PROPOSED BY: Executive
INTRODUCTION DATE: August 11, 2026

ORDINANCE NO. _________

ORDINANCE AMENDING THE PROJECT BUDGET FOR THE NEW PUBLIC HEALTH, SAFETY AND JUSTICE FACILITY, REQUEST NO. 12

WHEREAS, Ordinance 2013-003 established the project budget for a new public health, safety and justice facility construction project; and

WHEREAS, voters approved the referendum necessary to fund a new facility proposed in Ordinance 2023-039; and

WHEREAS, funds expended to date were used for site acquisition, permitting, community collaboration, wetland mitigation, validation phase, and related consulting contracts; and

WHEREAS, the project has progressed through the validation phase and into the design phase; and

WHEREAS, additional expenditure authority is needed to progress the project to the design phase which will include contract amendments with the design-build and owner's representative teams, financing and debt service costs, and limited contingency; and

WHEREAS, work on the Behavioral Care Center (BCC) will require additional local funding; and

WHEREAS, transfers will be made to consolidate the 23-Hour Crisis Relief Center project fund into this project; and

WHEREAS, fund balance is available to pay for additional project expenses through proceeds from the criminal justice sales tax and small cities interlocal agreement revenues.

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that Ordinance 2013-003 is hereby amended by adding $22,500,000 of expenditure authority to the current amended project expenditure budget of $23,358,524, for a total amended project expenditure budget of $45,858,524, as described in Exhibit A.

ADOPTED this ____ day of ___________________, 2026.

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

____
Cathy Halka, Council Clerk

____
Kaylee Galloway, Chair of the Council

APPROVED AS TO FORM:

Approved by email/T Seguine/A Tan
Civil Deputy Prosecutor

( ) Approved ( ) Denied

____
Satpal Sidhu, County Executive

Date:__________________________

EXHIBIT A

NEW HEALTH, SAFETY AND JUSTICE FACILITY FUND 3502

Account	Description	Current Amended Project Budget	Amendment #12 to Ord. 2013-003	Total Amended Project Budget
	Expenditures			
6190	Direct Billing Rate	$900,000	$0	$900,000
6630	Professional Services	$10,305,789	$22,500,000	$32,805,789
7210	Intergov Professional Services	$10,000	$0	$10,000
7320	Land	$10,163,491	$0	$10,163,491
7350	Buildings and Structures	$30,000	$0	$30,000
7380	Other Improvements	$0	$0	$0
8597	Operating Transfer Out	$1,949,244	$0	$1,949,244
		$23,358,524	**$22,500,000**	**$45,858,524**
	Revenues			
4313	Special purpose tax	$7,596,000	$0	$7,596,000
4337	City of Bellingham tax revenue	$2,574,000	$0	$2,574,000
4337	City of Blaine tax revenue	$169,000	$0	$169,000
4337	City of Everson tax revenue	$84,000	$0	$84,000
4337	City of Ferndale tax revenue	$438,000	$0	$438,000
4337	City of Lynden tax revenue	$443,000	$0	$443,000
4337	City of Nooksack tax revenue	$42,000	$0	$42,000
4337	City of Sumas tax revenue	$49,000	$0	$49,000
8397	Operating Transfer In - Gen Fund	$2,093,491	$0	$2,093,491
8397	Op Trf In - Gen Fund (Not Budgeted)	$3,000,000	$0	$3,000,000
8397	Operating Transfer In - Jail Fund	$2,700,000	$0	$2,700,000
8397	Operating Transfer In - REET I	$2,300,000	$0	$2,300,000
8397	Operating Transfer In - Behavioral Health Fund	$0	$1,000,000	$1,000,000
8397	Operating Transfer In - Opioid Settlement Fund	$0	$961,013	$961,013
		$21,488,491	**$1,961,013**	**$23,449,504**

Supplemental Budget Request

Administrative Services **Facilities Management**

Supp'l ID # 5500 **Fund** 3502 **Cost Center** 35021000 **Originator:** Rob Ney/Chris Erb

Year 2 **2026** **Add'l FTE** ☐ **Priority** 1

Name of Request: Justice Facility Design

X

Department Head Signature (Required on Hard Copy Submission) **Date**

Costs:	Object	Object Description	Amount Requested
	6630	Professional services	$22,500,000
Cost Center 35021003	8397.C.18598501	Transfers in	($961,013)
Cost Center 35021003	8397.C.18538502	Transfers in	($1,000,000)
	Request Total		***$20,538,987***

1a. Description of request:

This request is for additional budget authority of $22,500,000 to allow the Justice Facility project to proceed from the Validation Phase into the Design Phase without interruption. The request is based on current planning-level cost information for the complete Design Phase effort for the Jail and Behavioral Care Center (BCC), continued Owner-side oversight through completion of Design, initial financing and debt-service requirements, and limited contingency. The request is intended to provide sufficient authority to maintain team continuity while individual contracts, amendments, financing costs, and construction-phase packages continue to be developed and presented for the County's applicable approvals.

Prior Project Budget Actions

The contract will be structured to ensure contractual obligations by month do not exceed authorized expenditures in the project time.

