


# Birch Bay Incorporation Association

First Annual General  
Meeting

November 15, 2023




“There are risks and costs to action. But they are far less than the long-range risks of comfortable inaction.”

**John F. Kennedy**



# Group Agreement

- I will assume positive intentions of others and treat all others with personal and professional respect. I have something to learn from every person who is here.
  - I will make every effort to balance my own participation with the participation of others. If I am taking too much “air time,” I will modify my behavior and encourage others to speak.
  - I will try to consciously lay aside the assumption that my view of the truth is superior to others’ view of the truth and that I am always right (whatever my belief or opinion happens to be on an issue). This openness will help me to learn.
  - I will speak openly when something is getting in the way of the group or its work together – to the group as a whole, to another participant, or to the facilitator.
-



COUNTY



# Cities Vs Counties

THE BASICS

# A little history...

“In 1992, an attempt was made to incorporate Birch Bay; however, it was defeated by the voters. In 2008, the county completed an incorporation feasibility study for the Birch Bay UGA which identified the issues with and benefits of incorporating. It concluded that Birch Bay incorporation was financially feasible given the community’s tax base and service needs. The community has not made another attempt to incorporate as of 2015.”

*(Source: Whatcom County Comprehensive Plan, Page 2-47)*

Our population has grown and will continue to grow...

Sources:

