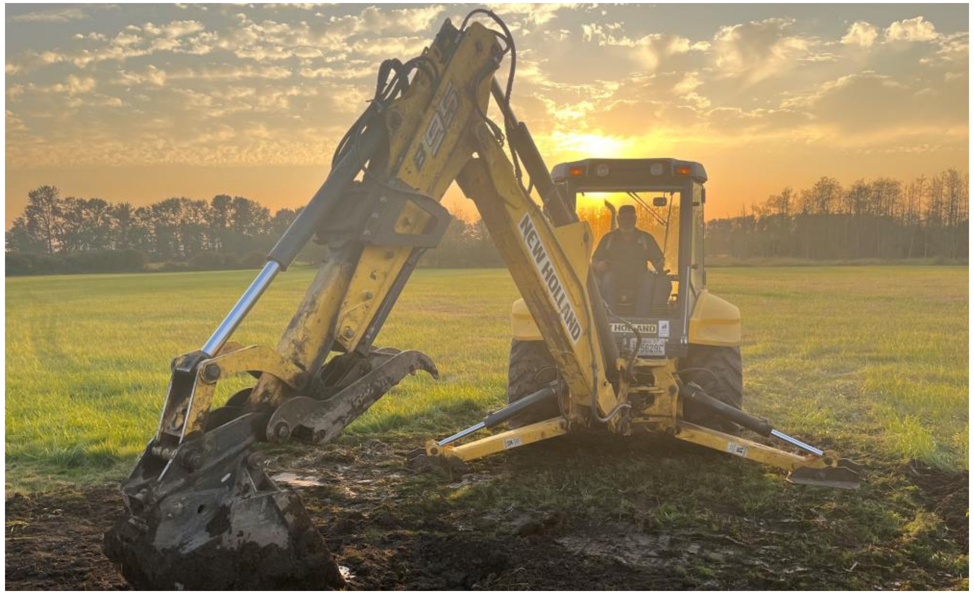
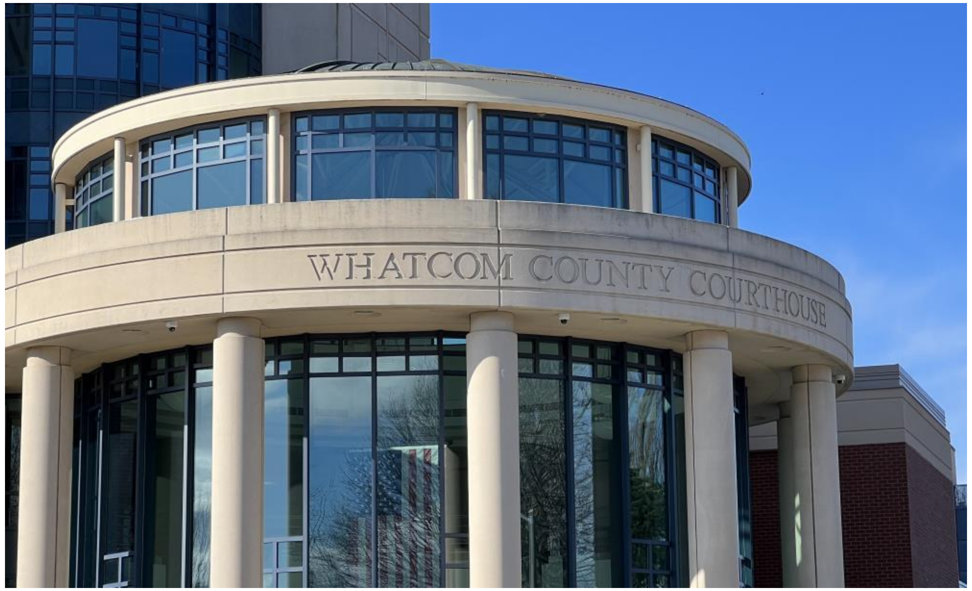
Seven-Year Capital Improvement Program (CIP)

Presentation by Whatcom County Executive's Office

Finance and Administrative Services Committee

August 4, 2026





Goals for Today

- Familiarize Council with Executive recommended CIP prior to budget delivery (when change is much more difficult)

