Emails pertaining to Gateway Pacific Project
For June 30-July 6, 2012
Amy,  
Attached is a spreadsheet with people I have kept track of from all the mailings that have been sent to us. Everyone on this list has been added to our GPT email list (if they provided emails). But if in the future CH2M Hill needs a combination of all of our contacts, this list should be included.

Just wanted to get this off my desktop before my leave.

Thanks,
Stephanie

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<td>Roskelley, John</td>
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<td>Dorothy Lundquist</td>
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<td>Trevor Hoskins</td>
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<td>Eunice Hardman</td>
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Review proposed coal terminals for impacts across Washington

Six coal terminals proposed for Oregon and Washington touch communities across the two states. Environmental, health, transportation and public-safety impacts require broad reviews.

By Lance Dickie

Seattle Times seditorial columnist

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Do not expect the dust to settle on expansive plans to ship coal from the Powder River Basin of Wyoming and Montana to Asia via six proposed coal ports in Oregon and Washington.

The derailment Monday of 31 cars of a 125-car coal train at Mesa in Franklin County, 20 miles north of the Tri-Cities, made hypothetical hazards and disruptions all too real. Two other coal trains subsequently derailed in Illinois and Texas this week. The intensity of concern, suspicion and outright opposition to the proposed coal exports and all their rail impacts on local communities is growing. Plans call for massive coal terminals near Bellingham, Grays Harbor and Longview on this side of the Columbia River, and at Port Westward, Coos Bay and Boardman in Oregon.

Potentially dozens of coal trains could daily cross Washington, with Spokane and towns such as Camas and Washougal in Clark County in the path of most all the traffic. The Spokane City Council passed a resolution in June calling for detailed impact studies that look at environmental, health and local transportation issues.

The Seattle City Council in late May adopted a resolution against coal trains moving across the state and through Seattle for health reasons, and the broader impacts of coal on the Earth’s climate. The council was unequivocal about monitoring local rail plans for their environmental consequences.
The unanimous council said the city would ask for draft plans for intersections affected by the rail traffic and require the railroad to pay for upgrades.

Oregon Gov. John Kitzhaber made a strong call in April for the federal government to conduct a "comprehensive analysis of the environmental, community, economic, transportation and energy-security impacts of the proposed coal exports to Asia before proceeding with further permitting and leasing decisions."

In a meeting last week with the Times editorial board, Washington's two leading candidates for governor found a point of agreement. Republican Rob McKenna and Democrat Jay Inslee called for broad health and environmental reviews.

Communities and concerned groups are drawing a tighter line. They expect deep, regional analysis. Stand alone, disconnected studies at each site are not acceptable. What happens in Whatcom County matters in Spokane.

Gov. Chris Gregoire is curiously silent, though supportive of the cumulative review sought by Kitzhaber. If she has taken the kind of pointed stand her career and credentials might suggest, the word has not gotten out.

Gregoire received a letter in May from the chairman and chief executive officer of the BNSF Railway Company, tallying corporate commitments. He expressed confidence "virtually no measurable coal dust will exit coal cars in Washington state or any point along the trip from the mines to the port facility." Well, there is a baseline for measuring the very grit that BNSF had fits over because of the way it fouled rail facilities.

In Oregon, Portland General Electric made news in May with opposition to a proposed coal terminal. PGE is concerned coal dust could impair operation of its natural-gas power plant at Port Westward.

Closer to home, Edmonds Mayor Dave Earling is convening a community-education campaign to explore deep concerns about coal trains, and increased train traffic, as a long term issue. A city-council resolution opposing coal trains dates to November 2011. The Edmonds Chamber of Commerce, Sustainable Edmonds, local police and fire and a senior center are all worried about delays that already impede loading and unloading of ferry traffic and access to the waterfront for public safety. One option under consideration, the mayor said Monday, is an underpass that would start south of Main Street, drop down and turn toward the tracks. Who might pay? Earling's list includes federal, state and local governments, grants and corporations benefiting from access to the waterfront.

The coal-train debate has a long reach. Washington citizens need the broadest possible review of impacts.
Lance Dickie's column appears regularly on editorial pages of The Times. His email address is ldickie@seattletimes.com.

Brenden McFarland | Environmental Review and Transportation Section Manager | Department of Ecology | 360 407 6976 | bmcf461@ecy.wa.gov
From: <BBGUN1010@aol.com>
To: <TSchroed@co.whatcom.wa.us>
CC: <NHanson@co.whatcom.wa.us>, <tip@skookum.us>
Date: 7/6/2012 10:28 AM
Subject: Fwd: Archive information from D.C. on public highway to Lummi Island

Tyler,

This e-mail wasn't specifically about the proposed terminal issue but there is mention of coal trains in it so I thought it is better to be safe on the issue.

Barbara Brenner

If this e-mail is about county business, it is a public record subject to public disclosure upon request. Please send all e-mails related to county business to my official county e-mail address, bbrenner@co.whatcom.wa.us.

Thank you.

____________________________________

From: tip@skookum.us
To: BBGUN1010@aol.com
Sent: 7/6/2012 1:41:06 A.M. Pacific Daylight Time
Subj: Re: Archive information from D.C. on public highway to Lummi Island

I wouldn't give the originals to Gibson without direct supervision! Make copies. Something important could disappear. Gibson cannot be trusted. Nothing against him. The County has been horribly negligent and a lot of institutional ass covering is warranted.

BTW, I have recently completed a PD Request to the County for documents relating to any public policy rationale for paying $16,667 a month for a federally approved right-of-way and guess what? There isn't one. The County has apparently decided to pay the Tribe without any public explanation whatsoever! Astounding.

There is nothing about equitable estoppels, no declaration of any deficiency in the ROW, nothing on how tribal rights trump Navigational Servitude over tidelands or anything about Congress having legitimized and memorialized the ROW by licensing and enrolling the Whatcom Chief as a United States Vessel specifically to carry the traffic. There is nothing in the record to explain how the Tribe can refute an Act of Congress, much less anything to reflect how these obvious public issues may have been considered in the proceedings and decision. It's embarrassing.

Instead, official County production maintains a blanket exemption based on attorney/client privilege over everything except bits of garbage email and some obvious stuff. Yes, there's a mountain of it, but anything explanatory is exempt. Whereof it may seem simple, thereof it must be exempt. The County's blanket exemption is evidenced by a lack of partial redactions. It is a shameful abuse of the Act.

I recently toured the BNSF line from Taylor Shellfish to Fairhaven. Lot's
of new rip rap dumped into the Usual and Accustomed Fishing Grounds/ Tidelands to bolster the RR grade, more than every other sleeper (tie) replaced, all new hardware, e.g. no more spikes, all new lag screws, all new-fangled spring plates, siding switch works have been completely rebuilt, great mountains of surplus treated railroad ties stacked along the track. Near the end of the inspection a fully loaded, all-new unit train with all rotary couplers went by, smooth as silk. The train was so new it didn't even have any graffiti.

I'm no big fan of coal trains (not a vocal opponent either, just not my issue), but it makes me wonder if whatever publicly unknown leverage the LN applied to the County wouldn't equally apply to to RR along the shoreline? I don't know if the tribes and RRs have already worked that out.

Did they have a shoreline permit? Are they exempt? Does maintenance cover improvements to increase capacity?

Or does the RR get a pass from the DOE, County and the Tribe?

I don't begrudge the LN any attempt to solidify their claims, culture or community. I want them to care and to try. My issue is about public accommodation, how we make possible freedom of movement through roadways and bridges and ferries, how we enjoy the security of fire and police protection, potable water and sanitation, etc., how we need to do that together.

Cheers, Barbara, glad to see you still working on it.

On 7/5/12 6:25 PM, "_BBGUN1010@aol.com_ (mip://092a23e0/BBGUN1010@aol.com)" <_BBGUN1010@aol.com_ (mip://092a23e0/BBGUN1010@aol.com) > wrote:

If this e-mail is about county business, it is a public record subject to public disclosure upon request. Please send all e-mails related to county business to my official county e-mail address, _bbrenner@co.whatcom.wa.us_ (mip://092a23e0/bbrenner@co.whatcom.wa.us) . Thank you.
Please note: Emails are public records subject to public disclosure upon request.

-----Original Message-----
From:  _MMDWildblue@wmconnect.com_  
(mip://092a23e0/MMDWildblue@wmconnect.com)  
Date:  Tue, 3 Jul 2012 21:29:40 -0400  (EDT)  
Subject: Archive information from D.C. on public highway to Lummi Island  
To:  _dgibson@co.whatcom.wa.us_  (mip://092a23e0/dgibson@co.whatcom.wa.us) ,  
_dmceachr@co.whatcom.wa.us_  (mip://092a23e0/dmceachr@co.whatcom.wa.us) ,  
_council@co.whatcom.wa.us_  (mip://092a23e0/council@co.whatcom.wa.us) ,  
_jlouws@co.whatcom.wa.us_  (mip://092a23e0/jlouws@co.whatcom.wa.us) ,  
_Belfo@co.whatcom.wa.us_  (mip://092a23e0/Belfo@co.whatcom.wa.us) ,  
_kwillnau@co.whatcom.wa.us_  (mip://092a23e0/kwillnau@co.whatcom.wa.us) 

Subject: Fwd: Archive information from D.C. on public highway to Lummi Island
My archive information on the public road to serve Lummi Island ferry arrived today.

It may well be information the County has already received. I will wait to get a response from Mr. Gibson that he has or hasn't seen these specific documents. If his office doesn't have them, I can drop them off some time next week.

In the package are numerous signatures of the allottees. They are attached to a letter dated June 6th 1919 from the three County Commissioners making application for a public highway. It acknowledges that the highway will connect the towns of Bellingham and Beach, Washington on Lummi Island and East Sound on Orcas Island by way of ferries and will give to the Indians a permanent highway to and from the said reservation to Marietta, Washington which it states is practically impassible.

That letter is followed by a letter from the Special Supervisor in Charge to the Commissioner of Indian Affairs in Washington D.C. dated Feb. 21, 1920 as well as another from Mr. Hadley. Mr. Hadley's letterhead indicates he represented the 20th District in the House of Representatives. Hadley's letter identifies Mr. Sells as being the Commissioner of Indian Affairs in D.C.

Mr. Hadley's letter is also dated Feb. 21, 1920. Both letters support the necessity of the public highway. The special supervisor in charge noted that the road will be maintained by the County and would afford an outlet for the Indians and a convenience to the Government in the administration of the reservation. I personally believe with the cost to the County to construct these roads, it would never have been contemplated that the County would later pay additional fees.

I didn't get a copy of anything from the Commissioner of Indian Affairs in response to those letters, per my package from the D.C. archives. I will contact archives on the matter. Perhaps it is all irrelevant in lieu of the settlement pertaining to the ferry to Lummi Island.

The larger question to me is now access to Portage Island. For this it must be determined whether the tidelands are in government trust or tribal trust per Title 25 C.F.R. 169.1 (d &e). This section addresses the two types of trust for Indians. If they are government trust, all negotiation with the tidelands should involve the Secretary of Interior, not the tribe or the
Bureau of Interior. The Secretary of Interior must consider the larger trust they hold which addresses "all" citizens.

Recall, I developed a letter for Sandy Point Improvement Co. requesting the Secretary identify whether the tidelands are government trust or tribal trust. I have yet to receive a response. The major point I made which has caused me to believe the tidelands are government trust is that the tidelands have never been listed in any kind of reservation "land survey." The 1930 Stotts case also affirmed the tidelands as being outside the reservation "land survey." One point I left out in the letter I crafted for our Sandy Point letter is a finding in Skokomish Indian Tribe v. United States.

The finding states, "The Treaty does speak to individuals, namely the Tribe's members, with regard to the "right of taking fish": "Although land is reserved "for the present use and occupation of the said tribes and bands," "the right of taking fish at usual and accustomed grounds and stations is further secured to said Indians," not to the "tribes and bands."

The Executive Order which extended the boundary of the tidelands to the low water mark addressed rights of even "allied" Indians in those tidelands. Allied Indians would be those not even a party to the treaty. Certainly, it would appear when the reservation was "opened," that the tidelands should be considered accessible and available to non-Indian upland owners and the public, another reason to support the tidelands being "government" trust.

Understand now that an oversight occurred when the sewer consent decree was addressed. Judge Barbara Rothstein asked "What Congressional Act opened the Reservation?" No one could point to a Congressional Act. The fact is, it "was" opened and should no longer be considered a "reservation" due to the fact it was allotted in severalty and because there are no trust land within the reservation "land survey." But more to the point, the Congressional Act was the Treaty! Congress via the Treaty granted to the President the right to allot the lands. State governance authority was to occur once the lands were allotted in severalty. The Omaha treaty, as referenced in the Point Elliott, addresses the issue of State governance.

Since no lands were reserved for any "tribe" in the treaty, the reservation lands were even allotted to non-Indians. I found at Western
University's archives the deed and map that showed one allotment of 160 acres to the Hedge family as a donation claim. That claim straddled the Nooksack River. This fact supports that fisheries on the reservation WAS NOT intended to be exclusive. Another reason that the Secretary of Interior, not the Bureau or tribe should be managing the tidelands and the associated resources. The fact none of these things were addressed in the Boldt case is why the State will not help resolve any of these issues. REMEMBER, Judge Zilly of the federal district court did find there was no exclusive fisheries on the reservation. This was one of several reasons the parties went into mediation. Things weren't going the way the Lummis wanted.

The question should be, what can the County do to help address whether the tidelands are government trust or tribal trust? It has only been "assumed" via various court cases that the tidelands are tribal trust. The question of whether they are government trust has never been raised!

Regards,
Marlene Dawson
From: Seip, Carl (Cantwell) <Carl_Seip@cantwell.senate.gov>
To: Camden, Allison
Cc: Ronen, Amit (Cantwell)
    Mueller, James (Cantwell)
Sent: Tue Jul 03 07:46:08 2012
Subject: Letter to Secretary Hammond

Allison:

Attached, you'll find a letter from Senator Cantwell to Secretary Hammond regarding the impacts of coal trains on Washington state infrastructure.

Let me know if you have any questions or concerns,

Carl

Carl Seip
Legislative Assistant
Office of Senator Maria Cantwell
P: 202-224-3441

*** eSafe1 scanned this email for malicious content ***

*** IMPORTANT: Do not open attachments from unrecognized senders ***
July 3, 2012

Paula J. Hammond, P.E.
Secretary
Washington State Department of Transportation
310 Maple Park Avenue, SE
Olympia, WA 98504

Dear Secretary Hammond:

I write to request your assistance in evaluating proposals for new bulk commodity export terminals in Washington state. As you may know, four companies currently have permit applications pending before the U.S. Army Corps of Engineers for new export terminals that will primarily serve to export coal from the Powder River Basin to Asia. If approved, these export facilities would dramatically increase the coal exporting capacity in Washington state, from just over five million tons last year to over 100 million tons annually according to some estimates. Combined with export terminals in Oregon, over 150 million tons of coal per year could potentially make its way through various parts of our state’s transportation system.

The potential effects of expanding coal exports on our rail, roadway, and waterway transportation systems have generated considerable concern and questions within the communities that could be negatively impacted. For instance, if new coal export terminals significantly increase rail traffic, roadway improvements in several Washington towns and cities may be necessary to minimize traffic flow disruptions to our road and ferry systems and maintain safety and mobility within heavily-used transportation corridors. The additional rail traffic could also impact freight mobility, adding further congestion to our intermodal transfer centers and ports. Understanding the scale and scope of the potential impacts on transportation systems across Washington state is critically important, particularly when considering multiple concurrent proposals for export terminals.

Some estimates suggest that these impacts may be significant and costly to mitigate, further straining already tight state and federal budgets. To begin understanding and planning for the acquisition of any necessary federal resources, I would very much appreciate your help in analyzing the following questions:

- If one or more of these proposed export terminals were built, how many additional carloads, trains, and tons of freight would be likely each year? How long are these additional trains likely to be? And how do these increases compare to existing and historical freight rail traffic?
Are there specific bottlenecks for roads, rails, and ports that would likely become further congested and require additional investment? I understand that recent state studies already show significant rail capacity constraints on a number of critical segments including the track from Everett to Blaine, the central Puget Sound, the Columbia Gorge, and “the funnel” at Spokane.

What public infrastructure investments, including railroad crossing and safety measures, would be needed to ensure communities are not adversely impacted? Does the weight of bulk commodity shipments cause relatively more wear and tear on railways necessitating more frequent maintenance? Who would likely bear the cost of each of these investments -- the federal government, the state government, municipalities, or the commodity shipper?

What would be the impact of these proposals on the Washington State Ferry system, and what operational or infrastructure improvements would be necessary to ensure ferry users are not unduly impacted? Would increased shipping traffic create congestion and endanger safety within our already busy shipping lanes?

What would be the impact of these proposals on Amtrak's Cascades or freight trains carrying perishable goods, and what operational or infrastructure improvements would be necessary to ensure these users are not unduly impacted?

Will rail capacity upgrades be required to expand double tracking and siding? Is it likely, or are there specific examples of where such upgrades could impact other planned public investments?

Will additional train traffic at busy rail crossings increase traffic delays and hinder access to neighborhoods, schools, and businesses? If yes, could these traffic delays increase the likelihood of collisions hazards or impede emergency responders' response?

Thank you for your consideration of this request. While these bulk commodity export terminals would generate much-needed new jobs in Washington state, we need to better understand what investments and impacts these terminals would have on our state's transportation system and communities across the state, from Spokane to Puget Sound. Our constituents need this information to be able to evaluate these proposals prudently and anticipate any mitigation measures that may be required.

I very much appreciate and look forward to your timely response.

Sincerely,

[Signature]
Hi Tyler,

Call me on Thursday when you get back to the office

Alice
Ladies and Gentlemen,

We are writing to you in your capacity as co-leads and reviewers for one of the six coal terminals proposed at Cherry Point, Longview, Pt. Morrow/Boardman, St. Helens, Coos Bay, and Grays Harbor.

Please post the following as correspondence on your websites or files of record, so that others may read these two news articles (links below) regarding the derailment of a coal train yesterday near Pasco, WA.

1. As you may know, a coal train derailed near Pasco yesterday, spilling coal from more than a 1/4 of the cars in the 125-car coal train. While it is good news that no one was injured, the spill raises the question of potential long-term harm to the environment from approval of new coal terminals in Washington and Oregon. The two articles below contain some fresh data for your EIS and environmental consultants to research during their risk assessment of coal derailments.

2. It is our understanding that each rail car can hold approximately 115 U.S. tons. A spill of 30 cars, as reported below, would therefore be in the neighborhood of 3,450 tons total, or 6.9 million pounds of discharged coal. However, infrequent, it is a fact of life that coal trains historically have derailed and spilled coal along U.S. rail lines. On a continuing basis, with multiple coal trains running every day all year long for multiple years, one can view the rail lines as a discharge point for coal. This discharge yesterday occurred with only 3 trains per day shipping coal to B.C. ports.

3. This event reminds us that there is an irrefutable direct tie between coal terminal operation and coal spills along the rail line. While the percentage of risk can be regarded by some as low, a spill into our state waters could potentially be of high significance. The issue is the cumulative impact of running as many as 28 trains along the Columbia Gorge (Longview, Grays Harbor and Cherry Point), 9 full coal trains per day all the way along the Salish Sea north to Cherry Point, and an undetermined number of trains through interior of Oregon and along the south side of the Columbia River to Boardman, St. Helens and Coos Bay.

4. As you and your consultants conduct a risk assessment under NEPA and state environmental review laws related to the rail lines feeding planned coal terminals, it would seem appropriate to do the following:

   > Map all of the floodplains, floodways, floodway fringe, wetlands, streams, rivers and ocean areas under or adjacent to the coal-train supply rail lines;
   > Assess the risk of coal train derailment and discharge of coal to these sensitive areas;
   > Determine the toxicity of coal when it comes into contact with water and estimate the loss of ecosystem services due to spills of various volumes, up to a full train derailment.
5. Quantities of coal spills are knowable. The actual volume of the spill associated with 30 cars can be calculated now, as shown above. It seems reasonable to utilize an average of 115 U.S. tons per car and trains with 125 cars. With those assumptions, it seems reasonable to predict that a single train will be carrying as much as 14,375 tons of coal or 28.75 million pounds of coal. Even if different figures are used, the risk assessment would reasonably be in the ball park of over 25 million pounds of coal per train.

6. As you know, much of the rail line will cross significant systems of rivers, wetlands and floodplains between Wyoming and as far as Coos Bay and Cherry Point. After mapping rail crossings over those systems, your EIS consultants and EA preparers should be able to quantify the risks involved of spilling coal into these sensitive areas and their buffers, as part of the analysis of individual and cumulative impacts associated with permitting for individual terminals. The Pasco spill yesterday is associated with the shipment of 3 coal trains per day to B.C. Thus, the analysis can utilize a background incidence of spills related to known levels of existing rail traffic.

Thank you for your review of the following two news articles concerning the Pasco derailment yesterday and your analysis of how to conduct risk assessment using this baseline data:

http://www.tri-cityherald.com/2012/07/03/2008611/coal-train-derails-in-mesa-no.html?


We urge you and others reading this email to forward it to interested agencies and parties. Thank you for your consideration.

Tom Ehrlichman
Barbara Dykes

Salish Law, PLLC
909 Harris Avenue, Suite 201h
Bellingham, WA  98225
(425) 268-5553
Tyler,
Attached is the receipt of payment from PIT for the amount we billed for past staff time (via the signed contract). Just an FYI for you!

Stephanie

~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Stephanie Drake
Whatcom County Planning & Development Services
SDrake@co.whatcom.wa.us
(360) 676-6907 Ext. 50201

>>> Jennifer Morgan 7/2/2012 3:13 PM >>>

Hi Stephanie

Here is a copy of the deposit.

Thanks
Jennifer

Jennifer Morgan
Financial Accountant
Whatcom County Finance
360-676-6734 ext. #50190
Treasurer's Receipt
Whatcom County
360.676.6774

Prepared By: NP
Phone: x50069
Date 7/2/12

1.2675.402

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Total 16,773.97

Date: 7/2/2012
Receipt Date: 7/2/2012

Steven N. Oliver
Whatcom County Treasurer
311 Grand Ave, Suite 104
Bellingham, WA 98225
360-676-6774

Receipt #: 1507096
Received From: PACIFIC INTERNATIONAL TERMINAL
Payment Code: Full Payment

NON-PROPERTY ITEMS
TREAS RCPT #: 261057  16,773.97

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TENDERS
Check 16,773.97

Y

7/2/2012
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 10:32 AM
Subject: Fwd: Invitation: Report briefing on Gateway Pacific Terminal and Whatcom County Economy
Attachments: Fwd: Invitation: Report briefing on Gateway Pacific Terminal and Whatcom County Economy

Please note: Emails are public records subject to public disclosure upon request.
From: Council
To: All CM’s; OFFICE GALS
Date: 2/16/2012 2:40 PM
Subject: Fwd: Invitation: Report briefing on Gateway Pacific Terminal and Whatcom County Economy
Attachments: Invitation: Report briefing on Gateway Pacific Terminal and Whatcom County Economy

Please note: Emails are public records subject to public disclosure upon request.
From: Shannon Wright <shannonwright@communitywisebellingham.org>
To: 
Date: 2/16/2012 2:12 PM
Subject: Invitation: Report briefing on Gateway Pacific Terminal and Whatcom County Economy

Communitywise Bellingham Report Series

Please join us for a briefing by Public Financial Management, Inc. on the release of their report:

“The Impact of the Development of the Gateway Pacific Terminal on the Whatcom County Economy.”
Tuesday, March 6th from 9:30 to 11:00 AM
Leopold Ballroom, 1224 Cornwall Street, Bellingham, WA.

Please RSVP to: sandypratt738@gmail.com

About the Communitywise Bellingham Report Series
This report is the first in a series of studies that have been commissioned by Communitywise Bellingham. The series is guided by an interest in providing a solid base for careful consideration of impacts that Bellingham and Whatcom communities may experience from the Gateway Pacific Terminal. At the end of last summer, each member of the Bellingham City Council was consulted to identify his or her top priorities for information related to the GPT proposal. A better understanding of the project’s possible economic impacts was at the top of everyone’s list. We are pleased to begin our report series to the City with this comprehensive economic analysis. The bulk of the study provides data-rich insights into our local economy. It also provides a framework for evaluating how the GPT could interact with our future economic growth.