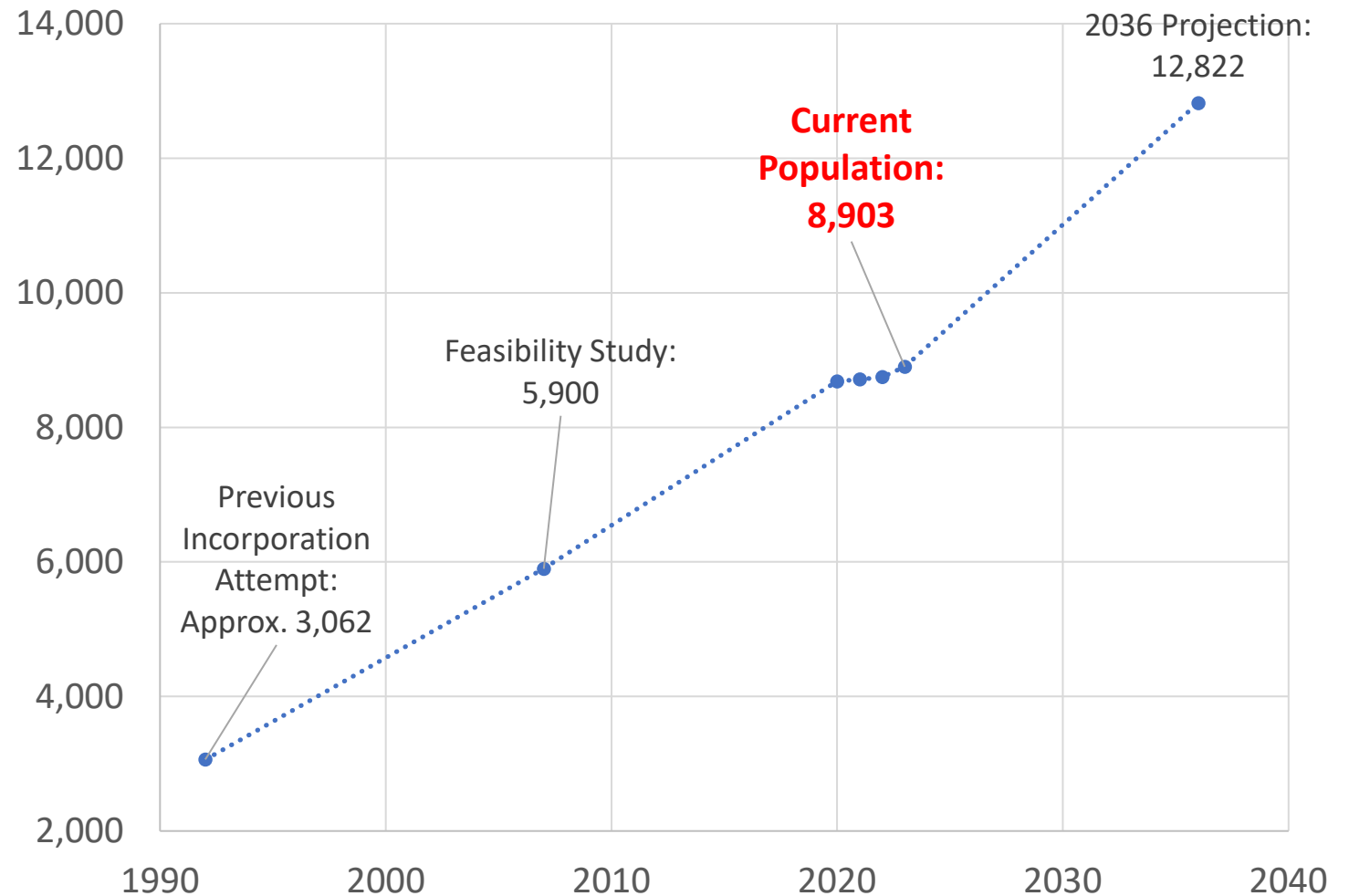
1992 – Incorporation Proposal

2007 – Feasibility Study

2020 to 2023 – WA Office of Financial Management, Small Area Estimates Program

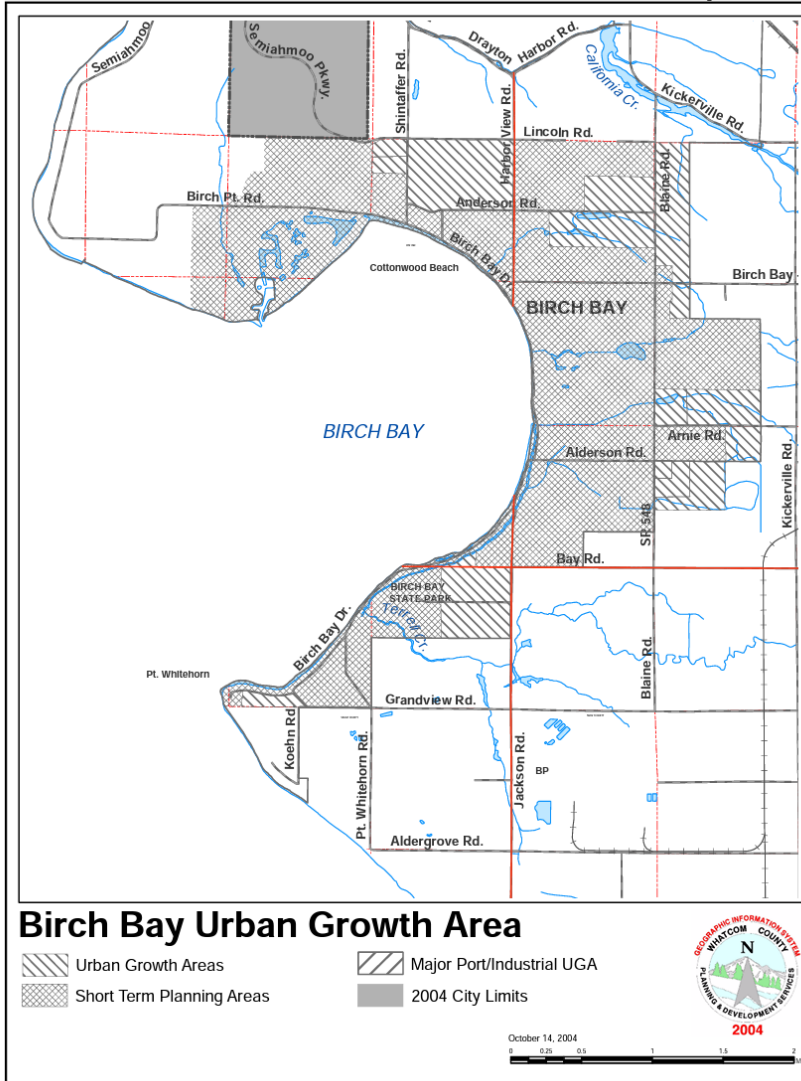
2036 – Comprehensive Plan

Birch Bay UGA Resident Population



**We are currently larger than 78% of all cities across Washington State (498 cities)**

Map #28-H



