most people realize that it's just going to be more revenue, right. A lot of—and again I'm quoting Perry here, so Perry, feel free to correct my quote—property managers see this as an opportunity to increase revenue.

Ryan Allsop: It's guaranteed, right, is pretty much what I heard.

Guy Occhiogrosso: Yes. And so I think it'll be really interesting to see which property managers, which owners stick to a 3% annual increase versus those that push up to like that seven and a half—I hear 7.9, I don't know how realistic it is to get that close. So that gives me some stress when we talk about housing, right. Public safety number one pain point in the now. Housing number two, but much larger conversation. And we just intentionally raised the price of housing via this initiative.

Perry Eskridge: Well, if I could just add to that just for a minute, Guy.

Guy Occhiogrosso: I'm not the chair.

Ryan Allsop: Oh, Perry. Go ahead.

Perry Eskridge: I was going to say, beyond even the revenue standpoint and increasing the cost of housing, we've got the other pressure, which is going to be what's going to happen to the permitting for multifamily housing and those types after all of this, too. I mean, we talked to Jace Cotton about this during our endorsement interview process, and he lifted this ordinance, he and the other drafters, it's almost verbatim from Portland. And I think I mentioned this at a prior meeting—when Portland adopted their initiative like this, their rental housing decreased by a full 14% in the year following. And, you know, a similar result in Saint Paul, Minnesota, had a little more strict ordinance that they adopted, but nonetheless very similar to ours. And their building permits for multifamily homes dropped by 82%. So that's another thing. At the same time, when we're talking about we need more housing, we've now just disincentivized anybody from looking here to provide that. So it's going to have an interesting effect.

Ryan Allsop: Are you going to track that similar to how Guy is going to track the minimum wage impact? Are you or somebody going to actually track that for us or can they—I guess I'm volunteering Guy. You know we'd love to track that.

Perry Eskridge: Oh, absolutely. It's kind of fun to see Chris Behee on here, because I've met with him so many times in the last few weeks, but I was going to contact him today and see if we couldn't get a benchmark as to where we were on applications, or maybe even pending projects that have been in discussion, and see if we couldn't track that as we go forward, because I think it's going to be a very interesting study.

Blake Lyon: One of the things I'll just mention for the group's benefit right now is that we're already seeing land use entitlements, where people are coming in and pulling, basically getting their projects approved, but not pulling building permits. And that I would attribute more to the cost of money right now. And it's just, people are just sitting on that. So they'll have the, you know, the ability to get all those projects approved, but just not start in on the construction. So trying to understand how much decrease in construction is going to be as a result of that versus the initiative, that's the part that's going to be a little hard to kind of track. So we'll track, you know, our progress in those efforts. We also have the new state legislation, which with middle housing and some of that we might see some, you know, stack up in that and we'll see. We've got until January of '26 to get all of that stuff. But we're working right now with the state and with commerce to make sure we look at what the model ordinances are going to do and how to kind of approach that as well. So there's going to be a few things in there that we'll figure out. Okay.

Guy Occhiogrosso: Well, I think just with that, like the impact of the wage initiative would be really difficult to unpack. But I do think that there are certain data sets that have greater value beyond just its engagement with the initiative that we need to measure against. So the one, and there are others I know, but the one that I am more interested in is the Cost of Living index, which pings us depending upon where you're looking at it, 19 to 22% above the national average, right? So the Bellingham MSA. Seattle is at 49, 50%. And so we just use that difference on as it compares to the national standard or the national average, and apply that to a minimum wage. If we're going to assume, well, the Seattle minimum wage is approaching $19 now, which it is, if we take the percentage reduction based upon, we're not at a 50% above national average, that would put our minimum wage about to where the state's is. So comparing apples to apples and the value of money as it relates to a cost, we are now, in real dollar, the most expensive labor market in the country, I would argue.

Blake Lyon: The other piece I'll mention, just really quickly, is that we're also—Chris has got a dataset on this one too that has really been beneficial—is when we look at our single family inventory and the number of units that are that are owned, predominant ownership of those that are in the rental market are what I'll refer to as kind of the smaller scale owning, you know, ten properties or fewer. It really is limited to about 13 entities that own more than ten rental properties in the single-family space. And so how many of those kind of smaller scale or mom and pop landlords are being deterred from being in that space, you know, are they saying, oh, it's just getting too, too onerous to be a landlord? Does that pushing it more into kind of the corporate ownership piece? So that's the part that I'm particularly interested in.

Ryan Allsop: And there's other factors that also play in that too. That everybody's taxes went up 45, 40 and 45% in the last two years.

Gina Stark: The assessed value.

Ryan Allsop: Assessed value, yes.

Blake Lyon: So that's another thing is like are people looking at it and saying, look, it's too cumbersome to be a landlord these days. I'll defer to property management companies and corporate owned property.

Guy Occhiogrosso: Well, and I think just more broadly the cost to borrow money. Right. Like we will see this as a significant impact to business alone, like, let alone the fact that our housing and our labor force are now more expensive. Right. And so in a lot of my articulation with the minimum wage initiative is, yes, I think things are going to go up. Things are going to go up anyway. How much more are they going to go up? Because this is my question and that's what's hard to unpack. Additionally, I do think that there are other very real outcomes that might be really specific. Some entities can't price change just in Bellingham, so their opportunity to flex is in the reduction of hours or the reduction of an operation day. I wish Casey was here because Casey could speak to that, as he has before. When I look at Rob and Gina, right, as the entity in our community that's charged with attracting employers to our community, I think it will be even more difficult to do that now because of some of these things, especially if those employers have anybody. And I would suspect the wage compression that this will cause will be anybody from minimum wage to the $40 an hour where you're salary or wage, you're probably going to expect a bump because everything that you do is going to go up. So how does that impact manufacturers coming into the community? Right. When they're looking at, oh gosh, like Bellingham's the most expensive place to do business in America.

Ryan Allsop: Debbie?

Gina Stark: Debbie has been waiting.