- Shared understanding of capital project funding constraints and competing needs

- Gather policy-based feedback to ensure strategic alignment between Administration and Council

Overview of CIP Process

The Growth Management Act requires that the County's Comprehensive Plan include a "capital facilities plan element" (RCW 36.70A.070(3))

Our Comprehensive Plan calls for the County to develop and update the Seven-Year Capital Improvement Program (CIP) every two years to identify priority projects, estimate costs, designate funding sources, and outline a schedule for project completion

Today's presentation will not focus on flood, sewer, or water infrastructure which are also included on the CIP

Formal Process

1) In January or February, the Executive's office asks all departments for proposed projects over the six-year planning period (would be seven years this time)
2) Executive's Office vets proposals with the Finance Department in the context of priorities and available resources
3) Finance Department sends Planning & Development Services (PDS) the Administration's approved projects, yearly amounts, and funding sources
4) PDS works with the departments to update the inventory of existing facilities parallel with this process
5) PDS formulates a draft CIP and issues a SEPA determination

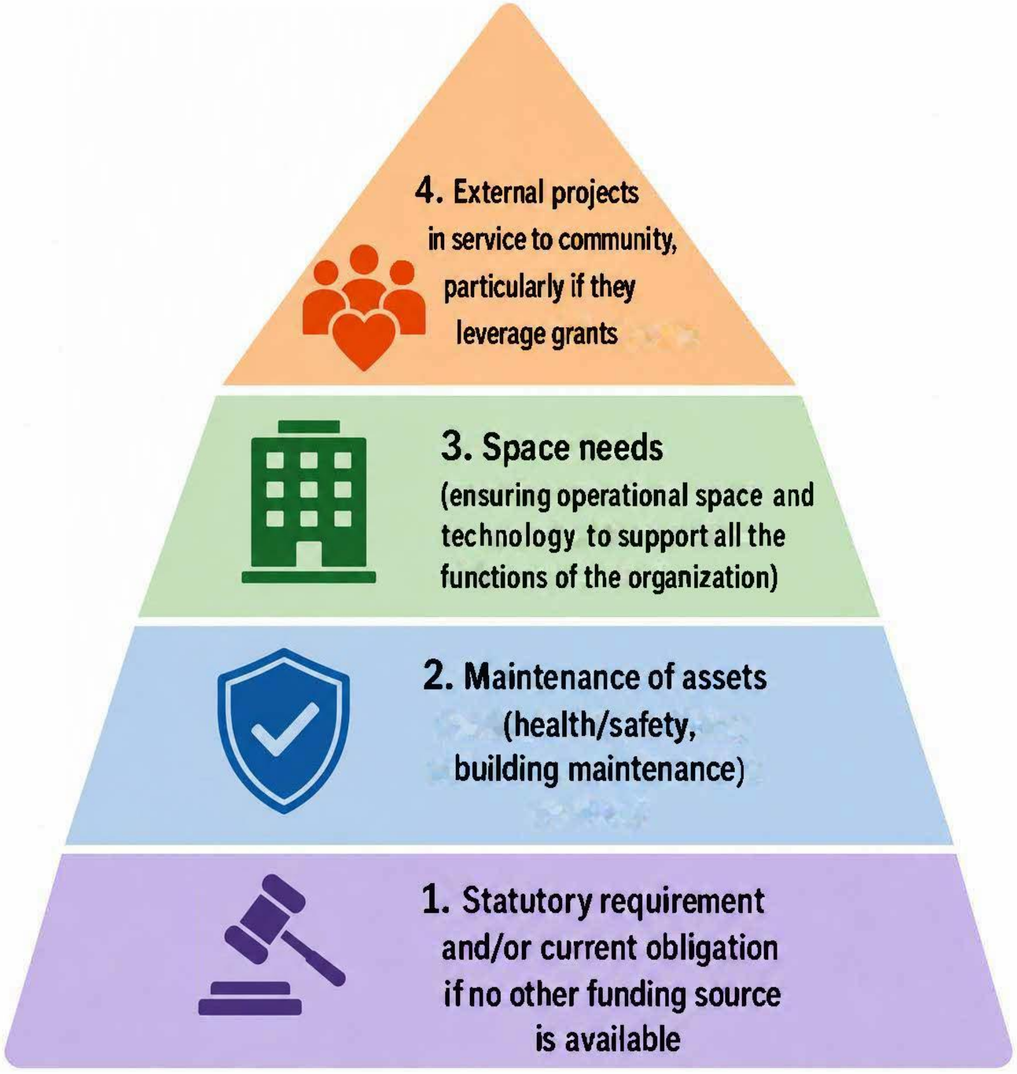
(WE ARE HERE)