## Birch Bay is already an Urban Growth Area

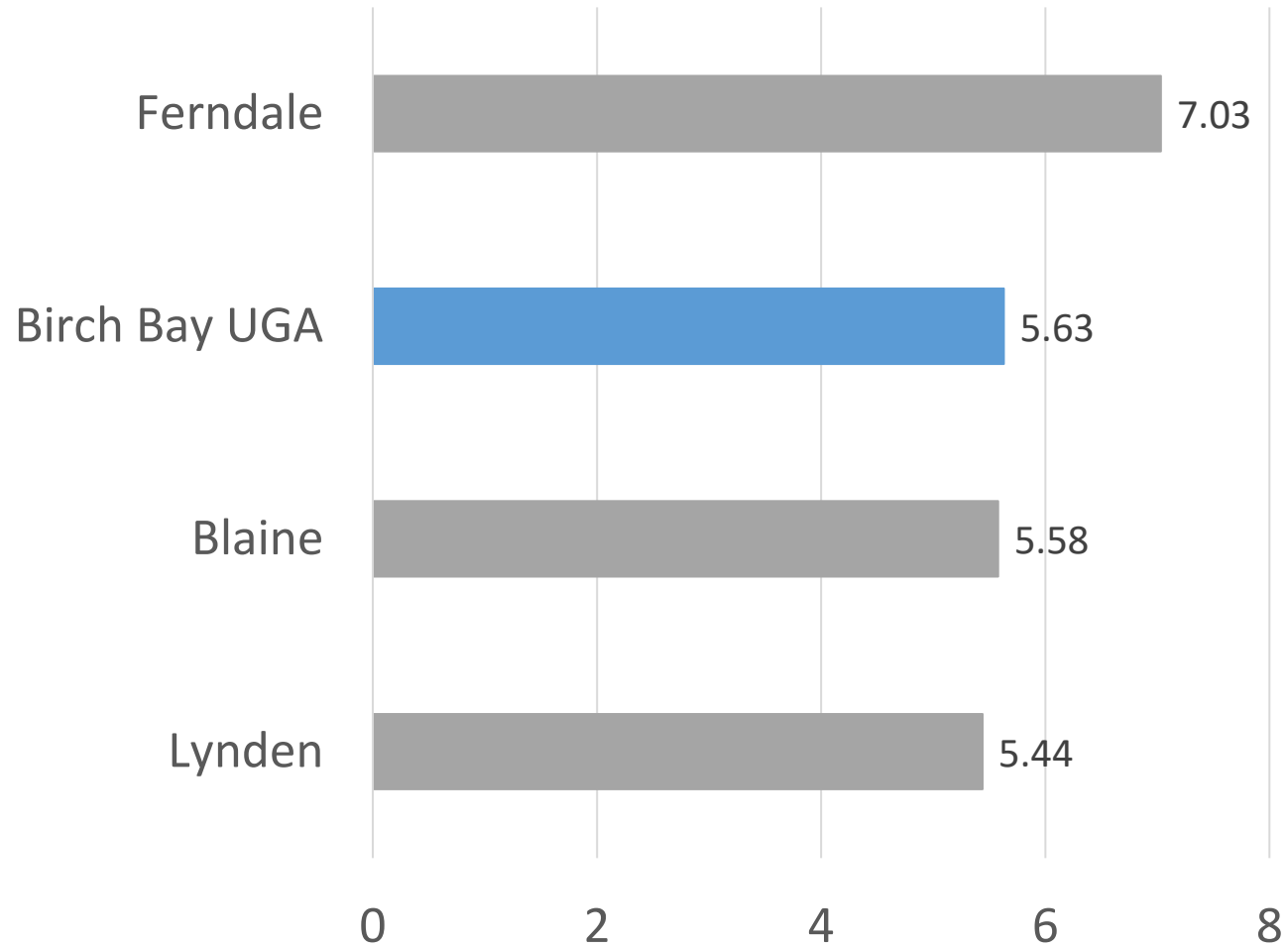
**RCW 36.70A.110 Comprehensive plans — Urban growth areas.**

(1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature...

(4) In general, cities are the units of local government most appropriate to provide urban governmental services.

