

Alternative # 1

(Council Member Alternative)

1 Major Industrial Urban Growth Area / Port Industrial

2 3 Cherry Point

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5 The Cherry Point Urban Growth Area (UGA) contains approximately 7,000 acres of
6 industrial land. The land has long been planned and designated by Whatcom County
7 for industrial development and is currently the site of three major industrial
8 facilities, including two oil refineries and an aluminum smelter. Together, these
9 three existing industries own about 4,400 acres of the total Cherry Point industrial
10 lands.

11
12 Because of the special characteristics of Cherry Point, including deep water port
13 access, rail access, and proximity to Canada, this area has long had regional
14 significance for the siting of large industrial or related facilities. The Phillips 66
15 Ferndale Refinery was constructed in 1954, the Alcoa Intalco Works Aluminum
16 Smelter in 1966, and the BP Cherry Point Refinery in 1971.

17
18 Cherry Point is also important historically and culturally to the Coast Salish people,
19 and part of the usual and accustomed fishing area for five treaty tribes, reserved
20 under the Treaty of Point Elliot of 1855. The Lummi Nation and Western
21 Washington University have identified an ancestral village dating back over 3,000
22 years ago in this area. The Cherry Point UGA contains sites of primary
23 archeological and cultural significance.

24
25 Because of the large acreage demands of the types of industries likely to locate
26 there, the remaining undeveloped acreage at Cherry Point will likely be absorbed
27 during the 20 year planning period.

28
29 The Cherry Point shoreline also has great importance to the fisheries and ecology of
30 Northern Puget Sound because it provides essential spawning habitat for what once
31 was the largest herring stock in Washington State. This herring stock has supported
32 important commercial fisheries in the past and provides forage for salmonids and
33 other important marine species. In August 2000 and again in November 2010, the
34 State Lands Commissioner ordered the Cherry Point tidelands and bedlands
35 withdrawn from the state's general leasing program, except for existing leases, and
36 designated them as the "Cherry Point Aquatic Reserve." In December 2010, the
37 DNR recognized the need to "protect the significant environmental resource of
38 aquatic lands at Cherry Point" (CPAR Management Plan p. 1), and completed the
39 Cherry Point Environmental Aquatic Reserve Management Plan and designated the
40 Cherry Point Aquatic Reserve to ensure long-term environmental protection of the
41 areaAquatic Reserve. The RReserve extends from the southern boundary of Birch
42 Bay State Park to the northern border of the Lummi Indian Nation Reservation. The
43 site excludes three existing aquatic land leases (BP, Intalco, Phillips 66 shipping
44 piers) and one proposed aquatic land lease.

1 The overall purpose of the Cherry Point Aquatic Reserve (AR) is to ensure long-term
2 environmental protection for local habitats and species (CPAR MP p. 1). Specific
3 goals include protection and recovery (as applicable) of Cherry Point herring,
4 Nooksack Chinook salmon, ground fish, marine mammals, seabird/duck and
5 shorebird communities, Dungeness crab, and submerged native aquatic vegetation
6 (CPAR MP p. 2). Another goal is to cooperate with other stakeholders, "to minimize
7 and reduce identified impacts of human activities on the species and habitats within
8 the Reserve" (CPAR MP p. 2).

9
10 The Management Plan acknowledges that the existing industries, complying with
11 laws and regulations, do not conflict with the Aquatic Reserve although their
12 activities may pose risks for the Aquatic Reserve. Indeed, the industries' need for
13 buffer space and their compliance with shoreline management requirements means
14 that much of the Aquatic Reserve shoreline is in substantially natural riparian
15 vegetation and bluff processes proceed without interference. Existing industries can
16 serve the Aquatic Reserve's objectives so long as they are managed according to
17 the Plan and so long as the lessees actively work to further goals for the Reserve
18 (CPAR MP p. 2).