6) PDS sends the draft plan to Dept of Commerce for their 60-day review
7) Planning Commission hearing in September
8) Council adoption in November along with the budget

Internal Prioritization and Budgeting Process

- The CIP takes significant work and coordination and is one of the first steps in the biennial budget process
- This work ensures that capital funding is programmed for all planned capital projects, and to protect the health of capital funds through the planning period
- Staff develop models to project revenues
- Executive's office works with department to right-size their capital project needs to align with County priorities and funding constraints
- Staff integrate the updated project list into relevant planning documents
- **Separate budget decision-points**
- Expenditure and revenue projections are less certain in the out-years; the primary focus is the biennium

Our Values for Prioritizing Capital Projects



Primary Funding Sources

Funding Sources Projections

	2026	2027	2028
REET 1			
Beginning Balance	4,162,674	2,748,035	2,937,281
Ending Balance	**2,748,035**	**2,937,281**	**3,274,617**
REET 2			
Beginning Balance	7,995,410	5,899,668	1,739,040
Ending Balance	**5,899,668**	**1,739,040**	**331,428**
EDI			
Beginning Balance	4,511,947	3,788,063	1,132,745
Ending Balance	**3,788,063**	**1,132,745**	**1,225,482**
Conservation Futures			
Beginning Balance	433,048	2,686,265	1,438,431
Ending Balance	**2,686,265**	**1,438,431**	**661,471**

REET 1

REAL ESTATE EXCISE TAX

- The first local-option revenue measure that counties can impose (Authority under RCW 82.46.010)
- It is an existing tax on the sale of real property
- 0.25% on the selling price
- Proceeds are dedicated primarily to capital projects
- For a project to be REET eligible, it must be included in the County's comprehensive plan (through the CIP) which is approved by Council

REET 1

Projects	Department	2026	2027	2028
New Jail Fund 3502	Facilities	-	-	385,310
Courthouse Elevators	Facilities	446,297	338,703	-
Courthouse Exterior Fund 3506	Facilities	290,000	1,430,000	1,025,949
Public Defender 1st Floor Improvements Fund 3512	Facilities	187,013	-	-
Morgue Improvements	Facilities	-	-	1,000,000
Construction Coordinator	Facilities	10,000	10,000	10,000
ADA Compliance	Facilities	50,000	25,000	25,000
Annual Security Equipment End of Life Replacement	Facilities	50,000	50,000	50,000
Carpet Replacement	Facilities	75,000	50,000	50,000
Asphalt Replacement	Facilities	60,000	30,000	30,000
Interior Painting	Facilities	62,500	40,000	40,000
Misc Repair and Replacement	Facilities	50,000	140,000	100,000
Misc Tenant Improvements	Facilities	100,000	100,000	100,000
Clerks Office Security Improvements	Facilities	20,767	10,000	10,000
ADA Courtroom Imrprovements	Facilities	40,000	-	-
Assessor Office Tenant Improvements	Facilities	131,385	-	-
Courthouse Boiler Repairs	Facilities	105,000	-	-
Courthouse South Parking Lot Grinding and Resurfacing	Facilities	197,957	-	-
Point Roberts Sheriff Compound Roof Replacement	Facilities	37,500	-	-
Prosecuting Attorney Office Remodel	Facilities	55,621	-	-
Sheriff's Office Leasehold Improvements Fund 3351	Facilities	1,500,000	500,000	-
WEUCC Generator	Facilities	20,000	-	-
3rd Floor Courtroom	Facilities	699,575	-	-
Juvenile Detention Observation Area	Facilities	-	100,000	-
Juvenile Detention Room Painting	Facilities	10,000	-	-
Ferndale Senior Center Building Repairs Fund Number Pending	Parks	200,000	-	-
		4,398,616	**2,823,703**	**2,826,259**

