

Craig Cole

Box 2025 Bellingham, WA 98227

October 9, 2014

Whatcom County Planning Commission
c/o Whatcom County Planning Department
ATTN: Becky Boxx
5280 Northwest Drive
Bellingham, WA 98226

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Whatcom County P&DS

Comments on Update of Comprehensive Plan

Dear Members of the Commission:

First, thank you for your service.

While, of late, I have been working as a consultant on a specific industrial development project at Cherry Point (Gateway Pacific Terminal), my personal involvement in planning matters predates all of this and involves a broader agenda. I had the honor of serving on and chairing the Whatcom County Council in the 1980s, chairing the Whatcom County Natural Heritage Task Force in the 90's (which led to the Natural Heritage Plan and adoption of the Conservation Futures Levy), the Bellingham/Port Waterfront Futures Task Force, and I served on the Public Lands Advisory Committee for the Washington State Public Lands Commissioner. I believe in sound land use planning that appropriately recognizes and blends environmental and economic interests into a "total quality of life" proposition.

You are the ones doing all of the work, but I hope you would be kind enough to entertain a few thoughts, as outlined below. My thoughts are my own and not submitted on behalf of anyone else.

Strategy Requires Being Decisive

Good planning discourages and restricts inappropriate growth. But it should also encourage appropriate growth. Too often policies do the former, but not the latter. Lake Whatcom needs to be protected. Commercial and residential sprawl needs to be constrained. But in-filling and high-wage job growth need to be encouraged and facilitated. Too often policies and practices just sort of hassle every form of development, without distinction.

The Plan Should Include a Coherent View of How to Promote a Sound Economy

This should not be an afterthought, but an integral part of the plan. It may be prudent to seek input from people with expertise in economics, not just land use planning. The two are inseparable in reality. Data continue to show that both nationally and locally there is a growing income gap and a challenged middle class. Whatcom County is heavy on low-wage service sector employment, the result being that wage rates here are about 15-20% lower than the state average. At 15%, our rate of poverty is higher than the state and national averages, and half of the County's school children qualify for subsidized meals. ***Raising per capita income of the people who already live here should be a primary goal of the Plan.***

The Cherry Point Heavy Industrial Area Should be Preserved, Protected, and Nurtured

One of the best ways to redistribute wealth is to provide high-wage jobs and good benefits. This is how a strong middle class is formed and how the tax revenues get generated to employ the likes of teachers, firefighters, social workers, ecologists, planners and police officers. Cherry Point is the economic goose

that laid the golden egg for Whatcom County's citizens. Hampering its viability and growth would be tantamount to committing economic suicide.

From a policy perspective, ***the Cherry Point zone is an outgrowth of decades of thoughtful planning.*** It has been very deliberately set aside as the region's remaining high-wage job base for heavy industry. It has unique attributes that make it well-suited to its purpose and it has performed as desired. To dilute its purpose or to scramble regulatory certainty would discourage new investment and re-investment in job growth and retention; and it would show a lack of respect for the very notion of long-term economic and land use planning.

Financially fortunate, relative newcomers to the community may not understand the crucial importance of the high quality industrial job base at Cherry Point. That some may have decided that they don't like heavy industry doesn't mean that they are experts on sound planning or proponents of the general public welfare. I can tell you that as a kid bagging groceries in Ferndale for local families that it was obvious what it meant to score a job at one of the industries at Cherry Point. It transformed the hopes and opportunities of families for generations; and it's still happening. To advocate for policies that would damage the prospects of these working families is cruel and arrogant. We need to do things that create more "haves", not more "have-nots".

Thank you for considering these thoughts. The enclosures may be of some interest, historical or otherwise.

Respectfully,

Craig Cole



The Cherry Point Tax Base

County General Budget	5.48%
County Conservation Fund	5.48%
Flood Control	5.48%
Port	5.48%
Rural Library	8.58%
County Roads	11.22%
Ferndale Schools	15.46%
Blaine Schools	21.35%
Fire District 7	52.47%

*Est. Annual Property Tax Payments of Three Businesses-Alcoa, BP, Phillips
(GPT excluded)*

