



MEMORANDUM

TO: Satpal Sidhu, County Executive

FROM: Rebecca Xczar, County Assessor

RE: James P. Richmond, attorney, Contract Amendment

DATE: 7/24/2020

Enclosed is a contract amendment between attorney, James P. Richmond and Whatcom County.

▪ **Background and Purpose**

Petrogas West LLC and Petrogas Pacific LLC, which own portions of the Petrogas facility at Cherry Point, have appealed their property values for 2016, 2017, 2018, 2019. They have paid property tax on a small portion of their original assessed value. The values for years 2016, 2017, and 2018 are included in a Board of Tax Appeal case together. A trial was scheduled for July 2020. Due to COVID-19, the trial date has been extended to April 2021. The Assessor's office has made several attempts to settle the case with the appellant, but we disagree on what is taxable and a resolution does not seem feasible without going to trial. There is a substantial amount of value being contested, which will result in a significant amount of property tax and interest to be collected after the trial. The 9% interest will go into the County's General Fund.

▪ **Funding Amount and Source**

This request is for \$80,000. The Assessor's budget has \$20,000 in unassigned legal services and the department budget has significant vacancy savings which can be used to cover the remaining \$60,000 needed for this amendment.

▪ **Differences from Previous Contract**

The original contract and amendment number 1 total \$75,000. It is estimated that an additional \$80,000 will be needed to get us through the trial in 2021.

Please contact Rebecca Xczar at extension 5055, if you have any questions or concerns regarding the terms of this agreement,

Encl.