The County has funded the Justice Facility project in phases since 2019 as the project has advanced.

Budget Action / Added Authority/ Total Budet /Purpose

Request / Ordinance Amount Running Total Purpose

Request No. 4 / Ordinance 2019-037 $927,000 $8,466,280 Existing jail improvements and related fund transfer.

Request No. 5 / Ordinance 2020-005 $550,000 $9,016,280 Updated Health, Safety and Justice Facility Needs Assessment.

Request No. 6 / Ordinance 2024-027 $800,000 $9,816,280 Permitting, predesign, and committee and community process support.

Request No. 7 / Ordinance 2025-009 $1,000,000 $10,816,280 Owner's Representative, wetland, geotechnical, traffic, and other critical consultant services.

Request No. 8 / Ordinance 2025-039 $5,022,244 $15,838,524 Project advancement, Design-Builder validation and preconstruction programming, and related transfers.

Request No. 9 / Ordinance 2025-050 $2,960,000 $18,798,524 Former LaBounty wetland mitigation approach: $1.4 million for mitigation-property acquisition, $1.5 million for wetland construction, and $60,000 for professional services.

Request No. 10 / Ordinance 2026-008 $2,360,000 $21,158,524 Continuation of Validation, including program, operations, site feasibility, environmental, budget, schedule, and related consulting.

Request No. 11 / Ordinance 2026-028 $2,200,000 $23,358,524 Hannegan acquisition, transition into Design, and land-use and permitting costs. The $1.4 million mitigation-property authority was reappropriated to the Hannegan purchase, $2.67 million in new Land authority completed the $4.07 million purchase budget, $1.5 million for former LaBounty wetland construction was removed, and $1 million in Professional Services authority was added to bridge and seed Design.

Design Phase Scope

This request is intended to fund the design phase as a whole under the current project approach, rather than through smaller interim requests. The design phase will advance the project through schematic design, design development, construction documents, cost estimating, schedule and risk management, design coordination, constructability and quality reviews, stakeholder reviews, procurement support, coordination with permitting agencies, identification of long-lead equipment, planning for early work packages, commissioning during design, and other related preconstruction and Owner-side services. Construction-phase Owner’s Representative services, construction-phase commissioning, actual procurement of materials, and construction activities will require separate scope and authorization.

Planning-Level Allocation of Design Phase Authority

The proposed $22,500,000 supplemental is currently anticipated to be allocated approximately as follows:

Planning Category / New Authority / Current Planning Basis

Design-Builder services / $21,170,000 / Approximately $1 million of existing project authority is already allocated to Clark/RAM but is not included in the current executed contract. Combined authority of approximately $22.17 million supports the current $22.165 million planning estimate for the Jail and BCC Design Phase.

Owner's Representative through end of Design / $574,000 / Existing authority already incorporates STV's current contract and anticipated services through approximately 30% Design Development. This is an additional planning allowance to continue STV from that point through completion of Design only.

Financing costs, other Owner-held services, / $756,000 / Planning capacity for fiscal-agent and issuance costs, debt costs due before the next planned PBB supplemental, other County-held services, scope refinement, and limited project contingency.

Total / $22,500,000 / Planning allocation; final amounts may move among categories.

Design-Builder services. The current Jail Design Phase proposal is approximately $15.77 million and includes the Clark/RAM management and preconstruction team, design consultants, design-build trade participation, permit and stakeholder allowances, fee, insurance, and sales tax. Clark/RAM has confirmed that its management and preconstruction team costs are included in the Jail proposal and will not be duplicated in the future BCC proposal. The remaining Design-Builder planning amount is intended for the future BCC design proposal, construction administration for both facilities, applicable allowances and taxes, and other Design-Builder services not included in the current Jail scope.

Owner's Representative services. STV's currently budgeted contract and change-order scope are already incorporated in existing project authority and are anticipated to carry Owner's Representative services through approximately 30% Design Development. The additional $574,000 is a planning allowance to continue STV through completion of the Design Phase. It does not include Owner's Representative services during construction. Construction-phase oversight will require future scope, budget, and contract authority.

Existing financing professionals. Existing project authority separately includes a $99,000 contract with PFM Financial Advisors and a $150,000 planning allowance for bond counsel. PFM has billed approximately 25% of its contract. The bond-counsel agreement has not yet been executed. These amounts are not additional allocations from the $22.5 million request.

Initial financing and debt-service costs. The remaining allocation is expected to include debt issuance costs that could occur before the next planned PBB supplemental. The amount and accounting treatment will be finalized with the Treasurer, Finance, the Executive's Office, PFM, and bond counsel.

IMPORTANT CAVEAT: All allocations are preliminary planning estimates and are expressly subject to change. They do not establish fixed, guaranteed, or not-to-exceed amounts for any contract, consultant, phase, service, budget object, financing cost, or debt payment. Actual allocations may change based on remaining existing authority, final BCC programming and design scope, negotiations, design progression, construction administration requirements, permit and procurement strategy, financing structure, market conditions, payment schedules, project sequencing, and County direction. Approval of this supplemental provides expenditure authority only and does not approve any individual contract, amendment, change order, bond issuance, debt obligation, early procurement package, guaranteed maximum price, or construction activity.