About Public Financial Management, Inc.
Founded in 1975, PFM is the nation’s largest independent financial advisor to local and state governments, and is consistently among the top-ranked independent financial advisory firms in the nation. The PFM Group currently employs more than 400 professionals serving a broad base of clients from offices located in every region of the country.

---
Shannon Wright
Executive Director
Communitywise Bellingham
Informing the conversation.

CommunitywiseBellingham.org
Follow us on Facebook and Twitter.
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 10:33 AM
Subject: Fwd: SSA Marine PR
Attachments: Fwd: SSA Marine PR

Please note: Emails are public records subject to public disclosure upon request.
From: Council
To: All CM's
Date: 2/9/2012 1:22 PM
Subject: Fwd: SSA Marine PR
Attachments: SSA Marine PR

Please note: Emails are public records subject to public disclosure upon request.
From: AlanEileen <herringsanders@gmail.com>
To: <council@co.whatcom.wa.us>
Date: 2/9/2012 11:40 AM
Subject: SSA Marine PR

Dear Council Members:

I find that I need to apologize and backtrack a bit. On questioning my neighbor more closely, I find that the young man from SSA Marine who spoke with my neighbor didn't specify that the permit in question was to be from the county; he evidently didn't say where it was coming from at all. I have a call in to him now and will hopefully find out soon.

Thank you for your time and attention.

Eileen Herring
Birch Bay
From: Council  
To: gpttoweb@co.whatcom.wa.us  
Date: 7/2/2012 10:34 AM  
Subject: Fwd: SSA Marine PR  
Attachments: Fwd: SSA Marine PR  

Please note: Emails are public records subject to public disclosure upon request.
From: Council
To: All CM's
Date: 2/9/2012 8:25 AM
Subject: Fwd: SSA Marine PR
Attachments: SSA Marine PR

Please note: Emails are public records subject to public disclosure upon request.
Dear Council Members:

On Monday of this week, a young man representing the Gateway Pacific Terminal went door-to-door in our little Birch Bay neighborhood, talking to people and explaining all the wonderful benefits of the proposal. I missed him and did not have an opportunity to speak with him myself, but my neighbor spoke with him for some time and talked with me about it the next day.

According to her report, this young man told her that when the unpermitted clearing took place at Cherry Point, the County was just two days short of issuing the required permit and that, through a simple error, the clearing was begun two days ahead of schedule. I had never read or heard anything about SSA having applied for a permit. Can anyone tell me whether this young man was telling the truth?

Thank you for your attention,
Eileen Herring
Birch Bay
Fwd: Invitation to Attend "Protect the Northwest"

From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 10:35 AM
Subject: Fwd: Invitation to Attend "Protect the Northwest"
Attachments: Fwd: Invitation to Attend "Protect the Northwest"

Please note: Emails are public records subject to public disclosure upon request.
Esteemed Council Members,

As you all know, coming up very soon you will have to vote on a permit for SSA Marine to build the Gateway Pacific Terminal at Cherry Point. The WWU student club, Students for Energy Efficiency, is hosting a panel of experts from the community to speak about the potential ramifications of the terminal project on the community's health, economy, and environment.

Please accept this invitation to attend. Even though you have all the information available, this event could demonstrate the wishes of your constituents, helping you come to a decision that is best for all of Whatcom County.

The event will be this Thursday, February 9th, from 7-9 pm on WWU campus in Fraser Hall #4.

Thank you,

Maxwell C. McGrath-Horn
James Maxwell Scher

Presidents of Students for Energy Efficiency
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 10:36 AM
Subject: Fwd: [COAL-EXPORT-FORUM] couple of new pieces from Sightline
Attachments: Fwd: [COAL-EXPORT-FORUM] couple of new pieces from Sightline

Please note: Emails are public records subject to public disclosure upon request.
From: Council
To: All CM's
Date: 1/25/2012 11:39 AM
Subject: Fwd: [COAL-EXPORT-FORUM] couple of new pieces from Sightline
Attachments: Fwd: [COAL-EXPORT-FORUM] couple of new pieces from Sightline

Please note: Emails are public records subject to public disclosure upon request.
Fwd: [COAL-EXPORT-FORUM] couple of new pieces from Sightline

FYI
Tomorrow you will learn officially of an initiative to route coal trains around Bellingham through Whatcom county to Cherry Point via BC or Lynden.

Begin forwarded message:

> From: Eric de Place <eric@sightline.org>
> Date: January 25, 2012 11:06:50 AM PST
> To: COAL-EXPORT-FORUM@LISTS.SIERRACLUB.ORG
> Subject: [COAL-EXPORT-FORUM] couple of new pieces from Sightline
> Reply-To: Eric de Place <eric@sightline.org>
>
> “Recent Coal Export Trends,” with new data showing that Western coal exports actually declined somewhat in the third quarter of 2011.
> http://daily.sightline.org/2012/01/24/recent-coal-export-trends-q3-2011/
>
> “What Coal Dust Looks Like in Alaska,” with a batch of photographs showing coal dust around Seward.
>
> Best,
>
> Eric de Place, senior researcher
> Sightline Institute
> 1402 Third Avenue, Suite 500
> Seattle, Washington 98101
> 206-447-1880 x105
> website - www.sightline.org
> blog - daily.sightline.org/daily_score
>
> To unsubscribe from the COAL-EXPORT-FORUM list, send any message to: COAL-EXPORT-FORUM-signoff-request@LISTS.SIERRACLUB.ORG Check out our Listserv Lists support site for more information: http://www.sierraclub.org/lists/faq.asp
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 10:39 AM
Subject: Fwd: Coal, Quasi-judical status, etc
Attachments: Fwd: Coal, Quasi-judical status, etc

Please note: Emails are public records subject to public disclosure upon request.
From: Council
To: All CM's
CC: OFFICE GALS
Date: 1/18/2012 12:00 PM
Subject: Fwd: Coal, Quasi-judicial status, etc
Attachments: Coal, Quasi-judicial status, etc

Please note: Emails are public records subject to public disclosure upon request.
Karen -

I am getting bombarded by coal-related issues all the time. Frankly, it gets very frustrating and embarrassing to be the least informed person in the room. I have to believe there are issues that we can discuss that are not quasi-judicial that might pertain to the coal port, coal trains, coal usage, etc.

Could we please have an update on what we CAN talk about and learn about? Have they even filed for a permit yet? Do coal trains constitute a substantive quasi-judicial matter when the issue before us will be a very specific bulk cargo terminal? How about data regarding coal plants in China? How about rail infrastructure upgrades throughout Canada? How about rail infrastructure in East County, ie along route 9 and the proposed "commerce corridor"?

So far, I am closing my ears and eyes and running out of the room when these topics arise, but it is getting ridiculous.

Can you help? Perhaps a presentation in Finance Committee in a few weeks?

Thanks,

Ken

Ken Mann
Whatcom County Councilmember
(360) 676-6690 (office)
(360) 483-6020 (mobile)
kmann@co.whatcom.wa.us
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:05 AM
Subject: Fwd: BP Update
Attachments: BP Update

Please note: Emails are public records subject to public disclosure upon request.
Mar, 21, 2012
BP refinery operations have yet to resume
JOHN STARK / THE BELLINGHAM HERALD

Refining operations at the BP Cherry Point refinery have not gotten back to normal since a Feb. 17 fire in the crude vacuum unit sent smoke and flames billowing.

BP spokesman Bill Kidd said the refining interruption is partly due to the fire and partly due to refinery operators moving up the annual maintenance shutdown by a few weeks so that work could be performed while the refinery remained idle in the fire's aftermath.

Kidd said about 3,000 extra contract workers have been at the refinery doing the maintenance work.

The cause of the fire is still being investigated, Kidd said.

Asked if refinery operators have a target date for resumption of refining operations, Kidd said they do. But he added that he was not at liberty to share that information.

The BP refinery supplies 20 percent of the state's gasoline, and the loss of that supply has helped to push prices up in western Washington.

Kidd said the company has been supplying its customers with fuel supplies that are brought to the refinery by ship and barge, then offloaded for shipment to markets via the Olympic Pipe Line system.
Best overview I’ve yet seen thanks to The Northern Light. -kb

SSA Marine submits permit applications for Cherry Point terminal
1 Published on Wed, Mar 28, 2012 by Jeremy Schwartz
Read More News

The $655 million Gateway Pacific Terminal, proposed for the Cherry Point area just south of Birch Bay, can handle 54 million tons per year of dry bulk commodities, such as coal and grain, at full capacity. Artist's rendering courtesy of Whatcom County Planning and Development Services.

The Seattle-based shipping terminal company seeking to build the $655 million Gateway Pacific Terminal has submitted necessary permit applications to Whatcom County regulators, revealing details on the project.

After securing an application deadline extension in December, SSA Marine turned in more than 300 pages of documentation to Whatcom County planning officials on March 19.

The documents detail numerous aspects of the Gateway Pacific Terminal project proposed for the Cherry Point area south of Birch Bay, including information on how the terminal will operate and possible effects on the surrounding community and environment. The permit applications precede a massive environmental impact statement (EIS) for the project, the public input process for which is expected to start this summer.

County planning officials expect to begin preparing the EIS with the help of an independent consultant later this fall. Hearings to garner public input on what should be studied, called the “scope,” will start this summer.

SSA Marine needs at least 15 separate permits and authorizations from county, state and federal regulatory agencies. Bob Watters, SSA Marine senior vice president, said the terminal company is prepared to complete necessary mitigation measures for the variety of environmental impacts the terminal could have.

“We’re going to do whatever the agencies tell us we need to do,” Watters said.

The project has encountered intense public criticism from concerned citizens as far as Seattle, Spokane and other states in the western U.S.

Numerous concerned citizens’ groups have asked for scrutiny of the possible impacts increased rail traffic could have on the health and economic wellbeing of numerous communities along the rail line.

Details in the terminal’s project information document submitted to Whatcom County planning officials include:
• At full buildout, the terminal is expected to handle 54 million tons per year of dry bulk commodities, such as coal and grain. Coal and other industrial products are expected to be the terminal’s main commodities in its first 10 years of operation.

• The terminal will be able to handle up to nine 1.6-mile-long trains per day. Trains will come west across Washington, north through Bellingham and eventually turn west again on yet-to-be-improved rail lines in the Custer area.

• The facility will directly employ 213 full-time shift workers, in addition to 44 administration staff, 66 railroad workers and 107 marine service workers.

• The first stage of construction is expected to start in 2014, and the second stage of construction will be completed in 2017.

• $624 million of the total $665 million project cost is expected to be spent locally with purchases of construction supplies and services.

• SSA Marine estimates the terminal will create 1,250 jobs in the surrounding community per year of construction and bring in $140 million in local payroll and sales taxes.

• The terminal will fill 334 acres of a 1,200-acre site. About 360 acres will be cleared, with 26 acres being restored after construction.

• A total of 1.3 million cubic yards of material will be excavated onsite.

• The project will comprise two rail loops: an 80-acre loop and storage area on the east side of the property and a 17-acre loop and storage area on the west side.

• The uncovered commodity stockpiles at the east loop will be approximately half a mile long and up to six stories high. The east loop will be used primarily to store coal and other industrial materials.

• Approximately 221 transport vessels (144 Panamax and 77 Capesize) are expected to call on the terminal every year (that’s 4.25/week). Full capacity will bring a total of 487 vessels. Capesize ships some of the largest on the sea, can weigh hundreds of thousands of tons and be as long as three football fields. Panamax vessels are typically just more than half the size of Capesize ships and can weigh in at as much as 85,000 tons.

• Approximately 184 acres of emergent vegetation, 831 acres of forest and 108 acres of shrub will be cleared. These figures represent the total acreage by vegetation type, not what will be cleared. I apologize for the error.

• The terminal construction will include a coastal lagoon on the east side of Gulf Road, adjacent to an existing coastal lagoon. The new lagoon will be built to help compensate for impact to wetlands in the area.

• SSA Marine will transfer the saltwater marsh and adjacent lands located on the southwest corner of the property to Whatcom County for park and conservation purposes and grant public access to the property to replace the lost public beach area north of the terminal’s wharf.

For more information about the project, visit the Whatcom County planning department website. For a PDF of the project information document referenced above, click here.
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:18 AM
Subject: Fwd: Coal Terminal
Attachments: Coal Terminal

Please note: Emails are public records subject to public disclosure upon request.
From: "Bernd Werny" <BerndWerny@comcast.net>
To: <council@co.whatcom.wa.us>
CC: "'christine" <westlandstar@COMCAST.NET>
Date: 5/5/2012 6:33 PM
Subject: Coal Terminal

Dear Council:

I could not agree more with the sentiments of Christine Westland’s Letter to the Whatcom Planning Services Division (Letter attached). When you speak of a deep water terminal, I think you are talking about a dock (or Docks) that is 3-500 feet out in the Straits of Georgia exposed to wind waves and tides. Please, I have boated in the San Juan Islands for the last 30 years and can not understand how we could even consider exposing our pristine marine environment to this proposed commercial development! Please vote NO on this proposal.

Thank you,

Bernd Werny

5397 Salish Rd,
Birch Bay, WA 98230
360-738-0595

May 5, 2012

Whatcom County Planning Services Division
Attn: J.E. “Sam” Ryan, CBO
5280 Northwest Drive
Bellingham, WA 98226

Re: Gateway Pacific Terminal Notice of Application

Dear Mr. Ryan,

This letter is to express our strong opposition to the Gateway Pacific Terminal (GPT) and ask you to consider some of my concerns before a decision is made to accept the Pacific International Terminals, Inc.’s Application for Permitting. I believe that allowing this industry into our County is an outrageous assault on environmental and personal health of the people and
the reputation of the Pacific Northwest, which is known for a healthy environment, green technology, and a population of people who support a sustainable future.

We live in Birch Bay, and are situated well within a 5-mile radius of the proposed coal shipping terminal. We are near the shoreline and receive the full force of the prevailing winds, which blow from the Southwest. These winds are frequent and sometimes very strong - up to 60mph during storms. We have read about the Lamberts Point Coal Terminal in Norfolk, Virginia, where soil samples taken a few kilometers away contained 3 percent coal and arsenic levels in the soil 5 times higher than background soil nearby. From the standpoint of coal dust and general toxic pollution, this is of great concern to us personally and should be for everyone.

GPT will be the largest coal terminal in North America. The project will facilitate a huge mountain of uncovered coal, spreading over an 80-acre area, at a height of 60 feet high. This mountain of coal results from many additional trainloads unloading with subsequent movement into supertankers for shipment overseas. Therefore, the coal will be in a state of constant disruption, releasing coal dust with every shovelful or offshore breeze.

Normally, coal lies deep in the earth where it cannot contaminate water supplies or the food chain, and thereby plant and animal health. By its chemical nature it accumulates high concentrations of the heavy metals and other elements, such as arsenic, mercury, lead, chromium, cadmium, selenium, nickel, vanadium, copper, and uranium. These are all bio-toxic and have negative, chronic and acute physiological effects on contact with everything that lives. Further, when coal is exposed to air or water, bio-toxic sulphur compounds are released into the environment as gases, becoming acid rain or sulphuric acid. This is a vicious circle, since acid conditions increase the absorption rate of the heavy metals by plant and animal life. Do the people of Whatcom County and beyond want to be subjected to the daily toxic exposure of coal dust?

It is documented that Powder River Basin coal is notoriously difficult to handle and is extremely friable, breaking down into smaller particles easily, no matter how it is transported or handled. This fact increases the potential for fugitive coal dust to escape all along the train routes and especially at the site in Ferndale where it will be stored uncovered and processed for shipment. Coal dust becomes airborne in particle sizes smaller than 500 microns. Particles 10 microns or smaller can easily be inhaled into the human respiratory tract and/or ingested; while particles of 3 microns or less enter lung tissue directly. In a human being, inhaled particles of between 4 and 10 microns gather in lymphatic tissue and the interstitial spaces between the air sacs. This leads to inflammation and
weakens the immune system. It is this process that can cause or aggravate asthma, COPD, chronic bronchitis, silicosis and cancer. Can we afford to trade the health of our community for a few jobs?

Coal dust particles will also leach into the groundwater and adjacent oceans, contaminating them with toxic heavy metals. These toxic metals will concentrate in the sediments of streams and surface water supplies and salinity levels will be increased because of the salts in coal. The cycle of accumulation and concentration starts again causing stream and river sediments to be less conducive to aquatic life and will decrease the biodiversity and health of the waterways.

The trains themselves, which have diesel engines that generate huge quantities of small particulate pollution, are a documented health threat to our state. The Spokane BNSF rail yard is one of the links between the Powder River Basin and Washington ports; it has been studied by the Spokane Clean Air Agency to identify the cause of increased lung cancers in the vicinity. The determination was that these diesel engines were the most health-threatening major air pollutant in the Northwest were the only significant source of air pollution accounting for the differential lung cancer risks.

Given the fact that we and many others here in Birch Bay live downwind from the proposed Mountain of Coal, I anticipate having the full force of coal dust being distributed over my home and into the air I breathe. I cannot imagine anyone wanting to continue to live in this area with such an ongoing threat.

I would like to know if your agency at this stage of development has considered the overall effects of coal dust to the health of our people, our water, and our agriculture? It would seem that anyone who is aware of the detrimental effects of having a huge mountain of coal in our midst would be seriously considering opposing it.

I believe that Peabody Coal Company seeks only to enrich itself further with this very selfish project. The effects of toxic coal throughout our community will change forever the lives and legacy of a people and a place and condemn us to an unforgiving future.

Respectfully submitted,

Christine Westland
Harold Roper
8293 Fawn Crescent
Blaine, WA 98230
westland <mailto:star@comcast.net> star@comcast.net
<mailto:halroper@comcast.net> halroper@comcast.net

cc: Representative Rick Larsen
Senator Patty Murray
Governor Christine Gregoire
Brigadier General John R. McMahon, Army Corps of Engineers

Bernd and Melinda Werny

360-441-1400 Cell
360-738-0595 Home

Address:
Bernd and Melinda Werny
5397 Salish Rd
Birch Bay, WA 98230
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:19 AM
Subject: Fwd: Your neat new Port of Anacortes, Port of Everett, and the grandest of them all
Cherry point
Attachments: Your neat new Port of Anacortes, Port of Everett, and the grandest of them all
I Cherry point

Please note: Emails are public records subject to public disclosure upon request.
We hope you great success on your new Super Coal Ports We hope you work together also with Port of Anacortes and Port of Everett mostly it would great help in BNSF coal train capacity in track in your area and to double the amount of Coal that all three ports Together can ship in a year Thus also double your new Cherry point room to ship .and all with one train going to both Port of Anacortes Port of Everett to the normal public in bellingham it will seem to them that the total trains to all three ports terminals will not seem like much, Thus to the port of Bellingham the people who dont wish to see so many trains ,will now maybe support your neat.neat proposal thus also with all three ports you can now have our super neat port with all three ports working together and SO CLOSE to Asia your new ports terminal would be a great competition to the port of Vancouver in shipping of Containers also, they are now shipping Corn and Grains in Containers now!!!!!!{ There was a neat article about these new Containers shipments in last months Trains magazine Your friends south of you .as we enjoy visiting bellingham every weekend (we went to College in Bellingham Brad,mary, Stephannie, Alise Megan, Margarent

Sent from my Verizon Wireless Device
From: Larry Blanchard <lblanch4131@gmail.com>
To: <council@co.whatcom.wa.us>
Date: 4/22/2012 3:13 PM
Subject: Proposed SSA Marine Coal Terminal

*I am a concerned citizen regarding the following proposed SSA Marine coal terminal threats to my pristine environment at Sandy Point:*

* * *

*Fugitive coal dust during windy conditions.*

*Proposed thousands of mercury vapor lights illuminating the night sky at Sandy Point, Point Whitehorn, Birch Bay and Semiahmoo.*

*Diesel particulate from cape size coal ships, locomotives and trucks.*

*Lung ailments caused by fugitive coal dust.*

*A lack of sufficient industrial water supply for operations for wetting down coal dust at Cherry Point.*

*Black tide caused by coal dust and diesel particulate on the water at Cherry Point.*

*Stagnant seashore due to the flow of current being impeded by the terminal causeways.*

*Beach erosion at Sandy Point caused by terminal causeways.*

*Impacts to fishing and crabbing activities at Cherry Point.*

*The dumping of bilge and ballast water in waters off Cherry Point injecting unwanted marine creatures from the worlds oceans into local waters.*

*Impacts to public access.*

*Noise from coal loading machinery and container ships*

*The hollow banging of empty coal cars being shunted.*

*Storm water runoff.*

*The danger to local herring population.*

*Impacts from associated transportation.*

*Potential long delays for emergency fire and police response due to 18 or more additional trains per day. (18 additional trains per day + 15 current trains @ 10 min per train = 5 1/2 hours back up time per day per intersection)*

*Mercury levels in Lake Whatcom. (Recent Study)*
*Impacts of coal on climate change and greenhouse gases.*

*Increased tanker/bulk carrier collision potential due to proposed increase in Canadian shale oil oil tanker traffic.*

*Potential catastrophic spills or major accidents involving bulk carrier ships. Older bulk carriers are not double hulled, do not have side thrusters, are single screw, do not require tug escorts like oil tankers and are considered the most dangerous ships in the world. (Reference: google bulk carrier aground on youtube).*

*Why speed the end of mankind on the planet? **To pretend that heat-trapping gases can be waved away with a nod and a smirk is political fairytale. There is a large and growing **body of <http://www.ipcc.ch/>**evidence against coal and against fossil fuels. The way nature works applies the same to Republican and Democrat legislators. *


Extremes are becoming more extreme <http://ipcc-wg2.gov/SREX/>. *

Let’s not trash our beautiful Cherry Point environment. Let’s not ship a half billion tons of coal to Asia over the next ten years which would ensure a fugitive coal dust cloud over Sandy Pt., Birch Bay, Pt Whitehorn, Semiahmoo and parts of Ferndale. Let’s not watch our health decline and mercury levels in Whatcom County lakes accelerate. Let’s say no to SSA Marine, BN, Peabody Coal, Arch Coal and Goldman Sachs.***

*  

*  

*Respectfully,*

*  

*  

*Larry Blanchard*

*4131 Salt Spring Dr*

*Ferndale, WA 98248*
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:19 AM
Subject: Fwd: GPT/SSA Permitting Application
Attachments: GPT/SSA Permitting Application

Please note: Emails are public records subject to public disclosure upon request.
From: "ChairKathy" <chairkathy@birchbayinfo.org>
To: <Undisclosed-Recipient:;>
Date: 4/16/2012 8:23 AM
Subject: GPT/SSA Permitting Application

(L5490) WHATCOM COUNTY NOTICE OF APPLICATION FOR A MAJOR PROJECT PERMIT, ZONING VARIANCE, AND SHORELINE SUBSTANTIAL DEVELOPMENT PERMIT Notice is hereby given that the Pacific International Terminals, Inc. submitted an application on June 10, 2011 and March 19, 2012, for a Major Development Permit (MDP2011-00001), Zoning Variance (VAR2012-00002) and Shoreline Substantial Development Permit (SHR2011-00009) to develop a deep water, multimodal terminal for the export and import of dry bulk commodities between rail and oceangoing vessels. The project area encompasses approximately 1,200 acres with development occurring on approximately 334 acres which will include two materials handling and storage areas, and a wharf and trestle. Associated development would include a rail connection and improvements with Burlington Northern Santa Fe Railway's Custer Spur Industrial rail line. At full operation, the facility would have the capacity to export and import 54 million metric tons per annum (Mtpa) of dry bulk commodities including, but not limited to coal, grain products, potash and calcined petroleum coke. A determination that all submittal requirements for the proposal were met was issued on April 2, 2012. The subject property is located at 4750 Gulf Road, Assessor's parcel Nos: 390117065466, 390117205467, 390117067334, 395124546546, 390119092500, 390119172456, 390119424335, 390119198377, 390119214451, 390119327425, 390119349425, 390119469346, 390118117050, 390119388424, 390119199451, 390119438360, 390119246354, 390117473110, 390119298423, 390119252449, 390119454299, 390117278062, 390119440480, 390119502484, 390119512341, 390120095477, 390120135359, 390120151212, 390120337323, 390120340476 and 390119505246. The County, the United States Army Corps of Engineers, and the Washington State Department of Ecology have agreed that State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA) review shall be conducted through the preparation of a joint Environmental Impact Statement (EIS). The agencies will be issuing a joint Determination of Significance (DS) and scoping notice consistent with 42 U.S.C. § 4321-4347 and RCW 43.21C in a separate notice after the notice of application comment period has expired. The applications will be reviewed under the Official Whatcom County Shoreline Management Program, Health Code, Flood Control, Zoning and Critical Areas Ordinances, and mitigation may be required pursuant to these ordinances. Additional permits may include building permits, a land disturbance permit, Hydraulic Project Approval, Stormwater Permit, and Section 401 Water Quality, Air Quality Permit, Department of the Army (Corps) Permit, and Aquatic Lease. The file and supporting documents may be reviewed at Whatcom County Planning and Development Services, 5280 Northwest Drive, Bellingham, WA. 98226 and is also available online at http://www.whatcomcounty.us/pds/plan/current/index.jsp. Any person may submit written comments to at the above address or at pds@co.whatcom.wa.us, within 30 days of the publication of this notice, which is April 16, 2012. Written comments should be received by May 16, 2012, however public comments may be submitted at any time prior to the closing of the record for the open record public hearing. Any person has the right to receive notice of and participate in any hearing, request a copy of the decision once made, and to appeal a decision when allowed by law. If you wish to receive notice of decisions and hearings, please contact PDS either at (360) 676-6907, pds@co.whatcom.wa.us, or in writing at 5280 Northwest Drive, Bellingham WA 98226. All requests for notification will be forwarded to the Whatcom County Hearing Examiner's office prior to public hearing. If you request notice of decisions you will receive the SEPA/NEPA DS and scoping notice and be established as a interested party.
Hi, This is just a quick note to tell you all that my family and I are most opposed to the proposed coal terminal. We have a lot of good reasons, but you need to know we don't believe this process should have even been started, and it is my firm belief that even 20 or so years ago, any one who suggested it would have been laughed out of town. Low information folks might be conned by the promise of jobs but we are not. We will fight every step of the way to prevent this. Margret Stewart Milici
Whatcom County planners say SSA Marine has now filed a complete application for its proposal to build a terminal at Cherry Point to export coal and other bulk cargos.

