

PROPOSED BY: Executive
INTRODUCTION DATE: May 12, 2026

ORDINANCE NO. _____

**AMENDING THE PROJECT BUDGET FOR THE
NORTH COMMERCIAL STREET ACQUISITION, AMENDMENT NO. 1**

WHEREAS, Ordinance 2024-044 established the project budget for the North Commercial Street property acquisition and tenant improvements; and

WHEREAS, funds expended to date were used for property acquisition and building improvements; and

WHEREAS, at the time of purchase, it was disclosed that the building had water intrusion issues that needed to be addressed; and

WHEREAS, further inspection of the building has revealed the extent of the water intrusion; and

WHEREAS, additional expenditure authority is needed to complete the water intrusion repairs to the siding of the building; and

WHEREAS, funds are available through a grant that was awarded by the Washington State Department of Commerce.

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that Ordinance 2024-044 is hereby amended by adding \$95,000 of expenditure authority to the current amended project expenditure budget of \$1,628,000, for a total amended project expenditure budget of \$1,723,000, as described in Exhibit A.

ADOPTED this ____ day of _____, 2026.

ATTEST: WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Cathy Halka, Council Clerk

Kaylee Galloway, Chair of the Council

APPROVED AS TO FORM:

() Approved () Denied

Approved by email/B Waldron/A Tan
Civil Deputy Prosecutor

Satpal Sidhu, County Executive

Date: _____

EXHIBIT A

NORTH COMMERCIAL STREET ACQUISITION FUND 3518

Account	Description	Current Amended Project Budget	Amendment #1 to Ord. 2024-044	Total Amended Project Budget
Expenditures				
6190	Direct Billing Rate	\$10,000	\$0	\$10,000
7350	Buildings and Structures	\$1,475,000	\$0	\$1,475,000
7380	Other Improvements	\$143,000	\$0	\$143,000
7060	Repairs and Maintenance	\$0	\$95,000	\$95,000
		\$1,628,000	\$95,000	\$1,723,000
Revenues				
4334.0424	Washington State Department of Commerce	\$0	\$95,000	\$95,000
8397	Operating Transfer In - Capital Facilities Reserve	\$1,628,000	\$0	\$1,628,000
		\$1,628,000	\$95,000	\$1,723,000

Supplemental Budget Request

Administrative Services

Facilities Management

Suppl ID # 5443 **Fund** 3518 **Cost Center** 35181000 **Originator:** Hans Howard

Year 2 2026

Add'l FTE

Priority 1

Name of Request: 400 N Commercial Siding

X

Department Head Signature (Required on Hard Copy Submission)

Date

Costs:	Object	Object Description	Amount Requested
	4334.0424	DC-2022 local/community	(\$95,000)
	7060	Repairs and maintenance	\$95,000
	Request Total		\$0

1a. Description of request:

The 400 N Commercial facility was purchased in October 2024 for office space in close proximity to the Courthouse. Due to the requirement by the State to construct a 5th Superior Courtroom at the Courthouse, the 3rd Floor office space used by the IT department was chosen for this renovation. The IT Department was moved into the 400 N Commercial facility to make room for this renovation. Security and IT upgrades have been completed for this move however there is exterior water intrusion repair work in progress.

The facility was purchased with funds approved though approved Ordinance 2024-045. \$1,628,000.00 was transferred from Capital Facilities Reserve Fund 395 of which \$25,000.00 was budgeted for water intrusion repair. Since the establishment of the project fund, two grants have been received assisting with the cost of this staff move associated with new Superior Court. \$675,00.00 from the Administrative Offices of the Courts and \$701,274.20 from the Washington State Department of Commerce.

Upon commencement of the water intrusion repairs, it was discovered that the siding damage was more labor extensive than originally estimated. The water intrusion had not only damaged siding in many areas but the sheathing and some of the exterior wall framing is damaged as well. Roughly 20% of the siding replacement was completed in the summer of 2025 which used all of the existing water intrusion budget. This request is for additional budget authority for a portion of the grant funds to complete the siding repairs. Please see the breakdown below for the costs and revenues to the project fund.

400 N Commercial Street project fund-\$1,628,000.00
 WA State Commerce Grant+\$701,724.20
 AOC Grant+\$675,000.00
 Water Intrusion Request-\$95,000.00

Total Costs for Project After This Request-\$346,275.80

1b. Primary customers:

The IT Department that currently uses the facility and any future users.

2. Problem to be solved:

The 400 N Commercial siding is failing and needs to be replaced before additional water damage occurs.

3a. Options / Advantages:

The only option for this particular siding issue is to demolish and replace. The EIFS siding has reached the end of its effective service life.

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This will address the water intrusion issues and provide a new siding product with increased longevity.

3b. Cost savings:

The cost savings are preventing additional damage from occurring due to water intrusion.

4a. Outcomes:

The outcome will be siding that has been replaced and a water tight exterior at the 400 N Commercial Street. It is anticipated that most of this work can be completed in the summer of 2026.

4b. Measures:

The outcome will occur when the siding has been fully replaced and all final details finished.

Success will be measured by accomplishing a water tight exterior that prevents future damage.

5a. Other Departments/Agencies:

There will be minor construction noise during the siding replacement at the facility, but it will be kept to a minimum.

5b. Name the person in charge of implementation and what they are responsible for:

Rob Ney, Facilities

6. Funding Source:

Grant revenue from the Department of Commerce.