REET 2

REAL ESTATE EXCISE TAX

- Existing tax under RCW 82.46.035 allows the county to impose a second 0.25% on the selling price of real property
- Available for jurisdictions planning under the Washington Growth Management Act (GMA)
- Historically required to be used on a narrow list of eligible capital projects however . . .
- **2025 legislation made REET 1 and REET 2 interchangeable**
- **This changed our internal decision-making and provided additional flexibility on the use of these funds**

REET 2

Projects	Department	2026	2027	2028
New Jail Fund 3502	Facilities	-	-	96,328
Courthouse Elevators	Facilities	446,297	338,703	-
Courthouse Exterior Fund 3506	Facilities	1,761,898	1,520,000	1,025,949
Morgue Improvements	Facilities	100,000	-	-
NW Annex Demolition	Facilities	-	-	825,000
Former Sheriff Office Improvements for Future Tenants	Facilities	-	250,000	-
JWC Domestic Hot Water Heaters & Chillers	Facilities	-	-	625,000
Building Acquisitions	Facilities	2,100,000	-	-
Disposal of Toxics New Building	Facilities	75,000	-	-
Cedarville Landfill Stormwater	Facilities	-	125,000	-
Conflict Office Expansion	Facilities	-	250,000	200,000
Assigned Counsel Expansion	Facilities	-	10,000	10,000
Courtroom Aduio Visual System Upgrade Fund 3519	IT	146,037	1,380,225	569,993
Courthouse Data Center Enhancements or Initial Move	IT	-	-	150,000
Plantation Rifle Range Lead Remediation and Site Improvements Fund 3808	Parks	-	192,865	330,000
Parks Construction Supervisor	Parks	50,000	75,000	75,000
Multi-Modal Regional Trail Planner Position	Parks	107,952	130,704	138,938
West Region Operations and Maintenance Facility (Hovander Park Building Imp) Fund 3805	Parks	(1,200,000)	-	-
Lookout Mountain Forest Preserve LM 2000 Road Repairs Fund 3809	Parks	157,000	310,000	-
Lake Whatcom Park Trail Development and Capital Maintenance Fund 3806	Parks	24,025	530,000	525,000
Bay to Baker Trail Development and Improvements	Parks	425,000	-	-
South Fork Park Carrasco Property Structure Demo, Access Control, and Caretaker's Residence	Parks	113,092	-	-
Semiahmoo Park Sewage Pump Replacement	Parks	396,901	-	-
Maple Falls Community Park Maintenance Building Roof Replacement	Parks	12,921	98,079	-
Samish Park Pedestrian Trail Bridge Replacement	Parks	75,313	175,000	-
Silver Lake Park Boat Launch Renovation Fund 3812	Parks	-	250,000	-
Van Zandt Community Hall Renovation	Parks	113,284	-	-
Lora Lane Drainage and Tide Gate Modifications	PW - Stormwater	600,000	200,000	-
Semiahmoo Drive South and Outfall Improvements	PW - Stormwater	-	500,000	-
Strawberry Point/Lake Whatcom Blvd Stormwater Improvements	PW - Stormwater	-	795,000	-
Cedar Hills	PW - Stormwater	-	43,000	-
		5,504,720	**7,173,576**	**4,571,208**

EDI

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

- Countrywide funding source used to finance public infrastructure projects that promote economic development, job creation, business expansion, and recently, affordable housing
- Authorized by RCW 82.14.370, which allows rural counties like Whatcom County to retain a small portion of state sales taxes already collected within the county
- It is not an additional tax; it redirects a portion of existing state tax back to the county
- Uses include water and sewer systems, stormwater infrastructure, road, government buildings, parks, and transportation improvements, etc.

