

The Northern Light

January 27 - February 2, 2022 Community Newspaper of Blaine and Birch Bay

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Border protest draws dozens, page 6

Onyon honored for 23 years on city council, page 10

Nearly 20 Blaine businesses awarded state border grants

BY GRACE MCCARTHY

The Washington state Department of Commerce awarded 19 Blaine and Birch Bay businesses grants to alleviate the financial hit of the U.S./Canada border closure.

The Working Washington Border Business Relief Program was part of the state's series of Working Washington grants aimed to bring relief to businesses during the pandemic. Applications opened for two weeks in mid-October, with all businesses awarded seeing the money by the end of 2021, said department of commerce spokesperson Penny Thomas.

The department of commerce provided *The Northern Light* with a list of businesses awarded grants in the 98230 zip code. As funds were requested within \$10,000 ranges, the department was unable to provide a total dollar amount that was requested in the Blaine area or Whatcom County. The list of businesses that applied but were not awarded was not available by press time.

Altogether, Blaine and Birch Bay businesses received \$226,639 in this go-around. Whatcom County received \$1.47 million in grants, meaning Blaine and Birch Bay businesses received 15.3 percent of the county's grants.

Statewide, businesses were awarded \$2.6 million. Whatcom County, by far, received the most grant money and number of businesses awarded, 206, than any of the other nine counties eligible for the grant. Skagit County had the second highest number of businesses to receive grants, at 23.

Nearly one-third of the 62 Blaine and Birch Bay businesses that applied for the grant received an award.

Of the 19 businesses, only Quantum Healing Lounge, Tru-Line Laser Alignment, Atwood Farm Brewery and Glacial Lake Missoula Winery received what they requested.

Accommodation and food service businesses received the most grants, six, compared to other industries in the 98230 area code. Below is a list of local grants ranked

(See Grants, page 3)

February 8 special election ballots mailed



▲ Friends of Birch Bay Library members Sieneke Stevenson, l., and Connie Taylor wave signs in support of Proposition 2 at the intersection of Birch Bay-Lynden Road and Portal Way on January 21. If approved in the February 8 special election, Proposition 2 would establish a Birch Bay Library Capital Facility Area to fund the construction of the Birch Bay Vogt Community Library through property taxes.

Photo by Grace McCarthy

BY GRACE MCCARTHY

February 8 special election ballots have been mailed out to Birch Bay voters preparing to vote in favor or against Proposition 2, which, if passed, would fund the construction of the Birch Bay Vogt Community Library.

Officially titled the "Whatcom County Rural Library District Proposition 2022-2," the proposition would establish a Birch Bay Capital Facility Area (LCFA) that would pay for the library's construction through property taxes. Property owners within the LCFA boundary are expected to pay 11 cents per \$1,000 of assessed property value, according to the Whatcom County Library System (WCLS). The li-

brary is slated to cost \$6.5 million.

The library vote is on ballots again after not receiving the supermajority threshold to pass in the November 2021 general election. The measure required 60 percent of voters to be in support and 40 percent of voters in the November 2020 election to have voted in last year's November election. Although the library received a majority of votes in support, it still needed 26 more votes in support to pass the supermajority, WCLS has previously said.

"Our library board felt it was worth the effort to go out to voters again and make sure everyone who supports this library has the opportunity to weigh in," WCLS executive director Christine Perkins said.

The state awarded a \$2 million appro-

priation to the library in 2019 that the library was able to extend through the state's 2021-23 biennium budget. But Perkins warns it's unclear how long the appropriation will remain in their hands. "If the project isn't well underway by May 2023, there's no guarantee the state will carry that money forward," she said.

Only voters residing in the proposed Birch Bay LCFA will receive a ballot. The LCFA boundaries are south of Lincoln Road, along most of Semiahmoo Drive, Birch Bay Village, along Birch Bay Drive, north of Aldergrove Road, west of Kicker-ville Road, with a section north of Birch Bay-Lynden Road and south of Loomis

(See Library, page 2)

Port staff: NYC firm advancing in negotiations with Alcoa, \$10 million proposed in state funding

BY GRACE MCCARTHY

A New York City-based private-equity firm is considering buying Alcoa's idled Ferndale smelter but will need contracts with Alcoa and Bonneville Power Administration (BPA) first, according to Port of Bellingham staff. This comes as \$10 million is being funneled through the state Legislature that could help reopen the smelter while reducing its greenhouse gas emis-

sions.