19
20 The County and industrial users have long recognized that the Cherry Point area
21 exhibits a unique set of characteristics that makes land there not only locally but
22 regionally important for the siting of major industrial developments especially
23 where deep water access for shipping is a critical locational factor. These
24 characteristics were articulated in the Overall Economic Development Plan (OEDP)
25 for Whatcom County adopted by the Whatcom County Council of Governments in
26 May, 1993, in the 1997 Property Counselors Report on supply and demand for
27 industrial land in Whatcom County, and at Cherry Point, the 2002 Greater Whatcom
28 Comprehensive Economic Development Strategy, the 2003 Whatcom County
29 Industrial Land Study, and the 2015 Whatcom County Comprehensive Economic
30 Development Strategy.

31
32 The characteristics that make Cherry Point unique as a site major industrial
33 development include the following:

34
35 Port Access – The marine waters off Cherry Point provide deep water access for
36 shipping. Deep water access for shipping was a major siting consideration for the
37 three major industries currently located at Cherry Point ~~and for the~~
38 ~~industrial/shipping facilities currently being proposed.~~

39
40 Rail Access – Cherry Point is served by a branch line of the Burlington Northern
41 mainline serving western Washington from Blaine to Portland. Rail service is
42 considered to be vital to statewide as well as local interests for the competitive
43 movement of freight. Rail service is particularly important in relation to water borne
44 commerce. The Cherry Point area has the rail access to support marine terminals
45 and industrial users in the area. The BP refinery at Cherry Point uses the railroad to
46 ship calcined coke to U.S. markets and to other port facilities for transshipment to

1 foreign markets. Both the BP and Phillips 66 refineries receive crude oil shipments
2 by rail.

3
4 Proximity to Canada, Alaska and Foreign Ports - Cherry Point occupies a unique
5 location for the siting of industry because of its close proximity to Canada and
6 because of its shorter travel distance than other regional port facilities for shipping
7 to and from Alaska and to other Pacific Rim locations. The large acreage, good rail
8 access and proximity to Washington State and Canadian ports makes the remaining
9 upland area at Cherry Point suitable for major manufacturing, commercial or
10 industrial uses. The Cherry Point industrial area benefits from proximity to Canada,
11 as trade between the U.S. and Canada grows in response to the lifting of trade
12 barriers under the Free Trade Agreement. Canadian exports to the U.S. are
13 expected to increase and Canadian firms exporting to the U.S. are expected to seek
14 locations in the U.S. as a way of improving access to U.S. markets. Additionally,
15 just as other port facilities in Washington are constrained by lack of extensive
16 upland areas to support major industrial development, Canadian port facilities are
17 likewise constrained. There are limited expansion sites available at Roberts Banks
18 and in the Vancouver Harbor, and development sites further up the Fraser River are
19 constrained by limitations on vessel draft. Marine terminals at Cherry Point could
20 serve a portion of the potential growth in Canadian marine cargo.

21 22 **Presence of Necessary Utilities and Infrastructure**

23
24 Cherry Point is a major industrial area in Whatcom County. The Phillips 66 Ferndale
25 Refinery was constructed in 1954; the Alcoa Intalco Works Aluminum Smelter in
26 1966; and the BP Cherry Point Refinery in 1971. The infrastructure to support
27 these industries and future industrial users at Cherry Point is in place and includes
28 the following:

29
30 Electric Power: Electric Power is available from three providers in the Cherry Point
31 area: Puget Sound Energy, Public Utility District #1 (PUD #1), and Bonneville
32 Power Administration.

33
34 Puget Sound Energy owns two electrical generating facilities at Cherry Point. The
35 electricity generated by these two facilities can be transmitted outside the region
36 into the grid for supply to Puget's customers or some of it can be consumed by
37 Cherry Point customers through interties with the PUD #1. Puget Sound Energy
38 also acquires power from outside the region and transmits it via ~~their~~its
39 transmission grid into Cherry Point. The BP Cherry Point Refinery purchases
40 electrical supply on the market and pays Puget Sound Energy to transmit the power
41 and operate distribution systems to provide that power to the refinery.