2014 Property Tax Summary
Only Plant sites and Associated Personal Property - Estimated

ASSESSED VALUE	DISTRICT TOTAL TAX	BP 2014 TAX	CONOCO-PHILLIPS 471,118,526	INTALCO 79,744,870	3 Prop Totals	Perct County Levy	District Tax Rate 2014
WA STATE	61,841,538	1,956,033.29	1,232,646.92	208,646.58	3,397,326.79	5.49%	2.6164263372
COUNTY CURRENT EXP	27,579,208	870,718.56	548,706.69	92,877.99	1,512,303.24	5.48%	1.1646892593
COUNTY ROAD	18,263,116	1,179,971.89	743,590.98	125,865.49	2,049,428.37	11.22%	1.5783522411
COUNTY CONS FUTURES	1,021,221	32,241.56	20,317.88	3,439.15	55,998.59	5.48%	0.0431269009
FLOOD CONTROL ZONE DIST	3,287,504	103,791.64	65,407.09	11,071.27	180,269.99	5.48%	0.1388336157
PORT OF BELLINGHAM	6,836,604	215,842.24	136,018.79	23,023.51	374,884.54	5.48%	0.2887145809
RURAL LIBRARY	7,562,704	373,798.66	235,559.26	39,872.44	649,230.35	8.58%	0.5000000000
FIRE DIST 7	3,046,146	920,273.67	579,935.17	98,163.95	1,598,372.79	52.47%	1.2309750981
CEMETERY DIST 7	227,251	84,104.70	53,000.83	8,971.30	146,076.83	64.28%	0.1124999990
BLAINE SCHOOL 503	10,011,381	2,137,092.75			2,137,092.75	21.35%	2.8586148210
FERNDAL SCHOOL 502	16,807,562		2,222,926.22	376,268.29	2,599,194.52	15.46%	4.7184012130
NW Park & Rec #2		74,759.73			74,759.73		0.1000000000
TOTALS		7,948,628.68	5,838,109.84	988,199.96	14,774,938.49		

[Excerpted From Washington State Department of Natural Resources Aquatic Reserve Management Plan/Cherry Point November 2010]

Table 1 Timeline of Major Events at Cherry Point Date

Time	Event	Type
Immemorial	Ceremonial, subsistence, and commercial harvest of finfish and shellfish and other commerce by Native American Indians	Tribal Law
1855	Treaty of Point Elliot signed	Federal/Tribal Law
1889	Washington Statehood	Federal/State Law
1954	The General Petroleum Corporation begins operation of the Ferndale refinery, pier, and outfall.	Major construction
1966	The Intalco Aluminum Corporation builds a second pier and outfall at Cherry Point.	Major construction
1971	The ARCO refinery constructs a third pier and outfall at Cherry Point now owned by British Petroleum.	Major construction
1971	Washington's Shoreline Management Act was enacted.	State law
1972	Federal Water Pollution Control Act is enacted.	Federal law
1974	State herring sac roe fishery is opened.	Fishery management
1975	Whatcom County Water District Number Eight constructs a secondary wastewater effluent outfall at Point Whitehorn. ⁵	Major construction
1976	First Shoreline Management Program adopted designating Cherry Point uplands as a "conservancy," shoreline allowing water-dependent industrial use of the shoreline as an outright permitted use and recognizing the state and local importance of such uses at Cherry Point.	Land use
1976	Final Decision of <i>United States v. Washington</i> (384 F. Supp. 312, 377 [W.D. Wash. 1974], aff'd, 520 F.2d 676 [9th Cir. 1975], cert. Denied, 423 U.S. 1086 [1976])	Federal/State/Tribal Law
1976	Chicago Bridge and Iron (CBI) proposes to build offshore oil drilling rigs at Cherry Point.	Land use
1977	Whatcom County "Interim Zoning" adopted identifying Cherry Point as an industrial area.	Land use
1977	Federal Clean Water Act is enacted, by amending the 1972 Water Pollution Control Act.	Federal law
1979	Cherry Point-Ferndale Subarea Plan adopted by Whatcom County designating Cherry Point for industrial use.	Land use
1981	Whatcom County updates the "Official Zoning Map" reaffirming Cherry Point as an industrial area. Ordinance No. 81-99	Land use
1982	State herring sac roe fishery permanently closed.	Fishery management
1982	CBI's proposal to build oil drilling rigs is ended by governor's veto of legislation that would have exempted CBI from provisions of the Shoreline Management Act.	Land use
1983	Kiewit proposes to build offshore oil drilling rigs on the Cherry Point uplands	Land use
1984	Kiewit's permits denied by Ecology and DFW	Land use
1987	State herring spawn-on-kelp fishery are opened.	Fishery management
1992	Joseph Schechter proposes to build the Cherry Point Industrial Park (CPIP), including a shipping pier.	Land use
1992	SSA proposes to build the Gateway Pacific Terminal (GPT) pier at Cherry Point.	Land use
1995	Letter from Commissioner of Public Lands states that DNR will consider at most one additional pier at Cherry Point. ⁶	Land use
1996	State herring spawn-on-kelp fishery is closed.	Fishery management
1996	State sediment management standards become effective. ⁷	State rule
1996	<i>Northwest Sea Farms v. U.S. Army Corps of Engineers</i> , 931 F.Supp. 1515 (WD WA)	Federal Law

⁵ The operator of this outfall is now the Birch Bay Water and Sewer District.