County Planning Manager Tyler Schroeder wrote in a Monday, April 2, letter to Skip Sahlin of SSA Marine that applications for three permits are now complete.

The company's proposal to build a coal-exporting terminal has drawn strong opposition from environmental groups and others locally. If completed, the Gateway Pacific Terminal could handle up to nine trains a day and 54 million tons of material a year.

One group, Coal-Free Bellingham, is gathering signatures with the hope of placing an anti-coal-train initiative on the Bellingham ballot this fall.

Last Friday, March 30, another group, called Protect Whatcom, sent a letter to county officials urging them to require an economic impact assessment as part of the environmental review for the project.

County officials have yet to decide what will be studied through the environmental impact statement process, which also will be reviewed by state and federal agencies and by Indian tribes.

In June 2011, the company submitted project information to the county planning department, but county officials said SSA Marine needed to apply for a new shoreline permit. On March 19, the company submitted additional detailed information, making the applications complete under county law, Schroeder wrote.

"Note that according to (county code), a determination of completeness shall not preclude the county from requiring additional information or studies at any time prior to approval of the permits," Schroeder wrote.

READ THE REPORT  http://www.co.whatcom.wa.us/pds/plan/current/gpt-ssa/index.jsp
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:27 AM
Subject: Fwd: ssa Marina Gateway Pacific Terminal
Attachments: ssa Marina Gateway Pacific Terminal

Please note: Emails are public records subject to public disclosure upon request.
Please stop the construction of the coal terminal. Please deny construction permits.

Linda Parry- Miner
8055 kispiox rd
Blaine wa.
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:28 AM
Subject: Fwd: SSA Marine Gateway Pacific Terminal (GPT)
Attachments: SSA Marine Gateway Pacific Terminal (GPT)

Please note: Emails are public records subject to public disclosure upon request.
Whatcom County Council Members:

Please add us to the many community residents who oppose the construction and operation of GPT at Cherry Point. Coal dust polluting air and water is damaging to our beautiful scenic surroundings. Long train waits causing traffic jams as well as extensive health risks should not be tolerated by any of us.

I am a retired Washington State Fisheries and Wildlife Biologist who monitored the decline of fish populations in Alden Bank, Roberts Bank, and Cherry Point areas due to industrial developments and human population increases in the 1980 through 2000 timeframe. That situation was - and still is - near endangered species levels and could only worsen with more encroachments. Please give our natural resources some living space.

We urge you to deny construction permits for this project. Thank you.

Your humble taxpaying citizens,

Richard and Joan Mueller
8730 Wood Duck Way
Blaine, WA 98230-5703
Dear Council,

I attended the EIS scoping forum at Bellingham High School on March 20th. Much of it was valuable, but some of the questions pertained directly to Council's role in the forthcoming permit process. It was left to Mr. Schroeder to answer questions about Council's role in the permitting process. He did an excellent job. Some of the questions were abrasive or openly rude. He remained professional and objective throughout.

But, I think it would help that part of the public who have doubts about the Council's objectivity in this process if you collectively, or Mr. Crawford as President of the Council, wrote an op-ed article for The Bellingham Herald clearly explaining the Council's role in this process. I don't think many people understand that on this issue you are somewhat like a sequestered jury, forbidden to get involved in the external polemics of the case. The public, in general, needs to understand that process is paramount, and that the Council cannot be involved in the debate. As I understand it, Council's role is to evaluate, based on the findings in the final Environmental Impact Study, whether SSA should be given a permit, or not, to build the GPT at Cherry Point. It would certainly make Mr. Schroeder's job easier if he could point to a document that clearly summarized Council's role in this process.

Joseph Knight

Everson, WA 98247
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:32 AM
Subject: Fwd: gateway pacific terminal
Attachments: gateway pacific terminal

Please note: Emails are public records subject to public disclosure upon request.
I want you all to know that I support the terminal. I consider it a potentially important facility to create economic prosperity in our community. The economic benefits far outweigh the fears propagated by certain activists.

Thank you,
John Herford
Peoples Investments
Securities and Insurance Products Offered through LPL Financial
Member FINRA/SIPC
Not FDIC Insured, No Bank Guarantee, May Lose Value, Not A Deposit, Not Insured By Any Federal Government Agency
Please note: Emails are public records subject to public disclosure upon request.
BELLINGHAM - About 800 people packed the Bellingham High School theater Tuesday, March 20, to learn how they can make their voices heard during the lengthy environmental review process for the proposed Gateway Pacific Terminal coal and bulk cargo pier proposed for Cherry Point.

County, state and federal officials explained that the process of taking public input won't begin in earnest until this summer. The first phase of that process is known as scoping, and it includes the critical question of what kinds of impacts should be analyzed in the environmental impact statement.

The environmental study process will be conducted by a private consultant to be hired by Whatcom County, in consultation with the Washington Department of Ecology and the U.S. Army Corps of Engineers. SSA Marine, the Seattle company that proposes to build the terminal, will pay the costs.

Jeannie Summerhayes, regional director of the Washington Department of Ecology, told the crowd that all the agencies involved have already been getting lots of letters and emails from concerned citizens. She advised everyone to resubmit their letters and emails once the scoping period officially begins, probably some time in summer of 2012.

"We need to follow the steps in order," Summerhayes said.

Besides taking written comment, Summerhayes said the consultant will also conduct at least three public scoping meetings to give citizens a chance to air their concerns in a public forum. The comments at the meetings, along with written submissions, will play a key role in deciding what issues will be studied, she added.

"The agencies do not just decide on their own what should be in the environmental impact statement," Summerhayes said.

Critics of the terminal project are urging that rail traffic impacts in Bellingham and other communities along the BNSF Railway line should be studied. South Fork residents want the study to include the impacts on them, if some or all of the coal trains are shifted to the line that runs through their valley to avoid impacts on Bellingham.

Others said they want to make sure that the study includes health impacts from diesel and ship emissions and coal dust, as well as the impacts on climate change. The officials in attendance urged them to make sure those ideas are submitted during the scoping process, and they indicated some likelihood that they will be part of the process.

But officials also acknowledged that SSA Marine will have the opportunity to argue that the scope of the study should be limited to the impacts of the project in and around their 1,100-acre property at the end of Gulf Road, south of the BP Cherry Point refinery.

If scoping is completed as scheduled, Whatcom County Planning Manager Tyler Schroeder said the environmental impact statement process will begin in fall 2012. If that is the case, a draft could be available for public review and comment in late 2013, although he stressed that dates were tentative.
After the comment period on the draft, agencies are required to respond to comments and include those responses in the final document, which could be done by 2014.

The environmental impact statement won't determine the fate of the project. Its purpose is to provide regulatory agencies with the information they need when they decide whether to issue permits to construct the massive project, and what conditions to set if they do grant those permits. Once the environmental impact statement is done, the permitting process begins.

The project will need permits from an array of state and federal agencies, but a focal point will likely be the Whatcom County Council's decision on whether to grant a major project permit.

Several members of the audience expressed frustration about the fact that council members have been advised not to talk to constituents about their concerns about Gateway Pacific. That is because under law, they are supposed to remain unbiased until their role in the process begins.

Once the matter comes before the council, their constituents will have the opportunity to give the council their views and provide them with information as part of the official record of the public process, Schroeder said.

"The County Council will be very, very informed once they make a permit decision," Schroeder said.

While many in the audience appeared to be diligently taking notes on how they could get involved in the process, others were openly skeptical.

"What makes you think any of this is even necessary?" one woman asked. "Right here, right now, we say no."

That got a lot of applause. So did another commenter who challenged the integrity of the process.

"We don't necessarily trust that any of you, or anyone involved in the process, are going to do what's best for us," he said. "We will not allow this thing to happen, no matter what."
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:34 AM
Subject: Fwd: Prosecutor's Opinion on SSA Project
Attachments: Prosecutor's Opinion on SSA Project

Please note: Emails are public records subject to public disclosure upon request.
Hi Kathy. Could you please forward a copy of the written opinion that was drafted by the Prosecutor's Office and read into the record? Since the statement was issued for public release, it is not a privileged document and can be disclosed.

Thank you
Wendy Harris
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 11:36 AM
Subject: Fwd: Gateway letter from Westland
Attachments: Gateway letter from Westland

Please note: Emails are public records subject to public disclosure upon request.
Hi Jennifer,

Attached is some correspondence that came in the mail addressed to the County Council, attention: Jack Louws, regarding the Gateway Pacific Terminal project. Please distribute to the Council members.

Thank you,

Suzanne Mildner
Administrative Secretary/Grants Coordinator
Whatcom County Executive Department
311 Grand Avenue, Suite 108
Bellingham, WA 98225
(360) 676-6717
smildner@co.whatcom.wa.us
April 1, 2012

Whatcom County Council
311 Grand Avenue, Suite 103
Bellingham, WA 98225

GATEWAY PACIFIC TERMINAL AT CHERRY POINT

"A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise." Aldo Leopold

To the Members of the Whatcom County Council,

Soon, it will fall upon you as our leaders to decide the fate of the Gateway Pacific Terminal project at Cherry Point. Permit applications were filed by SSA Marine on March 19th, and whether or not these permits are granted will be your decision. It seems there is a huge groundswell of opposition to this project and I am sure you have heard many of the objections now many times over. It is my hope that you, along with the Department of Natural Resources, and the Army Corps of Engineers will be receptive and seriously consider the many reasons why most people who are informed do not want this project in our County.

This letter will outline why I, personally, am not in favor of the GPT Terminal at Cherry Point. In general, I believe that the costs to our environment, our people, and our industries will far outweigh any projected or imagined benefits.

I have lived in Whatcom County for 15 years. I have lived and worked in the Lake Whatcom Watershed area, Fairhaven, Ferndale, Lynden, Blaine; my husband and I currently live in Birch Bay. Together we own two homes in the County and we pay taxes on each of them. We live within a 5-mile radius of the proposed deep water coal shipping terminal proposed for Cherry Point. Our home overlooks Birch Bay and we can see Cherry Point from our front window. We witnessed the fire in February and saw clearly the huge plume of black smoke, which continued for almost two hours.

As a native Californian, I moved to Whatcom County because there was less development, less population and traffic, and so much untouched and preserved environmental vitality and beauty. I am now retired and am a semi-professional photographer in my spare time. I have found the environment of Western Washington and specifically Whatcom County rich with healthy ecosystems, both marine and on land. The list of the many unique places available to me is very long, but includes the Cascade Mountains, the watershed areas, the rivers, the beaches, the islands, including the abundant and unique wildlife lives within these systems. Both my husband and I partake of all these environments recreationally: bicycling, hiking and walking, camping, boating (sailing and kayaking).

Air Quality: One reason I moved to Washington was to live in an environment with less air pollution. So far, I have not been disappointed. However, if the coal terminal is built, I realize that coal dust will be an issue. Our house faces the frequent and usually heavy prevailing Southwest winds, which blow our way directly from Cherry Point. I anticipate that coal dust from the huge mountain of coal which will sit at Cherry Point, as well as coal dust from the increased amount of train traffic, may aggravate...
my breathing because I have a history of asthmatic conditions caused by irritants in the air, such as cigarette smoke, dust, animal dander. When irritants are present, I use an inhaler. I am seriously concerned about the coal dust, not only as a daily irritant, but as a carcinogenic agent over time. The carcinogenic properties of coal dust are well documented.

**Sensitive Environments:** In the year 2000, the Washington State Department of Natural Resources designated the State-owned land known as Cherry Point as an *Aquatic Reserve* “in order to ensure long-term environmental protection”. At that time the DNR and its partners established a **90-year-management plan** for this area, in order to protect health and the unique aquatic environment within Cherry Point.

My understanding is that the projected Gateway Pacific Terminal effort will require about 162 acres of wetlands to be disrupted in the course of building out the necessary facilities to make this area into a coal exporting station. Whether or not these wetlands are part of the Aquatic Reserve or not, further degradation of the surrounding environment will permanently change that area to an industrial site, thereby disrupting and destroying existing wildlife and plant life.

The Commissioner’s Order states that the **DNR is to consider – before** issuing any lease or authorizing any changes in use, according to RCW 79.90.460(3), the natural values of these State-owned aquatic lands, insofar as they constitute wildlife habitat, natural area preserves, representative ecosystems, and spawning areas.

**Herring:** At the time of the DNR’s Order pertaining to Cherry Point being set aside as an Aquatic Reserve, it was acknowledged in the **Commissioner’s Order**, signed August 1, 2000, that the Herring population at Cherry Point had historically provided spawning habitat for more than **50 percent of the entire Herring population of Puget Sound and the Strait of San Juan de Fuca**.

This area also provided an important nearshore migratory corridor for Chinook salmon, an endangered species then as well as now, as well as providing significant habitat and feeding area for migratory waterfowl populations. The Herring population at Cherry Point had, in 2000, already declined to less than 9% of its previous historical level! It was noted and acknowledged that preventing further habitat degradation and maintaining Cherry Point’s unique habitat was **critical** to Chinook salmon and Puget Sound Herring.

**According to a Report submitted to the DNR in June, 2011, by Biologist, Kurt Stick, Department of Fish and Wildlife, “The Cherry Point herring stock continues to be at a critically low level of abundance, despite an increase from 2010.” Charts, tables and more detailed information are readily available on the DNR website.**

Herring are a Keystone Species – critical in the biological chain of life in the sea. If this “link” in the food chain is weakened, all species which depend on it are weakened, and so on, ad infinitum.

Northwest Salmon populations are another cornerstone species, supporting other sea life such as the Humpback Whales, in addition to benefiting surrounding land environments. The overall effect will be declining populations of fish, with a subsequent decline in the fishing industry, tourism, and health of Puget Sound and the surrounding land masses. Long ago, Thomas Jefferson said: “For if one link in nature’s chain might be lost, another might be lost, until the whole of things will vanish by piecemeal.”
**Tanker Traffic:** The addition of hundreds of supertankers entering and leaving the waters of Puget Sound each year will have a seriously negative impact on the life of the oceans at our doorstep. As they leave our shores, they will carry many tons of coal out into the waters, leaving coal dust in their wake; this coal dust is carcinogenic to sea life as well as to humans and could cause death, disease, and/or genetic mutations over time. When the supertankers return from Asia empty, their ballast water will be emptied into our own waters, contaminating them with foreign species. In addition, each supertanker carries huge amounts of diesel fuel in their holds. It is only a matter of time before we have an oil spill from one of these huge tankers... imagine the destruction to life and harm to ecosystems which will occur in the Puget Sound after a supertanker oil spill. Orcas, whales, and Salmon thrive and migrate in these waters. These populations are unique and special and add not only to the fishing industry, but significantly to the tourist trade. The risks from contamination from carcinogenic coal dust and diesel fuel are huge and threaten to shake the security and peacefulness of all of our neighborhoods. Our view of Birch Bay is one of the many reasons we stay here; if we had to look out and see the waters coughing up oil onto the beaches, along with dead or diseased sea-life, it would be heartbreaking.

**Property Values:** I believe that with increased air pollution, increased noise from trains and traffic difficulty at crossings, many people will become disenchanted with the industrial changes in Whatcom County and may relocate. It is possible that is what my husband and I will do, rather than sit by and watch the wildlife diminish and perhaps even oil spills from the gigantic tankers that will be added to the Strait of Georgia and Haro Strait. Moving away may happen sooner rather than later, in an effort to outpace the decline in property values that will likely occur, as more and more people who might have moved into our community decide it is not such a good place after all.

The coal terminal will have a deep impact on the overall quality of our lives and our environment. The subsequent changes will make anything better for us. Even though it will add a small number of jobs, other jobs in the tourism business and in waterfront development will suffer conversely, leaving us with a net loss, not a gain. If overpasses are built to circumvent the additional train traffic, the cost will be huge and will, in large part, be borne by the tax payers. When SSA Marine talks about new jobs and greater economic growth, they are not giving the full picture to those whose knowledge is limited. They do not tell people that the coal is being shipped to Asia, and will only serve to dirty-up our backyards and degrade property values. The truth is that the only people who stand to really profit from the Gateway Pacific Terminal are SSA Marine, Peabody Coal, and Goldman Sachs.

Respectfully submitted,

Christine Westland
8292 Fawn Crescent
Blaine, WA 98230

cc Department of Natural Resources PO Box 47000; 1111 Washington Street SE; Olympia, WA 98504-7000
Army Corps of Engineers 441 O Street NW; Washington, DC 20314-1000
March 20, 2012

Dear Ms. Kershner:

The Whatcom County Marine Resources Committee (MRC) is an advisory committee to Whatcom County Council, formed under the Northwest Straits Initiative in 1999. The Whatcom MRC is one of seven county-specific MRCs in the state and is comprised of a diverse team of stakeholders representing economic, recreational, scientific, and environmental interests. Our mission is to “promote and facilitate actions that will protect and restore the marine ecosystem and its resources.” As a part of that mission, the MRC updates the Council on an annual basis to communicate our progress on a variety of marine-resource related activities. The MRC also reaches out to the Council when agenda items have the potential to impact marine resources.

Given our mission’s emphasis on the marine ecosystem, we will, as a group, participate in the Environmental Impact Statement (EIS) scoping and review process for the Gateway Pacific Terminal project that is being conducted under the State Environmental Policy Act (SEPA). At this time, the MRC plans to focus our review on the following issues:

1) aquatic habitat and species
2) impacts to fisheries and shellfisheries
3) vessel traffic
4) estuarine wetlands, and
5) public access

As an advisory committee to the Whatcom County Council, the team desires to focus on the marine topics of most concern to Council members. To that end, we are requesting that the Council advise us if there are any other specific marine-resource related topics that the Council would like the team to address or if there are any areas of focus that require specific emphasis.

On behalf of the members of the Whatcom County MRC, we look forward to assisting the Council throughout the SEPA review process for the Gateway Pacific project. Please feel free to contact me at (360) 733-8307, or any other MRC member, if you have questions or concerns.

Sincerely,

Wendy Steffensen, Chair
Whatcom County Marine Resources Committee

cc: Mr. Jack Louws, Whatcom County Executive
Whatcom County Council
Whatcom County Council
311 Grand Avenue, Suite 105
Bellingham WA 98225

Dear Council Members:

We are writing to express our deep concern over the plans to route coal trains through the City of Bellingham on their way to the shipping site. We have been planning to retire soon, and to purchase a condo or house at the Bellingham waterfront area near Boulevard Park. We have a deep love of this city, and of the Skagit Valley farmlands nearby, and have been coming here for recreation and tourist activities for years. But we are having severe doubts about our plan to buy property in Bellingham now because of this coal shipping route.

Transport of coal always causes a release of fine particulates that are toxic to breathe or ingest. There is no question that the heavily used tourist and recreational areas in Fairhaven and downtown Bellingham will suffer pollution from this coal dust. These are areas where a vulnerable population (young children and elderly people) come for relaxation, play and exercise. The elevated walkway area along the shore is now being extended, and this will bring even more people to the Boulevard Park area with its spectacular views of sky and water.

For the small amount of jobs that will be created by the coal shipping, Whatcom County will pay deeply in loss of quality of life—which has far more value in the long run. Tourism and retirement creates MUCH MORE REVENUE for Whatcom County than the coal port ever will. And this revenue is long-lasting, and will not change due to the whims of business.

We ask that you consider the negative impacts on health, quality of life, and property values that will be caused by this coal train route. Please listen as we speak to you along with friends of ours—who are already Bellingham residents—and say “NO” to coal trains!

Sincerely,

Esta Anderson & Alan Crabtree
January 20, 2012

To the Mayors and City Councils of the Cities Threatened by the Coal Trains\(^1\) and to the Whatcom County Council

Greetings!

**Protecting our Communities from a Common Threat**

As you are aware, there are plans afoot to run coal trains through our communities. The trains will be long and frequent. The noise, disruption of traffic, disruption of emergency services, and pollution will make our communities unattractive places to live and work. Property values will be affected, as will the health of community residents. Coal dust to breathe and to blanket our communities will be our lot.

In Bellingham, the trains will cut the city off from its waterfront. In each of your cities, there will be specific harmful local effects.

Various state and local agencies are engaged in examining the project, primarily through the lens of whether to grant permits for the expanded deep water port at Cherry Point.

The agencies may grant the permits!

Faced with that risk, what can our communities do to protect themselves?

To cope with similar threats to their way of life, communities across the nation are standing up and taking action on their own. In Pittsburgh, for example, the city council passed an ordinance 9-0 in November, 2010, to protect city residents and ecosystems from natural gas fracking. The core of the ordinance was the concept that the city and its residents should be in charge of what goes on in their community, not remote boards of directors with no stake in the well-being of the community. Over the years, an elaborate structure of laws has been erected that overrides community well-being. The City Council addressed each of these points in turn in the ordinance that they adopted. They asserted the inalienable right of the people of Pittsburgh to govern themselves. They declared that corporations seeking to engage in

\(^1\) See attached list
natural gas fracking in Pittsburgh were not legal persons and did not have constitutional rights. They denied the right of the state and federal governments to override these rules, and they acknowledged the right of local ecosystems to thrive. In essence, Pittsburgh adopted a Community Bill of Rights.

Inspired by this example, and the example now of 130 communities across the country who are taking action against a variety of threats, we have formed an initiative campaign committee to adopt a similar local ordinance in Bellingham. Our initiative will aim for the Nov. 2012 ballot and the launch of our campaign will take place on January 26th...yes, in just a few days! You can find out about the details on our website.

We invite you to consider passing similar local ordinances. Imagine multiple municipalities along the rail lines standing up in unison and saying NO COAL! by simultaneously introducing such legislation!

Please contact us at 360-389-3314 or info@coal-free-bellingham.org if you have any questions.

Sincerely,

The Steering Committee

ps For information on the local ordinances that have already been adopted, including the Pittsburgh ordinance, please go to the website of the Community Environmental Legal Defense Fund (www.celdf.org).

For a description of how our legal system came to the point of saying that local communities don’t have the right to decide, go to www.celdf.org and search on “Sins of the Fathers”.

For details about the launch on January 26, go to our website: www.coal-free-bellingham.org.
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Enclosed in this packet is a report, The Impact of the Development of the Gateway Pacific Terminal on the Whatcom County Economy, which was prepared by Public Financial Management, Inc for Communitywise Bellingham.