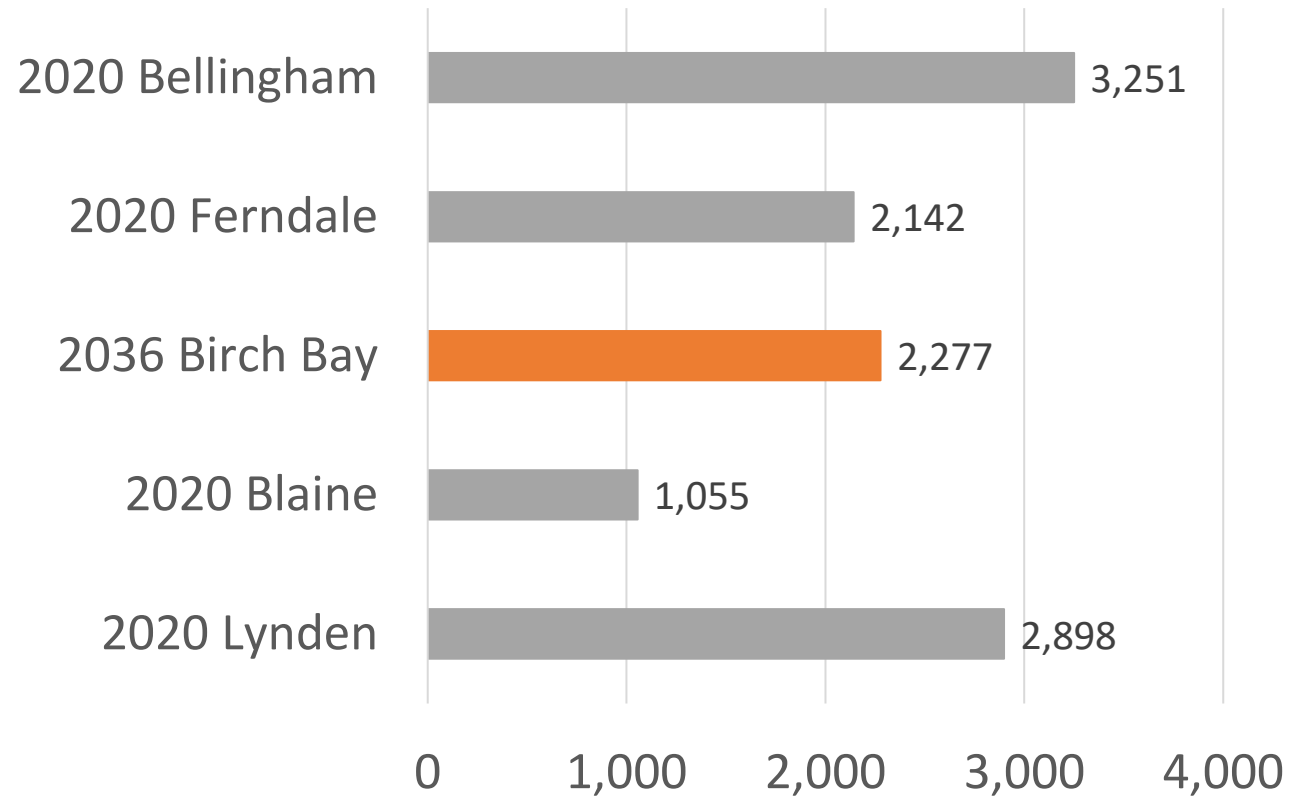
*Birch Bay is unique in that it is a standalone UGA, not centered around a city*

