

**WHATCOM COUNTY
ADMINISTRATIVE SERVICES**
Whatcom County Courthouse
311 Grand Ave, Suite 108
Bellingham, WA 98225-4083



FACILITIES MANAGEMENT
316 Lottie Street
Bellingham, WA 98225-4010
Phone: (360) 778-5365
Fax: (360) 778-5361
Facilities@co.whatcom.wa.us

ROB NEY
Director

MEMORANDUM

TO: County Council
FROM: Rob Ney, Facilities Director
DATE: January 14, 2026
RE: 333 32nd Street Land Acquisition Data

Background:

The Northwest Annex building has reached an end-of-life condition and requires replacement. This need has been listed on the County's Capital Improvement Program (CIP) for many years. WWU recently vacated the first floor of 333 32nd Street and marketed it for commercial lease. They contacted the Sheriff's Office about potential use, but the space wasn't ideal for that purchase and the County was already in discussions for the lease of 4600 Ryzex Way. Upon touring the site, it was quickly identified as a good option for the current occupants of Northwest Annex.

Although the lease terms WWU was offering were in line with comparable properties (market rate), it has always been the County's desire to own and manage their own facilities and any financial investment or tenant improvements would be those retained by the County instead of surrendered upon vacating the property. At Executive Sidhu's request, I approached WWU about purchasing the entire building, and WWU expressed willingness to sell. After an accelerated negotiation, it was settled that the County would purchase the building at the 2025 assessed valuation, subject to Council approval.

The Building:

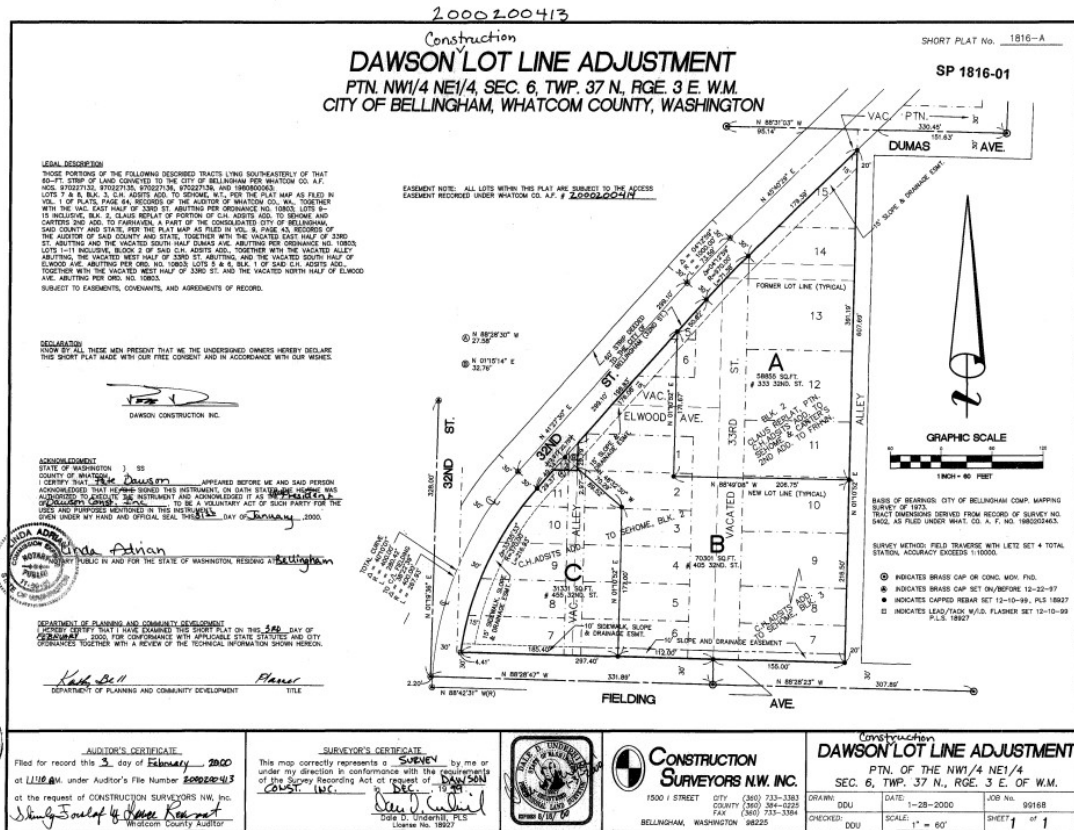
The building is a 29,992 sf two story brick exterior, office building (square feet= building footprint, leasable sf is less). The facility was built in 1999/2000 by Dawson Construction for Western. Western has occupied the building until recently when they began consolidating their services in an effort to be more cost effective.