EDI

Projects	Department	2026	2027	2028
Electric Vehicle Chargning Stations	Facilities	-	10,000	10,000
Solar Retrofits	Facilities	10,000	10,000	10,000
Building Acquisitions	Facilities	1,000,000	-	-
County Building Maintenance	Facilities	50,000	50,000	50,000
EWRCC Boiler Replacement	Facilities	130,000	-	-
WEUCC Generator	Facilities	20,000	-	-
West Region Operations and Maintenance Facility (Hovander Park Building Imp) Fund 3805	Parks	-	3,530,000	-
Lake Whatcom Forest Road Repairs and Abandonment	Parks	-	125,000	-
Hovander Slough Bridge Replacement	Parks	-	175,000	675,000
Silver Lake Park Lagoon Trail Renovation/Lagoon Bridge Demolition	Parks	-	-	335,000
Birch Bay Beach Park Development Fund 3814	Parks	-	-	928,285
Roeder Home Historic Structure Stablization	Parks	-	100,000	-
Silver Lake Park Cabin and Lodge and Docks - Structure Stablization	Parks	-	100,000	-
Samish Park Residence Delolition	Parks	60,000	-	-
Parks Infrastructure Deferred Maintenance Needs Assessment	Parks	-	350,000	-
Salish Coast Trail Development and Improvements	Parks	-	-	500,000
Hovander Ranger Residence Demolition	Parks	-	-	85,000
Silver Lake Park Utility Improvements	Parks	650,000	-	-
EWRCC - Building and Site Imrprovements	Parks	350,000	-	-
Silver Lake Park Cabins	Parks	124,916	-	-
Lookout Mountain Forest Preserve Parking Improvements	Parks	-	-	125,000
Samish Park Retaining Wall Stabilization	Parks	-	-	35,000
Miscellaneous Parks Capital Improvements	Parks	150,000	150,000	150,000
Parks Headquarters	Parks	78,256	-	-
		2,623,172	**4,600,000**	**2,903,285**

Conservation Futures

- An existing property tax-funded program used to acquire and preserve farmland, forestland, open space, habitat, parks, and conservation easements to protect Whatcom County's natural resources and agricultural economy for future generations