⁶ The letter, dated October 5, 1995, was written by then-commissioner Jennifer Belcher to Tim Winn, District Engineer, US Army Corps of Engineers. Copies filed in CPIP Negotiations with DNR file.

⁷ State sediment management standards are codified at WAC 173-204. They are administered by Ecology.

1998	The 1992 CPIP proposal is abandoned; Legally they have a shoreline permit until the county rescinds the permit.	Land use
1998	Executive Order 13084 issued by the White House, Consultation and Coordination with Indian Tribal Governments	Federal Law
1998	Whatcom County and Washington State adopt the 1998 Shoreline Program Update designating the Cherry Point Management Area – re-affirming the use of the reach for water-dependent industrial uses.	Land use
1999	NMFS accepts petition to list 18 species of marine fish under ESA, including all Puget Sound Herring.	Legal
2000	Second wing is added to the ARCO pier.	Major construction
2000	National Marine Fisheries Service (NMFS) decides Cherry Point herring do not merit listing under the federal Endangered Species Act. ⁸	Fishery management, federal law
2000	Ocean Advocates et al sues Corps for granting ARCO/BP permit for refinery dock expansion w/o EIS or consideration of Magnuson restrictions	Legal
2000	Commissioner's Order establishes Cherry Point as an aquatic reserve	Land Use/Order
2001	Washington Department of Health re-opened 1.5 miles of beaches around Pt. Whitehorn previously closed to recreational shellfishing, reducing the closure zone from 2,640 feet to 1,380 feet.	Land Use
2001	DNR applies Interim Guidance to Cherry Point Aquatic Reserve	Land Use
2002	New leases are issued for Intalco/Alcoa pier and wastewater outfall.	Land use
2002	Birch Bay Water and Sewer District withdraws its proposal for wholesale service to Blaine, who has chosen to construct reclaimed water plant instead.	Land use
2003	Williams Pipeline (also known as Georgia Strait Crossing) proposes placement of a natural gas pipeline across the Cherry Point Withdrawn Area. Proposal later withdrawn.	Land use
2003	The Cherry Point Withdrawn Area scheduled for review, determining whether the area will remain an aquatic reserve.	Land use
2005	The authorization for the Birch Bay Water and Sewer District outfall expires. DNR postpones the application.	Land use
2006	ConocoPhillips lease is renewed with DNR	Land use
2007	Cherry Point BP lease is modified by DNR to accommodate required spill control structures	Land use
2007	Whatcom County adopts updated Shoreline Master Program including protection of shoreline critical areas	Land use
2008	Trillium sells large parcel west of BP facility to BP	Land use
2008	Whatcom County Parks purchase of Trust lands	Land use
2009	Birch Bay Water and Sewer District receives a 30-year easement for the Birch Bay outfall	Land Use

⁸ The notice, Endangered and Threatened Species: Puget Sound Populations of Copper Rockfish, Quillback Rockfish, Brown Rockfish, and Pacific Herring, Notice of determination of status review was published in the Federal Register, Volume 66, Number 64, April 3, 2001, pp. 17659 – 17668.

[Excerpted From Washington State Department of Natural Resources Aquatic Reserve Management Plan/Cherry Point November 2010]

