

**From:** Bonnie Onyon  
**Sent:** Friday, July 26, 2019 10:30 AM  
**To:** City Council  
**Subject:** FW: Small Cities July mtg minutes  
**Attachments:** Small Cities Meeting Minutes July 2019.pdf

FYI Small Cities Partnership July minutes which includes Whatcom Tourism report on countywide Wayfinding signage project.

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**From:** Noveck, Jennifer <[jennifern@portofbellingham.com](mailto:jennifern@portofbellingham.com)>  
**Date:** Friday, Jul 19, 2019, 8:42 AM  
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**Subject:** Small Cities July mtg minutes

Dear All,

Attached are the July meeting minutes. I am happy to make any necessary edits if needed.

Many thanks & enjoy the weekend!

Best,  
Jennifer

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## Small Cities Partnership meeting

July 16, 2019, 9-11am

### In attendance:

Jack Louws, County Executive	Paul Schlisser, independent consultant
Tyler Schroeder, Deputy County Executive	Jon Mutchler, Mayor of Ferndale
Brian Heinrich, Bellingham Deputy Administrator	Jori Burnett, Ferndale City Administrator
Kyle Christensen, Mayor of Sumas	Jon Perry, Mayor of Everson
Bonnie Onyon, Mayor of Blaine	Ann Serwold, Ferndale Chamber of Commerce
Don Goldberg, Port of Bellingham, REP	Scott Korhuis, Mayor of Lynden
Jennifer Noveck, Port of Bellingham, REP	Sandy Ward, Tourism
CJ Seitz, WWU SBDC Director	John Romaker, Deputy Assessor
Michael Jones, Blaine City Manager	Mike Martin, Lynden City Administrator
Heidi Gudde, Lynden Planning & Community Development Director	

### Wayfinding update – Sandy Ward, Tourism

- Roger Brooks did a study and said we needed signs so that people do not get lost
- Bellingham and WC hired a consultant to come in and do a study to inform Tourism about what we need for a good wayfinding system, cost \$100,000
- Benefits: creates branding for county and cities, helps with economic spillover, also means people might spend more time in the community, creates trust and feelings of comfort
- We actually did have signage, but it wasn't coordinated or consistent across the region
- Drives visitors to other attractions in the county, overnight stays, people also stay longer
- Wayfinding is not just vehicles, but pedestrian, digital websites, maps, kiosks, an integrated system, use existing infrastructure but add the colors and county
- Identified three regions: coastal, farmland, and mountain in the county
- Have to involve DOT and plan for maintenance and identify funding sources, Identify hub and spokes (Asheville as a hub) so instead we went with an Identity model that features all cities
- Program should be in place by September 2019, Master Plan will be complete and then signs can be developed by any sign company, colors associated with the regions, signs will list the cities in the regions on gateway signs, plan has identified the gateway points, icons to help people know they are on the right path
- \$2.8 million to implement this program, County Executive supports the program, County Council too
- Whatcom County should use lodging tax money and EDI money as well as participation from the Small Cities (Bellingham, Blaine, Ferndale, Lynden) and help more for Everson, Nooksack, Sumas because they do not currently collect the lodging tax
- No one can commit for their Councils, but it would be great to get the support of the Mayors initially so that we can move forward.

Michael: What is the commitment or need from each of the small cities? How will it be divvied up?

Scott: City of Lynden's contribution is about \$347,000 and try to carve off \$60K per year.

Brian: Bellingham has committed \$600,000.

Jori: \$186,000 committed for Ferndale, which seems low, but Council approved \$50K .

Jack: EDI money will help a lot and we should be able to come up with kind of cost formula that provides a reasonable budget (do we need to pay upfront or can we pay over time), County should be able to write the check and have the cities pay them back if needed

Don: this helps build our brand and contributes to regional economic development and that story. Is there anywhere in EDI for maintenance and clean up?

Sandy: Yes, we need to establish a maintenance plan still and an agreement about how to pay for repairs or updates (probably the jurisdiction the sign is in)

Jack: The cities that collect the lodging tax can dedicate a portion of that to maintenance and repairs.

Michael: Another part of this is being sure that we take down signs that are no longer relevant.

Jori: Some of this is the removal of old signs, but not sure if that is included in the cost.

Sandy: Maybe we will establish a committee that deals with the long term implementation and maintenance and a commitment from the cities. They will need someone to manage the project and she doesn't know if any of the cities have the bandwidth to do that.

Jori: If we have 3 existing cities and we put in 1, then it is probably the city public works that will be responsible for the removal and cost.

Tyler: The highway and state routes it is hard to get approval from WADOT, but as soon as the document is done they will send it to WADOT, hopefully by December 2019. It is particularly difficult for the monuments. Will send out the financial models and information to the city mayors.

Jack: Does anyone have any deep objections about continuing this program? Will it be a problem for any of the Councils?

Scott: Would Sandy be able to give the presentation to the Lynden Council? With a little more Lynden focus.

Nooksack, Everson, Sumas: If we have a dollar amount, then they can make a decision. But the Councils will want to know how much it is.

Jack: For the good of the smaller cities, the County will try to at least take care of a big portion for these three cities. We will get the number to everyone and then put together a couple potential models.

Sandy: The Port and WWU are also involved. Lummi will also be responsible for signage on the reservation.