Debbie Ahl: Thank you. Thanks. This is Debbie Ahl, and I just wanted to kind of echo what Guy is saying. So, you know, a number of businesses may not have the flexibility to increase prices. And I just want to remind everybody that, you know, our efforts are providing services to so many of the social determinants of health, the conditions in our community that we're trying to raise up and solve so that our economic health is and our downtown community is healthier, and nonprofits don't necessarily have any ability to raise prices. The impact will be from their funders, which include our county and our city. So we just need to be aware of, you know, how this funding works in order to solve some of the issues that we need to do for the economic vitality that we need for the community.

Ryan Allsop: I mean, I would think that's a good point. I think it's similar to the one, Prop 5 last year, the Child Care Act. And this impacts childcare centers pretty significantly.

Guy Occhiogrosso: We're starting to hear that.

Ryan Allsop: And so you're like, oh that's a direct negative impact for them. But Erika, sorry. We'll just leave it. Erika has had a hand up for a while.

Clark Campbell: Just saying, Debbie, you got a little bit of feedback. I don't know if that's you got two speakers going or not, I guess that's here in the room.

Erika: Hey, it's Erika and I'm driving, so I'm not going to turn my camera on. But you queued me up beautifully. I'm neck deep in Healthy Children's Fund work. And what I heard last week from our childcare providers is they are going to have to raise rates on the very families that are already struggling to support them, the child care facilities. And it's not the poorest because they already receive subsidies. It's the middle-class families that this is going to hit. And we have a really difficult policy decision to make at the county, whether or not we're willing to disproportionately subsidize Bellingham based childcare providers so they don't lose more families who cannot afford the services. Given that they will have to raise minimum wage in a different way than those outside of the city of Bellingham will operate. So it's just tricky not to pile on to the doom picture, but it does. That does feel really challenging from a basic perspective as well.

Gina Stark: It doesn't do anything.

Guy Occhiogrosso: It's us. The sound is coming out of both speakers.

Ryan Allsop: So maybe turn one off?

Guy Occhiogrosso: So again, looking at the time. Recognizing that I'm at pretty close to time, but ties all of this in. There is already an active campaign to get this on the county ballot. Yes. Probably we'll see this before. And actually there's dialog about bringing it to council, which if I had if I had my choice, I would say let's do it at a council level so that we can measure and change it and end it versus waiting the minimum two years via a citizen initiative. So stay tuned because to Erika's point, the Bellingham exclusive impact may actually extend beyond that. And I also want to reference—so if we look back to that time that we don't want to really reference during the pandemic, the city also instituted the emergency, what was it, hazard pay bump. We saw that impact county employers. So I always use the reference. If you are a Ferndale grocery store and you have staff that can go make $3 more or $6 south, let's say the Bakerview Fred Meyer or Costco, they're going to do that. We're that much of a commuter community anymore. So this will spread beyond just Bellingham. To what extent I don't know. And if the county initiative, whether it's council or citizen would just impact unincorporated county which causes a whole other separate basket of fun.

Clark Campbell: So just I don't know, there's another hand up but Clark, Gear Aid, what we see, you know, we've got 50 employees at our company, and we've been trying as part of policy to stay ahead of this by like two years. Right. So this kind of accelerates that. But essentially right now it's $15.74 in the state, $16.28 on January one, $17.28 on 5/1 for Bellingham, which if you if you use CPI as kind of a gauge, we'll be at $18.50 to $18.80 in May of 2025. Yes. So if you're right now under $18, you're behind the curve on this in terms of trying to be able to keep up. Obviously, there's acceleration of the compression issues like you say, go all the way up to $35 to $40 an hour. But if you think this is it's not going to just be a Bellingham impact, because what we look at is like, what's the functional rate of hiring if the minimum wage is that? The functional way of hiring typically to be competitive, you got to be a buck or so ahead of that. So what that says is like by next year, by a year from now, May 2025, the functional minimum wage really for Bellingham. And I would say that probably plays to Blaine, Granite Falls, Burlington. You know, that circle, is probably going to be about $19 an hour. And so if your business, you know, business can move you might see some movement, but it's probably not going to be to move to Burlington. Right. It's going to be outside. It's going to be moving further than that. But other businesses, you know, that are restaurants and those sorts of things. Yes, you've got to do what you got to do, whether that's tailor your hiring or tailor your hours or tailor your menu. Right.

Kim Lund: I was just going to ask, to Debbie's point that she made about the nonprofit community, is the chamber going to have that in their purview and this kind of baseline two-year study, or is that a community foundation role or someone. . .

Guy Occhiogrosso: I mean, I could be a I could put on the hat of a cynic and say, gosh, when our functional minimum wage is $19 an hour, do we need charitable nonprofits anymore? Right? Like again, takes the cynic hat off, functional hat on. Absolutely. Probably more so. We're already in a workforce crisis nationwide. Not enough humans here to do the work that's needed in a down economy right now, not a recession. I don't want to use that word. And this is the big funk. You know, will we ever enter a recession when there's 3.5—right now, as of October—there are 3.5 million more job openings than humans looking for work nationwide. We have a functional issue. So you tie housing locally workforce crisis and now this pressure. It's hard to say that. We asked the nonprofits to engage in it. It's really hard for them to come out from an advocacy standpoint and say, hey, this will hurt us. I don't know how it doesn't. Right. But again, that's like what metric do you ping on? Right. So I think it's tough. Happy to have that dialog. What's the metric that's going to say, and looking at our city council member across the room, what is the metric or set of metrics in two years where council can say, gosh, this hurt a lot more than it helped. We need to alter it or remove it. What are those data sets that's going to speak to our elected officials to say, gosh, this this is more harmful. Good question.

Michael Lilliquist: I'll talk to the mayor about it.

Guy Occhiogrosso: I'm moving myself away from the table so we can move on to other topics.

Ryan Allsop: I think you brought up a couple of points or one caveat. We're not going to be reporting to Kathy anymore as a committee. She's been our liaison. We need to figure out who that next person would be. So we don't have a lapse.