Local Land Use Designations

Currently, much of Whatcom County maintains a rural character, with large tracts of commercial forest lands and agricultural land used for pasture and commodity crops. Whatcom County population increased by 100 percent between 1950 and 1990 and was 184,300 in 2006. Continuing population increases in the county are projected to result in a transition to more residential, commercial and industrial uses. (Kyte et al, 1999; OFM, 2006). Between 1954 and 1971, three industries moved into the Cherry Point vicinity. In 1954, General Petroleum Corporation constructed an oil refinery near Cherry Point, which was subsequently managed as the Ferndale, Mobil, BP, and Tosco refinery. On September 17, 2001, the Tosco Company was bought by Phillips 66. On August 30, 2002, Phillips merged with Conoco, to become ConocoPhillips. In 1966, Intalco Aluminum built an aluminum smelter north of ConocoPhillips. The aluminum smelter now is owned by Alcoa-Intalco Works. In 1971 Atlantic Richfield Company (ARCO) constructed another oil refinery even further north, later selling it to British Petroleum (please see Appendix D: *Existing Encumbrances and Applications*, for further details on these facilities). This is the northernmost pier along the Cherry Point. Under the latest Comprehensive Growth Management Plan issued by Whatcom County, the uplands adjacent to the Cherry Point Aquatic Reserve are designated as Urban Growth Areas (UGA). An Urban Growth Area is an area that must include cities and other areas characterized by urban growth or adjacent to such areas, and are to be designed to accommodate the projected population growth for twenty years. Any growth that occurs outside these areas cannot be urban in nature. The county has designated two UGAs adjacent to the Reserve. The Cherry Point UGA, containing approximately 7,000 acres, is designated for future industrial development, and the Birch Bay UGA north of it is designated primarily for residential. The existing industrial developments occupy about 4,100 acres of the total Cherry Point industrial lands and may add a new 1,100-acre bulk commodities shipping port. On the average, land consumption at Cherry Point has been about 1,000 acres per facility, which includes sufficient land to avoid wetlands and provide buffer areas. Based on this consumption figure, Whatcom County concluded in their County Growth Management Plan (p. 2-52, 2008) that there is only sufficient remaining land in the Cherry Point industrial area to support two additional industrial complexes similar to those presently located there. Whatcom County states that Cherry Point has special characteristics and regional significance for the siting of large industrial facilities. The County predicts that this demand will most likely result in the remaining undeveloped acreage being absorbed by the end of their 20 year planning period (Whatcom County, 2005). Characteristics that make Cherry Point attractive include the fact that since the 1960s, it has a history of operating as a major industrial area in Whatcom County. This has developed the infrastructure to support not only these industries, but future industries as well. Other attractive characteristics include: Washington State Department of Natural Resources • Cherry Point Aquatic Reserve Management Plan •

- **Shipping Access** – Marine deep water access is present for shipping. This was a major consideration for the three major industries currently located at Cherry Point (Whatcom County 2008).
- **Rail Access** – Burlington Northern has long served Whatcom County, and access is available to the Burlington Northern mainline serving western Washington from Blaine to Portland. Rail service is particularly important for many types of water borne commerce; for example, the BP refinery at Cherry Point uses the railroad to ship calcined coke to U.S. markets and to other port facilities for transshipment to foreign markets (Whatcom County 2008).
- **Proximity to Canada, Alaska and Foreign Ports** – Cherry Point occupies a unique location for the siting of industry because of its close proximity to Canada and because of its shorter travel distance than other regional port facilities for shipping to Alaska and to other Pacific Rim locations. The Cherry Point industrial area benefits from proximity to Canada, as trade between the U.S. and Canada grows in response to the lifting of trade barriers under the Free Trade Agreement of 1989. An increase in vessel traffic is being noted through the Strait of Juan de Fuca, as vessels move towards Vancouver (VEAT, 2008). Marine terminals at Cherry Point could serve a portion of the potential growth in Canadian marine cargo (Whatcom County 2008).

Whatcom County considers these industries a substantial part of the economic base of Whatcom County, with the region and the economic welfare of the county strongly tied to the health of these industries and their ability to flourish and expand as opportunities present themselves. The County has designated the area as “Heavy Impact Industrial” to support the requirements of heavy manufacturing uses that require water deep enough to accommodate large vessels (Kyte, et al 1999; Whatcom County, 2006). This protects the area from incompatible uses that would prevent their ability to expand, particularly residential development (see Whatcom County Code Chapter 20.74, revised March 2008). Whatcom County has also developed a policy for Cherry Point which will limit the number of future piers (see page 2-55, Policy 2BB-10, of the June 2008 Comprehensive Plan for further information).

[Excerpted From Washington State Department of Natural Resources Aquatic Reserve Management Plan/Cherry Point November 2010]

JOHN SPELLMAN
Governor



DONALD W. MOOS
Director

STATE OF WASHINGTON

DEPARTMENT OF ECOLOGY

Mail Stop PV-11 • Olympia, Washington 98504 • (206) 437-0000

June 21, 1982

RECEIVED

JUN 24 1982

WHATCOM COUNTY
COUNCIL

The Honorable William P. Roehl
Chairman
Whatcom County Council
311 Grand Avenue
Bellingham, WA 98225

Dear Councilman Roehl:

Thank you for sending me a copy of Whatcom County's recently adopted Resolution No. 82-31. The county's action to terminate the appeal of my decision on the Shoreline Master Program amendments effectively closes out our file on that matter. I sincerely appreciate the courtesy that you and your fellow council members showed me during our discussions of the proposed amendments, and the professionalism of the executive and county staff in dealing with this most difficult issue.