42
43 PUD #1 purchases electricity from the Bonneville Power Administration and takes
44 ownership of that power at the Bonneville substation in Bellingham and then
45 transmits it over its transmission line to Cherry Point to serve the Phillips 66
46 Ferndale Refinery.

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1 PUD #1 and Puget Sound Energy have interties at Cherry Point, allowing the
2 transmission of power in and out of Cherry Point, depending on the amount of
3 power generated and consumed at Cherry Point.

4
5 The Bonneville Power Administration supplies power directly to the Alcoa Intalco
6 Works aluminum production facility.

7
8 Water: Whatcom County Public Utility District #1 currently provides industrial
9 process water to all major industrial facilities at Cherry Point and has additional
10 water available contracts in place to provide process water to properties that are
11 currently undeveloped. PUD # 1 also operates a small system to provide potable
12 water to one industry (Praxair). Birch Bay Water and Sewer District provides
13 potable water to the BP Cherry Point Refinery. The other industries operate their
14 own water treatment facilities to provide potable water for their facilities. It is the
15 County's policy to work cooperatively with all businesses to support all efforts to
16 reduce water consumption and quantity of discharges.

17
18 Sewer: Sewer service is not typically required for large industrial developments.
19 Most of the existing industrial users provide their own on-site sewage treatment
20 and waste water treatment. Sewer service for domestic wastewater is provided to
21 the BP Refinery by the Birch Bay Water and Sewer District. If and when sewer
22 service should become necessary for other industries, service could be provided on
23 a contractual basis with the Birch Bay Water and Sewer District, which borders the
24 Cherry Point industrial area on the north.

25
26 Natural Gas: Natural gas is currently available at Cherry Point.

27
28 All-weather Roads: Grandview and Slater roads, the major east-west connectors
29 between Cherry Point and Interstate-5, provide all-weather road access to Cherry
30 Point.

31
32 The industries currently located at Cherry Point are a substantial part of the
33 economic base of Whatcom County and the region and the economic welfare of the
34 county is strongly tied to the health of these industries and their ability to flourish
35 and expand appropriately as opportunities present themselves. These existing
36 industries need to be protected from the inappropriate encroachment of
37 incompatible uses; particularly residential uses that could affect their ability to
38 expand, at the same time, the expansion of these industries needs to be done in
39 ways that do not significantly impact the ecology of the Salish Sea or encourage
40 expanded export of unrefined fossil fuels. The best means for protecting these
41 industries from incompatible adjoining residential uses and to assure their
42 continued regulatory conformity is to maintain the industrial land use designation of
43 these lands and adjoining properties currently designated for industrial
44 development. The Cherry Point industrial lands have been designated for industrial
45 development, and as a direct result of the industrial designation, incompatible and
46 inappropriate residential development has been curtailed.

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- 1 **Goal 2CC:** **Maintain Cherry Point as an unincorporated urban growth**
 2 **area based on its unique location, ~~and~~ characteristics,**
 3 **and its significant contribution to the overall industrial**
 4 **land supply and Whatcom County's tax base.**
 5
- 6 Policy 2CC-1: Designate Cherry Point as a major industrial Urban Growth Area
 7 to accommodate major users that need to be located away from
 8 concentrated urban residential areas and that can manage their
 9 activities in such a way that they do not conflict with the goals
 10 of the Aquatic Reserve Management Plan.
 11
- 12 Policy 2CC-2: Ensure that developments in the Cherry Point UGA maintain and
 13 operate under management plans ~~thatt~~ accomplish the goals of
 14 the Aquatic Reserve Management Plan. Work cooperatively with
 15 all businesses to increase environmental protection as they
 16 expand and/or upgrade refining operations at Cherry Point.
 17
- 18 Policy 2CC-3: Assure that Cherry Point's unique features of large parcelization,
 19 port access, and rail transportation availability are maintained
 20 and protected from incompatible development.
 21
- 22 Policy: 2CC-4: Require the master planning of each large parcel in advance of
 23 any development or subdivision at Cherry Point.
 24
- 25 Policy: 2CC-5: Require the designation and site plan for a major user (generally
 26 40 acres or more) before the development of accessory or
 27 supporting uses to assure that accessory or supporting uses are
 28 compatible with and will not interfere with the major industrial
 29 user.
 30
- 31 Policy: 2CC-6: Specify 160 acres as a minimum area for planning, prior to the
 32 commitment of a parcel for a major user (40 acres or more,
 33 singularly or as a cluster or group).
 34
- 35 Policy: 2CC-7: Permit support activities, warehousing, rail shipments~~shipping~~,
 36 machine repair and service, educational services, food service
 37 and conveniences, to locate on a parcel only after the
 38 completion of a master plan, and the identification and site plan
 39 approval for the major user.
 40
- 41 Policy 2CC-8: Exclude Cherry Point as part of any future incorporation of Birch
 42 Bay:
 43
 - to protect interests of the property owner in terms of
 44
 - taxation and urban regulations;
 45
 - to preclude urbanism near "smokestack" industries;
 46
 - to preserve county government tax base.