- Authorized by Washington State law, RCW 84.34.230

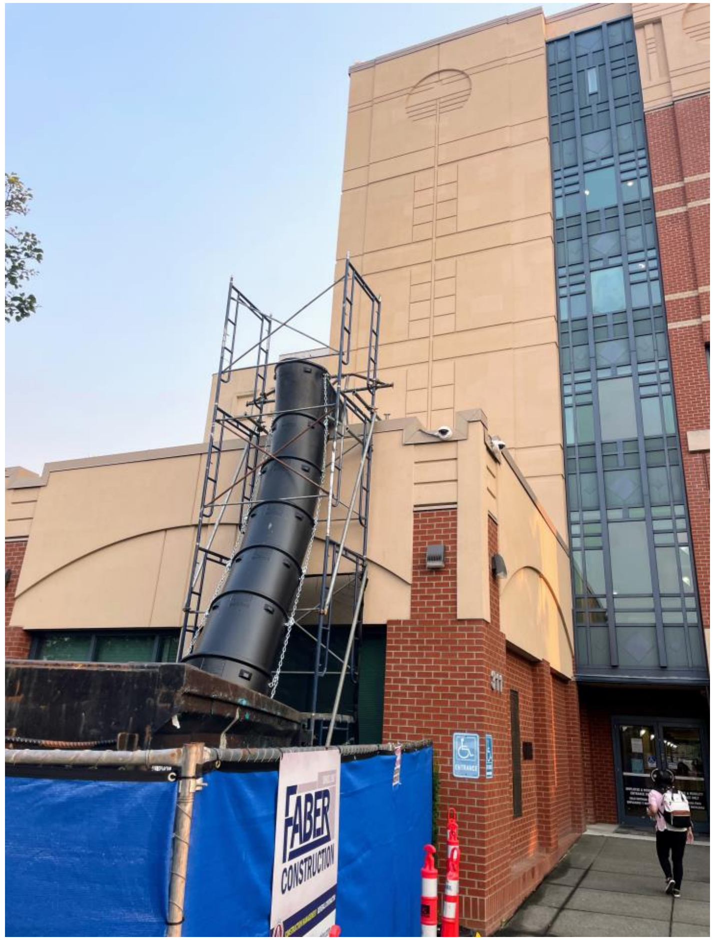
CONSERVATION FUTURES

Projects	Department	2025	2026	2027	2028
Bay to Baker Trail Development and Improvements	Parks	-	-	-	300,000
Governer's Point Acquisition and Trailhead development Fund 3810	Parks	-	450,000	-	-
Salish Coast Trail Development and Improvements	Parks	-	-	-	150,000
Canyon Lake Community Forest Access Road Easement and Improvements	Parks	-	-	150,000	-
Nugents Corner Addition	Parks	-	-	-	550,000
Point Roberts Public Boat Launch	Parks	-	-	-	250,000
Plantation Rifle Range Site Acquisition	Parks	-	-	350,000	-
Easements	PDS		1,535,000	1,622,000	400,000
		-	**1,985,000**	**2,122,000**	**1,650,000**

Department Specific Recommendations

Facilities & IT (Non-Exhaustive List)

- Accomplished major progress on facilities in 2025
- For the future, re-orienting toward maintenance and ensuring existing space is secure and useable
- Project examples -
  - Courthouse (Exterior, Elevators)
  - Public Defender Tenant Improvements
  - Morgue improvements
  - Civic Elevator
  - ADA Compliance
  - Security Equipment
  - Carpet, asphalt and interior painting
  - NW Annex Demolition
  - Girard Street Improvements
  - JAVS

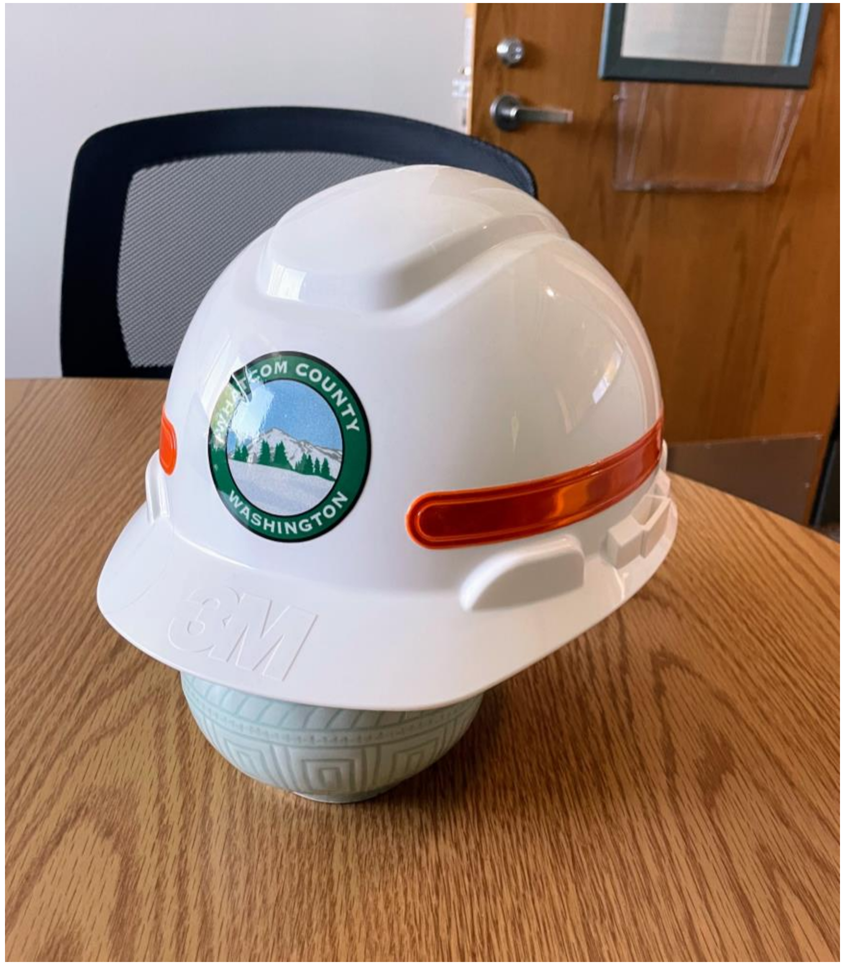


Public Works

- Administration's recommendation is to use the Flood Fund to support stormwater capital projects in 2028 and beyond, where it has historically been supported by REET

