

WHATCOM COUNTY

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Mark Personius
Director

Memorandum

May 23, 2022

TO: The Honorable Satpal Sidhu, Whatcom County Executive
The Honorable Whatcom County Council

FROM: Matt Aamot, Senior Planner

THROUGH: Steve Roberge, Assistant Director

RE: Interlocal Agreements with Cities Relating to Urban Growth Areas

Whatcom County Comprehensive Plan Goal 2R and related policies indicate that the County should have interlocal agreements with the Cities relating to planning, annexation, and development in urban growth areas (UGAs). The County had interlocal agreements with each City that were originally approved between 1997 and 2001. When these original interlocal agreements expired, a new agreements were approved in 2012. However, the 2012 agreements have 10-year durations and are set to expire on June 30, 2022. Therefore, the County and the Cities are working together to develop new interlocal agreements.

The Cities and County developed a general interlocal agreement template as a starting point for further negotiation of individual City/County interlocal agreements. Differences between the existing 2012 interlocal agreements and the 2022 interlocal agreement template include:

- The 2022 template references the Review and Evaluation Program (Buildable Lands) in Section 2.A. Whatcom County was not subject to the Buildable Lands provisions of the Growth Management Act when the 2012 interlocal agreements were approved.
- The 2022 template indicates that the City agrees to reimburse the County for the depreciated value of capital road and stormwater construction projects completed during the fifteen-year period prior to annexation (Section 6.C). The 2012 agreements had a ten-year reimbursement period. County Public Works recommended a fifteen-year reimbursement period, as road and stormwater project have long useful lifespans.
- The 2022 interlocal agreement sales tax revenue sharing provisions contain the same amounts that the Cities would share with the County upon annexation as the 2012 agreements (Section 10). However, based upon past experience, four steps have been added to the 2022 interlocal agreement that set forth the responsibilities of the City and the County

Treasurer's Office to ensure that revenue sharing occurs as anticipated in the agreement.

- The 2022 template modifies the "Resource Lands and Rural Areas" provisions (Section 11), including replacing provisions relating to transfer of development rights with density credit language.

Since development of the interlocal agreement template, the Cities and the County have been working together to address issues that are unique to an individual City and/or issues raised by a City. Based upon these discussions, draft interlocal agreements relating to planning, annexation and development within the UGAs have been developed for five of the seven cities as follows:

- Bellingham – The only change to the interlocal agreement template language is in Section 6.C further defining when road projects that the County undertakes in the UGA must be reimbursed by the City (p. 12). The draft interlocal agreement also includes County road and stormwater projects completed in the last 15 years that may require reimbursement (Exhibit A) and County owned park, open space and recreational facilities within the UGA (Exhibit B). None of the other city UGAs have such road/stormwater projects or County-owned parkland.
- Everson – No changes to the interlocal agreement template language.
- Lynden - No changes to the interlocal agreement template language.
- Nooksack - No changes to the interlocal agreement template language.
- Sumas - No changes to the interlocal agreement template language.

The cities of Blaine and Ferndale proposed changes to the interlocal agreement template. The County and Cities are still in negotiations relating to these changes.

Thank you for your review and consideration of the proposed interlocal agreements between Whatcom County and the cities. The Planning and Development Services Department requests that the Council Committee of the Whole review and signify agreement with the five interlocal agreements on June 7. We will then bring the interlocal agreements to Council requesting a motion to authorize the County Executive to sign the agreements on June 21.