Whatcom County's continuing goal of encouraging economic and industrial development in an environmentally responsible manner, as stated in your resolution, is commendable. I offer your Planning and Development Committee assistance as it undertakes deliberations on commercial and industrial development policies, especially along the county shorelines. In the spirit of cooperation outlined in your resolution, I also offer assistance both in the early review of individual development proposals and in streamlining the permit process.

Best wishes in these endeavors.

Sincerely,

A handwritten signature in cursive script, reading "Donald W. Moos".
Donald W. Moos
Director

DWM:kb

DATE: May 30, 1982

INTRODUCED BY: Cole

PROPOSED BY: Cole

RESOLUTION NO. 82-31

RESOLUTION IN THE MATTER OF AMENDMENTS TO THE SHORELINE
MANAGEMENT PROGRAM OF WHATCOM COUNTY, DECLARING POLICIES
RELATING TO INDUSTRIAL AND COMMERCIAL DEVELOPMENT AND ASSIGNING
DUTIES TO THE PLANNING AND DEVELOPMENT COMMITTEE

WHEREAS, The Whatcom County Council passed fifteen amendments to the
Shoreline Management Program on August 20, 1981, eleven of which were
disapproved by the Director of the Washington State Department of Ecology;
and,

WHEREAS, Whatcom County has appealed the Director's decision to the
Shoreline Hearing Board and to the Superior Court of Thurston County; and

WHEREAS, Chicago Bridge and Iron Company encouraged the adoption of the
shoreline amendments noted above in order to permit development at Cherry
Point, but announced on April 22, 1982 the following: "We do not intend
to expend further efforts at this time to secure permits to build our
proposed project at Cherry Point"; and

WHEREAS, the Whatcom County Council believes it is inappropriate to
pursue litigation in connection with an issue that is presently moot; and

WHEREAS, the Whatcom County Council desires to encourage economic and
industrial development that will promote the economic welfare of the
citizenry in an environmentally responsible manner; and

WHEREAS, the Whatcom County Council desires a mechanism for the review
of proposed industrial and commercial development that is expeditious and
thorough;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNCIL OF WHATCOM COUNTY:

1. It is the policy of the Whatcom County Council to encourage
industrial and commercial development that:

- (a) will enhance the long-term welfare of the citizenry through
the creation of jobs and economic activity and stability;
- (b) will use limited natural resources wisely and exist in
relative harmony with other industries that are reliant upon natural
resources;
- (c) will not cause unwarranted or unmitigated damage to the
environmental quality of life of the citizenry;
- (d) will expand the tax base without placing upon the taxpayers

unwarranted or unmitigated costs,

2. (a) Upon receipt of the report of the Economic Futures Task force of the Council of Governments, the Planning and Development Committee of the County Council is directed to conduct investigations, hearings, and deliberations on the matter of commercial and industrial development in Whatcom County and to propose to the County Council policies, ordinances or proposed state legislation to carry forth the policy stated in section one of this resolution.

(b) In connection therewith, the Committee shall give special attention to streamlining governmental procedures for examining proposed developments, promoting home rule by local elected officials and shall seek cooperation with the Department of Ecology and other agencies on permissible forms of development, particularly as developments may occur on or near shorelines.

3. In carrying out its duties under this resolution, the Planning and Development Committee is encouraged to call upon and utilize the advice, assistance and findings of the executive branch of county government, the Planning Commission, the Economic Futures Task Force of the Whatcom County Council of Governments, the Office of the Prosecuting Attorney, the Department of Ecology, the Washington State Association of Counties, and such other public or private bodies as it deems appropriate.

4. The Planning and Development Committee shall report its findings and recommendations to the County Council on or before June 1, 1983.

5. The Office of the Prosecuting Attorney is requested to seek a termination of the shoreline amendment appeals without a determination on the merits of the issue that is adverse to the County's position, and without declaring or implying a change in policy by the County.

6. The Clerk of the Council is directed to transmit copies of this resolution to the Governor, the Director of the Department of Ecology, the members of the state legislature from the 40th and 42nd districts, the Washington State Association of Counties, the County

1 Executive, the Office the Prosecuting Attorney, Whatcom
2 County Council of Governments, the Planning Commission
3 and the Economic Futures Task Force.
4 Adopted in open meeting by the Whatcom County Council on the
5 20th day of May, 1982.

6 WHATCOM COUNTY COUNCIL
7 WHATCOM COUNTY, WASHINGTON

8 
9 William P. Roehl, Chairman

10 ATTEST:

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12 Clerk of the Council
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