Guy Occhiogrosso: And that's usually done at the beginning of the council year.

Gina Stark: We'll have to bring that up to Tyler.

Ryan Allsop: That'd be great. The jail—now that it's actually passed, we're going to have an interesting conversation about what the next steps are. You know, there's a lot of a lot of talk about how it's started. Papers already reporting. We voted for it. It's still a really long way away.

Michael Lilliquist: After that, one of the most important next steps is the city and the county. The county and the cities need to interlocal agreement, which is actually how the money will be shared and how it will be spent as opposed to what are now guiding promises. So the next step is actually a binding legal document to be inked sometime early next year.

Ryan Allsop: So that would be interesting to talk about the time frame on these things and then the critical milestones. Then there's the design and the permitting. There's not only the first purchase, but all those steps. Anything we can do to expedite from four years to five years out to three, three and a half would be phenomenal. Right. I mean, so and then there was a part of the minimum wage, there's the minimum wage, actual increase. But then there's a legal portion of that that my understanding is, and I think Erika dealt with this a little bit when they implemented Prop 5. Like there were some things that weren't actually, legally, drafted properly in the ballot measure. And I think there's part of this, this now gives access to the city, to employers records and stuff that has some legal implications.

Guy Occhiogrosso: I would defer to city staff.

Ryan Allsop: And I brought it up with Alan Marriner. And I think it's, I mean, I know what I would say as an employer, but there's also management back to the city to actually implement something if that's going to happen. And so I guess, is there a thought on this already?

Michael Lilliquist: Ordinances are presumed valid unless challenged.

Ryan Allsop: So get ready to challenge it.

Guy Occhiogrosso: That's what I heard. So can I make one last comment before I step away?

Ryan Allsop: I think we had five, so we're good.

Guy Occhiogrosso: I thought it was 15 minutes, but anyway.

Gina Stark: 20 and ten—you had 20 minutes for discussion and 10.

Ryan Allsop: Three more minutes.

Guy Occhiogrosso: Well then I can still be here. So looking at the zoom room and those here, clearly this was an election dialog or post-election dialog. I just want to say thank you. Thank you, those of you who stepped up to run, whether you won or you didn't win, that campaign process is brutal. But more importantly than that, we need leaders. We need people to come to the table and work together to find solutions for the multitude of issues that we have. And if you put yourself out there, I just want to say thank you. Thank you for your willingness to do that. And for those of you that won, I look forward to working with you.

Ryan Allsop: Awesome. Thanks.

Sarah Rothenbuhler: I have a quick question. Scott put a great article on the chat about Portland and not necessarily tracking results of these initiatives very well. What is the time frame before anyone could reverse these initiatives?

Guy Occhiogrosso: Two years.

Ryan Allsop: Let's go to the City Council to reverse it. Or is it just to go back on the ballot?

Michael Lilliquist: The City Council cannot alter the ordinance in two years. I think it's an open question whether or not an initiative could do so, because the language very specifically limits a city council's legislative authority, not another initiative authority.

Ryan Allsop: Two years, nothing could happen for three years.

Guy Occhiogrosso: So that would be January 2026 just to timestamp it for people, right?

Kim Lund: Unless it's challenged. And there is severability in as it's written for those. So there could be pieces of this.

Guy Occhiogrosso: True. I don't see who would lead that. Right. So when we look at campaign spending like there was no "No" campaign, right. There was no "no" on the rental campaign, I would I would say a part of that is our business community over decades, along with a lot of our businesses, especially those that will be deeply impacted because of this are smaller, more retail, more restaurant like. They don't have the revenue to engage in. So I don't know who would lead a reverse this on the ballot next year campaign. Don't know who would lead the court challenge campaign. There's perhaps some state associations that might do that. But they're also engaging in this minimum wage issue, an increase in multiple jurisdictions around the state. So, I think it's up to us to say, what does success look like? Right. What does failure look like? Measure them and then engage our elected process to say, please fix it and recognize. Right. I think this is an important piece. When we look at being in a workforce crisis that we're not going to get out of for at least 15 years, my guess. Couple that with the fact that, if this initiative is engaged for two years.

Looking at the employers in the room, how many people actively reduce people salary on a regular basis? It doesn't happen. So this will be a bump for a big portion of humans. And if we were to go away in two years. Or two years, two months at the earliest, people aren't going to retract wages. It'll kind of stall out people entering the wage, but recognizing that we're in this workforce crisis. People will always be comparative on wage. So my fear is the damage that this will do, especially as it relates to the other businesses that we want in the community. Recognizing that it may be needed to repeal to attract some of the small businesses that we often called ourselves, the community that we love to support. So we might need to repeal that at some point to ensure that they have some viability to enter a business market. A lot of the point to class.

Ryan Allsop: Well, yes, we probably need to transition to our next speaker. Sorry.

Gina Stark: And I just want to make sure to call attention to Scott from Whatcom Housing Alliance did put something into the chat and then Hannah of course, said that it was a pleasure to represent Whatcom County.

Ryan Allsop: Thank you, Hannah.

Gina Stark: Thanks, Scott, for that.

Ryan Allsop: Next up, we have the demand for industrial property in Whatcom County.

Elliott Smith: And I'm going to take my mask off for a few minutes here. Rest assured, I have a cold. I've used a whole pack of tests. It's just a cold. I am probably less of an expert on this topic than many of the people in this room. The workforce issues definitely play into this space.

Elliott Smith: So before we before we go to the first slide talking about industrial property, I'd like to tell you a little story that maybe got lost in the last six months or so. The Port Commissioners last year approved a project to acquire the former Ershigs factory up on Marine Drive. We put forward as Port staff a plan to lease that space out to local industries, with some focus on the marine sector, but not only the marine sector. That plan indicated that we would have about 18 months to lease that property out. We knew it was an older property, but in pretty good repair. A lot of heavy working space available, lots of power available. We thought that was a pretty promising deal. And we were quite happy that the commissioners approved it. We acquired it. Our 18-month plan to lease it up took 3 months. Now, this is interesting because these are not companies with 50 employees. It's companies with 5 or 8 or 10 employees. But they are still out there looking for space. And there is very, very little space out there for them. So just keep that story in the back of your mind. Next time you go drive down Marine Drive, take a look at the Port signs in the front of that property. We still have some transition to do there. In terms of the former office building, in terms of fencing and transit areas, but it has been tremendously popular and starting to see a whole lot of activity there. So that's really promising to see that. I hope to be able to do more of that for the small business community here and larger businesses. But, really exciting to see how quickly that went. So starting with that story.