## 2020 Land Area in Square Miles



*We are as large as most cities...*

### Population Per Square Mile 2036 Birch Bay compared to 2020 Cities

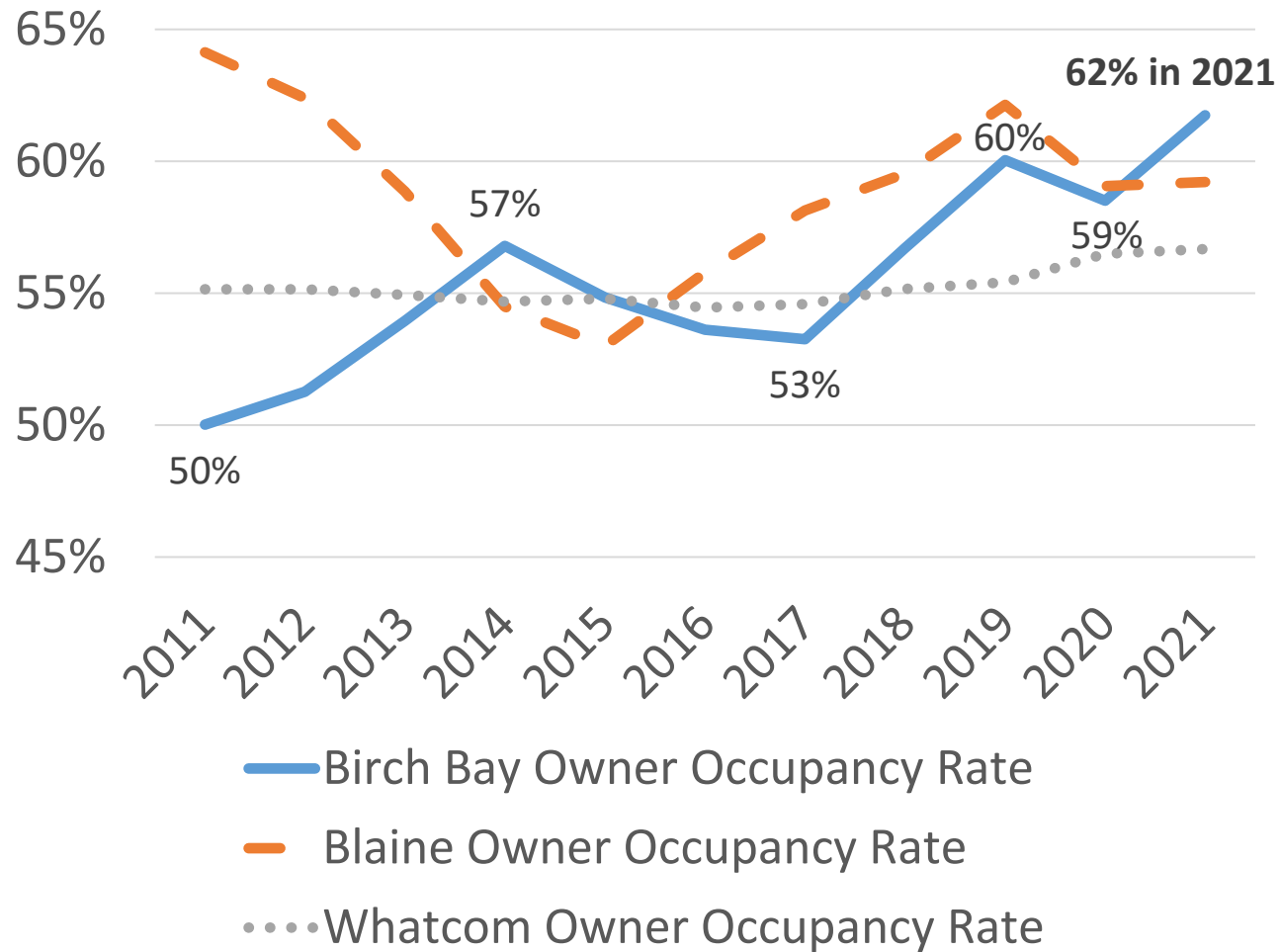


*We are on track to have the density of Ferndale without municipal services...*

**The 15-year growth rate of Birch Bay (48.3%) exceeds 8 out of 10 of the most recently incorporated cities in Washington State.**