Anticipated Schedule and Future Funding Actions

The Design-Builder baseline schedule assumes Jail Design begins in August 2026, with Schematic Design through approximately December 2026, Design Development through approximately April 2027, and Construction Documents through approximately September 2027. BCC Validation is expected to continue through the end of 2026, with BCC design advancing through 2027.

The current supplemental is anticipated for Council introduction in August 2026, with final Council action anticipated September 15, 2026. Approximately $1 million of existing Clark/RAM authority is available to support the transition into Design while the supplemental is under consideration. Maintaining the baseline schedule will depend on timely contract authorization, availability of existing authority, and continued progress on required design decisions.

The County currently anticipates returning to Council with the next major PBB supplemental in spring 2027, currently estimated for the first quarter or early second quarter. That request is expected to address early procurement or early work packages, construction-phase Owner's Representative and commissioning services, bonds and insurance, and other construction-related authority not included in this request.

The current financing assumption is for bond issuance in approximately April 2027, subject to separate Council authorization, updated project cash-flow requirements, financing recommendations, market conditions, and the final debt-service schedule.

The principal Guaranteed Maximum Price is expected to be developed during the latter portion of Construction Documents, with a planning target for Council consideration in late summer or fall 2027 after the 90% Construction Documents estimate is available. Early site, utility, earthwork, foundation, or long-lead procurement packages may be presented separately before the principal GMP. Subject to phased permitting and separate County authorization, early Jail construction is currently targeted for approximately August 2027. BCC construction is tentatively anticipated to begin in approximately January 2028.

All dates are planning-level estimates and are subject to change based on completion of Validation, design progress, permitting, Council schedules, procurement results, financing conditions, market conditions, and final contract negotiations.

An additional $1,961,012.89 will be funded by the Behavioral Health Fund with Companion 5501 and Opioid Settlement Fund with Companion 5504.

1b. Primary customers:

All Departments and residents that have a vested interest in the Justice Project.

2. Problem to be solved:

Additional budget authority is needed to move the project through Design and continue project development without interruption. The requested authority will support Design-Builder services for the Jail and BCC, continued Owner's Representative oversight through completion of Design, initial financing requirements, other County-held professional services, and limited contingency as the remaining scopes are finalized.
Without sufficient authority, the County risks interrupted design services, delayed contract execution, reduced coordination, and schedule impacts to permitting, early procurement planning, cost development, bond issuance, GMP development, and preparation for construction.

3a. Options / Advantages:

The County could continue relying on existing authority and return for smaller funding requests as individual scopes and financing costs are finalized. Existing authority is not sufficient to complete the full Design Phase and address the other anticipated requirements described in this request.
Funding the work through smaller, incremental requests would reduce efficiency and create risk by interrupting team continuity, delaying contract execution and decisions, and limiting coordinated advancement by the County, Owner's Representative, Design-Builder, commissioning consultants, financing team, and other participants. Providing sufficient authority now is the more practical approach to maintain momentum and reduce schedule risk while preserving separate County approval of individual contract and financing actions.

3b. Cost savings:

This request does not create a direct, readily quantifiable cost savings. It reduces the risk of added costs associated with interruptions, remobilization, delayed decisions, extended consultant services, escalation, financing delays, and schedule impacts.
Continuous Design-Builder and Owner-side services also support coordinated value decisions, cost estimating, long-lead planning, phased permitting, financing, and GMP development. Final contract and financing costs will continue to be refined as the BCC scope, construction administration services, early procurement strategy, bond structure, and contract amendments are completed.

4a. Outcomes:

This request will allow the County to proceed through the Design Phase for the Jail and BCC, including schematic design, design development, construction documents, cost estimating, permitting support, early procurement planning, and related preconstruction services. It will also provide for Owner's Representative services through completion of Design, commissioning involvement during Design, stakeholder coordination, and other County-held professional services.

4b. Measures:

Outcomes will be measured through completion and acceptance of Design milestones and supporting project-management deliverables, including schematic design, design development, construction document submittals, updated cost estimates, schedules, risk registers, decision logs, permitting coordination, commissioning plans and reviews, and identification of long-lead items and potential early work packages.

Success will also be measured by maintaining continuity between Validation and Design, executing necessary contract amendments without material interruption, maintaining expenditures within approved authority, and progressing toward permit-ready documents, bond issuance, early work authorization, a negotiated GMP, and construction commencement. Financing measures will include confirmation of issuance costs, the first debt-service payment schedule, and budget coverage through the next planned PBB supplemental.

5a. Other Departments/Agencies:

Implementation will require coordination among Facilities Management, the Executive's Office, Finance, the Treasurer, Council, Sheriff and Corrections, Health and Community Services, Information Technology, Public Works, legal and bond counsel, participating cities, PFM, STV, Clark/RAM, commissioning consultants, and other technical partners.

5b. Name the person in charge of implementation and what they are responsible for:

Rob Ney, Facilities Director

6. Funding Source:

Funded by the Criminal Justice Sales Tax and revenue from small cities under ILA 202404018.