Looking East, at building Main Entrance:



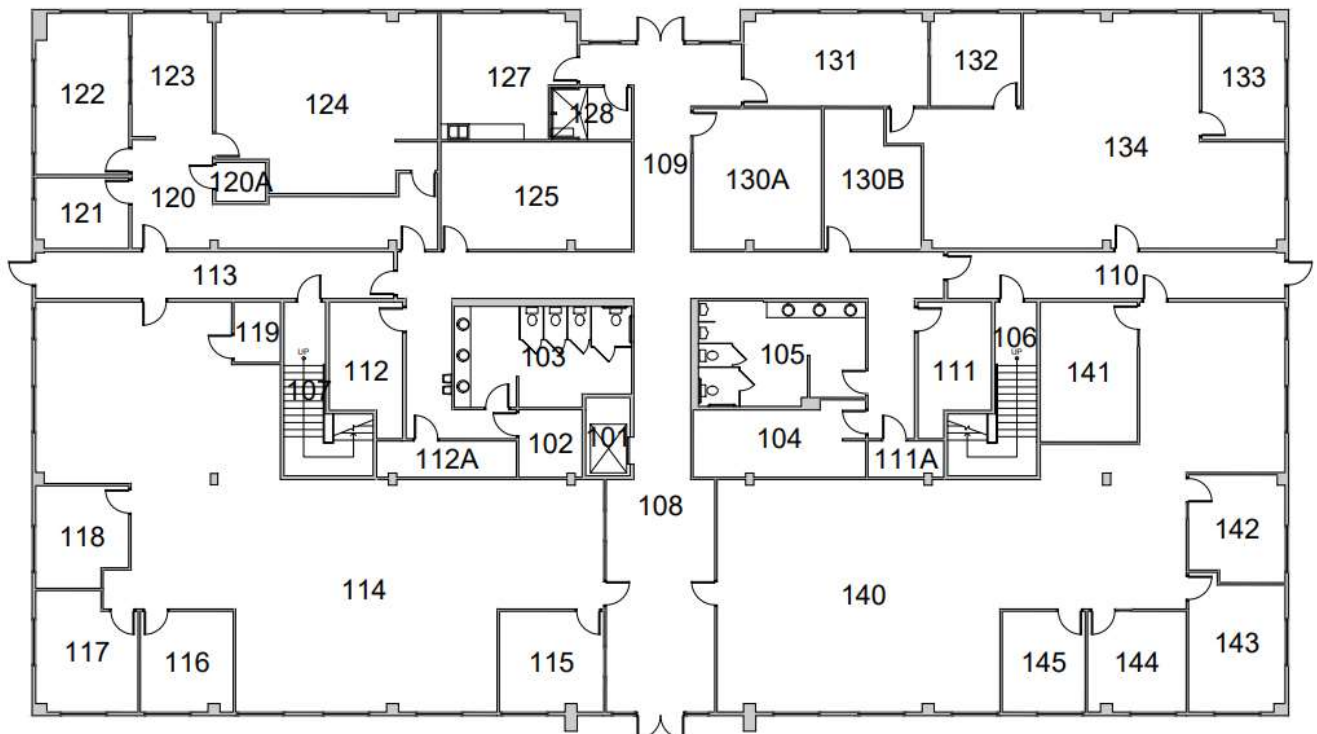
Building and associated Parking shown below, "Administrative Services"