- 1
2 Policy 2CC-9: Continue to work with service providers that serve Cherry Point
3 to ensure the delivery of services and to allow it to develop to
4 its fullest potential, consistent with County policies supporting
5 energy and water conservation.
6
- 7 Policy 2CC-10: It is the policy of Whatcom County to limit the number of piers
8 at Cherry Point. Any moratorium shall not affect, nor otherwise
9 apply to, any proposed pier that Whatcom County approved
10 under its Shoreline Management Program prior to adoption of
11 the moratorium. It is also the policy of Whatcom County to:
12
- 13 • Further public health and safety;
 - 14 • Recognize federal actions upholding treaty rights;
 - 15 • Protect traditional commercial and tribal fishing;
 - 16 • Prevent conflicts with vessel shipment operations of existing
17 refineries that could lead to catastrophic oil or fuel spills; and
 - 18 • Adhere to best available science documenting species decline
19 in the Salish Sea and at Cherry Point and enhance the
20 likelihood of reaching the recovery goals of the CPAR and the
21 Puget Sound Partnership's recovery goals for Year 2035.
 - 22 • Support environmental upgrades when expanding refining
23 operations.
- 24
25
26 ~~by establishing a development moratorium. Notwithstanding the~~
27 ~~above, this moratorium shall not affect, nor otherwise apply to,~~
28 ~~any proposed pier that Whatcom County approved under its~~
29 ~~Shoreline Management Program prior to adoption of the~~
30 ~~moratorium.~~
31
- 32 Policy 2CC-11: RCW 36.70A.365 requires the implementation of Traffic Demand
33 Management (TDM) programs for the designating of a Major
34 Industrial Urban Growth Area. Any employer in the Cherry Point
35 Urban Growth Area that employs one hundred or more full-time
36 employees at a single worksite, who begin their regular work
37 day between 6:00 am and 9:00 am on weekdays for at least
38 twelve continuous months during the year, are required to meet
39 the TDM requirements of WCC 16.24.
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- 41 Policy 2CC-12: Work with the Cherry Point industries to maximize public access
42 to the Cherry Point beaches without compromising industrial
43 security.