About the Communitywise Bellingham Report Series
This report is the first in a series of studies that have been commissioned by Communitywise Bellingham. The series is guided by an interest in providing a solid base for careful consideration of impacts that Bellingham and Whatcom communities may experience from the Gateway Pacific Terminal. At the end of last summer, each member of the Bellingham City Council was consulted to identify his or her top priorities for information related to the GPT proposal. A better understanding of the project’s possible economic impacts was at the top of everyone’s list. We are pleased to begin our report series to the City with this comprehensive economic analysis. The bulk of the study provides data-rich insights into our local economy. It also provides a framework for evaluating how the GPT could interact with our future economic growth.

About Public Financial Management, Inc.
Founded in 1975, PFM is the nation’s largest independent financial advisor to local and state governments, and is consistently among the top-ranked independent financial advisory firms in the nation. The PFM Group currently employs more than 400 professionals serving a broad base of clients from offices located in every region of the country.

Shannon Wright
Executive Director
The Impact of the Development of the Gateway Pacific Terminal on the Whatcom County Economy

March 6, 2012

Prepared by
Public Financial Management, Inc.

for
Communitywise Bellingham
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I. Executive Summary

In November 2011, Communitywise Bellingham retained Public Financial Management, Inc. (PFM) to conduct an independent review of the potential economic impacts associated with the development of the Gateway Pacific Terminal (GPT) at Cherry Point.

A prior study by Martin Associates, conducted on behalf of the developers of GPT, projected the economic benefits that would result from the development and operation of the terminal. That study and a subsequent third party review of its results did not address either potential costs that could result from the development and operation of GPT or the degree to which the development of GPT could reduce potential benefits from other sources of economic development or job growth in Whatcom County.

Our analysis suggests that the potential for cost is real. To the extent that the development and operation of GPT would lead to an increase in rail traffic in Bellingham and other parts of Whatcom County, there would be costs to mitigate the impact—particularly given the number of active rail crossings in the City.

The impact on other job growth and economic development strategies may be even more significant. To the extent that GPT’s construction and operation could put other projected or planned growth at risk, it is possible that even if all of the projected employment benefits of GPT were achieved it could still have a net negative employment impact on Whatcom County’s economy. If the development and operation of GPT led to the loss of more than 17 percent of projected job growth in Whatcom County between 2012 and 2021, or more than 13 percent in the ten year period after construction begins, the result would be a net loss in employment in the County.

Moreover, the planned development and operation of GPT could pose a specific risk to redevelopment plans for the Bellingham waterfront. State and local agencies have committed more than $40 million to the redevelopment of the former Georgia Pacific site in downtown Bellingham. The Port of Bellingham projects that over 25-30 years, redevelopment of the site could produce $1 billion in investment—including a net increase of 5,600 direct jobs alone. To the extent that development and operation of GPT increases rail traffic, it could reduce the feasibility of redevelopment and projected resulting jobs.

The risk of offsetting reductions in projected job growth is largely due to train traffic. First, the operation of GPT would lead to a significant increase in rail traffic through Whatcom County—especially through downtown Bellingham. Phase I operation would add five trains traveling to GPT through Bellingham on a daily basis. Each train would be between 7,000 and 8,500 feet—1.3 to 1.6 miles—in length. Additional traffic is likely due to the return of rail cars from GPT.

Impacts to Bellingham—positive and negative—are significant for Whatcom County due to its role as the economic center of the County. Approximately 60 percent of all employment in the County is in Bellingham; Bellingham businesses generate more than three-quarters of all retail sales and more than half of all revenue related to accommodation and food services; in 2010, more than half of all residential home sales occurred in Bellingham; and, despite accounting for just 1.3 percent of total land in the County, 36 percent of total assessed county property value was in Bellingham.

Additional potential risks to growth beyond baseline projections are related to tourism and the in-migration of skilled workers and entrepreneurs to the region’s economy. Again, these risks are related to both the projected increase in rail traffic and stigma associated with the transport of large amounts of coal through Whatcom County.
If the development of GPT proceeds, steps can be taken to reduce the impact of additional rail traffic through re-routing of rail traffic or new overpasses or changes to the street grid. Those steps could reduce potential risk and thereby increase the likelihood of net economic benefits for Whatcom County and Bellingham. Such steps, however, come at a cost that – to date – no party has assumed. To the extent that those costs are assumed by the public, it would reduce the net fiscal benefit of the GPT development to the public – especially if local governments were asked to bear those costs.

In assessing the findings of this report, different decision makers may not view the risks imposed by the development and operation of GPT in the same way and reach dissimilar, yet valid conclusions. The purpose of the study is not to recommend a specific course of action. Instead, the purpose is to provide policymakers – and the public – with additional information about the potential economic impact to reach a better-informed decision. With that aim, other communities along the rail line may find the economic analyses and risk-based approach in this report to be a template for undertaking their own review of the economic impact of GPT.
II. Introduction and Project Overview

In November 2011, Communitywise Bellingham retained Public Financial Management, Inc. (PFM) to conduct an independent review of the potential economic impacts associated with the development of the Gateway Pacific Terminal (GPT) at Cherry Point. In particular, Communitywise Bellingham asked PFM to assess some impacts not considered in the report by Martin Associates (Martin) which projected employment and other economic benefits associated with the development and operation of GPT.

PFM is a national consulting and financial advisory firm, headquartered in Philadelphia, Pennsylvania, that serves public-sector clients. With 30 offices and over 450 professionals located across the country, PFM is the nation’s leading provider of independent government financial advisory services. Throughout the remainder of this report, the professionals representing PFM in this engagement will be referred to as the project team or PFM.

To facilitate its work on this report, the project team spent four days in Washington conducting meetings in Bellingham, Olympia, and Bellevue. During this time, the project team met with over 50 people representing a diverse set of interests, viewpoints, and backgrounds – including representatives of SSA Marine (SSA), the State of Washington, Whatcom County, the City of Bellingham, the Port of Bellingham, the Whatcom County Chamber of Commerce, Northwest Washington Central Labor Council, not-for-profit entities, and local businesses. The meetings provided an opportunity for the project team to ask questions, receive information, seek clarification, and obtain verification of its approach, assumptions, and analysis.

The project team met with the SSA representative in Bellingham and a representative of SSA was invited to – and did – participate in the project team’s meeting with state officials in Bellevue. The project team welcomed the opportunity to include SSA and saw two distinct benefits from their participation: 1) an opportunity to understand SSA’s processes and views; and 2) provide the opportunity for SSA to raise concerns with the project team’s approach and methodologies. On more than one occasion, SSA offered to provide additional information to aid in the study. Unfortunately, SSA subsequently declined to provide information or additional input.

To supplement the meetings described above, the project team reviewed extensive documentation including documents regarding the development of GPT, demographics and economic data for the City of Bellingham, Whatcom County, and State of Washington, and academic and professional research pertinent to this report. Sources of data and information are cited throughout this report in footnotes.

The projected benefits of GPT have already been the subject of a prior study – the Martin study.1 In addition, SSA retained Finance & Resource Management Consultants, Inc. (FRMC) to review methodologies used in the Martin analysis, and that review produced a different set of projected economic impacts. While our report includes a discussion of the findings and underlying assumptions in the Martin study and FRMC’s review, it does not attempt to calculate – for a third time – projected job, economic activity and tax revenue benefits that might be realized from the completion of GPT.

A traditional economic impact analysis presents projections of benefits based on known or assumed inputs to an economic model. A cost-benefit analysis calculates offsetting costs that would be necessary to realize those benefits. In this report, we provide what we hope is a broader look at overall benefits and costs as well as a discussion of risk and uncertainty related to costs and benefits. In particular, we identify the degree to which proceeding with

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1 The project team discloses that PFM has previously engaged in collaborative work with Martin Associates on behalf of other clients.
development and operation of GPT might impose risks to other potential economic growth in Bellingham and in Whatcom County. Understanding those risks – and any uncertainty related to costs and benefits – should allow policymakers and the public to make a more informed decision on the merits of the project.

Thus, this report attempts to answer the following questions:

- What are the projected economic benefits of GPT?
- Are there assumptions or other factors related to the development of GPT that should be considered in assessing the economic impact of GPT on Whatcom County?
- Are there potential costs that might be borne by the public in the development of GPT that could offset projected economic benefits?
- Would the development of GPT create a risk for other potential economic growth strategies in Whatcom County?
- What should the public and policymakers understand about the risks, the potential to mitigate those risks and uncertainty related to potential costs and benefits?

This study is presented to contribute to the public discourse by presenting additional information for consideration as policy makers and the public consider the development of GPT. With that goal in mind, other communities along affected rail lines may find it useful to build upon the work contained in this document or use a similar methodology to understand the specific potential risks to their respective communities and the resulting economic impacts due to the development of GPT.

This report should not, in any manner, be construed as taking the place of the scoping process of the Environmental Impact Study (EIS), the EIS itself, or any other formal review of the project. As such, the failure to consider certain issues as part of this report and analysis should not be inferred as dismissing the importance of those issues. As with any such review, individual components of our analysis rely on the validity, accuracy, and comprehensiveness of the information supplied to us, and projections of future events and outcomes are inherently uncertain and subject to change. Similarly, time and resources limit the ability to consider all factors.
III. Gateway Pacific Terminal

Overview

SSA Marine (SSA) through one of its subsidiaries—Pacific International Terminals, Inc. (PIT)—is proposing to develop Gateway Pacific Terminal (GPT) in Whatcom County. In February 2011, PIT submitted a Project Information Document (PID) to the State and Whatcom County to provide the public, the [multi-agency permitting team], decision-makers, and other stakeholders, including affected Native American Tribes, with a detailed description of the proposed project, the potential environmental effects of the project, and measures incorporated into the proposed project to reduce such effects.2

According to the project's website, the port is to be developed in a naturally occurring deep-water location and will be a full-service dry bulk commodity export-import facility on 1,092 acres in the Cherry Point Industrial Urban Growth Area. This area is zoned for heavy-impact industrial use and is located near the BP Refinery and INTALCO facility. The website indicates GPT would be the largest facility of its type on the west coast of the United States, capable of handling up to 54 million metric tons per year of dry bulk commodities.3

GPT is designed to accommodate 'capesize' ships in order to allow for the movement of the forecasted volume of dry bulk commodities. Capesize ships, which take their name from the fact that they are physically too large to fit through locks of either the Panama or Suez Canals and therefore must travel via Cape Horn or Cape of Good Hope, are capable of carrying up to 250,000 dead weight tons of cargo. Due to the natural deep-water at Cherry Point, the development does not include the need for dredging.4 The facility is being built to accommodate 1 to 9 loaded trains per day that will travel to Cherry Point on the Burlington Northern Santa Fe (BNSF) rail line.

In addition to deep water access and projected tonnage, the Cherry Point location provides an additional benefit to PIT due to its proximity to Asia—and growing importers like China and India—when compared to other US ports. The result is a shorter duration (and associated lower cost) to deliver/return cargo.

In February 2011, SSA and Peabody Energy (Peabody) announced an agreement to initially export up to 25 million metric tons of Powder River Basin (PRB) coal per year through GPT. Peabody, the world’s largest private-sector coal company, is the leading coal producer in the PRB. The agreement provided Peabody with rights to throughput over the life of the operation of GPT and the ability to expand capacity in future years.5

Proposed Phasing of Construction and Operations

The PID outlines two construction development stages. According to the PID, SSA (PIT) projects construction of the first phase to begin in 2013—when all required federal, state, and local permits and authorizations have been obtained and environmental review under the [National Environmental Policy Act (NEPA)] and [State Environmental Policy Act (SEPA)] has

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2 SSA is a division of holding company Carrix, the largest US owned and privately held container terminal operator and cargo handling company in the world. In 2007, Goldman Sachs Infrastructure Partners acquired a 49 percent share of Carrix. The project team uses the abbreviations 'SSA' and 'PIT' throughout this report.

3 PID, p. 1-1.

4 Pacific International Terminals, Inc. Project Information Document, February 28, 2011, p. 4-1. The PID indicates GPT construction would occur in two phases. The first phase would allow for capacity of 25 million metric tons per year. At full build-out—after phase 2—GPT would be designed to handle up to 54 million metric tons per year.


been completed. SSA (PIT) estimates that the first construction phase will be complete by 2015 and the second phase complete by 2017. After the completion of the first phase, GPT would have capacity to handle 25 million metric tons of dry bulk commodities per year. The second phase would only begin if sufficient demand is present to handle an additional 29 million metric tons per year. If so, construction of phase two would begin after the first phase is completed and operational. After the completion of the second phase, GPT would be at its maximum throughput capacity of 54 million metric tons per year. PIT estimates that construction cost for both phases will total $665 million.

Economic Impact Overview

The project team reviewed the Martin study regarding the development of GPT* and the FRMC review of Martin’s methodologies. Martin and FRMC data were produced using input-output models, though the model types varied.

Martin Associates Analysis

Martin used the BEA’s Regional Input-Output Modeling System (RIMS II) multiplier for construction activity in Whatcom County. Martin arrived at an estimate of 7.4 million person hours supported by direct phase one construction (based upon input construction costs of $536 million) and 10.1 million person hours of indirect and induced activity.

The analysis estimated that the operation of the terminal upon completion of phase one would create 294 direct jobs and 569 induced and indirect jobs, for a total of 863 jobs. Among the 294 direct jobs, the report estimated 170 would be members of the International Longshore and Warehouse Union (ILWU), 46 would be railroad-related, 32 would be in maritime services, 29 would be terminal operators, and 17 would be for pilots and tugs. The Martin report also estimated that upon completion of phase one construction, GPT’s operation would annually generate approximately $12.0 million of local purchases and the total state and local tax benefits associated with phase one operation would be approximately $8.1 million per year.

FRMC Review of Martin Methodology

FRMC used the Impact Analysis for Planning (IMPLAN) modeling system to generate its employment estimates. FRMC used this input-output model to assess the assumed economic impact of phase one construction costs of $536 million. The IMPLAN model yields a total that is reported in person hours, but also described person hours in worker-years; FRMC assumed 2,080 hours worked as a worker-year. IMPLAN calculations for phase one construction yielded an estimate of 6.85 million person hours of direct employment and 5.48 million hours of induced and indirect employment.

FRMC used Martin’s estimate of direct jobs created by operation of the terminal and estimated that 576 induced and indirect jobs would result, for a total of 870 jobs. The FRMC and Martin analyses differ on the potential induced and indirect employment attributable to phase one

[7] PID, p. 4-1. The US Army Corps of Engineers, the WA Department of Ecology, and Whatcom County will conduct a coordinated environmental review under the NEPA and SEPA. The US Army Corps of Engineers has determined that an EIS is required. Additional information regarding these processes may be obtained at:
Http://www.ecy.wa.gov/geographic/gatewaypacific/
Http://www.co.whatcom.wa.us/pds/plan/current/gpt-ssa/index.jsp
10 The BEA indicates that, "RIMS II provides users with five types of multipliers: final-demand multipliers for output, for earnings, and for employment and direct-effect multipliers for earnings and for employment."
11 A person working a 40 hour week for 52 weeks a year will work 2,080 hours.
construction. The FRMC estimate of indirect and induced jobs is 45.7 percent below that of Martin's assessment. Due to this difference, and a slightly smaller direct jobs estimate (7.5 percent less), the FRMC estimate for total person hours is 29.5 percent below the Martin assessment. As FRMC notes, the variance could be due to classifications used as well as the different input-output models used in each analysis.

SSA (PIT) Projection

SSA (PIT) projects that during construction of the first phase, GPT would create approximately 3,600 job years per year and provide $74 million in tax revenue for state and local governments during the estimated two-year construction period. This includes 1,700 direct job years and 1,900 indirect and induced job years annually.

Once operating, after the first phase of construction, SSA (PIT) projects that GPT will provide over $8 million per year in state and local tax revenues as well as create 867 ongoing jobs (294 of which are direct jobs).

If there is demand for additional capacity, SSA (PIT) projects that the second construction phase of GPT would create an approximate addition of 840 job years annually and provide an additional $18 million in tax revenue for state and local governments during the estimated construction period. This phase would include approximately 400 direct job years and 440 indirect and induced job years annually.

At full operation upon completion of the second phase, SSA (PIT) estimates GPT would provide over $11 million per year in state and local tax revenues as well as create 1,250 ongoing jobs (430 of which are direct jobs — including the original 294 direct jobs from the operation of phase one). SSA (PIT) projects the direct jobs to pay an annual average wage of $94,900.

There is an important distinction to be made between the discussion of job years during the construction phases and permanent jobs projected to be created during operation of the terminal. Construction jobs are temporary in nature because once a structure or entity is built and operational, the construction ceases. On the other hand, jobs created during terminal operation are projected to be ongoing — and thus more likely to have a permanent impact on the local economy.

Martin and FRMC both discuss person-hours and do not convert the person-hours to 'jobs' because the length of the construction period is uncertain. As FRMC notes, the person-hours

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12 FRMC's review of phase two estimates of construction direct jobs and induced and indirect jobs resulted in similar divergences from Martin; most notably in induced and indirect jobs.
13 Job years includes direct, indirect and induced jobs. The information below sets forth the employment impact projections that appear on the GPT website; the employment impact is an average of the Martin and FRMC estimates. Where employment estimates, timing, or other details diverge from the PID, the project team represents the figures provided on the GPT website because those figures appear to have been more recently revised and the PID is a static document from February 2011.
14 SSA (PIT) defines direct jobs as those jobs directly generated by the construction of the terminal.
15 SSA (PIT) defines indirect jobs as those jobs that are created locally due to purchases of goods and services by firms for the construction of the Terminal.
16 SSA (PIT) defines induced jobs as those jobs that are created throughout the local economy because individuals directly employed by the activity at the terminal will spend their wages locally on goods and services (i.e. food, housing and clothing).
17 Includes direct, indirect, and induced jobs.
18 This figure is the average of the Martin and FRMC estimates.
19 This figure is the average of the Martin and FRMC estimates.
20 This is the average of the Martin and FRMC estimates.
21 These figures include the phase one job years (867) and revenues ($8 million).
number is difficult for a typical individual to interpret. FRMC suggests a "conversion of person hours to job years (i.e. the number of workers it would take to build the project in one year), which can be used as well in place of the number of 'jobs' and would make the findings generally more interpretable." The project team uses job years to discuss potential employment during construction, not 'jobs.'

One way to think about this is over a fixed period of time. Over a 10 year period, based on the projections provided by SSA (PIT), construction and operation of phase one would lead to:

- 3,400 direct job years and 3,800 induced and indirect job years during the two year construction phase
- 294 direct jobs per year and another 573 induced and indirect jobs per year – a total of 2,352 direct job years and 4,584 indirect and induced job years during the first eight years of operation

Taken together, based on SSA’s (PIT’s) projections, GPT would produce the equivalent of an average of 575 direct jobs and 838 indirect and induced jobs per year during the first 10 years of construction and operation.

Assumptions and the Impact of Projected Economic Benefits on Whatcom County

The project team did not review – and therefore has no basis for questioning – the methodology utilized by Martin Associates or FMRC. Nor did we conduct our own independent impact analysis. In considering the projected economic benefits of the GPT project, however, it is important to understand some of the underlying assumptions of those projections and the resulting impact specifically on Whatcom County.

Phase I Construction Jobs are Unlikely to be Created Until 2016 and Permanent Jobs are Unlikely to be Created Until 2018

Critical data and assumptions were provided to Martin Associates by SSA (PIT) including the projected construction phasing, projected cost of construction, projected terminal employment, throughput assumptions, and salary ranges for select terminal employees.

SSA (PIT) provided Martin with a timeline that assumed terminal operations begin in 2015, with permitting completed in 2012 and construction beginning in 2013. The timeline, however, is subject to change. First, representatives of SSA suggested that actual construction would depend on contractual guarantees for throughput. Second, the timing of construction depends on the completion of the EIS process. State officials told the project team that the scoping process for the EIS is likely to begin in the first or second quarter of 2012.

The scoping process and the final EIS must both be completed before the projected two-year construction timeline begins. While some officials estimated the EIS could be completed within two years, a greater number of parties suggested the process could take up to four years to complete. As a result, construction jobs would not be created until 2016 and permanent jobs would not be created until 2018.

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23 FRMC, p.3.
24 Martin, p. 1.
Most, but not all, GPT Jobs Will Go to Whatcom County Residents

Even if all SSA (PIT) projected job gains are realized, not all jobs created as a result of the construction and operation of GPT will go to residents of Whatcom County.

During the construction of large scale projects, it is typical that a significant number of workers come from other parts of a region (or nationally) – on a temporary basis – to the project location for short-term work assignments. Our understanding is that construction of GPT would be the subject of a project labor agreement (PLA) with local labor unions, guaranteeing that all work on the site goes to a unionized labor force. PLAs appear to reduce the use of non-local labor on major construction projects, both through explicit local hiring requirements and by reducing the use of 'independent contractors' as part of the labor force.\textsuperscript{25}

The ability to staff the construction phase of the project will depend upon the capacity of the local construction workforce. Based on the number of job years and the projected construction period, phase one of GPT construction will require approximately 1,700 construction workers per year. Peak construction employment in the Bellingham MSA reached 6,310 in 2006 – some 1,900 more construction jobs than in 2010.\textsuperscript{26} The combination of the PLA and existing capacity in the local construction workforce suggests that the majority of construction jobs during phase one will be held by local workers.

Yet, even if a PLA requires that all – or most – workers on the construction of GPT are local residents, it would have no effect on the share of induced and indirect jobs during construction, direct jobs during operation or induced and indirect jobs during operation going to non-Whatcom County residents.\textsuperscript{27} Currently, among the general workforce, approximately 21.0 percent of jobs in Whatcom County are held by non-Whatcom County residents. This could suggest a similar percentage of induced and indirect jobs from GPT construction – as well as direct, induced, and indirect jobs from GPT operation – would go to non-Whatcom residents.\textsuperscript{28}

Most GPT Tax Revenue Will Go to the State, Not Local Government

The Martin report defines the tax impact as "tax payments to the state and local governments by firms and by individuals whose jobs are directly dependent upon and supported by (induced jobs) activity at the bulk terminal."\textsuperscript{29} Thus, projected tax benefits include taxes that are the direct result of the construction and operation of GPT – such as sales tax related to goods purchased during construction – and taxes that are the result of indirect and induced economic activity – such as property taxes paid by individuals who are employed as a result of jobs created by GPT's activity.

Martin used SSA’s (PIT’s) estimated phase one construction cost ($536 million) to project state and local tax impact of $74.4 million. Similarly, SSA’s (PIT’s) projected annual throughput of 25 million metric tons (upon completion of phase one construction) was used to project the


\textsuperscript{26} US BLS OES 2000-2010 data.

\textsuperscript{27} In understanding the effect of the project on local employment, it is worth noting that not all directly created jobs will go to individuals who are currently unemployed. In fact, as is the case with many new jobs, the likely beneficiaries are individuals who are already currently working. See Geoffrey C. Ho, Todd L. Pittinsky, Margaret Shih, David J. Wolters, "The Stigma of Unemployment: When Joblessness leads to being jobless," UCLA Institute for Research on Labor and Employment, December 2011. Thus, employment projections measure the net impact – i.e. by creating new vacancies in other positions, the effect will be to create a net increase in employment.

\textsuperscript{28} US Census Bureau 2009 OnTheMap data.

\textsuperscript{29} Martin, p. 3.
associated state and local tax impact of $8.1 million. These tax revenue projections are based on both direct activity related to the terminal and related economic activity.

Most tax benefits from the project will likely go to the state, rather than to local governments. Every state has a different tax structure. Nationally, in 2009, state governments received 56.3 percent of general revenue tax dollars that were collected by state and local governments. In most states – all but five – state tax share exceeded local government share. In Washington, 60.8 percent of general tax revenue went to the state government.31

The precise division of revenue generated by GPT will depend, to a certain degree, on the types of tax revenue generated by the project.

Sales and property tax revenue are among the largest sources of revenue for both state and local governments in Washington. Washington does not have a state personal or corporate income tax.

According to the City of Bellingham – the largest city in the Whatcom County and the location of 60 percent of total jobs in the County – 75 percent of sales tax revenue collected in the Bellingham goes to the State of Washington; 10 percent goes to the City; 7 percent goes to the Whatcom Transportation Authority; 2 percent each goes to Whatcom County and the Transportation Benefit District; and 1 percent each goes to jail construction, the criminal justice fund, EMS, and the County mental health tax. statewide, general sales tax revenue (not including taxes on alcohol, tobacco, gasoline or utilities) accounted for 21.7 percent of local government tax revenue in Washington in 2009.32

According to the Whatcom County 2011 Tax Book, approximately 33 percent of all property tax revenue goes to school districts; 24 percent goes to the State; 11 percent goes to both the City and the County; 7 percent goes to road districts; and 6 percent goes to fire districts. No other entity receives more than one percent of property tax revenue. Statewide, property tax revenue accounted for 59.8 percent of local government tax revenue in Washington in 2009.

