

Business & Commerce Committee

September 23, 2019

Voting members present: Troy Muljat, Doug Thomas, Debbie Ahl, Andrew Gamble, Paul Burrill, Bob Pritchett, Ryan Allsop, Clark Campbell

Non-voting members present: Carol Frazey, Don Goldberg

Public present: Jennifer Noveck, Gina Stark, John Michener, Paul Schlisser, Guy Ochiogrosso, Cara Buckingham

Meeting called to order by Bob at 12:12pm.

Don Goldberg spoke about his trip with the WA Dept of Commerce to Norway for the Marine Blue conference. There were a lot of companies involved, a lot of innovation, and a ton of overlap with what Whatcom County is heading towards. The goal of the trip was to learn but also expose European manufacturers to our area and consider coming to our Waterfront, to connect with our universities. Ideally the Waterfront will be focused on marine tech, energy, and cyber security.

Cherry Point

Don did a study looking at the potential for Cherry Point in contract with Heartland, as a typical industrial park and not necessarily heavy. Doug and Andrew wanted to talk about the County Council's plans for Cherry Point, there have been some recent developments. Norway still uses fossil fuel and will continue to do so as a transition fuel for a while, but they are doing these activities simultaneously. We returned to this topic at the end of the meeting.

A few updates from Regional Economic Partnership (REP) 1st

FTZ update from John Michener: Foreign Trade Zone Grantee 129, which is considered a public utility. A few years back we decided to work on the Alternative Site Framework. ASFs can be set up anywhere in Whatcom County. Chris Clark, POB Shipping Terminal, is working on activating an FTZ there with Ports America. Two step process: designate an area, activation is where you install the physical infrastructure required by CBP. They come into play if you are importing an item that is tariff and will export it. Can't be distributed locally. You can manufacture as well. The components might be imported, then finished product is exported. No tariffs. No tariffs on waste during the manufacturing process. We are seeing more interest in FTZs as business is growing and as we see increased tariffs. You only pay if your product goes into the US. We work with Miller & Co, they are in the Midwest and set them up around the US. Usually private companies work with Miller to create an operations manual and to do the set up process. The grantee supports the app, we submit letters, we get paid an annual fee (\$5000 is manuf, fossil fuels are \$14,000). Very low. Today the only operational FTZ is BP, which they've been doing for a long time. Need to do some financial balancing to see if FTZ set up makes sense. A lot of feelers from Canadian companies.

Doug noted that Bonded Warehouses do get business from importers but that it is short term and not consistent. So, if there is a shortfall of peanuts one year, they might get a lot of peanut storage. But as soon as that shortfall is filled, those contracts go away.

Rural broadband update from Gina Stark: Described the 3 routes, partnership with and connections to the Lummi and Skagit networks, which are also being developed now too. There are a lot of businesses out in the County that need better options, otherwise small businesses simply cannot afford to get internet connections that actually allow them to do business online. Right now they don't have the speed, if they have internet at all. Segment 1 will hopefully go to construct in summer 2020. Kids also need access in order to do the

homework, teachers need it for their classrooms. They need the same opportunities. We are developing the backbone and two ISPs (Worldwide Communication, POGO Zone) will do the 'last mile' to home and businesses that want it. We've talked to a lot of ISPs. A lot are not interested in places with low population density.

Jennifer Noveck discussed infrastructure and utilities data collection project updates, right now it is in the data gap analysis stage and then proceeding to any fieldwork that we need to do in order to get a complete picture and to inventory the remaining buildable lands. Nearly all relevant jurisdictions have participated and submitted the data that they have available. We will also be co-hosting (Bellingham Chamber of Commerce, The Community Foundation, and the Small Business Development Council at WWU) a free Disaster Preparedness workshop for businesses on Monday, November 4, 2019 from 1-4pm. Committee member Debbie Ahl will give a short talk at the beginning of the workshop regarding the benefits of disaster planning, even if the business never uses the plan. A flier and press release will be sent out to the group when available, by October 1st.

Blaine will be getting a Family Care Network facility that will eventually have an urgent care and lab work services and will be close to Lynden's facilities eventually. The REP team played a large part in getting the facility.

Bellingham Airport

Allsop asked about the airport, it is becoming difficult to travel east/west, business travel is becoming more costly. Is there any chance of this changing? Who could we connect to? Denver and PDX won't be possible now. Maybe SLC?

Paine Field took away a bunch of our flights. Canadian dollar makes it cheaper to fly out of Van. Enormous demand for pilots and planes. Major airlines are focusing on those flights. Airport team is working on it, has a national consultant level. Ec Dev would like to have a marketing consultant come in for the airport as well.

Bob P asked what about doing a company bank roll? Like businesses can sign up for a certain number of flights for six months. Maybe the Port can centralize the travel bank idea to jumpstart and get the airline here. Do the largest companies in our county have offices in a sister city? Maybe do a survey of the businesses and see where they travel the most? Portland was very successful though and they still took it away.

Discussion on the County proposal on Cherry Point zoning

Andrew wanted to talk about Planning Commission Townhall on 9/12, hundreds of people who came out (150 people). Many were speaking out against the proposed amendments, overwhelming opposition to the amendments. The amendment is not just about fossil fuel and is much broader and he believes it would push even basic chemical users to seek conditional use permits (CUPs), which adds on a lot of time and will further stall development in Cherry Point.

Andrew Gamble proposes / makes a motion to submit a letter to County Council, this is something that they can do. Doug seconds that motion. The group voted in favor of submitting a letter in opposition, with the vote result being 7 voting members in favor, 1 voting member opted to abstain until they see the content of the letter. The abstaining member noted the only reason they chose to abstain was that they were unfamiliar with the specific ordinance and amendment and wanted to familiarize themselves first and thus may be a signatory to the final draft after they have had time to do so.

County Councilor Carol Frazey stated that the proposed amendments were in response to safety and potential disasters as many of these industrial users are dealing with hazardous chemicals or materials.

However, Doug Thomas responded to Councilor Frazey that these chemicals and uses are highly regulated by the federal government and asked if the County Council actually reviewed these regulations prior to proposing the amendment. *By the end of the meeting, it remains unclear if the Council or County legal did in fact actually review these regulations prior to deeming them insufficient.* Frazey welcomed additional conversation on the topic.

Others noted that there are also many other practices occurring throughout the County, including Canadian citizens who come into Whatcom County and are legally allowed to transport up to 200 liters of fuel across the border, that create potential hazards but are not considered under this amendment. Some therefore find this a dubious justification by the County Council. Many also remained unclear as to how extreme the amendment really is and what uses would actually require CUPs.

Many of the Business & Commerce voting members expressed that they felt this amendment was essentially the County Council removing land from our inventory and “taking” opportunities for improved sustainable development away from the business community and Whatcom taxpayers.

The Business & Commerce Committee voting members also expressed frustration that as a county committee that will obviously be impacted by this proposed amendment and was created, by County Ordinance, to provide advice and feedback to the County Council regarding the business community’s needs and challenges. Why wasn’t this proposed amendment brought to BAC for feedback and review? Why doesn’t the Council bring BAC anything at all? Isn’t that what the committee is for?

Doug Thomas agreed that a letter should be drafted. Andrew Gamble agreed to draft a letter to the County Council that advises the Council not to adopt the proposed Cherry Point Amendments.

Meeting adjourned at 1:45pm.

August meeting minutes were not discussed and thus not approved. Approval will be put on the October agenda.