Now can we go to the next slide? You may have noticed in some recent county commission meetings there was some excitement about having industrial areas. I just want to outline where those areas are and what's in them at the moment. Can you go back to. . . A point for those in the room where it says Cement Plant Road, in that area in there is where we bought the former Ershigs property. It's now Marine Drive Industrial Park. Behind it is Bell Lumber and Coal, and there's a steel company down at the end here. And forgive me, I've forgotten their name, but—Morse, yes. This is a former cement plant, and this was the subject of some recent discussion. Those are labeled heavy industrial. And then way down here by the waterfront is Mt. Baker Plywood. They are also a heavy industrial area and have been for, I think, longer even than the than the cement plant. But those are the three that are in the immediate area here. They are the only heavy industrial areas in the county, with the exception of Cherry Point. And maybe we could flip to the next slide now.

Blake Lyon: Can I make one quick comment on the previous one? For those that aren't aware, that Marine Drive site, the one that ABC recycling owns, they're going to the county for their pre-application meeting on Thursday of this week. So we'll get a little more understanding what they intend.

Elliott Smith: Interesting. Regardless of how anyone feels about that proposal, they were clearly attracted to this because it's the only heavy industrial area with rail spur, and rail spur is quite important. So we have quite a few businesses that come to us looking for business down here by the Bellingham Shipping Terminal and the Log Pond for more general industrial. They're always interested in rail spur. There's so little of it at this moment. There is a rail spur down by Mt. Baker Plywood. There are several spurs in the area of the former Oeser facility and formerly in that purchase facility that could presumably be reactivated. And there's rail spur going into the cement plant area. So that's quite interesting for businesses here. Frankly, most of the ones that come to the port, we turn away or say, yes, we hope to have that in five years. We have a plan sketched out where it could go eventually, but we need the railroad to be on board.

We also need our cleanups to be finished down at the waterfront. Getting closer. Then we can actually show on the map where those would come in the future. But these three are it at the moment for heavy industrial, and it felt like the other two sites by Ershigs and Oeser and down at Mt. Baker Plywood got kind of forgotten in the other discussion. There are quite a few people working in those two locations. So interesting. Many of you know this already just reviewing what's out there at the moment. This slide, I think, speaks for itself. Oeser has now leased that facility to Bell Lumber & Pole, so they're effectively operating that site, although I think this is still officially the name. So I started asking. As a relative newcomer to the county, I've only been here around three years. Where else do we have for heavy industrial? And the answer I got over and over again was only at Cherry Point. So this slide looks at the outline of the industrial area in the Cherry Point area. And that looks pretty big. However, it's not always useful as it seems at this moment. And you can go to the next slide.

Ryan Allsop: Is that is that all privately held? The refineries and Intalco. They all own that. There's no land out there. There's no public ownership.

Elliott Smith: As the port real estate director. I haven't really been sending people up there because we don't have a position up there.

Ryan Allsop: Pam, want to sell any land up there?

Elliott Smith: So this is the zoning map outtake. And thank you to the economic development team here for putting this together. I did not author this piece. So you see quite a lot of area there that is undeveloped. And if we could go just to the next slide. This is quite interesting. This is a developability index. And if I put it in very simple terms, it's how hard is it to actually get a new business in there? It's one thing to be in a site that, for example, was a former aluminum smelter. It has power, it has roads, it has water, it has sewer, has a few things to clean up, but relatively easy to put a new enterprise in it. If we can come back to this, but let's bump to the next slide for one moment.

What's quite interesting here is that, great, there are 8000-plus acres of heavy industrial land that we could use. Wonderful. That's fantastic. But if you put this developability index against it, you find that the lack of roads, the lack of power, heavy haul roads, lack of rail spur, wetlands, impact on some of these areas, many of these areas, it isn't. It is in the county that actually takes it down to only about 256 acres that are actually—am I reading that correctly? 335. It's a very small fraction of the 8000 acres that are actually available to build anything on, right now.

Ryan Allsop: Excuse me. And they use that heavy impact industrial. Is light impact industrial included in that particular table? That's a lot of acres that are also available for other purposes.

Elliott Smith: Yes. A good point actually. I was asked to focus on the heavy industrial. That might be a good follow up. But another point, and as we focused on, for example, what's coming in at the Marine Drive Industrial Park described at the beginning of this discussion. 95% of that would handle light industrial zoning. However, we bought the place because it was heavy industrial zone. It was one of the main drivers for it. The same with other people that have purchased land in that area.

Gina Stark: So Jen says, clarification. Not all heavy industrial is measured. Points pools all industrial parcels over a certain three areas and under a 50% utilization ratio. This measure pools all industrial parcels over three acres. And I just reread what she wrote. Thanks, Jen.

Jennifer Noveck: Yep. No problem.

Gina Stark: Okay. Sorry. I knew she could help clarify that question.

Elliott Smith: I'm not sure I'm totally clarified now, but what I am sure about is that if we're going to try to push heavy industrial out to Cherry Point, that's going to require quite a lot of work to make that happen in the short term. Medium term.

Guy Occhiogrosso: Is that work of investment or work to acquire the land from the private, current private owners.

Rob Fix: It needs services for water, water, sewer, electric, all of that.

Gina Stark: Plus wetland mitigation is huge on that. That's huge.

Rob Fix: Heavy impact or light impact, that's still a wetlands issue.

Elliott Smith: And this is an issue even on the light industrial that the Port does own. We have some light industrial around the airport. And it's a struggle finding parcels in there that we can actually build on. So we could use some mitigation elements, but that would be an issue for all of the available lands at this moment, regardless of the answer. So I don't have a lot more to say on this topic.