Based on the above information, and accepting the SSA (PIT) tax revenue projections, it is possible to roughly model likely revenue flow during the first decade of construction and operation of Phase I:

30 Martin, p.3.
31 US Census Bureau, 2009 Annual Surveys of State and Local Government Finances.
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<th>Year</th>
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</tbody>
</table>

33 Just as not all employment will go to Whatcom County residents, at least some of the local tax revenue will likely go to cities, counties and districts outside of Whatcom County.
34 Does not include property tax revenues that go to support State entities.
35 Does not include Transportation Benefit District revenue.
IV. Potential Public Costs Related to Development and Operation of Gateway Pacific Terminal

The PID outlines infrastructure costs in the immediate area surrounding the GPT at Cherry Point. Issues such as at-grade rail crossings – meaning they are on the same level as vehicular traffic – and traffic congestion are detailed. The PID also suggests that the operational cost impacts in the immediate area of Cherry Point may be minimal – with greater instance during construction phases than operational phases.36

The PID does not address infrastructure-related costs along this rail line (either in Bellingham or other communities through which it travels) such as crossings, improvements, realignments, bypasses, overpasses, and separations. The PID mentions that the Bellingham Subdivision main line connects to the Cherry Point Line (Railway Custer Spur).37 The Bellingham Subdivision main line is operated by BNSF and, as its name indicates, runs through Bellingham – much of the way along the waterfront.

Bellingham, as the hub of retail activity in the County, may have a greater use of its public infrastructure due to the development of GPT (roads, water and sewage systems, etc.) than other areas of the County. Without a consistent revenue stream to offset increased costs, the City, and potentially other communities along the BNSF railway, could face increased budget pressures in an already strained fiscal environment.

Rail crossing data from the Federal Rail Administration (FRA) indicate there are 29 active rail crossings in Bellingham on the BNSF rail line in question.38 Of the 29 crossings, 2 are private crossings, 24 are public crossings, and 3 are pedestrian crossings. Of the public crossings, 16 are at-grade crossings and the other 7 are over/underpasses.

According to a 2009 report prepared for the Washington Department of Transportation (DOT) and Washington Public Ports Association, in 2008, an average of 15 trains per day traveled north from Everett on the BNSF line.39 The report indicates the line has a maximum capacity of 18 trains per day. By 2028, the report projects that maximum capacity would be 30 trains per day and traffic would be approximately 24 trains per day.

The PID indicates that upon completion of Phase I and operation of the GPT, an additional 5 loaded trains will travel to GPT along the train route through Bellingham on a daily basis. The PID states up to 9 loaded trains are projected to arrive on a daily basis upon completion of Phase II.40 There may be additional rail traffic attributable to empty/unloaded trains returning from GPT.

SSA (PIT) anticipates servicing GPT using 7,000 foot-long trains (approximately 1.3 miles) and eventually 8,500 foot-long (approximately 1.6 miles) trains may be used.41 The PID makes no mention of the potential infrastructure costs to remediate infrastructure and other service issues such as at-grade rail crossings, traffic congestion, access issues for business and commerce, access issues for recreational parks, or related issues. Similarly, the PID does not discuss additional operation costs such as maintenance, emergency management, and public safety along the rail line.

36 PID, pp. 5-91 – 5-130.
37 PID, p. 5-103.
40 PID, p. 4-51.
41 PID, p. 4-31.
The project team met with Bellingham City officials and discussed the potential costs and challenges associated with increased rail traffic along the rail line. City officials identified three primary points of concern.

First, access to certain areas of the waterfront could be severely restricted or cut off. From a public use standpoint, this could be a concern as residents and tourists routinely use the City's parks and trails for recreational activities. Additionally, public safety and emergency service access to the waterfront could be jeopardized if a train was stopped or moving slowly through the rail line that separates some portions of the waterfront from the rest of the City.

A second concern was the safety of the rail crossings in the City. Many of the rail crossings in the City are 'at-grade.' Traffic delays, and increased traffic and use of side streets as a result of increased rail traffic (and longer trains) may cause greater wear and tear on main thoroughfares and alternate roads, a higher need for traffic management and direction activities, and overall challenges to move throughout the City (particularly in and around the waterfront area). Absent any mitigation, there is concern that the City's costs will increase and ease of transportation may suffer.

The third concern was noise impact for residents and businesses in Bellingham. Rail traffic results in two different types of noise. Some noise is experienced as a result of vibrations due to train movement and most greatly affects residents living close to the rail line. As trains pass through Bellingham, they are also required to use their horns as a safety precaution going through at-grade crossings.

Fully addressing these concerns would require infrastructure investments to eliminate at-grade crossings through the creation of either overpasses or re-routing of the rail line. Absent detailed engineering studies, the total cost of these investments is outside the scope of this report.

Noise reduction – related to train horn use – could be achieved through the creation of quiet zones pursuant to Federal Railroad Administration (FRA) rules. A September 2007 study prepared for the City of Bellingham notes that "implementing a quiet zone will not guarantee that the train will stop blowing its horn at all times and in all situations. A quiet zone will only reduce the train horn noise."

Quiet zones would require capital investments – gates and signage – and maintenance. The 2007 report evaluated the creation of two quiet zones in Bellingham – a Fairhaven zone (5 grade crossings) had a projected capital cost of $1.3 to $2 million. A waterfront zone (7 grade crossings) had a projected capital cost of $1.4 to $3.5 million. At the time, there was also a projected annual maintenance cost of $5,500 per crossing, per year.

It remains unclear what party or parties would be responsible for bearing these costs – both in and around Cherry Point and in communities like Bellingham along the rail line that would require mitigation for commercial, public, or safety interests.

The project team spoke with County officials, who indicated the County would not pay for any mitigation-related expenses. SSA (PTD) does not address such costs in their PID outside of the immediate Cherry Point area. Thus, mitigation costs and/or the associated economic and quality of life losses likely to occur absent mitigation could be borne by the communities along the rail line and would reduce the net fiscal benefits – offsetting the projected local government tax revenue discussed in the prior section.
V. GPT Related Risks to Economic Development

To address the question of whether development and operation of GPT would put at risk other economic development, it is important to understand the recent economic history of Bellingham and Whatcom County.42

- Employment: From 2001 to 2010, the Bellingham MSA’s rate of job growth was almost four times the state rate. The Bellingham MSA (Whatcom County) added 8,100 non-farm jobs – an 11.6 percent increase. Statewide, non-farm jobs grew by 3.0 percent. Compared to the state, the Bellingham MSA grew jobs at a greater percentage or shed jobs at a smaller percentage for every super-sector for which data were available.

- Population Growth: From 2000 to 2010, Bellingham and Whatcom County both grew in population by slightly more than 20 percent – greater than the State’s growth rate of just over 14 percent. The US Census Bureau reported Bellingham’s 2010 population as 80,885, an increase of 13,714 individuals from the 2000 Census. Whatcom County’s 2010 population of 201,140 represented an increase of 34,326 from the 2000 Census. Migration played an important role in driving the increase. New residents – most from other parts of Washington, but significant numbers from other states as well – brought new income with them: IRS data suggest that Whatcom County realized a net growth of over $172.3 million in aggregate Adjusted Gross Income (AGI) from migration between 2004 and 2010.

- Income and Wages: Whatcom County’s inflation adjusted per capita income has consistently been below both the State and US averages since 1989. Average earnings per job in Whatcom County have consistently lagged the Washington average since 1987 when the data set began; Whatcom County also remained below the State and US average earnings per job, while Washington has been largely been near or above the national average. Between 2000 and 2008, however, Whatcom County’s per capita income grew at a compound annual growth rate (CAGR) of nearly double that of the nation and significantly greater than the State. Whatcom County’s CAGR was 2.1 percent; US CAGR was 1.1 percent, and Washington’s CAGR was 1.3 percent.

- Bellingham’s Importance to the Regional Economy: Approximately 60 percent of jobs in Whatcom County are located in Bellingham and the City accounts for approximately 76 percent of all retail sales in Whatcom County. Bellingham – with just over 1 percent of the County’s total square miles also accounts for nearly 36 percent of the County’s total assessed value of real property.

The State of Washington currently projects that population will grow in Whatcom County at an average annual rate of 1.5 percent between now and 2030. Similarly, the State projects employment growth in Whatcom County at a rate that would lead to 15,000 new jobs in Whatcom County by 2021. These projections are based, in part, on the County’s relative economic strength over the last decade.

42 The project team reviewed economic data for the State of Washington, Whatcom County, and Bellingham and analyzed the data to quantify several important economic factors. In certain instances, data are only available for Whatcom County and/or the Bellingham metropolitan statistical area (MSA) (the MSA is defined as Whatcom County) and not at the City level for Bellingham. In these cases, City-level data are not included. Additional detail and content are available in the appendices of this report and specific sources for the economic findings are detailed in footnotes to those appendices.
Assessing Risks

A more detailed analysis might identify other potential risks, but for the purposes of our analysis we focus on three possible GPT-related scenarios that would put economic growth in Bellingham and Whatcom County at risk:

- Development and operation of GPT could reduce the projected baseline growth in population and employment
- Development and operation of GPT could reduce the possibility of redevelopment of the Bellingham waterfront
- Development and operation of GPT could limit potential population and job growth related to tourism, in-migration of skilled workers and entrepreneurs

Rail Traffic

An increase in rail traffic through Bellingham resulting from the operation of GPT discussed above could increase the likelihood of all three of the risk scenarios. An increase in rail traffic could:

- Limit access to and redevelopment of the waterfront, its businesses, and recreational areas for residents and visitors
- Increase noise and nuisance making Bellingham less of a livable city and less attractive to tourists
- Reduce the capacity of existing rail infrastructure to provide service for residents and visitors

As noted above, rail traffic already travels through Bellingham on a daily basis. Rail traffic has recently increased due to the increase in transport of coal through Canadian ports. Statewide, DOT reported that as of 2007 10.8 million tons of coal was moved by train in Washington each year. More recent data, however, suggest that amount has increased—with a specific increase due to exports that affect the rail line through Bellingham.

The project team reviewed reports that indicate most, if not all, coal from the Seattle Customs District is transported to Canada, primarily on trains that run through Whatcom County and Bellingham. US Customs and Border Patrol data indicate that the Seattle Customs District (which encompasses Northwest Washington—including Whatcom County) experienced a significant increase in the amount of coal exported beginning in 2009 and 2010. Prior to 2009, the annual volume of coal exported by the Seattle Customs District was often below 30,000 short tons per year—in some instances below 5,000 short tons per year. From 2010 through the 3rd quarter of 2011, the average quarterly short tons exported by the Customs District was 1.1 million short tons; approximately 4.4 million short tons on an annual basis. The graph below displays the 1995-2011 quarterly short tons of coal exported by the Seattle Customs District.

43 WSDOT 2010-2030 Freight Rail Plan, p. 4-21. This data likely includes the coal consumed at the Centralia power plant. A recent agreement was reached to end the use of coal-fired generators (one in 2020 and the other in 2025). This may alter the amount of coal tonnage projected to move through Washington in the future and would not be included in the above projections.

44 PFM did not perform its own analysis of this statement.

45 US Customs and Border Patrol Quarterly and Annual Reports, 1995 to present.
PIT projects the first phase of GPT to handle 25 million metric tons (approximately 27 million short tons) of throughput on an annual basis — much of which would be coal.\textsuperscript{46} This suggests that the amount of coal moving through Bellingham by rail could increase six-fold.

More and longer trains will increase the amount of time that rail crossings in Bellingham are blocked. This will impact businesses currently located on the waterfront side of the rail tracks that can only be accessed by at-grade crossings. More and longer trains also may result in greater noise — both noise related to blowing of train whistles to comply with rail crossing rules and noise for property owners; including those immediately abutting the tracks and those nearby.

It is also likely that the additional rail traffic will have a negative impact on the property value of residential properties that abut the rail lines. A November 2011 study examined the impact of rail freight traffic on home values in Los Angeles after the Alameda Corridor, an urban infrastructure project in Los Angeles, consolidated most rail traffic into and out of San Pedro port facilities into one higher capacity rail line.\textsuperscript{47} The study measured the impact of increased rail traffic along one corridor and the decreased traffic elsewhere. On average, the study found approximately a 2.0 percent decrease in average home value where rail traffic was more prevalent and approximately a 0.6 percent increase in home value where rail traffic was reduced.

Lower property values resulting from increased rail traffic could have an impact for all residents of Bellingham and Whatcom County — not just the individual property owners. As noted earlier, sales price data suggest that properties in the Fairhaven, South Hill, and Edgemoor sections of Bellingham had among the highest values in the County. Thus, a loss in property value of these properties could also eventually lead to reductions in property tax revenue.

\textsuperscript{46} Upon completion of phase two, GPT’s throughput is projected to be approximately 54 million metric tons per year.

\textsuperscript{47} Michael Futch. "Examining the Spatial Distribution of Externalities: Freight Rail Traffic and Home Values in Los Angeles, (November 2011).
Even those properties not directly affected by additional rail traffic could suffer from proximity to properties that are affected. Stigma – associated with proximity to the increase in rail traffic or even resulting specifically from the fact that the rail was increasingly being used to transport coal – could affect property value even if the properties would not be affected by additional noise. 48

On the other hand, the negative impact on property value of properties near or abutting rail tracks could be offset by increased property values in Bellingham or Whatcom County that are not near the rail traffic. To the extent that demand would remain consistent for property in or near certain areas, the values of affected properties could bear a discount while other properties nearby enjoy a premium.

An increase in rail freight traffic could also limit the use of passenger rail in Bellingham and Whatcom County. In 2010, the Amtrak Cascades service had total passenger on-offs in Bellingham of 62,262, an increase of nearly 20,000 per year from 2002 levels. 49 Some of the County’s tourism industry – discussed in detail below – is dependent on passenger rail. Increased use of tracks in and near Bellingham for freight access to GPT could limit passenger rail and impact tourism.

Cascades Total Passengers – Bellingham

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<thead>
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<th>Year</th>
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<td>20,000</td>
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<tr>
<td>1998</td>
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<tr>
<td>1999</td>
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<td>2000</td>
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</tr>
<tr>
<td>2006</td>
<td>30,000</td>
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<tr>
<td>2007</td>
<td>20,000</td>
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</table>


Source: WSDOT, Amtrak Cascades Ridership and Station On-Off Information, March 2008

Highest and Best Use of former Georgia Pacific site in Bellingham

Redevelopment of the Bellingham waterfront has been the subject of significant planning and investment. Much of the proposed redevelopment activity centers on the former Georgia Pacific (GP) site.

From the early 1960’s through the early 2000’s, GP was the heart of the Bellingham waterfront, producing not only consumer and industrial goods, but also significant employment for the region – employing as many as 1,200 workers in the late 1970’s. By 2001, the company ended its pulp-mill operations, but continued its tissue-manufacturing operations through 2007, when it

48 Two example studies reviewed were:
closed all operations at the site. The manufacturing processes caused odors that led some to refer to the City as "Smellingham." In addition to the noticeable odor from the GP site, the site's operations also resulted in the introduction of harmful chemicals to the waterfront and Bellingham Bay.

Over the past decade, significant time, energy, and money have been contributed by the State, Port, City, and the City’s Public Development Authority (PDA) in efforts to remediate the site and create a new game-changing redevelopment plan for the City and region. While the plans of the PDA and Port plans are not the same, they are complementary and both suggest the opportunity for significant private investment and economic opportunity.

In 2005, the Port of Bellingham (Port) purchased the property known as Georgia Pacific West as part of its long-term plan, in partnership with the City, to transform the larger 216.3 acre Waterfront District. Part of this plan calls for the formulation and implementation of "a Master Development Plan for the Waterfront District that would gradually transform this historically industrial waterfront property into a new neighborhood with residences, shops, offices, marine and light industry, and institutional uses [e.g. Western Washington University], as well as parks, trails and shoreline improvement" along the Bellingham Bay.

The Port’s Final Environmental Impact Statement (FEIS) – submitted in July 2010 – indicates that “substantial new opportunities for public access to the waterfront that do not exist under current conditions” would be part of the project. The Port projects the full build out of the project – occurring over a 20 year period – to include “a diversity of uses that are complimentary to the downtown Bellingham [CBD], Old Town, and surrounding neighborhoods; an infrastructure network that integrates with and connects the waterfront to the surrounding area; and, a system of parks, trails and open space that opens up the waterfront to the community." A map of the proposed preferred option follows:

50 Port of Bellingham data.
51 The GP-West site required extensive environmental cleanup was necessary and as of December 2011, the first phase of interim cleanup was completed. This initial phase cost approximately $1 million and the State Department of Ecology is reimbursing all costs incurred by the Port for cleanup at the site. In the spring of 2012, it is anticipated a second phase – removing contaminated soils/debris and demolishing a building – will be completed.
52 Port of Bellingham (Port), The Waterfront District Redevelopment Project, Final Environmental Impact Statement (FEIS), July 2010.
53 Port, FEIS.
Port of Bellingham – Waterfront Redevelopment Preferred Alternative

Figure 1-2
The Waterfront Final EIS
Updated Preferred Alternative

*Note: Future Green is not included as part of the 13 acres of park, trail and habitat.

Understanding the Potential Impact of GPT
Communitywise Bellingham
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GPT Related Risks to Economic Development
The Port of Bellingham's current plan calls for:

- Redevelopment of 6 million square feet of office and commercial space
- 1,892 housing units
- Site population of 3,614 residents
- Up to 460 slips
- 33 acres of public parks and open space
- Maximum building heights

The redevelopment of the GP site is well beyond the planning phase. A September 2010 draft SubArea Plan estimates that the Port and City costs would be approximately $365 million for environmental remediation, streets, infrastructure, and parks to prepare the site for redevelopment. At full build out, the Port suggests the project would potentially attract upwards of $1 billion in public (i.e. university) and private development. Some of this funding will come from other government sources (i.e. State grants, etc.). Combined, the Port and the City have received and authorized approximately $41 million of State grant funds and their own funds to remediate the waterfront and to plan for its future development.

### State Grants Received by Port of Bellingham for Remedial Action

<table>
<thead>
<tr>
<th>Description</th>
<th>Dates</th>
<th>Agency Funding</th>
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<tbody>
<tr>
<td><strong>Current Ecology MICA Grants</strong></td>
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<tr>
<td>Central Waterfront (2)</td>
<td>1/1/2009</td>
<td>$2,604,057</td>
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<tr>
<td>Cornwall Avenue (2)</td>
<td>1/1/2009</td>
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<td>GP Mill (1)</td>
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<td>Whatcom Waterway (2)</td>
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<td><strong>Sub-total</strong></td>
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<td><strong>Closed Ecology MICA Grants</strong></td>
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<td>Cornwall Avenue (1)</td>
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<td><strong>Total</strong></td>
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<td>$38,584,358</td>
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54 Port, FEIS.
55 Port of Bellingham’s Draft SubArea Plan, Chapter 8 – Capital Facilities, September 2010.
Authorized Joint City/Port Expenditures for New Master Plan for City Waterfront

<table>
<thead>
<tr>
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<th>Total Cost</th>
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<th>Port share</th>
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<td>Assumptions, market</td>
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<td>Public Involvement</td>
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<td><strong>$1,565,194</strong></td>
<td><strong>$1,565,194</strong></td>
</tr>
</tbody>
</table>

Source: Port of Bellingham

In addition to the remediation efforts, the City’s PDA is moving forward with the first steps toward actual redevelopment.56 As part of its October 2011 strategic plan, the PDA has identified five potential priority projects including four related to waterfront redevelopment.

The Army Street Project would serve as a jumping off point for waterfront redevelopment.57 According to plans, the project "would span the BNSF railroad tracks and Chestnut Street/Roeder Avenue, including properties on both sides, providing a major urban plaza and pedestrian connection joining the Central Business District, Old Town District and the Waterfront District."58 The project area would include two acres north of the BNSF rail tracks and 22 acres south of the tracks within the former GP West property.

As of 2011, PDA estimates that the waterfront's "total build-out value could be in the realm of $350 million with public sector undertaking $120 million and the private sector...$230 million. [T]his public investment would yield benefits reflecting a 'whole greater than the sum of its parts' in terms of the multiplier effects of higher development feasibility and asset values in the CBD and Old Town."59 The Strategic Plan estimates that earliest development and construction would be projected for 2015 or 2016.

PDA notes that "[a]n attractive, safe and convenient access way between the CBD/Old Town and the GP West property is considered a fundamental key to successful development of this portion of the waterfront and for the CBD (and Old Town) to accrue economic benefits from development of the Army Street Project."60 The PDA indicates that without such an access way, the "barrier imposed by the inconvenience and hazard of an at-grade crossing of the combination of the trail tracks and Chestnut/Roeder will...negatively [impact] development feasibility...and would be aggravated by increased vehicular or rail traffic if not mitigated."61

56 Bellingham Public Development Authority mission statement: "to maximize the public good by attracting sustainable development that generates capital investment, contributes to the vitality of the economy, and creates employment opportunities, while improving and preserving those historical and environmental assets that define the city's character." The PDA is an independent legal entity created by the City to develop public properties together with private investment, focusing on Bellingham's Waterfront, Old Town, and Downtown districts.


58 PDA Strategic Plan, p. 6.

59 PDA Strategic Plan, p. 16.

60 PDA Strategic Plan, p. 15.

61 PDA Strategic Plan, p. 15.
Port's overall plan also recognizes that rail realignment will be necessary for full build out of the Georgia Pacific site. The site plan calls for relocation of the BNSF rail track to the east, allowing for passenger and freight trains to move through the area without bisecting the site.\textsuperscript{62}

Both the Port and PDA waterfront development plans call for activity that could likely bring long-term construction, investment, and economic opportunity. Over the course of 25-30 years, the number of direct, induced/indirect jobs that would be created could serve as a significant economic opportunity for Bellingham and the region.

A 2007 analysis by Western Washington University estimated that full build out of the Georgia Pacific site – at a projected investment of $1 billion over 20 to 35 years – would result in between 17,250 and 23,000 job years of employment. The Port of Bellingham EIS for the Georgia Pacific site estimates that at full development, the site could be the home to as many as 7,200 jobs.\textsuperscript{63}

To the extent that both the Port of Bellingham and PDA waterfront development projects hinge on access to the waterfront, increased train traffic that reduces access and/or safety (real or perceived) could reduce development potential if current access issues are not addressed. Prospective developers of the waterfront site – or investors – may be discouraged by the fact that there is even a pending proposal to increase rail traffic and further limit access.

\textsuperscript{62} It is important to note that the FEIS assumes the relocation, but the relocation itself would be subject to a separate permitting and environmental review process that would be undertaken by BNSF and Washington State DOT.

\textsuperscript{63} As is the case with the development of GPT, some of these jobs – as well as some of the resulting tax and other economic benefits – would go outside of Whatcom County.
Impact on Tourism and the Ability to Attract New Residents

In addition to the impact on baseline growth, GPT development and operation could also impose risk by reducing the likelihood of significant growth related to tourism opportunities, as well as the ability to attract new residents and jobs to Bellingham and Whatcom County.

Bellingham and Whatcom County Tourism (Tourism) actively markets the region's natural resources and amenities to attract visitors. According to a recent report commissioned by Tourism, total spending by visitors to the County increased each year since 2000, reaching $460 million in 2008.64 The report also indicated that "the largest age segment of the primary market will continue to be relatively young people, indicating the importance of attracting families and young, active visitors."65 Additionally, it suggested that Canadians are likely to continue to represent an important target market – dependent upon exchange rates and border crossing ability.

The study indicated that most visitors to Bellingham and Whatcom County fit the following categories:

- Return visitors
- Relatively high incomes (over 50 percent of all visitors have family incomes of at least $75,000)
- Almost 70 percent of visitors to Bellingham and Whatcom County possess a bachelor's degree or graduate degree

Four out of five visitors to Whatcom County traveled through Bellingham. While in and around Bellingham, visitors found Chuckanut Drive and Boulevard Park among the top attractions. Additionally, the study suggested that activities such as visiting downtown Bellingham (especially among first-time visitors), dining, shopping, hiking, and attending fairs are popular with visitors to the region. The highest rated quality of the County and City by visitors was its physical environment, as well as its parks, scenic areas, and recreational trails.66

The report concluded that the ambiance of downtown Bellingham and Fairhaven was a particularly important draw.67 Similarly, the County's waterfront attractions and attributes, outdoor recreation activities, and natural beauty and environment were critical components of its tourism attraction.