### **SB 1406 sales tax rebate – Tyler Schroeder, Deputy County Executive**

- Legislature just passed this bill to encourage investment in affordable housing (60% of AMI)
- For counties and cities to authorize and implement a local sales tax, it would be a sales tax rebate, not a new tax, becomes law in January 2020
- Two different percentages associated with this – max rate is .0146%, cities can leverage the tax or the county can for cities that cannot, counties <400,000 the money can be used to help with rental assistance

- The current plan is for the County to do this via the WC Public Health Dept and he has a breakdown on the associated financial component as WC already leverages a qualifying tax (mental health & chemical dependency tax)
- County Council needs to issue an intent to levy the tax if the cities are not going to
- Bellingham Housing Authority asked for EDI funds for Samish Way, good dialogue about how to use EDI funds for housing
- These funds will explicitly be for housing and rental assistance (\$660,000-\$700,000 projected as collected from sales tax)
- Bellingham is the largest sales tax collector, hopeful that the agreement will allow us to use the existing programs to allocate the dollars out. There is a chance Bellingham will administer and collect their own. The County would hope that they could then do it for the rest of the County
- Resolution has to be passed by the end of this year for the intent to enact the tax and County Council is interested in moving forward rather quickly with this

Jack: Get in front of the Councils and see if they are on board as soon as possible, very hopeful that we can make it work between Bellingham and the County, but if there are too many strings attached to Bellingham, there doesn't need to be another board and meetings for such a small amount of money

Jori: Will it be distributed to projects? Or could it be like mitigation fee assistance? Asking because Bellingham has a lion share of affordable housing requests, concern from small cities is that they cannot deliver the sexier projects but a smaller project could be really meaningful for their jurisdiction.

Jack: Typically EDI dollars for loans are going to individuals, Ferndale, Blaine, through EDI they can continue to the program, he supports that, it boils down to Kulshan Land Trust and BHA, it is up to them to find land and places to put affordable housing, if they do find that land in the smaller cities, then they those cities will qualify to receive it. 50-60% of growth is supposed to be absorbed by Bellingham

Brian: Is this amount of dollars better to just go into existing projects? \$650,000 is not much money, but there is great need for operations, maintenance of existing facilities. The affordable housing projects cost millions - \$22 million for one that is in Bellingham now. They do not intend to limit distribution.

Don: Why wouldn't a county want to do this program?

Tyler: County just has to pass an ordinance and I could not come up with a reason not to do it because it is not leveraging a new tax. Other counties haven't been as successful as ours in using the taxes so maybe they weren't able (due to being bonded?). County is hopeful that we can get the dollars in the right places, it is not that much money but could help finish projects as there are many that need money at the end

- The County has a drafted resolution for the mayors, probably will be able to share it in late August and if anyone has questions or requests, just send it to Tyler so he can get it into the ordinance

### **Affordable and workforce housing updates and ideas – Paul Schlisser**

- The 1<sup>st</sup> 80 homes that were built using the EDI funding, the leveraging ratio is about 15 to 1, so for every dollar of EDI funding, \$15 in value is created
- \$500,000 will be allocated this year, EDI board had a discussion last week about continuing the program, some discussion about recycling the money and putting it back into the program

- Scott: what do you need from us?
- For the cities that are not at the EDI board, back when it developed then Small Cities sent a letter of support, an indication of support would be helpful
- There are some other things that could be added to the program

Jack: Next time we are in front of the Council re: EDI, by the end of the year he would like to see a recommendation and would like \$186K that was paid back into the program. There should be a time that the number of payoffs will generate more houses. Likes the level of participation in the program. Not comfortable to give money to housing authority or elsewhere as big grants. Want to save EDI dollars for the Blaine project (stormwater) and getting the Costco property ready to go. No problem committing EDI funds to it, likes the involvement. 2032 is how long the EDI will go, they can extend it or there could be a new bill. No one knows. Small Cities mayors are supportive, they should send a letter to EDI board and County Council.

Don: Commerce is talking about extending the fund to 2040 and will let everyone know if he hears anything further

Jori: It seems like Whatcom/Skagit Housing uses most of this. Would it be beneficial to extend this to other developers? Seems like it could be beneficial.

Jack: A batch of EDI funds and small portion of the Aloha project on Samish are going to Habitat and Kulshan. Players know about it, it is more about if they qualify to be involved. They are understanding that it is there.

Bonnie & Jon said that it is really beneficial, it is a really nice looking neighborhood, creates a lot of community. Contact Nancy Larsen at Whatcom/Skagit and discuss subdivisions and land.

Don: We are helping Habitat with densifying in between lots.

Jori: Whatcom/Skagit are saving money on cost of construction, but have to pay market rate for infrastructure like wetland mitigation. Wetland costs the same to them as anyone else. There are no credits left with Lummi.

Scott: Small Cities Mayors will craft a letter of support. Paul will send us the last letter they sent.

### **Good of the order**

Bonnie: they are putting in sewage and electric line (1/2 mile) to the eastern part of Blaine so that they can extend housing, using city and state money to do that (353 homes right away)

Jack: All things are great at the County right now.

Jon: The Jazz Festival was great and the City of Blaine is just such a great city. The main street looks great, good sponsors and families that were housed

Don: Entire Phase I is open to the public, quite beautiful, should check it out if you haven't seen it

Mike: Nooksack has asked the state to adjudicate their water rights. 2007 Nooksack and Lummi asked for quantification to the federal government.

Jack: Result of 6091, Dept of Ecology has some seed money and they are trying to decide which basin to take care of now that the Walla Walla basin is taken care of. On one hand, everybody could be concerned, on the other, it's been ongoing challenge. It will continue to a big issue.