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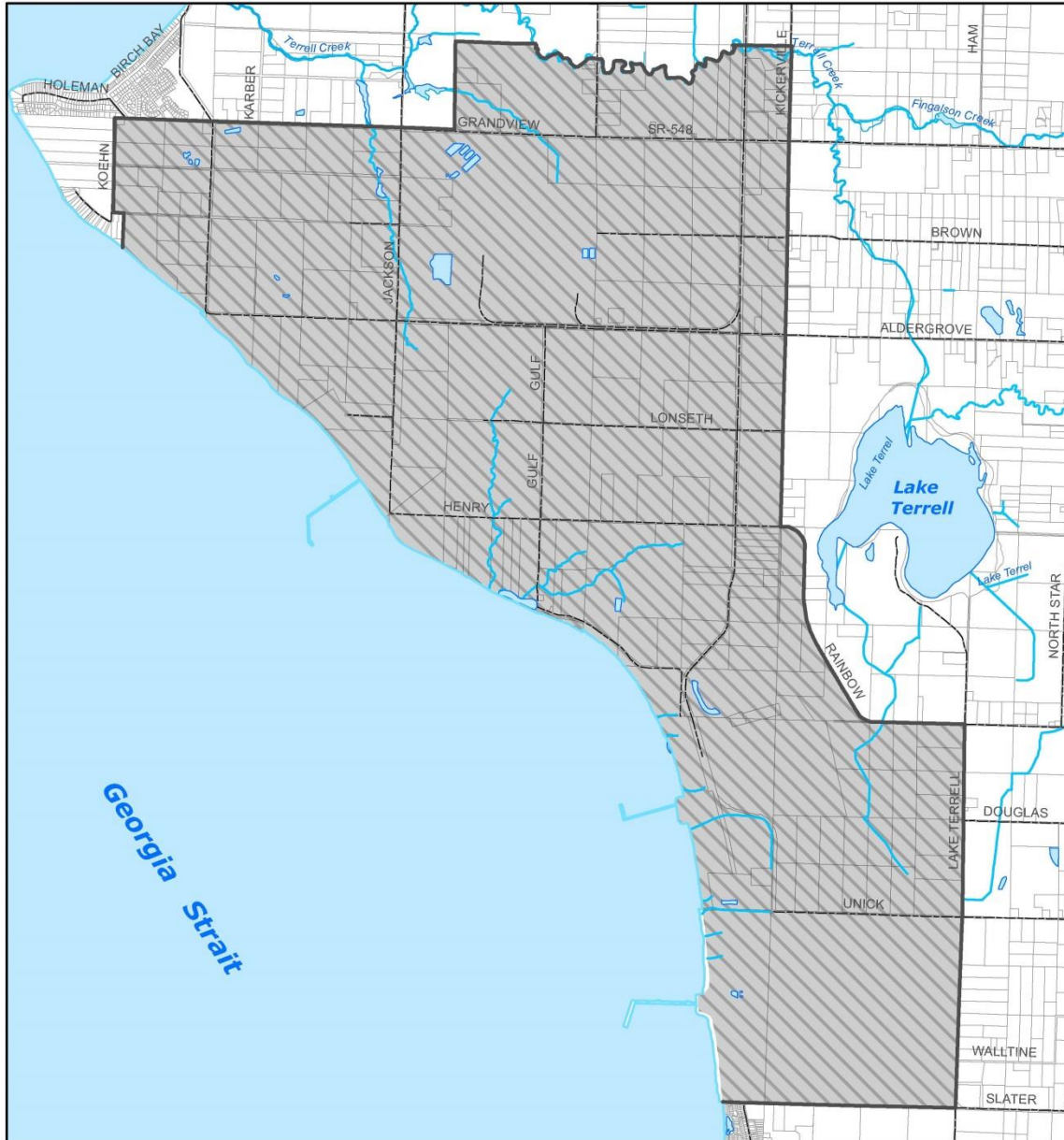
Policy 2CC-13: Cooperate with the DNR and existing industries to monitor the effects of industrial activities on water quality and habitat functions in and adjacent to the Cherry Point Aquatic Reserve.

Policy 2CC-14: The County shall undertake a study to be completed by December of 2017 to examine existing County laws, including those related to public health, safety, development, building, zoning, permitting, electrical, nuisance, and fire codes, and develop recommendations for legal ways the County can work to limit unrefined fossil fuel exports from the Cherry Point UGA above levels in existence as of July 5, 2016. The study shall review and analyze any legal advice freely submitted to the County by legal experts on behalf of a variety of stakeholder interests, and make that advice public as part of the study report.

- Based on the above study, develop proposed Comprehensive Plan amendments and associated code and rule amendments for Council consideration as soon as possible.

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Map UGA-10



- Cherry Point Urban Growth Area

Major Port/Industrial UGA

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