The same attributes that appear to be driving increases in tourism may also be contributing to the attraction of Whatcom County and Bellingham to new residents who are bringing higher levels of education attainment and income. The County has attracted residents who migrate with higher AGIs than those who leave the County. Migration between 2004 and 2010 resulted in an aggregate net increase of approximately $172.3 million in AGI. Similarly, the County has a higher number of residents who commute outside of the County and earn higher wages than those who commute into the County (and earn lower wages). Home prices remain high when compared to income, and individuals with higher education attainment levels are locating in Whatcom County despite lower wages and income. The choice of living in the County or City is worth something to individuals and they appear willing to pay for the region’s location, lifestyle, and geography.

65 Runyan Associates, p. 11.
66 Runyan, p. 43.
67 Runyan, p. 53.
Beyond the risk of an impact on baseline growth, GPT’s development and operation could have a risk of jeopardizing growth in tourism and in-migration of skilled workers and entrepreneurs because of its effect on the building brand of Whatcom County, particularly Bellingham. Both tourism and the in-migration attraction are based in part on the perception of the area as environmentally conscious. Currently, the region is seen as a green, clean, and socially responsible area. The region’s view of itself as socially responsible and environmentally oriented is likely a leading reason why the Bellingham/Whatcom Chamber of Commerce will place an emphasis on the triple bottom line (TBL) with a focus on profit, people (i.e.: social responsibility), and planet (environmental responsibility). To the extent that GPT changes current residents’ experiences with lifestyle characteristics they value, out-migration (particularly among those in the mobile class of skilled workers and entrepreneurs) could be a risk to the region.

The risk exists, in part, because the principal freight to be transported to GPT is coal. To the extent that the perception of Bellingham and Whatcom County as ‘clean and green’ wanes, it could put potential gains in tourism and in-migration of skilled workers and entrepreneurs at risk.

**Quantifying the Risk**

Researchers suggest that “decisions are said to be risky because the outcome following a choice may result in a potential loss, including lost opportunities or sub-optimal outcomes.”

Intuition and/or ad-hoc decisions where risk is present are unlikely to result in the best outcomes for decision makers; especially where decision makers hold the public trust. As a result, a focus on understanding the decision and its potential impacts – pro and con – is critical to develop a sophisticated understanding of the decision.

While it is possible that none of the risks identified in the prior section will be realized, a plausible case exists that the three scenarios outlined, in fact, pose some level of risk.

We do not attempt to quantify a specific level of risk. Instead, we know that if baseline growth rates are in fact reduced to a certain level as a result of GPT, the effect will be that the economic benefits of development and operation of the terminal will be more than offset by those lost opportunities. In other words, we can determine what level of risk would be sufficient to preclude any net economic benefit to Whatcom County.

Our analysis of risk makes a series of assumptions – each of which is uncertain. First, we assume that GPT will produce the level of economic benefits projected by PIT. Given the difference in projections from Martin Associates and FRMC, it is possible that those projections are too high or too low. Second, we assume that the baseline growth projections established by the state will be achieved. Again, these projections could be too low or too high. Third, we assume that project construction will not begin until 2015. As previously noted, it seems likely that the EIS process will not be concluded prior to 2016. Fourth, we base our analysis solely on the construction and operation of Phase I of the terminal. SSA (PIT) has indicated that they are prepared to proceed with construction of Phase I and Phase II would await additional throughput commitments. At this point, Phase II economic benefits seem more speculative. Finally, for purposes of this analysis, we assume that job years associated with construction will be equally divided over a two year period.

Our analysis examines two time horizons. The first is a 10 year time horizon beginning in 2012. Under this analysis, GPT development would not create any jobs until its fourth year. At the same time, while the proposal was pending, it could have an effect on other potential job

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68 From discussions with Ken Olinner, CEO/President – Bellingham/Whatcom Chamber of Commerce.
growth. The second analysis is a 10 year time horizon that begins in 2015, the assumed year that construction would begin.

Without the development of GPT, by 2021, the current projections indicate that Whatcom County’s employment will increase from its 2010 level by 14,969, or 20.4 percent. By comparison, from 2000 to 2010, employment in the County grew by 11,510, or 18.6 percent. Over the next 10 years, total projected GPT related employment will equal 11,509 job years. Over the same period, the County’s projected baseline employment gains (absent GPT) are equal to 67,653 job years. By comparison, from 2000-2010 factoring in both recessions, there was an increase of 86,630 jobs years in Whatcom County.\textsuperscript{70}

The project team also compared the projected trajectory of Whatcom County’s employment and that of GPT from 2015-2024 (assuming construction begins in 2015). In this time frame, without the development of GPT, it is projected that employment will grow in Whatcom County by 13,603, or 15.4 percent. Over the same period, the total projected GPT-related employment would equal 14,110 job years. By 2024, baseline employment gains in Whatcom County would equal 107,597 job years.

Thus, to the extent that development and operation of GPT would reduce baseline employment gains by less than 17 percent (between 2012 and 2021) or less than 13 percent (between 2015 and 2024), it would produce net gains in employment for Whatcom County. If, however, based on the scenarios outlined above — or for other reasons — development and operation of Phase I of GPT would result in the loss of more than 17 percent (between 2012 and 2021) or more than 13 percent (between 2015 and 2024) of baseline growth, it would have a net negative impact on the Whatcom County economy. Said another way, even if all of the PT assumptions are accepted, there is a possibility that the development of GPT may have a negative net impact on the Whatcom County economy.

\textsuperscript{70} It is possible to have less job growth and more job years because growth focuses on point in time comparisons, while the job years analysis takes into account higher employment numbers during the period.
### Whatcom County Natural Trajectory Job Years and GPT Projected Job Years (2012-2021)

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### Whatcom County Natural Trajectory Job Years and GPT Projected Job Years (2015-2024)

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Understanding the Potential Impact of GPT
Communitywise Bellingham
From 2012-2021, if development of GPT reduces otherwise projected job growth by more than 17%, the project will be a net loss.

From 2015-2024, if development of GPT reduces otherwise projected job growth by more than 13%, the project will be a net loss.
VI. Understanding and Managing the Risk

Some have suggested, that to the extent most of the risk involved with the development of GPT is related to the increased rail traffic to the site, other developments could lead to the same level of risk without the same level of benefits.

The project team heard from several entities that indicated if GPT is not located at Cherry Point, coal could be shipped by rail through Whatcom County to ports in British Columbia. If this occurred, the region would still have the rail traffic, but none of the economic benefits associated with the development and operation of GPT. At this time, there is not sufficient evidence to support the claim that if GPT is not located at Cherry Point, the same magnitude of coal-related train traffic as caused by GPT would occur as a result of coal delivery to ports in British Columbia.71

In 2007, approximately 90 percent of Canada’s coal exports were shipped through terminals in British Columbia.72 The main coal export locations in British Columbia are Prince Rupert73 (Ridley), which accounts for approximately 20 percent of all Canadian exported coal, and Port Metro Vancouver (Neptune and Westshore), which accounts for approximately 80 percent of all Canadian exported coal.74 Prince Rupert is likely to receive some US coal in future years, adding to its larger Canadian-based demand, to increase annual coal export capacity; though there is some concern from at least one US coal company that shipping coal to Prince Rupert is uneconomic.75

Still, expansion of shipments of U.S. coal to Canada will depend upon the capacity of both the ports and rail. Westshore does not currently have plans to expand its physical footprint but has made operational and equipment adjustments to add incremental capacity. According to Washington DOT information and its Marine Cargo Forecast, rail capacity for the BNSF rail line along coastal Whatcom County (and Bellingham) has a capacity for 18 trains per day currently, and 30 trains per day by 2028. Additionally, a factor affecting capacity is that BNSF has performance and on-time agreements with Washington DOT (and Amtrak) to provide passenger rail service on the Cascade line.

While there is clearly an increase in demand for coal in Asia – particularly China – any additional cost related to transportation could tip the competitive advantage to other sources. More of China’s demand for coal could be met domestically. According to the US Energy Information Administration’s (EIA) 2011 International Energy Outlook, China has the ability to meet “substantial portions of their future coal demand with domestic production.”76 According to the EIA, China’s domestic production of coal is expected to grow from 70.5 quadrillion Btu to 107.6 quadrillion Btu in 2035. Over the same time frame, US coal production is projected to increase from 22.6 quadrillion Btu to 26.5 quadrillion Btu.

Australia and New Zealand are both expected to become larger exporters of coal, increasing production from 10.1 quadrillion Btus in 2010 to 15.6 quadrillion Btus by 2035. Peabody, which has contracted with SSA for shipment of coal through GPT, has invested heavily in Australia - recently purchasing assets belong to Macarthur Coal for a reported $5.1 billion. Peabody

71 Requests for such information were made to SSA representatives.
73 Ridley Terminals Inc. is owned by the Canadian government.
75 Ridley Terminals, Inc. 2010 Annual Report: Building On A Strong Foundation, p. 9. In its 2011 Fourth Quarter and Full Year Highlights, Cloud Peak Energy, Inc. – a large Powder River Basin coal producer indicated that it had no additional shipments planned through Ridley because it was uneconomic.
executives recently indicated that Australian mines are expected to supply roughly half of the growth in global coal exports in 2012, driven by demand in China and India.\textsuperscript{77}

It is also possible that some U.S. coal could be shipped through ports that would not affect rail traffic in Whatcom County — such as ports on the Gulf of Mexico. For instance, Arch Coal recently signed a deal with Kinder Morgan Energy Partners LP to ship PRB coal from its Gulf ports and is in talks to ship additional coal from Kinder Morgan’s east coast ports.\textsuperscript{78}

Some of the risks to economic development posed by the development and operation of GPT can be managed. Plans for the redevelopment of the Georgia Pacific site already call for moving the existing BNSF tracks and for a series of projects that would eliminate grade crossings. The Army Street Project, the first step in the proposed redevelopment by PDA, calls for a design that specifically addresses the issue of rail traffic by bridging over existing tracks.

To the extent that noise and access issues are addressed,\textsuperscript{79} the risks related to limitation on other economic growth can be reduced. It may not be possible to limit risks related to image or reputation — and their potential impact on tourism and attraction of in-migration among the mobile class of skilled workers and entrepreneurs — resulting from the proximity to GPT.

Risk management, however, comes at a cost. While some might argue that investments related to rail were already planned, the potential of the GPT development would clearly increase the need to act. The question then becomes who would pay and whether local governments and residents should be asked to bear the cost of risk management.

In the absence of risk management, decision makers need to determine how much risk they are willing to tolerate. If our analysis indicated that it would require the loss of 90 percent of projected baseline job growth for the GPT project to produce net negative employment impact, it would be relatively clear that the risk was relatively low. Similarly, if our analysis suggested that a loss of just 1 percent of projected baseline job growth would offset any benefits of GPT, it would be fairly clear that the risk was relatively high.

As noted earlier, different decision makers can look at our findings and reach different, yet valid conclusions. The important thing is that they weigh the risk and understand the need to manage it.


\textsuperscript{79} It should be noted that some noise problems can be mitigated (i.e. horn noise, crossings, etc.), but vibrations, rail screeches, and other likely occurrences of rail traffic cannot be fully mitigated.
# Appendices: Whatcom County and Bellingham Economy

## Appendix A: Employment and Unemployment

From 2001 to 2010, the Bellingham MSA’s rate of job growth was almost four times the state rate. The Bellingham MSA (Whatcom County) added 8,100 non-farm jobs—an 11.6% increase. Statewide, non-farm jobs grew by 3.0%.

Compared to the state, the Bellingham MSA grew jobs at a greater percentage or shed jobs at a smaller percentage for every super-sector for which data were available.\(^\text{80}\)

### Percentage Change in Number of Jobs by Super Sector 2001 to 2010

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<th>Super Sector</th>
<th>WA Change</th>
<th>Bellingham MSA Change</th>
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<tr>
<td>Total Jobs (nonfarm)</td>
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<td>10.8%</td>
</tr>
<tr>
<td>Mining, Logging, Construction</td>
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<td>-14.6%</td>
</tr>
<tr>
<td>Trade, Transportation, Utilities</td>
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<td>-7.0%</td>
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<tr>
<td>Financial Activities</td>
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<td>Professional and Business Services</td>
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<td>Education and Health Services</td>
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<td>25.8%</td>
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<td>Government</td>
<td>22.7%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Other Services</td>
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</table>

Source: BLS CES Data – Not Seasonally Adjusted

The super-sectors with the largest increase in number of jobs in the MSA were:

- **Education and Health Services** (1,900 jobs)\(^\text{81}\)
- **Government** (1,800 jobs)\(^\text{82}\)

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\(^{80}\) Those super sectors for which data are available accounted for the growth of 4,800 of the 8,100 jobs from 2001 to 2010. While data from the CES database are not available individually for all super sectors, calculations indicate the missing super sectors accounted for 12,000 jobs in 2001 and 15,300 jobs in 2010. Given the composition of Bellingham and Whatcom County’s economy, it could be argued that, of the super sectors that are not available at the Bellingham MSA level (and for the City of Bellingham in particular), education and health services sector was the most likely to be driving the significant increase in jobs during the 2001 to 2010 time period. The most recent BLS Occupational Employment Statistic (OES) data available for the Bellingham MSA estimated there were approximately 73,420 jobs in the Bellingham MSA. OES defined jobs of these types accounted for 14.8% of the MSA’s total jobs. Applying that percentage to the total estimated number of jobs in 2010, yields 11,550 jobs, or 75.5 percent of the total jobs not included in a defined super sector. From 2001 to 2010, healthcare practitioner and technical operations occupations grew by 30.5 percent and healthcare support occupations grew by 52.6 percent. If applied to the CES data, it could be estimated that the health and education sector was responsible for job growth in the range of 1,900 jobs. While combining/comparing OES data and CES data is not a perfect or even ideal method for a variety of important reasons, the process suggests there is likely support to suggest that the education and healthcare sector (particularly healthcare) was an important driver of job growth in the Bellingham MSA over the last decade.

\(^{81}\) Estimated – see previous analysis. Education includes jobs in private higher education institutions. Government (specifically state government) includes jobs in public higher education institutions (i.e., WWU).
• Leisure and Hospitality (1,700 jobs)
• Trade, Transportation, Utilities (1,200 jobs).

Collectively, from 2001 to 2010, the four super-sectors above accounted for 81.5 percent of the total job growth in the Bellingham MSA. The education and health services super-sector grew at an estimated 20.5 percent from 2001 to 2010.

By comparison, the super-sectors with the largest increase in number of jobs at the state level were:

• Education and Health Services (76,900 jobs)
• Government (41,300 jobs)
• Professional and Business Services (29,300 jobs)
• Leisure and Hospitality (18,700 jobs).

The project team met with several individuals and groups that suggested public sector growth was responsible for the majority of the increase in jobs in Whatcom County. The data suggest that while local government in the MSA added a greater percentage of jobs than the state average for local government, the likely increase in education and health services, leisure and hospitality produced more total jobs than the growth in government. Similarly, job growth in the Bellingham MSA exceeded statewide growth across all super sectors. Even where it lost jobs, the Bellingham MSA losses were at a lower rate than statewide.

For example, Bellingham’s role as the regional retail center for the MSA was likely a significant driver behind the MSA’s retail trade job growth of 9.0 percent from 2001 to 2010 – significantly greater than the Statewide experience in which jobs declined by 1.3 percent over the same time period.

Given the overall trend for the Bellingham MSA as compared to the State, government employment contributed to the growth, but was among many drivers – and not the sole driver – to affect job increases in the region. Even if there had been no increase in government jobs from 2001 to 2010, the Bellingham MSA would have still added jobs and added them at a rate approaching three-times greater than the rate of statewide job growth.

82 The project team received information that suggested the 600 job increase in Federal government jobs was primarily due to increased border security post September 11, 2001.
## Job Changes by Super Sector
### 2001 to 2010

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<th>Sector</th>
<th>WA Jobs</th>
<th>% Ctg</th>
<th>WA Jobs</th>
<th>% Ctg</th>
<th>Bellingham MSA Jobs</th>
<th>% Ctg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs (non-farm)</td>
<td>80,400</td>
<td>3.0%</td>
<td>8,100</td>
<td>11.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining, Logging, Construction</td>
<td>(21,500)</td>
<td>-12.8%</td>
<td>(400)</td>
<td>-6.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>(3,900)</td>
<td>-39.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>(17,600)</td>
<td>-11.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade, Transportation, Utilities</td>
<td>(2,200)</td>
<td>-1.4%</td>
<td>1,200</td>
<td>9.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,200</td>
<td>1.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>(4,200)</td>
<td>-1.3%</td>
<td>800</td>
<td>8.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Utilities</td>
<td>(4,100)</td>
<td>-4.4%</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Information</td>
<td>3,900</td>
<td>3.9%</td>
<td>200</td>
<td>7.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Activities</td>
<td>(10,100)</td>
<td>-7.0%</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Insurance</td>
<td>(8,400)</td>
<td>-6.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>(1,600)</td>
<td>-3.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>(58,300)</td>
<td>-18.4%</td>
<td>(720)</td>
<td>-9.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>29,300</td>
<td>9.0%</td>
<td>1,000</td>
<td>17.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>16,800</td>
<td>13.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>1,900</td>
<td>6.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and Support and Waste Mgmt and Remediation Services</td>
<td>8,500</td>
<td>6.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>76,900</td>
<td>25.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Services</td>
<td>9,200</td>
<td>23.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>67,500</td>
<td>26.1%</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Leisure and Hospitality</td>
<td>18,700</td>
<td>7.6%</td>
<td>1,700</td>
<td>22.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>4,300</td>
<td>10.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>14,300</td>
<td>6.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>41,900</td>
<td>9.2%</td>
<td>1,800</td>
<td>12.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>7,600</td>
<td>11.2%</td>
<td>600</td>
<td>60.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Government</td>
<td>4,500</td>
<td>3.1%</td>
<td>(200)</td>
<td>-3.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Government</td>
<td>29,200</td>
<td>9.9%</td>
<td>1,300</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>7,600</td>
<td>7.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: totals may not sum due to rounding
Source: BLS - Current Employment Statistics - Not Seasonally Adjusted

### Unemployment

As the graph below shows, since 2005, Bellingham's unemployment rate has been nearly equal or slightly less than Whatcom County's unemployment rate and consistently below the State's unemployment rate.83

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Appendix B: Population Growth

From 2000 to 2010, Bellingham and Whatcom County both grew in population by slightly more than 20 percent; greater than the State’s growth rate of just over 14 percent.\(^4\) The US Census Bureau reported Bellingham’s 2010 population as 80,885, an increase of 13,714 individuals from the 2000 Census.\(^5\) Whatcom County’s 2010 population of 201,140 represented an increase of 34,326 from the 2000 Census.

Much of the population growth in both Bellingham and Whatcom County was attributable to increases in the number of residents between the ages of 20-39 and those between the ages of 50-69. These two age groups accounted for 84.0 percent of all population growth in Bellingham and 78.1 percent of all population growth in Whatcom County — statewide, these two age groups accounted for 86.9 percent of the State’s net population growth.

Examining the data by 10-year age bands shows that there were several notable differences in the population changes experienced by Bellingham, Whatcom County, and Washington. For example, the number of residents between the ages 30 and 39 declined statewide by 2.1 percent and in the parts of Whatcom County outside of Bellingham by 0.3 percent; in Bellingham, the number of residents between 30 and 39 increased by 13.5 percent. While the number of 60-69 year old residents increased statewide by more than two-thirds, population in that age range nearly doubled in Bellingham and grew by more than 90 percent in the non-Bellingham parts of Whatcom County.

\(^4\) US Census Bureau 2000 and 2010 Decennial Census Data. Bellingham’s population grew by 20.4 percent, Whatcom County’s population grew by 20.6 percent, and Washington’s population grew by 14.1 percent.

\(^5\) According to Bellingham’s Planning & Community Development Department, annexations that occurred in Bellingham between 2000 and 2010 accounted for a population increase of 1,216 residents.
### Population Change from 2000 to 2010

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>830,419</td>
<td>14.1%</td>
<td>34,326</td>
<td>20.6%</td>
<td>13,714</td>
<td>20.4%</td>
</tr>
<tr>
<td>Total Population Under Age 10</td>
<td>49,319</td>
<td>6.0%</td>
<td>1,080</td>
<td>5.0%</td>
<td>482</td>
<td>7.2%</td>
</tr>
<tr>
<td>Total Population Age 10-19</td>
<td>37,597</td>
<td>4.4%</td>
<td>2,311</td>
<td>9.0%</td>
<td>993</td>
<td>10.4%</td>
</tr>
<tr>
<td>Total Population Age 20-29</td>
<td>148,073</td>
<td>18.7%</td>
<td>6,849</td>
<td>26.0%</td>
<td>4,276</td>
<td>25.1%</td>
</tr>
<tr>
<td>Total Population Age 30-39</td>
<td>(19,438)</td>
<td>-2.1%</td>
<td>1,092</td>
<td>4.8%</td>
<td>1,133</td>
<td>13.5%</td>
</tr>
<tr>
<td>Total Population Age 40-49</td>
<td>7,247</td>
<td>0.8%</td>
<td>544</td>
<td>2.1%</td>
<td>(119)</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Total Population Age 50-59</td>
<td>271,120</td>
<td>40.0%</td>
<td>8,683</td>
<td>45.9%</td>
<td>2,548</td>
<td>38.6%</td>
</tr>
<tr>
<td>Total Population Age 60-69</td>
<td>265,261</td>
<td>46.5%</td>
<td>10,212</td>
<td>93.8%</td>
<td>3,585</td>
<td>96.5%</td>
</tr>
<tr>
<td>Total Population Age 70-79</td>
<td>25,185</td>
<td>8.3%</td>
<td>1,518</td>
<td>17.0%</td>
<td>67</td>
<td>1.8%</td>
</tr>
<tr>
<td>Total Population Age 60 and Over</td>
<td>66,115</td>
<td>25.3%</td>
<td>2,067</td>
<td>38.7%</td>
<td>769</td>
<td>26.1%</td>
</tr>
<tr>
<td>Population Age 60 and Over</td>
<td>336,541</td>
<td>38.5%</td>
<td>13,797</td>
<td>54.8%</td>
<td>4,421</td>
<td>43.2%</td>
</tr>
<tr>
<td>Population Age 65 and Over</td>
<td>185,529</td>
<td>25.0%</td>
<td>7,240</td>
<td>37.3%</td>
<td>2,027</td>
<td>24.3%</td>
</tr>
<tr>
<td>Population Age 70 and Over</td>
<td>71,283</td>
<td>14.7%</td>
<td>3,585</td>
<td>25.1%</td>
<td>836</td>
<td>12.8%</td>
</tr>
<tr>
<td>Population Age 75 and Over</td>
<td>45,475</td>
<td>14.0%</td>
<td>2,405</td>
<td>25.1%</td>
<td>631</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

### Working Age (25-64) Population Change from 2000 to 2010

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population 25-34</td>
<td>506,857</td>
<td>18.0%</td>
<td>20,194</td>
<td>24.2%</td>
<td>7,380</td>
<td>25.5%</td>
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<td>Total Population 25-29</td>
<td>79,746</td>
<td>19.0%</td>
<td>3,349</td>
<td>31.4%</td>
<td>1,324</td>
<td>36.0%</td>
</tr>
<tr>
<td>Total Population 30-34</td>
<td>15,055</td>
<td>3.9%</td>
<td>1,392</td>
<td>12.0%</td>
<td>863</td>
<td>20.0%</td>
</tr>
<tr>
<td>Total Population 35-44</td>
<td>(88,752)</td>
<td>-8.9%</td>
<td>(423)</td>
<td>-1.7%</td>
<td>435</td>
<td>5.3%</td>
</tr>
<tr>
<td>Total Population 45-54</td>
<td>142,333</td>
<td>16.8%</td>
<td>3,311</td>
<td>13.8%</td>
<td>76</td>
<td>0.5%</td>
</tr>
<tr>
<td>Total Population 55-64</td>
<td>167,073</td>
<td>58.7%</td>
<td>6,009</td>
<td>76.9%</td>
<td>2,199</td>
<td>85.1%</td>
</tr>
<tr>
<td>Total Population 60-61</td>
<td>72,128</td>
<td>79.0%</td>
<td>2,783</td>
<td>114.9%</td>
<td>1,074</td>
<td>137.9%</td>
</tr>
<tr>
<td>Total Population 62-64</td>
<td>98,884</td>
<td>81.9%</td>
<td>3,774</td>
<td>112.4%</td>
<td>1,520</td>
<td>120.0%</td>
</tr>
</tbody>
</table>
**Population Growth – Migration**

IRS migration data for tax years 2004 through 2010 suggest the important role that migration played in the County’s population growth. The data show that Whatcom County experienced a greater amount of population inflow than population outflow during the years reviewed. The chart below displays the total number of income tax returns and the associated number of exemptions for those moving to and moving from Whatcom County.