Guy Occhiogrosso: Sorry. So just a brief what I believe to be clarification. A lot of the historic heavy industry at Cherry Point were based upon the three sites that were already there. All used water access. So you didn't necessarily need all of the roads and infrastructure. You needed the piers and the water access. And now recently last 10, 15 years. We know that that's not a viable solution for the use of that space. So I think that's an important framing for this broader dialog. Like we want heavy industry jobs at the heavy industry zone that we need. We need to actually have some infrastructure to meet that, that we don't currently have the historic infrastructure access to.

Elliott Smith: Now a newbie observation. When I drove around the county as I first arrived here, with a mask on then as well as I recall, I looked at the roads leading up to BP and the roads leading up to the aluminum industry there, and it's like, huh, this is a heavy haul road. Who built this? When somebody invested an awful lot of money and putting those in, I don't know when those happened, but if you're coming in from the outside and looking from the first time, it's pretty clear there was quite a big investment in those at some point. It's quite a few years ago, I think at this point I wasn't here. Perhaps some of you were, but I think you'd be you'd be talking about that scale of investment to get that land knocked into shape.

Gina Stark: Jen has her hand up. Go ahead, Jen.

Jennifer Noveck: And thanks everyone. I just wanted to give a little bit more context to this database so that, you know, we know that it's a resource available to help solve this problem. So this database came out of the Whatcom Futures Report, which was released in 2014, as well as the Whatcom County CEDS. The database was essentially put together with the understanding that there is a lot of critical areas in

Whatcom County, which means that between that and the public lands, we don't actually have, you know, endless buildable lands in Whatcom County. And we needed sort of an inventory of what was still available, particularly with a focus on industrial and residential lands, because, as we know, housing is also an issue in the in the county, state and nation. So the idea with this database and what we can do with this is what it shows us is, you know, there is a current scenario. So this is the current scenario for those properties at Cherry Point. And it they rank low developability mostly because they, as Rob said, and everyone confirmed they lack particularly utilities—power, water—and the type of infrastructure and heavy industrial users would need.

And we have another scenario within this map that assumes what would happen to these properties if utilities were built. And we can actually say, okay, if we had water, electric, sewer here, how easy would it be to develop these properties. And in within this study, we can see that actually there are several areas of the county where if investments, strategic investments in infrastructure are made, that there will be additional parcels available, both industrial and residential. And a lot of those are in and around Ferndale, Birch Bay, Cherry Point and Blaine in particular, especially when we're talking about heavy industrial lands. And that's just also because of proximity to rail and I-5. Right. As we get further east in the county, you start to get lower rankings of developability because of that. So, you know, that's really what this is. This is showing us. And again, this isn't all parcels. The study only looked at parcels that were over three acres in size and had under a 50% utilization rate. So yes, hopefully that gives everyone a little bit of clarification on what this does and what we're hoping it to be used for really to make some of those strategic infrastructure investments to make these parcels more easily developable.

Gina Stark: Thanks, Jen.

Elliott Smith: Question down here.

Ryan Allsop: I thought well, we've taken out acres in the last 20 years, heavy industrial land out of this county. I mean, 100 and something acres of taken out cement plant that was on Squalicum Way right by my offices. You know, those are all heavy industrial on rail spurs. We've actually reduced them significantly, intentionally. Because saving the county for other repurpose them, I should say. At the same time, we have an opposing force, because I've been on the other side of this from developer wanted to down-zone or make its own zone, change zoning on my light industrial land to go to residential, which we all talk about needing a lot of also. And we, I know, you know Haskell's are trying to in Fairhaven numerous times on that property over there.

And so we always, this is always a battle back and forth. If we change zoning for the purpose of housing or, you know, or protecting space sometimes, but mostly it's changing zoning. Is there—and then we, you know, once you know, all the stuff make it more complicated than it's one of our—is there a mitigation like, is there a bank we can create somehow in the county by develop, bring in resources and take high value, high density areas like Fairhaven or, you know, and instead of putting more metal buildings down there in a great area, walking to stores and restaurants and whatnot, and turn that is there some opportunity we could create in this county that would be, you know, allow for easier development and changing of zoning.

Blake Lyon: The wetlands mitigation. Banking is. Is a very complicated process and one that required, more than likely the feds to get involved both in the state from a permitting standpoint. So if we can crack that nut, that's probably the biggest one. And then obviously working through the comprehensive future land use process, both cities and county is probably the second.

Ryan Allsop: Changing zoning is virtually impossible unless it's done.

Blake Lyon: But just getting a bigger philosophical approach to countywide land use and say, okay, City of Bellingham maybe has less heavy because of the higher concentration of residential, but it's okay to have that in these areas. And so having a more, a broader approach I think is going to be the bigger piece. And that's theoretically what the comp plan process is supposed to do.

Rob Fix: The wetlands mitigation is the key piece there, because you're involved in the Army Corps of Engineers who work really slow. Anytime the Corp is involved, just slows the pace of everything down.

Clark Campbell: And has that been done anywhere in the state of Washington, where they attempted wetland banks effectively?

Rob Fix: The Port used to mitigate wetlands for the airport. Quite often. We quit doing that. We saw the airport growth stall, so we haven't done it for ten plus years, but that used to be a regular occurrence for us.

Blake Lyon: But you need to think in an order of magnitude of years you know.

Gina Stark: And I know that county exec Satpal has mentioned it quite a bit. That is something that they want to do in concert with the comprehensive plans that the city and the county is doing. So now's the time to have these conversations.

Kim Lund: Does Jennifer have the slide of the future scenario? Like this is the current one. But has she been able to quantify how much additional land could be from low developability to if we made that strategic infrastructure investments, do we gain like more land?

Elliott Smith: I don't think there's a slide, but if you go back to this graph, you could look at the mid-range land.

Gina Stark: Go ahead Jen.

