



# MEMORANDUM

**To:** The Whatcom County Council & Whatcom County Executive Satpal Sidhu  
**From:** Jake Logan, Administrative Services Coordinator – Executive Staff  
**Subject:** Lodging Tax Grant Contract – Ferndale Youth Sports, Contract #202512060  
**Date:** December 15<sup>th</sup>, 2025

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## Background and Purpose

Whatcom County's Northwest Fields baseball complex, located at 5238 Northwest Drive in Bellingham, represents a County-owned tourism and recreation asset that has been dormant since approximately 2018. The property originally contained multiple baseball fields developed under a 1993 lease agreement with the Boys and Girls Club of Whatcom County. When that organization ceased operations at the facility, the fields fell into disrepair. For nearly a decade, the facility remained unused while Whatcom County Parks & Recreation continued to maintain ownership and responsibility. Recognizing the opportunity to restore the property to productive community and tourism use, the County Parks Department sought a qualified partner to rehabilitate and operate the fields. In June 2025, Whatcom County entered into a 25-year lease agreement ([Contract No. 202506021](#), executed June 27, 2025) with Ferndale Youth Sports (FYS), a Washington nonprofit corporation.

The lease grants FYS operational stewardship of the Northwest Fields facility at a nominal annual rent of \$1.00, reflecting the County's interest in returning the property to public recreational and community benefit use. Under the lease terms, FYS assumes sole responsibility for all maintenance, operations, and improvements to the leased premises. The lease structure is significant from a funding perspective: it establishes a 25-year tenure sufficient for FYS to secure public grants and financial support for facility improvements. This stability enabled FYS to apply for [Whatcom County's 2026 Lodging Tax \(Convention Center Fund\) program](#) for Capital Improvements. The pre-existing lease ensures that all capital improvements funded through public grants become part of the County-owned property and remain in place for long-term public benefit even after FYS's operational involvement may change.

## Funding Amount and Source

Total Grant Allocation: \$109,140.00

Funding Source: Whatcom County Lodging Tax Fund (Convention Center Fund)

Cost Center: 12441000

Authorizing Resolution: [Resolution 2025-037](#), adopted by Whatcom County Council in 2025

## Procedural Note Regarding Council Submission

*Although Resolution 2025-037 ostensibly authorizes this contract, the interaction between that authorization and applicable purchasing code provisions creates sufficient ambiguity (in the view of this contract's administrator) to warrant Council review prior to execution.*

## Funding Structure

- A. \$59,140.00 – Direct project cost reimbursement for infield material. This portion is reimbursable upon FYS submission of paid invoices, receipts, and supporting cost documentation.
- B. \$50,000.00 - The Whatcom County Lodging Tax Advisory Committee, at their [meeting on October 10<sup>th</sup> 2025](#) recommended that administration place a “Budget hold” for supplemental improvements including outfield fencing, backstop netting, bleachers, irrigation system enhancements, and related infrastructure. The Lodging Tax Committee expressed their wish that these funds be released to Ferndale Youth Sports contingent upon FYS submitting a complete (completeness to be determined at the discretion of administration) supplemental application detailing scope, budget, timeline, and tourism impact for these additional improvements. County staff has since reviewed the supplemental application through the standard administrative process without reconvening the full Committee, consistent with direction provided at the October 15, 2025 meeting. Administration has asked FYS to submit a more detailed version of the supplemental application than the version initially received in November 2025. County administrative approval is required before any work on supplemental items (Category 2 in Exhibits A/B) may commence or expenses incurred.

## Lodging Tax Eligibility and Statutory Authority

The project qualifies for Whatcom County Lodging Tax (Convention Center Fund) capital improvements funding under Washington State law ([RCW 67.28.1816](#) and [RCW 67.28.180](#)). These statutes permit lodging tax revenues to support "operations and capital expenditures of tourism-related facilities owned or operated by a municipality or public facilities district created under chapters 35.57 and 36.100 RCW." The Northwest Fields satisfy this statutory test for three reasons: (1) the property is owned by Whatcom County, a municipality; (2) FYS operates the facility under a long-term lease from the County, making it County-operated for legal purposes; and (3) the facility directly supports tourism by hosting regional and state youth baseball tournaments that attract out-of-county teams, coaches, families, and supporters who generate overnight hotel stays and local economic spending.