Don Goldberg, the Port of Bellingham's director of economic development, told port commissioners January 18 that he urged in testimony to the House Capital Budget Committee and Senate Ways and Means Committee for money to reopen the Alcoa Intalco Works smelter.

A \$7.6 million line item contained in governor Jay Inslee's budget would help the smelter meet stricter recent environmental

regulations and rehire the 700 workers that were laid off after the smelter curtailed operations in April 2020, Goldberg said. An additional \$2.4 million is already secured in the state budget to reopen the smelter.

If approved, the money would transform the smelter into one of two "green" aluminum plants in the U.S., Goldberg said. The greener smelter would remove 65 percent

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This Week's
FLYERS

Rite Aid

Council revises fee schedule to include leasehold tax for plaza use

BY GRACE MCCARTHY

City council voted 6-0 during its January 24 meeting to include a 12.84 percent leasehold tax in fees already established for businesses using the city's plaza space. Councilmember Mike Hill was absent from the vote.

Council previously voted during its June 28, 2021 meeting to allow local businesses to lease the H, G and Martin Street plazas. But when the plaza ordinance went before council, they were not made aware of the leasehold tax – a Washington state tax a private organization needs to pay for using public property as an alternative to a property tax.

"We did not have a technical need to do that," city finance director Daniel Heverling wrote in a memorandum. "But nonetheless

it would have been good to fully understand the action and the total fee/cost to the user."

City staff requested clarification from council whether it intended for the leasehold tax to be in addition to the lease fee established in the unified fee schedule or if it was intended to be included in a plaza user's annual fee.

Currently, Drayton Harbor Oyster Company (DHO) is the only business leasing the city's plaza space. The business is paying a \$12,000 annual fee for the H Street Plaza, which means DHO will need to pay a \$1,540 leasehold tax annually, according to city documents.

Council was presented two options: Either to charge DHO the 12.84 percent leasehold tax in addition to its \$12,000 annual fee, or to amend the unified fee schedule with a clarification that the total fee

included the tax.

"The city is effectively reducing what it's paying in fees. The oyster company is still paying for this leasehold tax. The city is simply reducing its amount that is being assessed," councilmember Kerena Higgins said during the meeting. "The city of Blaine is not paying this fee for the oyster company because that could be perceived as an improper use of public funds."

Councilmembers discussed including the tax in the total fees right now because DHO was not aware of the tax when signing its lease, and then amending the unified fee schedule at a later date to make the tax additional.

"Since we didn't mention anything about it to begin with, we at least need to give them the benefit of however long the lease is," councilmember Eric Davidson said.



▲ H Street Plaza.

Photo by Grace McCarthy

City manager Michael Jones told council it would need to change the unified fee schedule before DHO decided to renew its one-year lease, if council wanted to create the tax as an addition to the fees.

Councilmember Richard May asked Jones to add the codification

of the unified fee schedule to the city council's agenda no later than one month before the expiration of the current lease between the city and DHO.

"This is a matter of predictability," May said. "Not a matter of what the fees should or should not have been."

Smelter ...

From page 1

of previous carbon-dioxide emissions, or at least 750,000 metric tons per year, Goldberg said. Fluoride and particulate matter emissions would also be reduced.

The \$7.6 million request is one of two major clean energy projects in the governor's Clean Energy Fund, aimed to decarbonize the industry sector, according to the governor's policy brief on his 2022 legislative session climate proposals.

"We're bringing back these important, high-paying jobs and making it more environmentally friendly," Goldberg said in a phone interview.

According to the funding requests in Senate Bill 5651 and House Bill 1781, the \$2.4 million reappropriation must be used by June 2025, or the state Department of Commerce may use the money for other clean-energy investments. Both appropriations would be used for the first phase

of restarting the aluminum smelter.

Regardless of the proposed legislative funding, Goldberg said the smelter's prospective buyer, Blue Wolf Capital Partners LLC, seems committed to purchasing the property.

Blue Wolf is a New York City-based private-equity firm controlling over \$1.8 billion in capital and invests in middle-market companies in industrial, manufacturing, building and healthcare industries, according to its website. A Blue Wolf spokesperson declined to comment.

Blue Wolf is waiting on contract negotiations with Alcoa and working on an energy contract with BPA, Goldberg said. Alcoa's contract with BPA, which allowed the smelter to purchase large quantities of discounted power, previously expired. Blue Wolf will need to enter a similar agreement to make the smelter profitable, Goldberg said.