Jennifer Noveck: So a couple of things. If you want to go back to the slide that shows the table.

Jennifer Noveck: Okay. So the current parcels are ranked low medium high. And we actually within this report do show the change in rank. So there are lots that change from low to mid. And there are lots more that change from mid to high. And we actually have those calculations by acre by UGA. So we can tell you that, you know for example, this is just off the top of my head. Just a memory. So it might not be exact. But if you look at the report there's a table for Blaine. And you know, Blaine has currently again, this is off the top of my head, something like 15 industrial acres. And they are highly ranked. And then it has a low rank of say 70 acres. So if utilities were present, that would change, you know, more than two thirds of those up to high. So there are some areas, as I said, of the county, where there's really high gains to be had just by putting in the basic utilities in certain areas of the UGA, particularly areas where multiple parcels will be impacted. So, you know, for example, the eastern part of the Blaine UGA, for example, has a lot of good residential parcels, but it's very undeveloped in a lot of forested land.

However, if you know, an electric line is sewer line and a water line were extended out to that area, that would create a lot of developable residential parcels and make them much more easy to develop and much more likely for them to be affordable, right, because infrastructure would be in place. And we know that infrastructure is a major barrier to affordable housing development if developers have to put that in themselves. So I highly recommend, everyone that's interested. Take a look in this at this report. Again, it was from 2019, but I don't think these numbers will have shifted drastically over time. We may see some of them fall out because the utilization is so high and concentrated in a lot of areas that we may assume there's less now, but the actual database is updated just for everyone's awareness. So we've been keeping that updated on an annual basis and can really rerun these calculations at intervals that make sense. So, you know, maybe a year or two we would rerun these and see how it's changed in the, you know, in a five-year period or something.

Ryan Allsop: Thank you. One last quick comment. Thank you.

Michael Lilliquist: So this is not a criticism of a focus on heavy industrial. I don't want to hijack the conversation, but in the city, I'd love a similar conversation about light industrial in the future somewhere else.

Ryan Allsop: Definitely. There's overlap there. Certainly.

Sarah Rothenbuhler: I just wanted to say, Elliott, thank you so much for presenting as well. And I just wanted to make a quick comment. Jennifer, could you get moved back to Whatcom County and run for whatever public office you see fit?

Jennifer Noveck: I would love to move back to Whatcom County, Sarah.

Gina Stark: And we would love to have her back.

Guy Occhiogrosso: Where will she live?

Gina Stark: That's the problem. That's why we lost her in the first place.

Sarah Rothenbuhler: Yes.

Guy Occhiogrosso: Sorry. One more quick, clear clarification. And Jen may be the best person to answer this. And maybe if Pam is still on as well. So looking at the map, just kind of curious. Does the report remove the buffer properties that are needed for some of the facilities that are out there so that that get taken into account?

Jennifer Noveck: That's a good question. So are the database includes buffers for lots of different infrastructure. So it includes, for example, buffers from the pipelines. But in terms of the heartland study, I'm not sure if heartland actually took into account the buffer land. That's a good question. But so for example, most of the study was really focused though just on the undeveloped parcels. So that was part of the reason why there wasn't necessarily a buffer discussion. But it would make sense because if any, you know, H11 zoned property does require some type of buffer or noise abatement or whatever, that should be figured into how much available property there is there. Because if we think that we have, you know, x thousands of acres, but, you know, so many acres need to be a buffer for every single property that's that zoning type, then we have a lot less than we think.

Guy Occhiogrosso: Right. So I was looking at the map and—

Ryan Allsop: Short question.

Guy Occhiogrosso: Yes. Just considering I was, you know, Ferndale Chamber for 7 or 8 years, I thought the colored areas of the map looked awful close to some of the facilities that I believe need a buffer. So again, I'm trying to make sure we're using good info there.

Ryan Allsop: Next up we have Perry to take on a very large subject matter that we've talked a lot about annexation. Good luck. Sorry. How's that for a setup?

Perry Eskridge: Yes. When Sarah called me and asked me if I would be willing to take on the issue of annexations in Whatcom County, I was kind of like, oh, and why don't I just tackle world peace while I'm at it? I'm looking at some of the people now that I see are on here, and they are, you know, much more informed on this issue than I am. Chris Behee. And I noticed that Blake Lyon is sitting in the room with you guys, so I think they can probably add a lot of color to our nightmare. But generally, I just wanted to, I don't know, Gina, if I can share my screen here.

Gina Stark: You should be able to.

Perry Eskridge: Okay. This is a map that I found on the City of Bellingham's website that has the history of annexations in in Bellingham. I'm going to focus on Bellingham, of course, because they're kind of the 800-pound gorilla, right? When we talk about zoning issues. But the same, the same general broad policies would also apply, I think, to every other municipality in Whatcom County. When you look at Bellingham, you know, if we go back to 2000, most of those properties that you're going to see that have been annexed are up here in the northern part. And in fact, you can start with number 31, sort of over here it looks like off of Sunset Highway. And you can just start counting up 31, 32 was down here and then just start counting up. And you can see all those higher numbers are up here in the corners. I know recently we have some we have the DNR lands that were over in here. Chris Behee, he informed the Building Industry Association last week that the area off Britton Road here is now coming in. And there's some interest in Tweed Twenty. This area right over in here. I think what's most interesting though about the annexation process is when you look at the lands that are coming in, a lot of the areas that I think are ripe for annexation don't necessarily add anything to our developable lands.

I think the one exception would be if we talked about the South Tech properties up here. As you get closer to Smith Road off of Meridian Street, that I think has the most potential. But we also know that this area in here brings a lot of, you know, the people in here aren't really interested in being part of the city of Bellingham. And so that that throws a problem when you get to the boundary review board side of things. The other ones we talked about were Geneva, not a lot of interest in the people in Geneva to come into the city. And besides which, even if they did not a lot of land out there to add to our housing supply. The other areas of annexation, the ones that make the most sense would be those urban growth areas. And in fact, we know from the Growth Management Act, before you really start talking about annexation, those areas have to be within the urban growth boundaries. And I think this is where historically we have made a generally a big mistake. When we get out here and we're talking about the Northview area. You know, this is an area that I think would be easily annexed in.

