

**From:** Rebecca Xczar <[RXczar@co.whatcom.wa.us](mailto:RXczar@co.whatcom.wa.us)>  
**Sent:** Tuesday, March 25, 2025 1:21:03 PM (UTC-08:00) Pacific Time (US & Canada)  
**To:** Council <[Council@co.whatcom.wa.us](mailto:Council@co.whatcom.wa.us)>  
**Cc:** Satpal Sidhu <[SSidhu@co.whatcom.wa.us](mailto:SSidhu@co.whatcom.wa.us)>; Aly Pennucci <[APennucc@co.whatcom.wa.us](mailto:APennucc@co.whatcom.wa.us)>; Kayla Schott-Bresler <[KSchottb@co.whatcom.wa.us](mailto:KSchottb@co.whatcom.wa.us)>  
**Subject:** Petrogas update- additional information

Council,  
 I have been asked for some additional background info on Petrogas and their prior appeals.

**History:**

- 5/1/2014- Petrogas purchased the main terminal, with two land parcels and personal property, for \$242,000,000. There was a lease/user agreement with Intalco for use of the wharf.
- 9/27/2016- Petrogas purchased the wharf, for \$122,000,000. Petrogas then held ownership, with Intalco having an agreement for use of the wharf.
- The total purchase of all the parcels was \$364,000,000, between the 2014 and 2016 sales.
- 2020- AltaGas acquired majority ownership.
- 2020- Intalco curtailed, allowing Petrogas to dock more ships at the wharf. In 2023, Intalco closed, allowing Petrogas use of all docking rights to the wharf.
- Several improvements were made to the facility since the purchase.

While there are 5 total property ID's, only 2 have been appealed; the main terminal and the wharf. (The others are 2 land parcels, and a taxable business personal property account).

The 2016 value was the first of the appeals (the appeal for PID 88783 was withdrawn for that year). Below are the Protested values and BTA order values for the first 3 years', which was finalized in 2023. The properties are valued as a unit, which is common with large industrial properties. I have added in the three additional parcels numbers that make the unit, and totaled the unit value for each column, for a complete picture.

PID	2016-2017			2017-2018			2018-2019		
	Assessed	Protest Val	BTA Order	Assessed	Protest Val	BTA Order	Assessed	Protest Val	BTA Order
88782	\$ 535,650			\$ 1,249,850			\$ 1,249,850		
88785	\$ 94,500			\$ 220,500			\$ 220,500		
88783	\$ 90,108,394			\$ 190,710,788	\$ 57,908,394	\$ 190,710,788	\$ 194,606,203	\$ 94,065,383	\$ 194,606,203
1757	\$ 2,087,057			\$ 2,083,633			\$ 1,962,967		
181296	\$ 182,725,099	\$ 10,200,000	\$ 98,000,000	\$ 98,244,952	\$ 10,200,000	\$ 98,244,952	\$ 100,251,680	\$ 10,200,000	\$ 100,251,680
<b>Total- Unitary value</b>	<b>\$ 275,550,700</b>	<b>\$ 103,025,601</b>	<b>\$ 190,825,601</b>	<b>\$ 292,509,723</b>	<b>\$ 71,662,377</b>	<b>\$ 292,509,723</b>	<b>\$ 298,291,200</b>	<b>\$ 107,698,700</b>	<b>\$ 298,291,200</b>

Below are the originally assessed, protested, and stipulated values for the settlement years. The difference is the amount of value added/subtracted due to the stipulation agreement.

(In 2023, they paid tax on the full assessed value; the result is a negative figure below for that year)

PID	2019-2020			2020-2021			2021-2022			2022-2023			2023-2024			2024-2025		
	Assessed	Protest Val	Stipulated	Assessed	Protest Val	Stipulated	Assessed	Protest Val	Stipulated	Assessed	Protest Val	Stipulated	Assessed	Protest Val	Stipulated	Assessed	Protest Val	Stipulated
88782	\$1,368,586			\$1,368,586			\$1,450,701			\$1,944,410			\$2,236,072			\$2,347,875		
88785	\$220,500			\$220,500			\$233,730			\$274,428			\$315,592			\$331,372		
88783	\$201,305,838	\$157,000,000	\$194,639,930	\$201,305,838	\$157,000,000	\$194,701,949	\$221,436,421	\$157,000,000	\$194,790,466	\$250,000,000	\$192,000,000	\$196,164,945	\$250,000,000	\$192,000,000	\$196,213,649	\$208,920,753	\$192,000,000	\$198,606,957
1757	\$3,039,509			\$1,610,113			\$1,720,132			\$4,600,000			\$3,700,000			\$3,400,000		
181296	\$103,703,007	\$18,000,000	\$100,251,680	\$103,703,007	\$19,000,000	\$100,251,680	\$114,073,307	\$19,000,000	\$100,251,680	\$189,700,000	\$23,000,000	\$100,251,680	\$148,000,000	\$23,000,000	\$100,251,680	\$147,900,000	\$23,000,000	\$100,251,680
<b>Total Unit</b>	<b>\$309,637,440</b>	<b>\$179,628,595</b>	<b>\$299,520,205</b>	<b>\$308,208,044</b>	<b>\$179,199,199</b>	<b>\$298,152,828</b>	<b>\$338,914,291</b>	<b>\$179,404,563</b>	<b>\$298,446,709</b>	<b>\$446,518,838</b>	<b>\$221,818,838</b>	<b>\$303,235,463</b>	<b>\$404,251,664</b>	<b>\$221,251,664</b>	<b>\$302,716,993</b>	<b>\$362,900,000</b>	<b>\$221,079,247</b>	<b>\$304,937,884</b>
<b>Difference</b>			\$119,891,610			\$118,953,629			\$119,042,146			\$81,416,625			-\$101,534,671			\$83,858,637

I will be on the meeting this afternoon, and I'm sending figures first for clarity.