## Procurement Authority and RCW 35.21.278 (*Contracts with community service organizations...*)

This contract is structured under the authority of [RCW 35.21.278](#), which permits counties to contract directly with youth or athletic associations for improvements to parks and recreational facilities without regard to competitive bidding laws for public works. The statute was specifically designed to enable local governments to partner with community service organizations on neighborhood and public space improvement projects while leveraging volunteer contributions and stretched public dollars—particularly for projects that enhance underserved communities' access to parks and recreation.

RCW 35.21.278(1) authorizes Whatcom County to contract with Ferndale Youth Sports, a youth and athletic association "located and providing service in the immediate neighborhood "for making improvements to the Northwest Fields baseball complex (a County-owned park facility) and for ongoing maintenance services. The statute explicitly exempts such contracts from competitive bidding requirements that would otherwise apply to public works projects, recognizing the unique community benefit model where nonprofit organizations contribute volunteer labor, assume operational responsibility, and deliver public improvements at reduced cost to taxpayers.

The RCW 35.21.278 framework imposes three key conditions, all of which this project satisfies:

1. **Value Requirement (2:1 Ratio):** The consideration received by Whatcom County through the value of improvements must equal at least two times the payment to the contracting association.

In this case, Ferndale Youth Sports' total project scope is estimated at \$218,000+ in improvements (including volunteer labor contributions, in-kind donations, supplemental fundraising, and long-term maintenance commitments), while the County's lodging tax grant totals \$109,140. This produces a value ratio exceeding 2:1, meeting the statutory minimum. Additionally, FYS assumes all ongoing maintenance costs and operational responsibilities under the 25-year lease, providing substantial ongoing public benefit far exceeding the one-time grant investment.

2. Annual Limit Compliance: RCW 35.21.278(1) limits total payments under this authority to \$75,000 or \$2 per resident, whichever is greater, for all such contracts in any one calendar year. Based on Whatcom County's 2024 population of 234,954 residents, the county's annual limit under RCW 35.21.278 is \$469,908 ( $\$2 \times 234,954$ ). This single contract at \$109,140 represents approximately 23% of the County's available annual authority under the statute. County administration confirms that no other contracts utilizing RCW 35.21.278 authority have been executed or are pending for 2026, ensuring full compliance with the annual aggregate limit.
3. Eligible Project Type: The statute authorizes contracts for "making improvements to a park...or providing maintenance services for such a project." The Northwest Fields improvements—including specialized infield material installation, irrigation, bleachers, fencing, and site preparation—constitute eligible park improvements under the statute, and FYS's ongoing maintenance and operational responsibilities satisfy the maintenance services component.

RCW 35.21.278 provides clear statutory authority for this contract structure, exempts the project from competitive bidding requirements, and supports the County's partnership approach with Ferndale Youth Sports. All statutory conditions—value ratio, annual limits, and project type—are satisfied. The contract advances legislative intent by restoring a public recreational asset, leveraging community nonprofit capacity, and generating measurable tourism and economic benefit for Whatcom County.

### **Tourism Impact and Economic Benefit**

Ferndale Youth Sports projects that completed field improvements will enable the facility to host 6–8 youth baseball tournaments annually, each attracting 8–12 teams from across the Pacific Northwest. Tournament participants include players, coaches, parents, and extended family members totaling 100–168 people per event. The improved field condition will support weekend tournaments from March through fall, with participants requiring two-night hotel stays at commercial accommodations in Whatcom County. At conservative estimates, FYS projects a minimum of 100–150 room nights per weekend tournament, generating approximately \$192,000 in annual hotel revenue alone (at \$160 per night) and an estimated additional \$120,000 in food and beverage spending per year. Over a 30-year lifespan of the infield material, this could represent \$9.36 million in direct economic activity. The project also raises Whatcom County's visibility as a youth sports and tournament destination regionally, attracting families and visitors who spend in local restaurants, retail, and attractions. FYS has committed to tracking and documenting tourism metrics including participant origin, overnight stays, and local business spending as part of the grant performance requirements.

Please contact Jake Logan at extension 5211 or [jlogan@co.whatcom.wa.us](mailto:jlogan@co.whatcom.wa.us) if you have any questions or concerns regarding the terms of this agreement.

**Encl:** Contract No. 202512060