But when you start looking at the actual conditions of the land that are coming in, most of what I'm hearing from developers is that this is very difficult terrain. It's not flat. It's very hilly, as you can see. It's got streams running in through a lot of it. So that's going to have to be some buffers in there. I don't recall where the pipelines are in this area, but I believe there is 1 or 2 pipelines that run through here. That's also huge swaths of land that have to be accounted for. And there's just not a lot of potential here. Not necessarily true. When you get up to here, one thing is we have the infrastructure now with the expansion of Meridian. There's better access to, you know, infrastructure up in here to tie in. And even though it is, you know, crisscrossed by all of these creeks and everything, there is a little bit more willingness to, you know, bring it in and develop around it. We have talked that a lot of this is not going to be affordable housing out in this area. You know, when you're talking about houses built on or near a golf course, that's not typically 80% AMI housing that you're talking about. Which then brings us to what about the southern UGA here? This is in an urban growth area reserve category.

One of the things that I remember from the 2016 Comprehensive Plan update was that while a lot of this area is already in and there is a very high interest of the property owners to bring this in, the problem that they ran into is that the city infrastructure that runs along here, Samish way, is not really up to par and would not withstand the addition of all of these, you know, utilities coming into the infrastructure that's already in place. It would require a substantial investment, if I'm recalling correctly. Don't quote me on this. But in 2016, I think the estimate was about $75 million worth of investment from the city to upgrade the utilities along Samish Way in order to bring this area into the UGA and eventually annex it in for additional development. This is not also going to be affordable housing, but the I think the operative thing to remember here is that if you start building housing out here and down here, that's going to give the people that are sort of locked right now into housing in the current city limits of Bellingham, an opportunity to move up. And, you know, some of those, those developing families, households that are in Bellingham that are looking for a larger place but can't really afford it right now or can't find it right now.

This will give them an opportunity to purchase outside of the of the current city boundaries, freeing up the lands or the homes that they currently occupy in the city, and hopefully begin to turn that inventory. I think one of the last things to discuss, you know, generally 35,000 foot level here, is the fact that there has to be some willingness right to come in here. I know the county council, some members are initiating discussions about, okay, how do we get Bellingham to bring in more buildable land for homes. And when we talk about the ways that are politically acceptable. We run into that situation where the residents of the areas have to be willing to do it. And right now, I think currently there's this area, the urban growth reserve area up here and maybe this area up in here that would be willing to I know the city has the Aldergrove area which is interested, but you know, we're running into the same problem that we run in here. When I was on the Bellingham Airport Advisory Committee, you know, every meeting was dealt with complaints because Aldergrove is pushing closer and closer to the airport operations area over here. And as they bring in jets and even though jets are getting a little quieter, they still have to do run ups every once in a while when they take off.

And that's when the complaints get generated from the neighborhoods over here. So I mean, there's a lot of concerns. There's a lot of issues. You know, extrapolating this out to the city of Ferndale, they had two recent annexation proposals that came in the city council accepted one. They rejected the other. Why did they accept the one? Well, it was basically just raw land. Nobody was around it. It was a very easy one to do. The other one was generally smaller lots, one and a half acre all the way up to five acre lots. But there was, you know, pushback from the citizens and the council just wasn't interested in taking on that fight. And I think that's what we're running into more and more frequently, is there just isn't the political will to go out there and fight established neighborhoods. Some of the neighborhoods, you know, very, very well resourced and able to launch a major offensive if they if they think they're going to be annexed in and the councils just aren't willing to take it on and push. So they annexed the easy parts and those where they get some pushback, just get left, you know, in limbo, I guess. So. That's about what I've got to say about this.

I mean, like I said, you can extrapolate this all the way out to Blaine. We just recently were up in Blaine arguing over whether or not manufactured home parks should be allowed in their newly annexed areas to the east. If you go out to Lynden, it was been a long time since I drove out towards Northwood Road up there in Lynden, and I was shocked at the number of apartment buildings and townhomes that are being built on the east side of Lynden, where, you know, that's not an easy walk, that's not an easy bike, and it's certainly not serviced by transit. But yet we've got, you know, very high density types of housing on the east side of Lynden again, because that was the land that was easy to annex in. And I think, you know, that's one of the things that concerns us most in the real estate industry is as we get more and more pressure to get, you know, talk about, you know, walkability, transit-oriented development, all of this sort of stuff. Our annexation patterns and our annexation will is not meeting our goals. And so until we get to the point where I guess the pain is enough, then maybe we'll start moving in that direction. Is that depressing enough for everybody? I hear a lot of silence.

Sarah Rothenbuhler: Perry, thank you so much for presenting. Sure appreciate you.

Perry Eskridge: Thank you, I would say the city of Bellingham does have a good annexation plan. If you just look up Bellingham annexation plan, there's a lot of detail in there, a lot of information, and I would encourage everybody to read that.

Sarah Rothenbuhler: Why do we hear when annexation comes up, the first thing that's stated is infrastructure's too expensive.

Perry Eskridge: I think it has to do a lot with the infrastructure. You know, if you annex in lands and I mean even just look at the Alderwood area, the study area they've got out there, a lot of those, a lot of the established housing out there. It's from a time when, you know, World War Two was in right. Everybody was planting victory gardens. They needed these big lots because they're growing food. And it was a rural lifestyle out there. I mean, a lot of us that were following the heavy impact stuff recently when we looked at the historical photographs that might have been any part of Whatcom County because it looked so rural. And now when the city is looking to bring it in, there's a lot of septic tanks out there. There's a lot of, you know, there's, as I understand it, there's even some wells out there where people are drawing water. And how is the city going to bring in that, that large area of land and expect to put all of those homes onto some sort of a sanitary sewer system or, or start extending potable water out there and you start getting into a very large infrastructure bill that will most likely not be covered by the additional taxes that are, you know, assessed against the homes that are out there. We all know housing doesn't pay for infrastructure, right? The city has to subsidize it somehow. And so I think that's where the big rub comes in.