![Inflow and Outflow Totals for Whatcom County](image)

The large majority of inflow to Whatcom County (68.7 percent) was from other Washington counties. Specifically, based upon the number of returns, King County (4,092 returns), Snohomish County (2,377 returns), and Skagit County (2,340 returns) accounted for 41.1 percent of all inflow, and 59.9 percent of all intra-state inflow, to Whatcom County from 2004-2010.

The remaining 31.3 percent of inflow was attributable to migration from 19 states and other countries. Former Californians represented 12.6 percent of total migration to Whatcom County (2,694 returns) and 40.2 percent of inflow from states excluding Washington. Within California, Los Angeles County (537 returns), San Diego County (435 returns), and Orange County (291 returns) represented 46.9 percent of all inflow from the State. Oregon was the next most popular previous state of residence for new Whatcom residents with 601 former citizens migrating to the County. Multnomah County (281 returns), Lane County (148 returns), and Washington County (134 returns) comprised the majority of the inflow from Oregon. Residents abroad/those moving from other countries (736 returns) and former Arizona residents (571 returns) accounted for the next two most popular location of residence prior to moving to Whatcom County.

---

86 Bellingham and Whatcom County each experienced significant population growth from 2000 to 2010. The project team explored Internal Revenue Service (IRS) migration data to obtain a greater understanding of the previous location of newcomers to Whatcom County. IRS migration data is available on a County-to-County level and is based upon year-to-year address changes reported on individual income tax returns filed with the IRS. The data track inflows and outflows and where residents went. The IRS defines inflows as "the number of new residents who move to a county or state..." Outflows are defined as "the number of residents leaving a county or state..." The IRS data report both the location of origin and the new location. The IRS notes that the data represent between 95 and 98 percent of total annual filings (those filed prior to late September of each calendar year).

87 172 returns listed AFO/AFIP addresses as previous locations and are included within the ‘foreign’ category.
Whatcom County outflow destinations were similar to its inflow patterns. From 2004-2010, the
great majority (72.8 percent) of all outflow was to other Washington counties. Similar to inflow
data, King County (4,820), Snohomish County (2,316), and Skagit County (2,276) had the most
returns associated with outflow data and accounted for 64.8 percent of all outflow to other
Washington counties and 47.2 percent of all outflow from Whatcom County.

The IRS data also provide a summation of AGI from each of the jurisdictions from/to which
people migrated. The chart below shows that, on the whole, Whatcom County realized a net
aggregate growth of over $172.3 million in AGI from migration between 2004 and 2010.

![Whatcom County – Sum of Aggregate Inflow and Outflow AGI (millions) 2004-2010](chart.png)
Appendix C: Income and Wages

Washington’s Office of Financial Management (OFM) data indicate that Whatcom County’s inflation adjusted per capita income has consistently been below both the State and US averages since 1969; the graph below shows this trend.\textsuperscript{88} Analysis by the Washington Regional Economic Analysis Project (WA REAP), which used data published by the US Bureau of Economic Analysis (BEA), demonstrates that Whatcom County’s per capita income has maintained its relative position below the State per capita income through 2009.\textsuperscript{89}

Between 2000 and 2008, Whatcom County’s per capita income grew at a compound annual growth rate (CAGR) of nearly double that of the nation and significantly greater than the State. Whatcom County’s CAGR was 2.1%; US CAGR was 1.1%, and Washington’s CAGR was 1.3%.

![Inflation-Adjusted Per Capita Income](image)

Source: WA Office of Financial Management (OFM)

Just as Whatcom County has consistently lagged the State and the national per capita income, Bellingham’s per capita income has consistently lagged the per capita income of Whatcom County (and naturally the State and the nation). As of 2010, Bellingham’s per capita income ($23,308) was 8.3 percent less than Whatcom County’s per capita income ($25,429), 13.5 percent below US per capita income ($26,942), and 20.8 percent below the State’s per capita income ($29,420).\textsuperscript{90} Per capita income is sensitive to special populations (i.e. students, inmates, etc.) that can result in lower estimates than are experienced by the rest of the population.

\textsuperscript{88} OFM data are presented through 2007. Since 2008, Whatcom County has remained below both State and US per capita income levels according to the US Census Bureau’s ACS 1-year Estimates in 2008, 2009, and 2010 and 2010 ACS 3-year Estimates data.
\textsuperscript{89} WA REAP data is available at: http://washingtonreapproject.org.
\textsuperscript{90} US Census Bureau 2010 ACS 3-year Estimates data.
Income may also be viewed at the household level. Similar to per capita income, median household income can be sensitive to student-aged populations as several or many students residing in a household could lower the median household income below the experiences of the rest of the population. However, it provides a useful measure to assess the relative levels of incomes across jurisdictions.

The US Census Bureau's ACS 1-year data for 2010 indicated that Bellingham’s median household income ($39,999) was less than that of Whatcom County, Washington, and the nation. In 2010, Whatcom County's median household income of $49,938 was 3.3 percent above the US average ($50,046) and 7.7 percent below the State median household income ($55,631).

---

91 The US Census Bureau defines household income as including income of the householder and all other people 15 years and older in the household, whether or not they are related to the householder.

92 The project team endeavored to use US Census Bureau ACS 3-year Estimates data for the graphs on pages 23 through 25, but due to data issues experienced by the US Census Bureau, used ACS 1-year Estimates data for the charts on the aforementioned pages. The data are slightly different, but the patterns and relative rankings of the jurisdictions are largely unchanged. The primary objective of these graphs is to show relative relationships between jurisdictions and that is maintained by using the ACS 1-year Estimates data.
Median family income data are less affected by student population data. In four of the last six years, Bellingham’s median family income was below that of Whatcom County, Washington, and the US. However, in 2006 and 2008, Bellingham’s median family income was greater than both Whatcom County and the US average. Whatcom County’s median family income was above the US average in four of the six years reviewed (2006-2007, 2009-2010), though it remained below the Washington state median household income in all six years.

93 The US Census Bureau defines family household as a household and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder’s family in tabulations.
Wages

Overall, Whatcom County’s average annual wage was below the State’s average wage.\textsuperscript{94} Similarly, in 18 of the 20 sectors reviewed, Whatcom County’s average annual wage was below the State’s average annual wage for the respective sector. In the two instances where Whatcom County had a higher average annual wage, both were less than 4.0 percent greater than the State average. In all 18 sectors where the County lagged the State average annual wage, all lagged the State average by more than 4.0 percent.

Growth industries in the Whatcom/Bellingham region that were discussed earlier in this report included leisure and hospitality (accommodation and food services; arts, entertainment, and recreation), health care and social assistance, government, and retail trade. Among these growth sectors, all had an annual average wage in Whatcom County below their peers in similar sectors in the State.

\textsuperscript{94} Washington’s OFM and the State’s Employment Security Department (ESD) collaborate to compile median and hourly wage information for each County. Similar, but different, data are available from the BEA and WA REAP. While methodologies may vary slightly causing different results, both data sets provide quality data that are useful in reviewing income and wages. For the remainder of the income—wages discussion, the project team will use data from Washington’s ESD (in partnership with the BLS). Neither State nor BEA data for the full year 2011 are available as of January 10, 2012.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Whatcom County Percent of Total Jobs</th>
<th>WA Average Annual Wage</th>
<th>Whatcom County Average Annual Wage</th>
<th>2010 Difference in Average Annual Wage ($)</th>
<th>2010 Difference in Average Annual Wage [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industries</td>
<td>100.0%</td>
<td>$48,521</td>
<td>$37,312</td>
<td>($11,209)</td>
<td>-23.1%</td>
</tr>
<tr>
<td>Ag., forestry, fishing &amp; hunting</td>
<td>3.9%</td>
<td>$24,034</td>
<td>$24,077</td>
<td>$493</td>
<td>3.9%</td>
</tr>
<tr>
<td>Mining</td>
<td>0.2%</td>
<td>$55,654</td>
<td>$51,060</td>
<td>($4,594)</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.2%</td>
<td>$77,691</td>
<td>$73,842</td>
<td>($3,849)</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.2%</td>
<td>$51,127</td>
<td>$51,891</td>
<td>$764</td>
<td>1.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9.8%</td>
<td>$64,925</td>
<td>$53,740</td>
<td>($11,185)</td>
<td>-17.2%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>3.4%</td>
<td>$63,348</td>
<td>$47,072</td>
<td>($16,276)</td>
<td>-25.7%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>12.5%</td>
<td>$39,021</td>
<td>$25,136</td>
<td>($4,885)</td>
<td>-16.3%</td>
</tr>
<tr>
<td>Transportation &amp; warehousing</td>
<td>2.4%</td>
<td>$47,743</td>
<td>$37,127</td>
<td>($10,616)</td>
<td>-22.2%</td>
</tr>
<tr>
<td>Information</td>
<td>1.9%</td>
<td>$109,777</td>
<td>$42,616</td>
<td>($67,161)</td>
<td>-61.2%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>2.4%</td>
<td>$70,137</td>
<td>$53,210</td>
<td>($16,927)</td>
<td>-24.1%</td>
</tr>
<tr>
<td>Real estate &amp; rental &amp; leasing</td>
<td>1.1%</td>
<td>$36,399</td>
<td>$37,494</td>
<td>($1,095)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Professional &amp; technical services</td>
<td>3.8%</td>
<td>$75,379</td>
<td>$55,158</td>
<td>($20,220)</td>
<td>-26.6%</td>
</tr>
<tr>
<td>Mgmt. of companies &amp; enterprises</td>
<td>0.6%</td>
<td>$96,731</td>
<td>$88,393</td>
<td>($8,338)</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Administrative &amp; waste services</td>
<td>3.8%</td>
<td>$41,466</td>
<td>$30,903</td>
<td>($10,563)</td>
<td>-25.5%</td>
</tr>
<tr>
<td>Educational services</td>
<td>9.9%</td>
<td>$35,126</td>
<td>$21,141</td>
<td>($14,017)</td>
<td>-39.0%</td>
</tr>
<tr>
<td>Health care &amp; social assistance</td>
<td>12.4%</td>
<td>$44,673</td>
<td>$37,532</td>
<td>($7,141)</td>
<td>-19.0%</td>
</tr>
<tr>
<td>Arts, entertainment, &amp; recreation</td>
<td>2.0%</td>
<td>$25,121</td>
<td>$16,078</td>
<td>($9,043)</td>
<td>-36.0%</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>9.6%</td>
<td>$17,032</td>
<td>$14,482</td>
<td>($2,550)</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Other services, ex. public admin.</td>
<td>4.4%</td>
<td>$24,227</td>
<td>$22,808</td>
<td>($1,419)</td>
<td>-5.5%</td>
</tr>
<tr>
<td>Government</td>
<td>18.4%</td>
<td>$51,394</td>
<td>$45,430</td>
<td>($5,964)</td>
<td>-11.6%</td>
</tr>
</tbody>
</table>

Source: WA ESD – Covered Employment Classified By Industry – Annual Averages 2010 (Revised)

One of the super-sectors that added the most jobs in Whatcom County since 2001 was leisure and hospitality (accommodation & food services and arts, entertainment & recreation sectors); which is also the sector with the lowest annual wage in Whatcom County. Similarly, the retail trade sector and education and health services sectors both experienced growth in Whatcom County and were comprised of industries that have average annual wages at or below the County’s average annual wage. The only significant growth sectors in the County with wages above the County’s average annual wage were Finance and Insurance and Government.

Taken together, this suggests that while the County added many good paying jobs relative to the annual average wage, it also added a significant number of jobs that provide annual wages at or below the County average. 96

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95 Washington ESD.

96 Additional information is available from the WA ESD. In July 2011, ESD published a 2011 Occupational Employment and Wage Estimates Guide that provides estimated employment, average wage and percentiles of wages for a multitude of professions. The data are presented for MSAs, regions, and Statewide. While a profession by profession comparison is beyond the scope of this report, a cursory review of the data seems to support the trend of Whatcom County (Bellingham MSA) having lower average wages than Statewide averages. The ESD publication is available at: [https://fortress.wa.gov/ESD/employmentdata/docs/occupational-employment-occupation-wage-estimates-2011.pdf](https://fortress.wa.gov/ESD/employmentdata/docs/occupational-employment-occupation-wage-estimates-2011.pdf).
2010 Average Annual Wage by Sector – Whatcom County

According to OFM and ESD data, the average earnings per job in Whatcom County have consistently lagged the Washington average since 1987 when the data set began; Whatcom County also remained below the State and US average earnings per job, while Washington has been largely been near or above the national average.

Whatcom County’s average hourly wages were closer to the State’s average hourly wages among those on the lower-end of the wage scale. As hourly wages increased, the County’s lag significantly increased. In other words, the proverbial wage-floor to wage-ceiling was more compressed in Whatcom County than for the State.

97 The wage scale shown is for hourly wages by decile. This range begins with the lowest-paid 10 percent of jobs and increases by 10 percent intervals up to the highest paid 10 percent of jobs (based upon average hourly wage).
Wage data is based on location of employment. OFM and ESD historical data showed an important distinction that wages earned in Whatcom County are not equal to wages earned by Whatcom County residents. The data showed that the inflow of earnings from cross-county commuters was consistently greater than the outflow of earnings from cross-county commuters. This suggests that workers who resided in Whatcom County and commuted outside of the County for work earned higher wages than those who resided in other counties and commuted into Whatcom County.\(^98\) Similarly, US Census OnTheMap application data also showed that more Whatcom County residents commuted outside of the County for work than non-Whatcom residents who commuted into the County for work. In 2009, the difference was estimated to be 4,107 individuals; as shown in the below graphic.\(^99\) Importantly, according to this data, 40.1 percent of those leaving Whatcom County earned more than $3,333 per month as compared with 32.8 percent of those who commuted into Whatcom County, and 34.6 percent of Whatcom residents who lived and worked in the County.

\(^{98}\) WA OFM and ESD personal income data.

\(^{99}\) It is possible that data from OnTheMap understates the effect of Whatcom residents who commute outside the County for work due to the Canadian border affecting its estimates.
Further evidence that Whatcom County's labor market pays a lower wage in comparison to other regions is found in the County's trend of trailing the State average in wages for those with a Bachelor's degree or higher. Specifically, those with a Bachelor's degree or higher earned an average of $1,706 less per month than the State average for those with a Bachelor's degree or higher; equating to over $20,000 less per year. This result suggests that in addition to being a lower-wage region than the State average – as mentioned previously – Whatcom County and Bellingham may have instances of underemployment among residents. Underemployment is discussed at greater length below.

100 US Census Bureau Quarterly Workforce Indicators (QWI) – 2010 Quarters 1-4.
Appendix D: Underemployment and Poverty

Bellingham’s poverty rate of 21.0 percent was greater than the poverty rates for both Whatcom County (14.6 percent) and Washington (12.5 percent).101 Bellingham accounted for 56.2 percent of Whatcom County’s total population in poverty and 68.6 percent of those in poverty between the ages of 18-64. As shown in the chart below, much of Bellingham and Whatcom County’s poverty was concentrated among those between the ages 18-24.102 The City’s poverty rate was likely impacted by the significant post-secondary student population in Bellingham; many of whom lived below the poverty line. Bellingham residents ages 18-24 with incomes below the poverty line accounted for 50.9 percent of the City’s total and 83.3 percent of all age 18-24 County residents living in poverty.

Percentage of Those in Poverty by Age

Source: US Census Bureau 2010 ACS 3-year Estimates

Across all educational attainment levels, Bellingham’s poverty rate was greater than the remainder of the County, State, and national rates. Almost one-quarter (22.4 percent) of Bellingham residents age 25 and over who live in poverty possessed a Bachelor’s degree or greater.103 This percentage was significantly more than that seen in both the remainder of Whatcom County (13.4 percent) and Washington (13.3 percent) for the same population. The remainder of Whatcom County’s poverty rate is generally below or on par with that of the State. The relative high level of poverty experienced by those in Bellingham with high educational attainment suggests there is some level of choice or desire to reside in Bellingham as opposed to other locations.

101 US Census Bureau 2010 ACS 3-year Estimates.
102 US Census Bureau 2010 ACS 3-year Estimates.
103 Source: US Census Bureau 2010 ACS 3-year Estimates.
Poverty Status by Educational Attainment

- Less than high school graduate
- High school graduate (includes equivalency)
- Some college, associate's degree
- Bachelor's degree or higher

- United States
- Washington
- Whatcom County
- Bellingham
- Non-Bellingham

Source: US Census Bureau 2010 ACS 3-year Estimates
Appendix E: Cost of Living

An important consideration to contextualize income— and economic conditions independent of income— is the associated cost of living for the region. One measure of this is the BLS Consumer Price Index (CPI) data.\(^{104}\) The Bellingham MSA is not one of the local areas for which BLS produces an index.

As CPI data are not available for Whatcom County or Bellingham, the project team reviewed the cost of housing to help inform discussions of the cost of living. Over half (51.1 percent) of Whatcom County households who rented their residence and 45.0 percent of those who owned their residence spent 30.0 percent or more of their income on housing— compared with 47.2 percent of renters and 41.0 percent of homeowners in Washington.\(^ {105}\)

As shown in the following graphs, all jurisdictions had a significant portion of renters and homeowners who paid 35 percent or more of household income for their residence. Bellingham had the highest percentage of households among renters and home owners who paid over 35 percent of household income toward their residence; 48.4 percent of all Bellingham renters and 35.3 percent of Bellingham home owners. A portion of Bellingham’s high rent as a share of household income may have been attributable to the student population, many of whom may have rented apartments or homes.

The remainder of the County tended to be more similar to the State than to Bellingham. However, rental and housing prices as a whole appeared to consume a greater percentage of total household income in Whatcom County and Bellingham as compared to the rest of the state. This could have been due to the jurisdictions’ lower wages, higher housing prices, or a combination of both.

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104 The BLS publishes various CPI measures of ‘market basket’ price changes as indicators of cost-of-living. BLS cites the Chained CPI-U as its most accurate measure for cost-of-living. This index is produced on a national basis, and is available dating back to 1999. To provide insight into more localized changes, BLS also produces indexes for local areas covering all urban wage earners. While available for a longer duration and regionally focused, the BLS advises that such area series are less reliable due to sample size volatility.

105 OFM analyzes the cost-of-living by measuring housing costs (rent or mortgage) as a percent of household income. OFM considers households to be in distress when gross rent or mortgage costs are 30 percent or more of household income. OFM data use 2000 Census data as the base year and is current through 2008 ACS 1-year estimate data. In the data discussed, the project team used the 2010 ACS 3-year estimates. The project team examined mortgage costs as a percentage of household income for owner-occupied housing units in order to review housing costs as a percentage of household income without large potential for interference from the student population.
Washington State University's Washington Center for Real Estate Research (WCRER) publishes a myriad of housing-related data, including an affordability index and data on median sales prices. WCRER compiles an affordability index for home purchases that measures the ability of a typical family to make payments on a median price home. For example, if a jurisdiction had an affordability index of 110, it would mean that a family earning the median...
income would have 10.0 percent more income than the bare minimum required to qualify to purchase a median-priced home with a 20.0 percent down payment and a 30-year mortgage.

Traditionally, Whatcom County’s affordability index was slightly above the State’s index until early 2004. Since that point, the County’s index has generally remained below the State’s index, meaning home purchases are slightly more affordable in the State as compared to Whatcom County. It is possible that Whatcom County’s lower wages as compared to the State average (discussed above) contributed to this affordability lag, though the wage trend existed for a significant period prior to 2004.

The second chart below reviews the median home price for the State and County on a quarterly basis from 2004-2010. Whatcom County’s median home price was below the State’s median home price until the middle of 2004. At this point, the County’s median home price was nearly equal to the State’s for the next 18 months; even briefly spiking above the State average. From early 2006 through early 2010, the County’s median home price was lower than or nearly equaled that of the State.

Since mid-2010, the County’s median home price has been greater than the State’s median home price. A portion of the County’s increase could be due to the types of individuals migrating to the County from outside areas. These individuals (discussed in a previous section) have higher AGIs and may have helped sustain the housing prices by creating demand in the market whereas similar demand was not present in other markets. To the extent this supply/demand effect occurred, it increases the likelihood that people chose to move to Whatcom County and Bellingham because of the quality of life, quality of place, and/or amenities, as they were willing to pay more for a home in Whatcom County or Bellingham than other locations.

Considering both the affordability index data and median home price data, there may be two variables combining to create a lower affordability and higher median home price as compared with the State; this experience may even be potentially greater in Bellingham. The County and City’s consistently lower wages coupled with the home prices that didn’t fall as far from their peak as the State likely each play a role in the more expensive real estate (on an affordability measure and a median price measure) than the State average.

Given these facts, it could be argued that Whatcom County and Bellingham could be expected to have seen a small decrease in population as individuals and families seek more commensurate wages and home prices. However, this did not occur. In fact, the opposite occurred which again could suggest some level of desirability and choice associated with wanting to reside in Bellingham and or Whatcom County – even if it was less affordable.

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106 The Federal Housing Finance Agency (FHFA) House Price Index for the same period also reports similar data.
Appendix F: Bellingham’s Importance as a Regional Economic Center

Approximately 60 percent of jobs in Whatcom County are located in Bellingham.107 Countywide, jobs are concentrated in Bellingham and, within Bellingham, are concentrated west of Interstate 5 (I-5) and clustered near the Central Business District and within short distance to the waterfront.

Whatcom County Jobs Per Square Mile  
Bellingham Jobs Per Square Mile

Source: US Census Bureau Local Employment Dynamics (LED), 2009.

According to the US Census Bureau’s 2007 Economic Census, the City also accounted for 76.1 percent of all retail sales in Whatcom County. In addition, Bellingham’s retail sales per capita ($25,169) was nearly double the sales per capita of the County ($13,254). The City’s accommodation and food services sales accounted for $226.6 million (55.6 percent) of the County’s total accommodation and food services sales of $407.8 million.108 The US Census Bureau’s Local Employment Dynamics (LED) 2009 Work Area Comparison Report for Whatcom County indicates that the retail trade sector, as seen in other data earlier in this report, is one of, if not the largest industry sector in the County.

Specifically, as seen in the below maps, it appears that a significant portion of the City’s retail, accommodation, and food services jobs are located in and around the waterfront area.

Property Values

Just as Bellingham is the commercial center for Whatcom County, it also has a significant portion of the County’s property value. As of 2010, Bellingham accounted for 35.8 percent of the County’s total assessed value of real property. Bellingham achieved these results despite representing only 1.3 percent of the County’s total square miles – further highlighting the importance of property value (for residential and commercial parcels) in the City for the rest of the County.¹⁰⁹

In 2010, Bellingham accounted for 56.0 percent of the total residential sales volume in the County (in dollar amount) and 52.1 percent of total residential transactions in the County; suggesting the City’s average house price is greater than the County’s average price – a trend that has existed since the data set used began in 2006. Similarly, while Bellingham and the remainder of Whatcom County have both seen significant declines in residential sales volume (in dollars) since 2006, the City’s decline is marginally slower than the decline experienced by the remainder of the County (-44.8 percent versus -47.1 percent).

Between 2005 and 2010, Bellingham’s median and average home prices have been higher than the median and average prices for the County as a whole. It is important to note that the data for Whatcom County include the Bellingham data and are not presented in a disaggregated form. As a result, Bellingham’s median and average home values are likely even greater than the non-Bellingham portion of the County.

During the peak of the housing bubble (2006-2009), Bellingham’s home prices were not as far above the County’s home prices as after the burst of the bubble (2009-2010), when the City’s home prices appear to have increased the value difference with the County’s home prices. This suggests that the Bellingham housing market did not decrease in value to the same extent as the remainder of the County (keeping in mind that County data are not disaggregated and include Bellingham’s prices).

