



MEMO:

TO: Whatcom County Council
Mayors and Councils of the cities of Bellingham, Blaine, Everson, Ferndale,
Lynden, Nooksack and Sumas

FROM: Tyler Schroeder, Whatcom County Deputy Executive

THROUGH: Satpal Sidhu, County Executive

DATE: April 22, 2024

RE: **Interlocal Agreement on the Public Health, Safety and Justice Facility
Financing**

Whatcom County is pleased to present the attached agreement for your consideration. The proposed agreement outlines how Whatcom County and the seven Whatcom County cities will jointly finance the construction of a new Whatcom County Justice Facility and Behavioral Health Treatment Center.

On June 6, 2023, the mayors of all seven Whatcom County cities sent Whatcom County a letter indicating their willingness to participate in funding a new correctional facility, so long as its size was adequate to meet cities' capacity demands. The letter outlined the cities' collective commitment to make a significant up-front capital investment in a new jail to drive bond costs under \$100 million for a new Justice Center expected to cost \$150 million. After such contribution, the cities would not be charged a capital fee for use of the new jail.

On July 11, 2023, the Whatcom County Council passed [Ordinance 2023-039](#) which put a 2/10 of 1% sales tax on the ballot to provide funding for public health, safety, and justice facilities and services. County Ord. 2023-039 and the associated [Justice Project Implementation Plan](#) created a framework to construct a new adequately sized jail and fund a range of incarceration prevention programs in the community. In the general election held on November 7, 2023, the citizens of Whatcom County approved of this measure with a yes vote of 63%. By statute, the Department of Revenue will split sales tax proceeds 60/40 between Whatcom County and the Whatcom County cities.

Ord. 2023-039 requests the County Executive work with the seven cities to enter into an interlocal agreement governing Justice Facility financing and establishing a Finance and Facility Advisory Board. The enclosed agreement and financial framework meets the mutual goals of the cities and County to accomplish the capital project while allowing the cities to retain a portion of sales tax revenue for City priorities, provides timely funding for incarceration prevention programs identified in the Justice Project Implementation Plan, and ultimately increasing the cities retention of 100% of their respective share. Part III, Section 3 of the agreement lays out the financial framework and details for city contributions toward the capital project. The agreement also provides access to the facility on an "equal priority basis" and ensures any booking restitutions will be shared equally amongst all Parties.

Projections show that as early as 2029, 50% of countywide proceeds from the new public safety tax could be allocated toward Justice Project Implementation Plan priorities other than the new jail, consistent with the intent of Ord. 2023-039. Whatcom County and the City of Bellingham will spend all of their tax proceeds consistent with the Justice Project Implementation Plan, whereas small cities have more allowances for spending on public safety expenses. With this framework in mind, the proposed agreement requires concurrence on modifications to the Implementation Plan by the Bellingham City Council.

Lastly, the Agreement establishes membership on a Finance and Facility Advisory Board, subject to the Open Public Meetings Act, which will provide financial oversight of funds collected and make recommendations on the finance and operations of the Justice Facility and Treatment Center. Members of this Board will be jointly confirmed by Whatcom County Council and the Bellingham City Council.

Whatcom County is committed to successful construction of a new Justice Facility and Behavioral Health Treatment Center while simultaneously expanding incarceration prevention services. If you have any questions on the proposed agreement or Justice Project Implementation Plan, please contact the County Executive's Office at (360) 778-5200.

Thank you for your consideration and partnership.

Enclosed: Interlocal agreement on the public health, safety and justice facility financing.