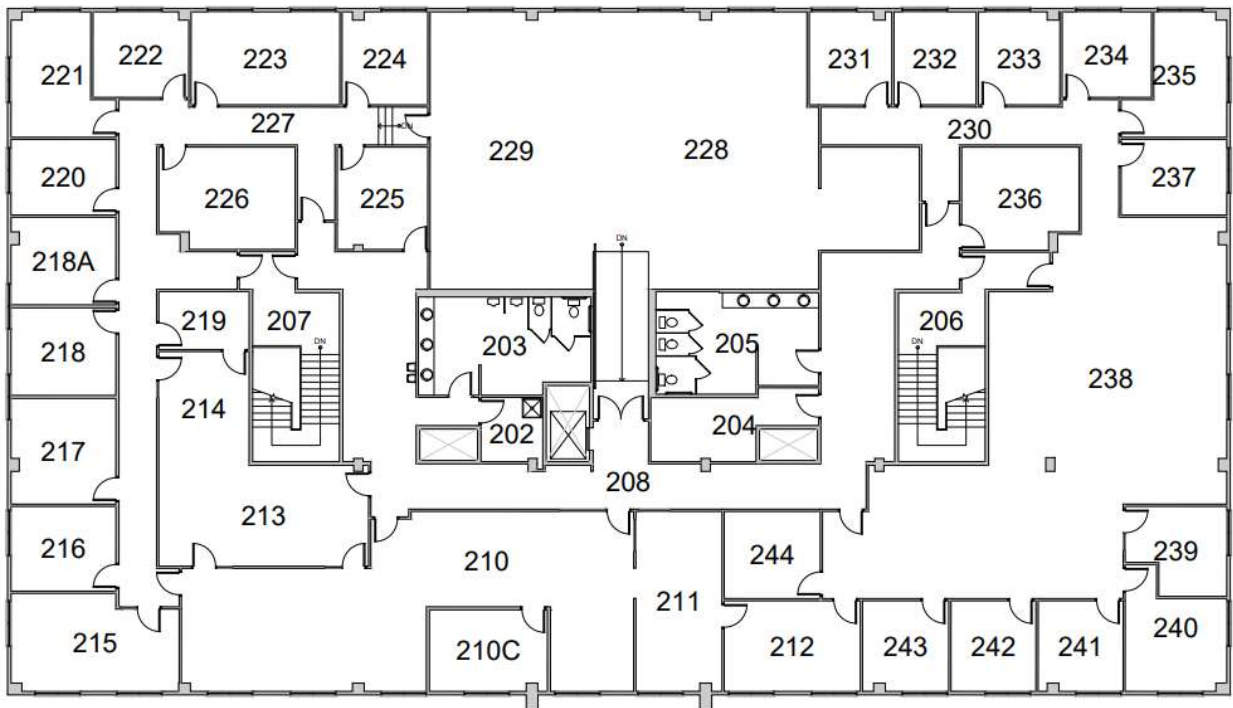


First

Floor



Second Floor



Legal Description:

Lot A Dawson Construction LLA, as recorded under AF# 2000200413

Land Area:

55,855 Square Feet, per plat

Building Area:

First Floor Area – approximately 14,996 including office area, common area, and mechanical areas

Second Floor Area – approximately 14,996 including office area, common area, and mechanical areas

Total Square Footage of the Building- 29,992 Square Feet

Building Make-up:

First Floor:

- 20+ private Offices *
- Several Conference Rooms
- Space for 75+ cubical open-air work stations

Second Floor

- 25+ Offices *
- Several Conference Room
- Currently WWU IT Server Room

* Several of the office are so large they could be multiple occupant offices

Current Assessed Valuation:

Building- \$6,879,484

Land- \$1,777,100

Total- \$8,056,584

At purchase price, the cost/sf of this building would be **\$268.62/sf**.

Current Leases:

The Building is currently occupied on the first floor for the WWU Testing Center, and IT on the second floor. The Testing Center would be vacated no later than 30 days after transfer of property, possibly to the second floor (however still unknown). WWU will rent the second floor from the County for a period of 2 years. One year of rent is being deducted from the purchase price, and the other year will be leased at Market rate.

Building Acquisition Pro's:

- Very Cost-Effective cost/sf
- Well Maintained building
- Newer, modern, and should be low cost/sf for maintenance
- Convenient access to I-5
- Training Center should be large enough for Public Meetings (Planning Commission)
- Generator to portions of the building (server room), pad ready for whole building generator (future)
- Substantially quicker delivery/occupancy than a new building construction timeline
- Convenient and abundant food and shopping options for staff

Building Acquisition Con's:

- Not located on North Side of Bellingham
- Expected maintenance in 10-15 years (roof, HVAC).

NW Annex Redevelopment Costs vs. New Purchase Alternative:

The Northwest Annex redevelopment project consisted of a campus design, including 3 building pads. Phase 1 was to build a 51,000 square foot, full build out building to replace the Northwest Annex facility, a second 26,000 sf building "shell" for storage, and all associated parking and site improvements. The estimated price for phase 1 was approximately \$63,000,000. The cost/sf comparable cost for Building 1 in the Northwest Annex Redevelopment project was **\$660/sf**. The proposed building purchase price is roughly **\$269/sf**.

Funding from the purchase will come from the County's Capital Reserve Fund, EDI, and REET II.

Recommendation

In the short-term, purchasing this building is the most expeditious way to address the facility needs for staff currently occupying the NW Annex building and takes significant pressure off of the CIP in 2027 and beyond. In the longer term, after WWU vacates the second floor, this building will allow the County to relocate some Public Works staff from the Civic Building, or other offices or departments, freeing up space to address the growing needs for additional space for several departments or offices located in and around the County Courthouse, and ultimately accomplishing the same goals that Building 1 of the NW Annex redevelopment project would achieve.

Staff and the Executive's office are recommending that this land acquisition move forward. This is a cost-effective alternative to the Northwest Annex Redevelopment.