Respectfully,



**Rebecca Xczar**  
**Whatcom County Assessor**  
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**From:** Rebecca Xczar <[RXczar@co.whatcom.wa.us](mailto:RXczar@co.whatcom.wa.us)>  
**Sent:** Thursday, March 20, 2025 4:19:14 PM (UTC-08:00) Pacific Time (US & Canada)  
**To:** Council <[Council@co.whatcom.wa.us](mailto:Council@co.whatcom.wa.us)>  
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**Subject:** Petrogas update

Hello Council,

In December 2024, Petrogas (Altagas) and I reached a settlement regarding their appealed assessed values for assessment years 2019, 2020, 2021, 2022, 2023, and 2024, resolving all remaining years in dispute. (Reminder: The assessed value in a given year impacts taxes owed in the following year. This email primarily references assessed value years, with taxes paid/owed in the subsequent year.)

**Prior appeals:**

Petrogas' appeals for 2016, 2017, and 2018 were decided by the WA Board of Tax Appeals (BTA) in 2021, upheld by the Court of Appeals and denied reconsideration by the Washington Supreme Court in 2023, ending all appeal options for them for those three back years. In 2023, Petrogas paid back taxes and interest, for the 2016, 2017 and 2018 appeals.

**Settlement for 2019-2024:**

The stipulated values for 2019, 2020, 2021, 2022, 2023, and 2024, used the BTA upheld value for 2018, with adjustments for improvements made in subsequent years.

Due to RCW [84.52.018](#), Petrogas initially paid property tax only on their stated values for 2019, 2020, 2021, 2022. However, in 2023, the assessed value in dispute no longer met the threshold for RCW 84.52.018, and they paid property tax on the full assessed value.

As a result of the settlement, Petrogas owed back taxes for value years 2019, 2020, 2021, 2022, and the County owed a refund for some tax paid on the 2023 value.

Because the agreement was finalized near the end of the 2024 calendar year, the impacts to the County, taxing districts, and property owners differed slightly from those of the prior 2016-2018 appeal resolution.

**Financial Impacts:**

*County Impact –*

- The County received nearly \$1.3M in interest for the '19-'22 value years, credited to the County General Fund.

- The County paid out some interest for the refund amount for the '23 value year.

*Impacts to affected taxing districts and property owners -*

- The back-tax payment for '19-'22 value years was reduced from the levy calculation for the impacted taxing districts for 2025 taxes.
- Property owners in the impacted taxing districts saw relief in their 2025 tax owed, as Petrogas' back-tax covered a portion of the total levy amount for 2025 tax year.
- Due to the timing of the refund to Petrogas for the '23 assessed value year, that tax amount was paid from taxing districts' funds in the 2025 tax year and they can levy the refunded amount in the 2026 tax year.
- In the end, taxing districts will collect their full levy amount, and there was a benefit to property owners/tax payers.

The taxing districts impacted by this settlement are:

- Cemetery 7
- Conservation Futures
- County Road
- Fire 7
- Flood Control Zone
- Ferndale School District
- Port of Bellingham
- Rural Library
- Whatcom County
  - Children's Initiative
  - Current Expense
  - Developmental Disability
  - Election Reserve
  - Mental Health
  - Veteran's Relief
- Whatcom County EMS

**Example: Ferndale School District Impact:**

Ferndale School District (FSD) had the largest amount of funds held in abeyance for the 2025 levy calculation. The funds held in abeyance reflected the back taxes owed by Petrogas at the time of the levy calculation.

As a result, property owners in FSD saw approximately:

- 7% reduction in the Bond levy
  - 5% reduction in the Enrichment levy
- Compared to what they would have paid without this back-tax payment.

**Total Amount Certified by County Legislative Authority or Taxing District  
(RCW 84.52.020 & RCW 84.52.070)**

C. Bond (includes refund levy amount) <i>\$7,796,487.72 - \$544,658.86 funds held in abeyance</i>	=	\$7,251,828.86
D. Capital Project (includes refund levy amount).....	=	_____
E. Transportation Vehicle (includes refund levy amount).....	=	_____
F. Enrichment (includes refund levy amount) <i>\$14,146,307.65 - \$703,620.87 funds held in abeyance</i>	=	\$13,442,686.78

I will attend the Council Committee of the Whole meeting on 3/25, to give this update and answer questions.

If you have questions about specific figures, please let me know prior to the meeting so I can have that information available.

Thank you,



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