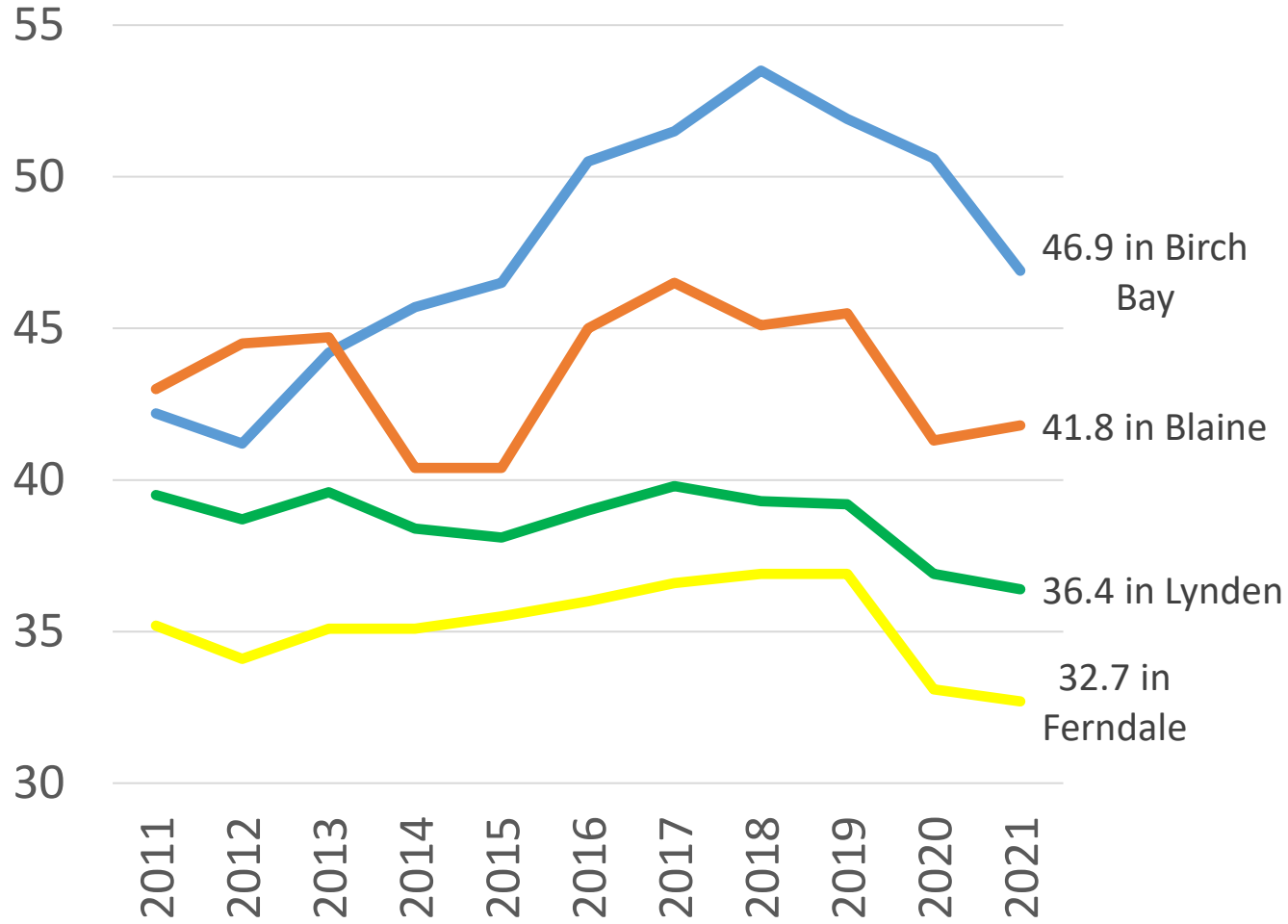


### Owner Occupancy Rate



*The number of full-time residents is trending upward while Canadian ownership is down to below 20%...*

### Median Age of Population



*Birch Bay is not a strictly a vacation or retirement community anymore...*

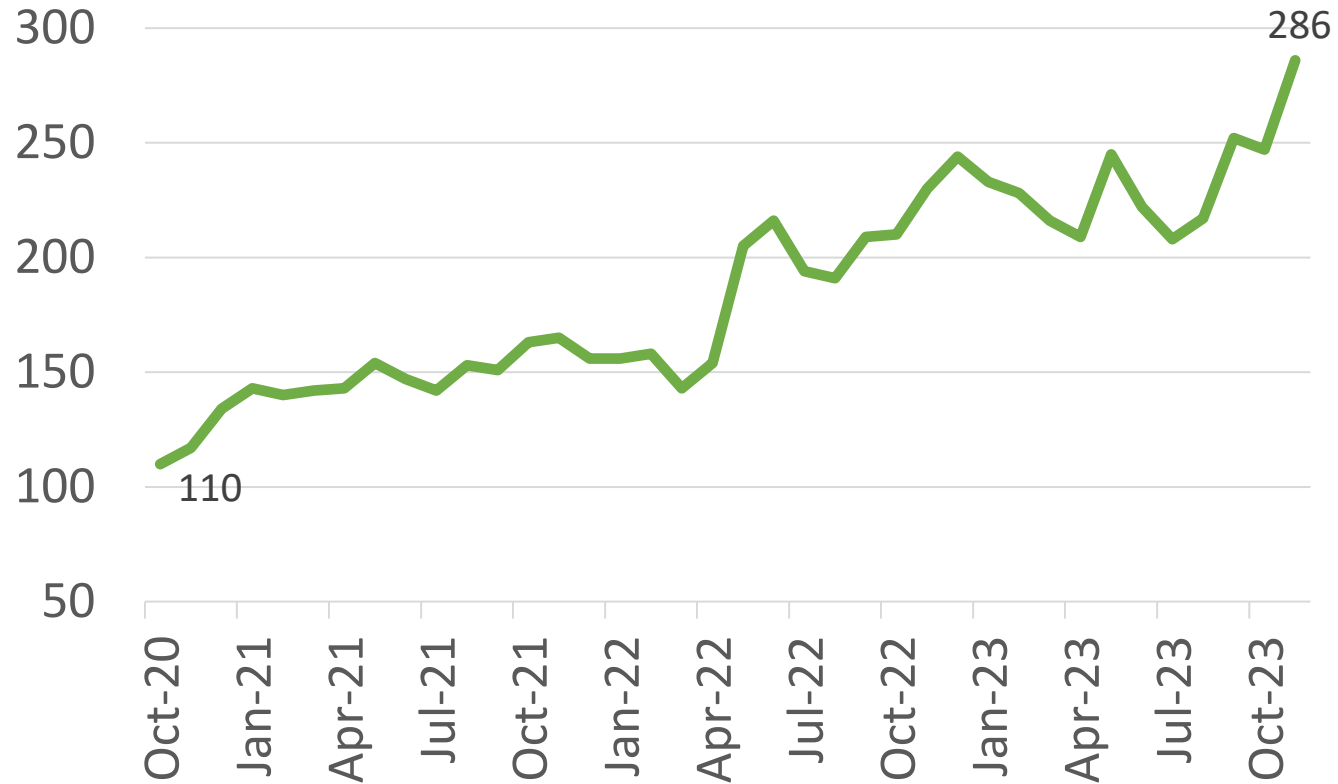
*More families are  
choosing to call  
Birch Bay home*