¹⁰⁹ US Census Bureau, 2010 data.
### Median and Average Prices of Houses Sold, 2005-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Sales Price</th>
<th>Median Sales Price</th>
<th>Difference ($)</th>
<th>Difference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$264,950</td>
<td>$255,000</td>
<td>$9,950</td>
<td>3.9%</td>
</tr>
<tr>
<td>2009</td>
<td>$274,000</td>
<td>$259,900</td>
<td>$14,100</td>
<td>5.4%</td>
</tr>
<tr>
<td>2008</td>
<td>$285,000</td>
<td>$278,533</td>
<td>$6,467</td>
<td>2.3%</td>
</tr>
<tr>
<td>2007</td>
<td>$300,000</td>
<td>$290,725</td>
<td>$9,275</td>
<td>3.2%</td>
</tr>
<tr>
<td>2006</td>
<td>$295,000</td>
<td>$283,000</td>
<td>$12,000</td>
<td>4.2%</td>
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<tr>
<td>2005</td>
<td>$269,000</td>
<td>$259,900</td>
<td>$9,100</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Sales Price</th>
<th>Average Sales Price</th>
<th>Difference ($)</th>
<th>Difference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$313,813</td>
<td>$291,985</td>
<td>$21,828</td>
<td>7.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$320,767</td>
<td>$301,124</td>
<td>$19,643</td>
<td>6.5%</td>
</tr>
<tr>
<td>2008</td>
<td>$333,731</td>
<td>$323,172</td>
<td>$10,559</td>
<td>3.3%</td>
</tr>
<tr>
<td>2007</td>
<td>$351,063</td>
<td>$340,448</td>
<td>$10,615</td>
<td>3.1%</td>
</tr>
<tr>
<td>2006</td>
<td>$341,105</td>
<td>$324,852</td>
<td>$16,253</td>
<td>5.0%</td>
</tr>
<tr>
<td>2005</td>
<td>$302,749</td>
<td>$288,277</td>
<td>$14,472</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Most recently, the 2011 report reviews the differences in median sales prices for new and existing homes in Whatcom County and Bellingham. In both 2009 and 2010, the City's median sales prices for new and existing homes were greater than the County's median sales prices for new and existing homes. New homes in Bellingham had a particularly higher median sales price than did new homes in Whatcom County (2009: $336,650 vs. $262,500; 2010: $313,500 vs. $256,750).

According to the report, in 2010, houses in Bellingham's Census tracts had a higher average sales price for new homes than new homes sold in the rest of Whatcom County. In the nine Census tracts in Bellingham with new home sales in 2010, eight had an average sales price of over $300,000. Of the ten Census tracts in the remainder of the County with new homes sales in 2010, only one Census tract had an average sales price over $300,000. \(^{110}\)

Among single family sales by Census tract in 2010, the properties in the Fairhaven, South Hill, and Edgemoor sections of the City had significantly higher sales prices than the rest of the City. The average sales price in the Fairhaven/South Hill section was $574,167 and the average sales price in Edgemoor was $555,433. Sales volumes were the highest in the Mount Baker, Alabama Hill/Silver Beach, North and South Short/Lake Whatcom, and Puget/Whatcom Falls/Samish areas of the City.

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\(^{110}\) Similar data for condominium sales are also included in the report. Bellingham accounted for 63.0 percent of condominium sales in Whatcom County during 2010 and had a higher average sales price than the remainder of the County.
Appendix G: Projections for the Future – Population and Job Growth

Population Growth

WA OFM produces projections for future population growth on the State and County levels.\footnote{OFM produces a Forecast of State Population (released in November 2011) that solely forecasts the population of Washington through 2040. OFM, as part of the Growth Management Act (GMA), produces population estimates every five years. New estimates are to be released in March of 2012 and were not available for use in this report. This report uses OFM 2007 Growth Management Projections through 2030. Historical differences between OFM projections and actual occurrences have been small. OFM’s 2007 projections for 2010 were 97.3 percent of 2010 Census data. Similar or smaller margins were also seen in prior data.} OFM projects the State’s population growth rate from 2010 to 2030 to be 1.1 percent, just above the US rate of 0.9 percent. OFM projects Whatcom County’s 2010-2030 population growth rate to be 1.5 percent.

Population growth forecasts for the City of Bellingham are not included in the OFM data. Bellingham’s population growth rate is assumed to be similar, though not identical, in real experience to the County’s population growth rate. It should be noted that Bellingham’s CAGR for the most-recent 10 years (1.9 percent) is the same as Whatcom County’s most-recent 10-year CAGR, for this reason, the project team used the same out-year CAGR for Bellingham as projected in OFM’s estimates for Whatcom County.

For purposes of calculations later in this report, the project team used OFM’s compound annual growth rate projections for Whatcom County for Bellingham; 1.6 percent through 2019 and 1.5 percent through 2030. This is in line with OFM’s projections for a decreased rate of population growth for Whatcom County and the State in future years.

![Projected Annual Population Growth Rates](image)

OFM estimated that Whatcom County accounted for 2.9 percent of the State’s total population.\footnote{OFM’s estimates were made prior to the release of data from the 2010 Census. The 2010 Census suggested Whatcom County comprised 3.0 percent of the State’s total population; up from 2.8 percent in 2000.} By 2030, OFM projects the Whatcom County population to reach approximately 261,000 individuals and represent 3.1 percent of the State’s population. Whatcom County’s proportional increase in State population share occurs due to OFM’s long-term forecasted population growth rate for Whatcom County being greater than the State’s long-term forecasted population growth rate; this can be seen in the graph above.
On a State level, it is worth noting that OFM’s November 2011 Forecast of State Population (statewide projections) projects significant growth in the age 65 and over population from 2010 levels (24.2 percent) by 2040. Specifically, between 2010 and 2040, those age 65 and over account for 49.7 percent of OFM’s projected total net population growth in the State. OFM’s projections are consistent with growth in the population from the 2000 census to the 2010 census. OFM’s projections likely account for baby boomers continuing to age and live longer, thus driving the increase in the population age 65 and over.

Job Growth

Washington’s ESD produces Occupational Employment Projections for the State and its sub-regions that forecast the 2019 estimated levels of employment for over 800 occupation types. 113 Statewide, ESD projects an average annual growth rate of 1.4 percent for all occupations through 2019 resulting in an increase in employment of approximately 495,000 from 2009 levels. Over two-thirds of the State’s projected increase is attributable to projected gains in nine occupational categories:

- Office and Administrative Support
- Sales Related
- Computer and Mathematical
- Computer Specialists
- Food Preparation and Serving Related
- Transportation and Material Moving
- Healthcare Practitioners/Technical Related
- Personal Care and Service
- Building and Grounds Cleaning and Maintenance.

ESD projects the Northwest Washington region 114 (includes Whatcom County) to grow at a slightly greater average annual growth rate than the State estimate through 2014 (1.5 percent versus 1.4 percent). Thereafter, through 2019, it projects the region will grow at annual average rate of 1.6 percent and the State will remain at the same average annual growth rate of 1.4 percent. In total, ESD projects the Northwest region’s 2019 employment level will be 16.6 percent greater than its 2009 employment level; higher than the Statewide projected 15.3 percent increase during the same time period. By 2019, Northwest Washington is projected to have estimated employment of 207,449, an increase of nearly 30,000 over 2009 levels. Similarly to the State, over two-thirds of the region’s projected increase is attributable to projected gains in nine types of occupations:

- Office and Administrative Support (3,900 new jobs; accounts for over 13.2 percent of total increase)
- Sales Related (2,400 new jobs)
- Production (2,300 new jobs)
- Transportation and Material Moving (2,100 new jobs)
- Food Preparation and Serving Related (2,000 new jobs)
- Personal Care and Service (1,900 new jobs)
- Education, Training, and Library (1,900 new jobs)
- Building and Grounds Cleaning and Maintenance (1,800 new jobs)
- Construction and Extraction (1,700 new jobs). 115

113 The project team reviewed ESD’s May 2011 (most recently available) projections.
114 ESD indicates that Northwest Washington region is comprised of Island County, San Juan County, Skagit County, and Whatcom County.
115 ESD differentiates between Construction and Extraction occupations and Construction Trades Workers.
Baseline Growth for Whatcom County and Bellingham

Without the planned development of GPT, the State has already projected significant population and job growth for Whatcom County that build upon the County’s historical growth trend. These projections are outlined above. Based on the state's projections, it is possible to state a baseline scenario for county population and job growth over a ten-year period.

Population Growth

The project team used OFM’s projected annual growth rates from 2011 through 2030 to project the growth of the 2010 Census population data for Whatcom County and Bellingham.116 By 2021, Whatcom County’s projected population is approximately 240,000 and Bellingham’s projected population is approximately 96,000. Through 2021, the OFM’s projected average annual growth rate is approximately 1.6 percent, and 1.5 percent through 2030. Whatcom County’s 2030 population is projected to be 269,000 and Bellingham’s 2030 population is projected to be 108,000.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Whatcom County</td>
<td>201,140</td>
<td>1.6%</td>
<td>1.5%</td>
<td>240,000</td>
<td>269,000</td>
</tr>
<tr>
<td>Bellingham</td>
<td>60,885</td>
<td>1.6%</td>
<td>1.5%</td>
<td>96,000</td>
<td>108,000</td>
</tr>
</tbody>
</table>

Job Growth

In 2009, Washington’s ESD projected that the northwest region of Washington (including Whatcom County) will see an average annual job growth of 1.5 percent from 2009-2014 and a 1.6 percent annual average job growth from 2014-2019.117 At the projected rates, Whatcom County would have 88,389 jobs by 2021, an addition of almost 15,000 jobs from 2010. Similarly, Bellingham would have 53,034 jobs by 2021, an increase of almost 9,000 jobs from 2010.

116 The project team used Bellingham’s 2010 population as a percentage of total Whatcom County population throughout the estimates. This ratio is used purely for the purposes of estimations; actual results will vary and are subject to tangible and intangible occurrences that cannot be incorporated in projections.

117 The project team used these annual average growth rates and applied them to the BLS OES data for 2010 jobs in Whatcom County. To calculate the number of Bellingham jobs, the project team used 60 percent of all jobs in the County (per LED data suggesting an average of 60 percent of all jobs in the County exist in Bellingham). The calculation did not include the estimated job growth for 2009 as the OES figure is from 2010. However, the project team did apply the 2010 growth rate to this figure so as to ensure it captured the possible net increase and not artificially lower job growth. For 2020-2022, the project team used the projected 1.5 percent average annual growth rate to estimate the number of jobs.
### Projected Job Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Multiplier</th>
<th>Whatcom County Jobs</th>
<th>Net Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.015</td>
<td>74,521</td>
<td>1,101</td>
</tr>
<tr>
<td>2011</td>
<td>1.015</td>
<td>76,639</td>
<td>1,118</td>
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<tr>
<td>2012</td>
<td>1.015</td>
<td>78,774</td>
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</tr>
<tr>
<td>2013</td>
<td>1.015</td>
<td>77,925</td>
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**Total** |                  | **53,034**       | **835**      |

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118 The project team also assessed US Census Bureau LED data from 2009 for Bellingham and Whatcom County. The 2009 LED data indicated 69,610 jobs in the County and 41,613 jobs in the City. Applying an annual average growth rate of 1.015 percent for 2009-2014 and an annual average growth rate of 1.016 percent for 2015-2021, yielded a total job growth in the County of 14,193 and 8,484 in Bellingham. Ultimately, the project team used the OES data as it is more recent and showed a higher number of actual jobs than projection based upon the 2009 data. The OES data were used so as to not artificially discount ‘trajectory’ growth when comparing to projected growth from GPT.
Dear Sirs:

Recently I had the pleasure of visiting Newcastle on the eastern coast of Australia, just north of Sydney. It is a coal port, named after the famous coal port on the east coast of England. In my youth we used to use the expression, “It’s like carrying coal to Newcastle”, meaning an excess of some thing.

While in the Australian Newcastle I observed hundreds of empty coal railroad cars, and full cars making their way from the coal mines to the port. I asked if the coal they were carrying to the port caused any deleterious health issues. The people I spoke with were curious as to why I would think so.

I told them about the controversy surrounding the Gateway Pacific project at Cherry Point. To my amazement and amusement, they said that there were NO health problems connected with the coal trains.

Many coal trains already pass through Bellingham on their way to British Columbia’s Robert Banks, yet I don’t hear of any dire health problems related to those trains.

Yours sincerely,

Dorothy Gonsalves
Phone 360-734-4461
April 2012

Honorable Jack Louws
Whatcom County
311 Grand Ave, Suite 108
Bellingham, WA 98225

RE: Community Conversations

Dear County Executive Louws:

The Gateway Pacific Terminal project is going to extraordinary lengths to engage the Whatcom County community in meaningful conversations about the potential benefits and impacts of the project. We have provided briefings to thousands of county residents and are even going door-to-door to share information and respond to questions and concerns. This is a laborious effort, but we feel that the community deserves meaningful dialogue about the project and not just online chatter or rumor-chasing.

In the spring of 2011, we hired a professional polling organization to assess public opinion in the region and it showed that about 2/3 of Whatcom County voters were supportive of the project. From the extensive outreach efforts that have been conducted since then, and those efforts are continuing, we are finding a clear pattern: the more people are acquainted with the facts of the project, the more likely they are to support it; and we feel it is important to share with you some of the hard evidence that supports this conclusion.

In the next few weeks, we will provide you with thousands of support messages for the Gateway project from your constituents. As we expand our community outreach efforts, we will continue to share with you our findings and the growing support for the project.

I want to stress that these are not casual expressions of support -- these are local citizens who went to the trouble of posting and mailing a support card or letter, or who took pen in hand to personally sign a petition with their names and addresses. You will also see video testimonials from real Whatcom County residents who were willing to explain, in their own words, why they support the Gateway project and the prosperity that it will bring to our region. They reflect the sentiments of the thousands of others who have expressed their support for the project.

Many of these people may not attend public hearings or march in demonstrations, because that is not their style. But they are the hardworking, solid citizens who are the backbone of our community and their voices deserve to be heard.

Thank you for your consideration of this information and please feel free to contact me at any time.

Sincerely,

Craig Cole
craig.cole@gatewaypacificterminal.com
A Sample of Support Messages From Your Community

First Installment of Support Messages April 2012

WHATCOM COUNTY COUNCIL
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 1:48 PM
Subject: from Kay
Attachments: gpt_kay_20120702132437.pdf

Please note: Emails are public records subject to public disclosure upon request.
Council - Coal Terminal phone call

From: Jennifer Paulson
To: Council
Date: 3/19/2012 3:24 PM
Subject: Coal Terminal phone call

Kay (360-312-7888) is requesting that you deny construction permits for the Gateway Pacific Terminal
Dear County Councilmembers:

I am writing to you today to express my concern over the expansion of the coal trains coming through my town. I am aware that a few cars are passing through each day, but I cannot see how adding more trains is going to help my community. I do understand that terminal expansion at Cherry Point will provide more local jobs, but at what cost? The long term effects of traffic, noise, water and air pollution will cost much more when people start getting sick from the coal dust or stressed from the increased traffic issues or decline in our quality of life here in Whatcom County.

On July 4, 2003, my husband and I, along with our 6 week old baby, left Southern California and its poor air quality, and headed to beautiful Bellingham, WA. We chose to move for the benefit of our baby and future babies we may have. We moved into a beautiful craftsman home, one which we painstakingly renovated to accommodate our growing family. We put a lot of heart, sweat and money into our remodel. Our home is three tenths of a mile from the railroad tracks. We can hear the trains pass by at night. We have to cross the tracks, which takes us about 5 minutes by foot to reach, in order for my kids (now three of them) to enjoy Zuanich Park. Another favorite park my kids frequent is Boulevard Park, which is also a park you have to cross railroad tracks to walk to.

My family and I appreciate buying local and fresh seafood and produce. What will happen when our food supply is contaminated with coal dust?

I ask you to consider the health risks to my children and all the children who will be affected by this coal train operation. My children are innocent and have every right to grow up in a healthy environment. I have enclosed a photo of my three children, Charla Anne (8), Teddy (7), and Aidan (3), so you can see who is affected by the decision of all involved in the extreme increase of coal trains coming through our town.

A healthy economy now doesn't mean a thing when we are all sick from pollution. The Cherry Point project is only something that will benefit a few right now, with a hefty price to pay later. You can't enjoy money when you're dying from cancer, Parkinson's, or any other coal related health problem.

Before you approve the permits for the expansion of the coal trains, please consider what I have shared with you. I am not the only parent who wants her children to be healthy. I will fight the coal trains until the end, my kids depend on it.

Sincerely,

Juliana Larson
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 1:49 PM
Subject: from Miner
Attachments: gpt miner_20120702132526.pdf

Please note: Emails are public records subject to public disclosure upon request.
COUNCIL - GATEWAY TERMINAL

From: Jennifer Paulson
To: Council
Date: 3/15/2012 2:22 PM
Subject: Gateway Terminal

Linda Miner (778-2803) asks that you deny construction for the Gateway Pacific Terminal project.
DATE: March 15, 2012
TO: Councilmembers
FROM: Martha Blakely
RE: Coal Terminal

Mr. Jack Philtott called this afternoon (371-5235) to voice his concerns to the County Council regarding the coal terminal – he doesn’t want it in this area. He used to live east of the mountains and coal mines were everywhere – it is dirty and not healthy.

Thank you.
DATE: March 28, 2012
TO: Councilmembers
FROM: Martha Blakely
RE: Gateway Terminal

Paula Rotondi (371-9947) called to ask that the Council would please consider that the terminal will release millions of pounds of coal dust that is poisonous and permanently harm us.

We should not be asked to give up our health and have our property damaged so some construction workers can have a job.

Thank you.
February 28, 2012

Re: Gateway Pacific Terminal and BNSF Custer Spur Modifications Project

Dear Mr. Schroeder, Mr. Perry, and Ms. Kelly:

The San Juan Marine Resources Committee is very concerned about the proposed Gateway Pacific Terminal project at Cherry Point and the associated increase in shipping traffic and risks this project poses to the recovery and protection of our dynamic marine ecosystem. To fully relay our concerns, we are requesting formal Environmental Impact scoping meetings on each of the three larger San Juan Islands: San Juan, Orcas, and Lopez.

The entirety of San Juan County is a Marine Biological Preserve (RCW 28B.20.320), and all of the shorelines within the County are designated as Shorelines of Statewide Significance and critical habitat for federally listed threatened Chinook salmon and endangered Southern Resident Killer Whales. This proposed project and the increase in shipping traffic poses a significant increased risk of major oil spills with the potential to devastate the endangered Southern Resident Killer Whale population and the threatened salmon runs, as well as significantly impact all marine life in the waters of San Juan County. As detailed in the 2012 Puget Sound Partnership (PSP) Action Agenda and the County’s Marine Stewardship Area plan, major oil spills are ranked as a primary threat to the San Juan marine ecosystem and major oil spill prevention is identified as a top priority. As this project would significantly increase shipping traffic and greatly exacerbate this threat, it is in direct conflict with our local and regional management plans based on state and federal regulations.

SSA Marine estimates that a fully operating terminal will generate an increase of 974 ships per year travelling through the waters of the San Juan Islands. These ships would be single hulled, carrying large quantities of bunker fuel, and would be unaccompanied by a pilot or tug boat escort. As stewards of this region, this is alarming to us. The future health and viability of our marine ecosystem, and our way of life, would be greatly jeopardized by this project and the significant risk it imposes of a major oil spill. Our region has a tremendous amount at stake.

In addition to the risk of oil spills, the increased vessel traffic will likely have a negative impact on the foraging behavior of the killer whales. Studies have shown that vessel traffic significantly affects killer whale foraging behavior likely resulting
in reduced prey capture and biologically significant consequences, adding additional stress to an endangered species. This project also increases risk to the highly valuable Cherry Point herring stock which serves as an important food source to several marine species, including salmon and in turn the killer whales.

Another important environmental and human health concern that needs to be considered is the burning of the coal being transported. The air pollution from this coal will not only create negative health impacts for Chinese citizens, it will also contribute to the growing global air pollution concerns, and subsequent human health impacts. In addition, this project will contribute to the growing issue of climate change and its direct impacts to the marine environment including a rise in sea level due to thermal expansion, increases in water temperature, changes in water circulation patterns, and related consequences for marine food chains.

The San Juan Marine Resources Committee was formed in 1996 to serve as an advisory committee to the San Juan County Council on issues related to the health of the San Juan marine ecosystem, to implement restoration projects, and to provide education and outreach to the community. Six other northern Puget Sound counties subsequently established Marine Resources Committees under the Northwest Straits Commission, which was created as an alternative to a federal marine preserve.

The San Juan Marine Resources Committee respectfully request that the scope of the Environmental Impact Statement recognize the increased risk to the environment within the shipping lanes proposed to transport the coal from the port at Cherry Point, Washington. We also ask that the Environmental Impact Statement fully and completely include the connected and cumulative actions, issues, and concerns of the citizens in this area. Because of the geographic distance and transportation challenges, the citizens of San Juan County will not be served by holding a scoping hearing in Bellingham or Seattle. As part of this EIS process, we respectfully ask for representation for the majority of citizens of San Juan County by holding scoping meetings on each of the three larger islands serviced by the Washington State Ferry. Thank you for consideration of our formal request.

Sincerely,

Steve Revella
Chair, San Juan County Marine Resources Committee
May 9, 2012

Councilmembers,

Riley Sweeney called urging you all to seek advice from a different attorney with regards to the quasi-judicial status of the Gateway Pacific Terminal.

Message taken by Jennifer
As a resident of Whatcom Co I want FULL DISCLOSURE during this EIS process.

I would like to think that the outcome is not a fore gone conclusion as most of the language used during the process seems to indicate. Mitigation is not a tool that provides what I consider an appropriate outcome.

I object to this project on every level. The strip mining in Wyoming, the transportation of the coal across the country to our county, AND most of all the desecration of our only public access to the Georgia Straights from Gulf Rd. For environmental, health, and the long term impact on our land I strongly urge you to deny this project. We need to begin to follow our President's commitment to alternative energy now and begin the renewal of our ecology that will support sustainable and non-polluting energy sources for the long term health of ALL of us, even those that stand to benefit financially the most from this project.

Paddy Bruce
From: Council
To: gpttoweb@co.whatcom.wa.us
Date: 7/2/2012 4:08 PM
Subject: Fwd: Coal terminal
Attachments: Coal terminal

Please note: Emails are public records subject to public disclosure upon request.
Dear Council,

After scrupulously reviewing all accessible data, I am convinced that the Gateway Pacific terminal should NOT be approved. The health risks, economic disruption, and likely job LOSS make this unfeasible.

Please do not approve.

Seth Zimmerman
525 Whitecap Road
Bellingham WA 98229
From: "Mubadala Development Company" <investment@mubadala.ae>
To: khalkhalifa_almubarak@gmx.com
Date: 7/5/2012 6:52 AM
Subject: Project Financing

From: Khaldoon Khalifa Al mubarak
CEO and Managing Director. (Mubadala)
Mubadala Development Company
P.O Box 45005,
Abu Dhabi,
United Arab Emirates
website: www.mubadala.ae

Dear Sir,

We are seeking the attention of investors, project owners and general business facilitators. Mubadala development company (Mubadala), is a project development and investment organization based in Abu Dhabi - UAE.

At the core of our strategy, Mubadala makes long term capital intensive investments to deliver strong financial returns and economic diversification.

Mubadala focuses on number of areas in which it has developed significant competitive advantage, including acquisitions, aerospace/aviation, telecommunication, technology, energy, industry, healthcare, infrastructure, real estate, hospitality and service ventures.

Mubadala Development Company (Mubadala) is a catalyst for the economic diversification of Abu Dhabi. Established and owned by the Government of UAE, the organization's strategy is built on the management of Long-term, capital-intensive investments that deliver strong financial returns and tangible social benefits for the Emirate.

Mubadala brings together and manages a multi-billion dollar portfolio of local, regional and international investments, which we wish to re-invest through project funding in investment loan to third party investors, project owners and general business facilitators on a 3.5% interest rate per annum on long term investment projects that can generate up to 10% ROI within the period.

We invite all interested project owners and investors - UAE or non-UAE to contact the undersigned for further information on procedures for consideration.

Welcome to Mubadala's World of investment opportunities.

Sincere regards,

Khaldoon Khalifa Al mubarak
CEO and Managing Director. (Mubadala)
Mubadala Development Company
P.O Box 45005,
Abu Dhabi,
United Arab Emirates
website: www.mubadala.ae