"It's a big ask," he said. "It's very difficult to get BPA to do that but the Blue Wolf people are in dis-

cussions with BPA from what I understand."

Blue Wolf seems to be trying to close the deal as quickly as possible, Goldberg said.

The firm plans to bring back all 700 jobs lost in April 2020, most of which are expected to be union positions. About 350 former employees are expected to be rehired, while the Bellingham Technical College and an upcoming Lummi Nation technology training center would likely train the rest, he said.

A steel company that showed interest in acquiring the Ferndale smelter last fall is not as far along as Blue Wolf in making a deal, Goldberg said, but added the company still has strong interest in Cherry Point. Goldberg told port commissioners during their October 14 meeting that the steel company wanted to create the most environmentally friendly steel mill in the world by using scrap in the U.S. and using a modern electric furnace and green hydrogen power. The company had discussed opening the steel mill in three phases that would eventual-

ly create 1,000 jobs.

Ferndale mayor Greg Hansen said reopening the Ferndale smelter would reaffirm the city's identity as being a hard-working industrial town.

So far, Ferndale hasn't seen much specific economic impact from the plant's shutdown, Hansen said, because it occurred as businesses slowed down during the pandemic. Fairly strong revenue streams and a booming housing market softened the blow from something that may have been much worse a decade ago, he said.

But the potential buyer could run into problems if it needs to hire 350 new employees during a time when housing in Ferndale – and greater Whatcom County – is limited and manufacturing employers are already competing for workers, Hansen said.

The momentum behind reopening the Ferndale smelter comes just as Alcoa's Wenatchee Works

smelter officially closed in December after sitting idle since 2015. The Ferndale smelter was the only operating aluminum smelter left west of the Mississippi River when it was curtailed in 2020.

Jed Holmes, spokesperson for the Whatcom County Executive's Office, said county executive Satpal Sidhu plans to testify as the funding progresses in Olympia. The state funding would align with the Whatcom County Climate Action Plan that calls for emission reductions, he said.

"I think there's a recognition we need to move in the direction of clean energy and clean industry production," Holmes said. "If we can have aluminum and have it be clean, that would certainly be a benefit. We would like Whatcom County to be at the forefront of clean energy and clean industrial production."

Grants ...

From page 1

from highest to lowest:

- Big Al's was awarded \$29,000 after it requested over \$40,000.
- Birch Bay Waterslides received \$26,500 after it requested over \$40,000.
- Mobile Exchange was awarded \$20,000 after it requested a grant between \$30,000 and \$40,000 but declined the grant money.
- Tru-Line Laser Alignment received \$20,000 after it requested a grant between \$20,000 and \$30,000.
- Hill's Chevron received \$20,000 after it requested over \$40,000.
- Tahara Consulting LLC received \$20,000 after it requested over \$40,000.
- 5dpackages received \$20,000 after it requested over \$40,000.
- Inficom, Inc. received \$15,685 after it requested a grant between \$30,000 and \$40,000.
- Black Forest Steakhouse was awarded \$12,000 after it requested over \$40,000.
- Atwood Farm Brewery received

\$10,000 after it requested a grant between \$5,000 and \$10,000.

• Menu USA received \$8,213 after it requested a grant between \$20,000 and \$30,000.

• Glacial Lake Missoula Winery received \$5,167 after it requested a grant between \$5,000 and

(See Grants, page 5)

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UPCOMING EVENTS AT THE VAULT

Jan. 27 • 7 pm • General Knowledge Trivia w/ True/False Speed Rounds

Jan. 28 • 7 pm • Live Music with The Unknowns

Feb. 3 • 7 pm • Winter Olympics Trivia

Feb. 4 • 7 pm • Live Music with RJ Rex

Feb. 9 • 6:30 pm • Sip & Paint w/ Brian Drake of Art of Happiness.
\$75 pp includes \$30 food/beverage credit, paint supplies,
instruction, tax and gratuity. Pre-registration required.

Feb. 10 • 7 pm • Popular Male & Female Vocalist Trivia

Feb. 11 • 6:30 pm • Valentine's Wine Paired Dinner
5 paired courses. \$80 pp. Tax & gratuity included. Reservations required.

Feb. 12 • 11 am - 4 pm • Valentine, Palentine, Valentine Brunch

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