“Out of 966 children under 5 in Blaine and Birch Bay, 25 percent live in Blaine, while the other **75 percent reside in Birch Bay.**

Additionally, 3,132 residents in Blaine and Birch Bay are under 18. **Nearly 60 percent reside in Birch Bay,** and the other 41 percent in Blaine, according to the 2020 U.S. Census data.”

(Article in The Northern Light by Cameron Sires, September 7, 2022)

## Short-Term Rentals in Birch Bay



***FYI, these 286 Short-Term Rentals generated \$7.3M in revenue in the past 12 months***

*Birch Bay has always had rentals, but Airbnb changed everything in 2008...*

Given these transformations, it's wise to reconsider the question:

**Is establishing Birch Bay as an incorporated city in our best interest?**

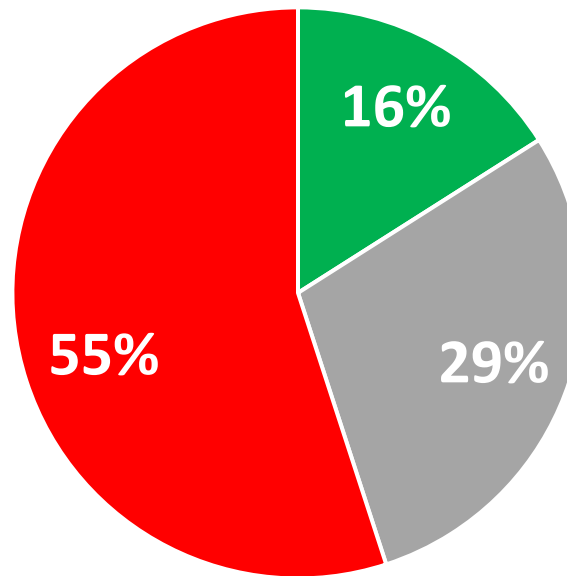
*The most recent incorporation in Washington State was Spokane Valley in 2003.*

*The most recent incorporation in Whatcom County was Everson in 1929.*

# Birch Bay Community Governance Survey Results

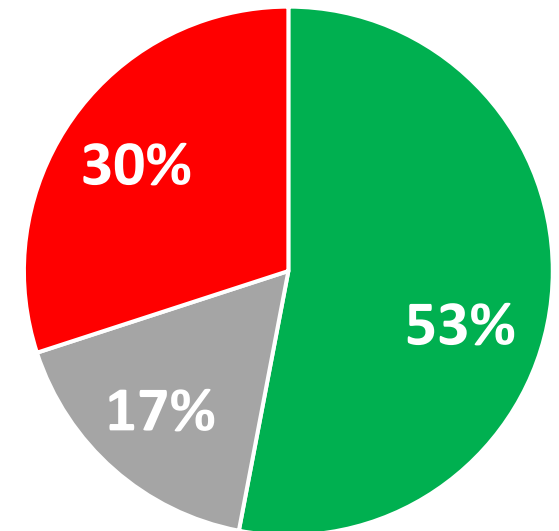
Spring 2023

Would you support  
annexation to the City of  
Blaine?