Sarah Rothenbuhler: It seems from 2020 on, there's been a lot of funds available. A lot of communities across the nation…I was in Kansas City and what they've done in their city and their surrounding neighborhoods, the work they did with the funding available since Covid is so impressive it seemed to dilute the housing crisis there.

Perry Eskridge: Yes, to be fair, Kansas City, when you start off, I mean, remember when a good friend of mine left from the FAA office in Renton. She sold her house on Queen Anne, and in order to avoid the taxes, she ended up buying, like this 6000 square foot monstrosity in Kansas City, where she lived in one wing. She didn't know what to do with the rest of the house, so they have a little bit different situation. They also have a very different topographical situation than we do. And I also think that that contributes very heavily to these considerations. You know, I was I was just up visiting Dick Skeers's project. And when you stand there where the houses are going in, and there's a creek on one side and a creek on the other, and you're looking at the two, you know, different ravines and you think, well, you know, you are building exactly where you could, you know, you start to realize pretty quickly that there's a lot of there's a lot of constraints in our area. If it's not wet, it's steep.

Sarah Rothenbuhler: How do we get how do we get our comprehensive plans to identify that instead of stating that we have 50,000 buildable lots, etc.

Perry Eskridge: 2016 that's when the realtors and the builders sort of joined forces on the comprehensive plan. And we really urged the city at that time to do what we call ground truthing, where, you know, you go out and you actually walk the land that's out there, that you're proposing for a bunch of housing and see what could be built there. The biggest one, as I recall, was right along the… it's the DNR land sort of between the Dewey Valley there and Mount Baker Highway. The city had proposed approximately 400 to 500 housing units out there. And one of our engineers, a member of the building industry, went out there and actually plotted out what could you do to get the greatest density possible in this property with the constraints you had? And you notice the very steep slopes on the west side, the four pipelines that cross that area, you know it's 1000ft either side of a pipeline that you can't build within. You know, you take that along the length of a pipeline. That's a lot of land that disappears. And eventually we got to the point where we could get maybe 70 units. Well, 400-500 to 70. That's a big gap. The city, to their credit, did revise it based on that evidence. But again, you have to get out and actually walk that land and see what the deal is.

Michael Lilliquist: Yes. I had two things I wanted to say in response to Sarah's questions. And I just forgot one of them. One of them has to do with the comment about, like, federal monies available for cities who have neglected infrastructure to help bring them up to better standards to support more development. That's not the case for Bellingham. We do an okay job of keeping up our infrastructure. This is an infrastructure deficit that's not in city limits, right? And we're not supposed to put in infrastructure when it's not in the city. The second part, so the most recent meeting, the first inaugural meeting of a series of quarterly meetings, the county will be running on a comp plan. It was directly discussed the difficulty of cities like Bellingham to annex because of this infrastructural deficit we've been buying into. And so I really appreciated Councilmember Donovan saying, hey, maybe we need a county solution to the infrastructural problem that cities like Bellingham are facing. So I think there is a comp plan solution. I think a regional solution is better because this isn't a problem Bellingham made by neglecting our infrastructure. This is a problem outside of Bellingham that we now have to face. If we truly do need to continue expanding in a way we can afford.

Blake Lyon: If I can add on to not only the infrastructure, but it's the municipal levels of service. So when you're talking about annexing in or extending the areas and looking into that, it's requiring additional police, requiring additional fire, requiring, you know, these municipal levels of service that also come into play. So it's not just the infrastructure piece in and of itself.

Sarah Rothenbuhler: It all makes sense. It's just something's got to give, the people are here and the infrastructure is not.

Ryan Allsop: Well, and the county actually received most of the federal money. Correct? So then the government ARPA dollars? Yes, the ARPA dollars and stuff.

Michael Lilliquist: Well, but there's a lot of infrastructure dollars too. I just think we don't do infrastructure outside our limits. And that's the problem because we need infrastructure just outside our limits.

Guy Occhiogrosso: Yes. I think what you're saying is we all need to be on the same team.

Perry Eskridge: Yes. Well, you know, I can give a very practical example. A few years ago, I helped with a transaction on the legal side of my work. We had a situation where there was a property, a fire hydrant right at the end of the driveway. So, you know, city water was running out there. Yew Street was right there. You could see the new school. You could see the new fire hall. You know, I mean, it's all in very close proximity, but yet this property was located in the county. It was zoned R5. And the people that were buying it were buying it with no intention of developing that property or building on that property with a view that it would be subdivided in the future. And when you get a zoning that's right on the edge of the city, that doesn't really match up with the zoning in the city, or were it to be annexed in, you end up with really sort of bizarre development patterns, you know, now all of a sudden you've got this very large home and outbuildings that are right smack in the middle of a five acre parcel.

And when you start thinking about what the city streets would look like or, or where the houses would be located around this estate in the middle, you know, what is that? What does that look like? And if there's no sort of coordination between that either, then you're going to end up with these strange development patterns that I think make us, you know, it's almost a necessity that you're not going to use the land as efficiently as you otherwise could. So, yes, and same as infrastructure. The more we're on the same page, the more we can work together. The more we can be realistic about where development can be sited. I think the better off we're going to be in the long run. Any other questions? How about those Seahawks?

Ryan Allsop: How about those Huskies?
That actually concludes the meeting. Right on time. Nicely done. Thank you for your presentation, Perry. That's, kind of on the spot. And it's, there's no answer, I think the conclusion really is the city and the county need to work more coordinated on this and together. I think everybody sees the need now.. It's kind of like the jail. It's at the tipping point. It feels like that hurdle has been for a while. Thank you all for presenting today and attending. So just need to bring the meeting to a close.

Clark Campbell: Second.

Gina Stark: Thank you everyone.

Ryan Allsop: Thank you everyone.

Next meeting: Monday, December 11, 2023, 11-12:30 pm
Hybrid Meeting - In-person encouraged and Zoom option available