- This recommendation aligns with County policy to use the most restrictive revenue source first and maximize all county resources for project delivery

- Stormwater fund historically has received a transfer of approximately $900K-1.2M per year from flood fund to support stormwater O&M (approx. 15% of flood fund). This would be an increase to that transfer consistent with RCW 86.15.130 and WCC 100.03.010

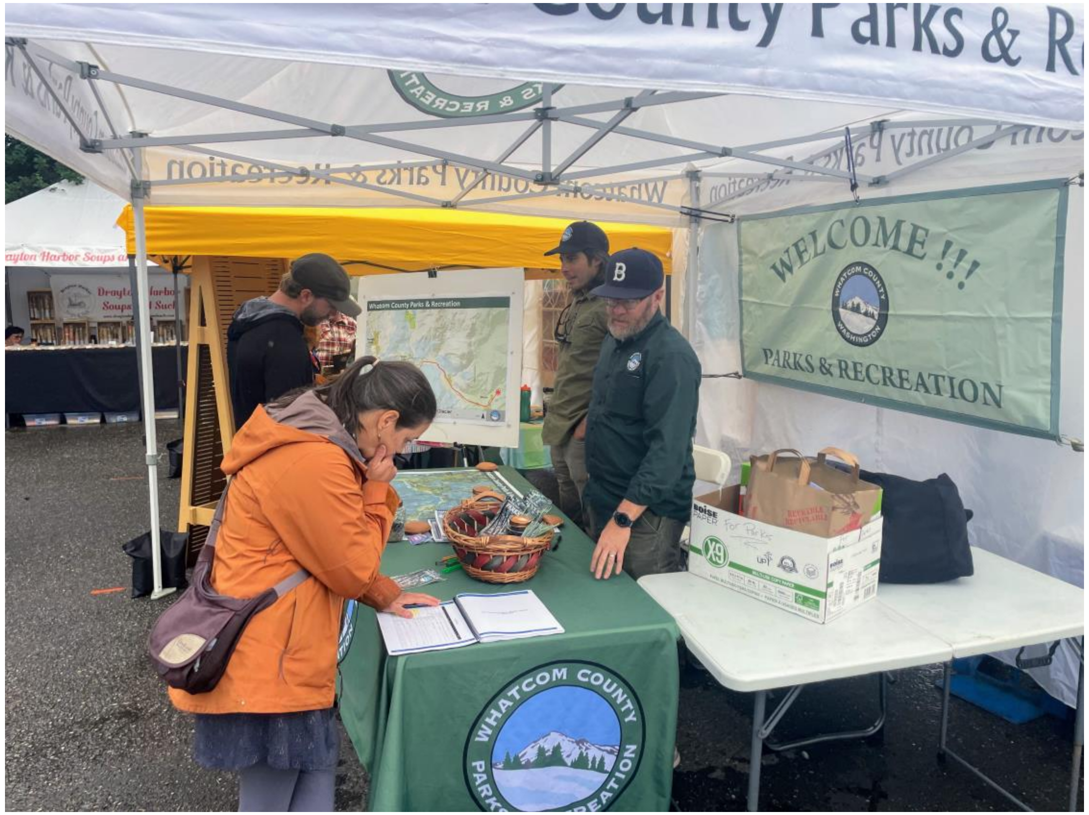


Parks

- Parks department aggressively pursuing grants to support the capital program going forward

- Many Parks projects moved to EDI rather than REET
  - REET fund overall getting more pressure after state fiscal flexibility bill
  - Stronger policy nexus with EDI

- Parks Department presenting at the August 11th Council meeting to discuss areas of work and seek strategic direction from Council on operating and capital priorities



Next Steps

Big Picture

- Executive's recommendations are an effort to prioritize projects to adjust for shifting capacity and eligibility requirements
- It is a difficult funding environment
- The County has multiple competing needs
- This recommendation represents our work to get the most bang for our buck to meet those needs

How Council Can Help

- Provide policy feedback on areas of investment

- Understand the process to better communicate with constituents and departments

- Understand the budgetary impacts of Capital Projects