



Memorandum

October 25, 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 Agreement with Ferndale Relating to Urban Growth Area

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, new agreements were approved in 2012. However, the 2012 agreements have 10-year durations and expire in 2022. Therefore, the County and the Cities have worked 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. The County approved interlocal agreements with 5 of the 7 cities this summer. Extensions to the existing Blaine and Ferndale Interlocal Agreements were approved to provide time for finalizing interlocal agreements with these two cities. The extensions expire December 31, 2022.

The County and the City of Ferndale now have a proposed Interlocal Agreement. The differences between this proposed Interlocal Agreement and the template are shown with underlines and strikethroughs in the attached Interlocal.

It should be noted that "whereas" statements are not terms of the agreement. The County's legal counsel, in an email of April 25, 2022, indicated that "whereas" statements operate as background. If there was a question regarding an ambiguity in the reading of the interlocal, the "whereas" statements could be consulted to help with interpretation.

We are asking the Council Committee of the Whole to initially review the proposed Interlocal Agreement on November 9 to identify any concerns. After City approval, we will request the County Council to hold a public hearing and approve a motion authorizing the County Executive to sign the agreement. Thank you for your consideration of this matter.