■ Yes ■ Maybe ■ No

Would you support  
incorporating as a new  
City of Birch Bay?



■ Yes ■ Maybe ■ No

# Birch Bay Community Governance Survey Results

Spring 2023

How do we want  
incorporation to benefit our  
community?

1. Decision-making  
autonomy
2. Local Representation
3. Improved Services
4. Stronger Community  
Identity
5. Land Use &  
Infrastructure Planning

What concerns do we you  
have about incorporation?

1. Cost
2. Timeline

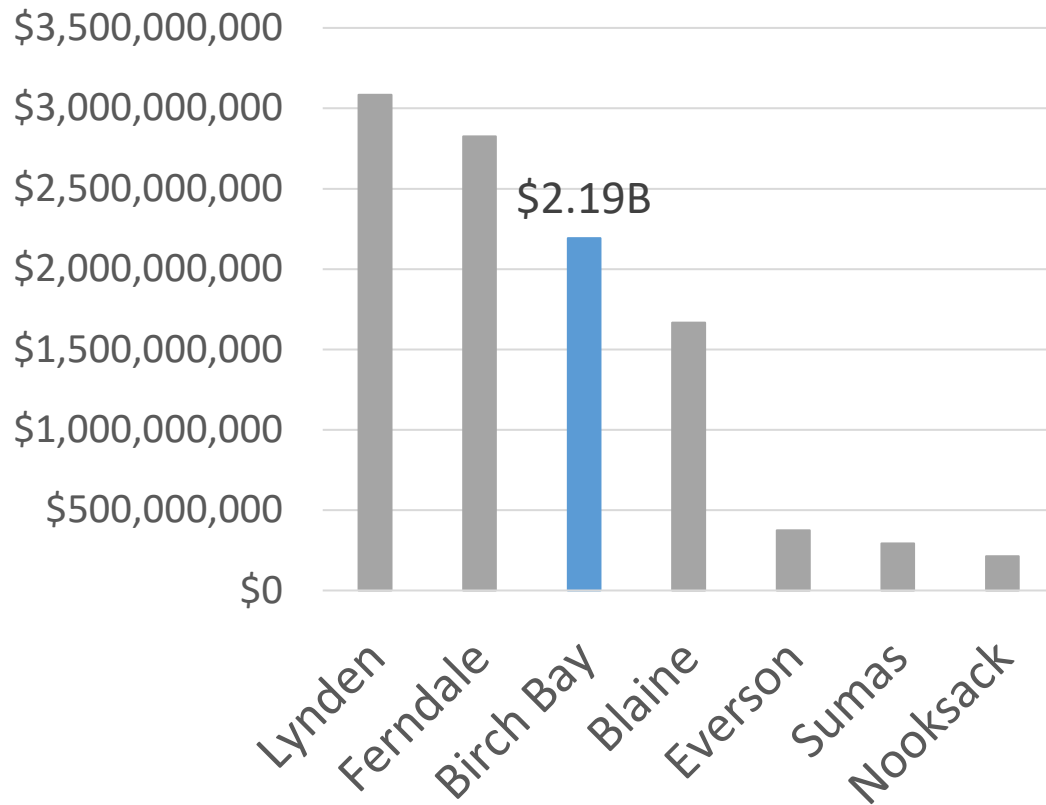
# Taxes according to the 2008 Feasibility Study

- “Does the Contemplated Incorporation of Birch Bay Appear Financially Feasible? Yes. If Birch Bay residents pay the same level of taxes they would pay as part of unincorporated Whatcom County, a City of Birch Bay would generate enough revenues to provide a slightly higher level of service than Birch Bay residents currently receive.” (Page ES-2)
- “When one thinks about running a city, there are any number of costs that are to some extent fixed (i.e. costs that tend to change little with modest changes in city size)... Given these built-in economies of scale, all else being equal, a larger city will find it easier to make ends meet than a smaller city.” (Page ES-5)
- “So...if we vote to incorporate, will taxes go up with incorporation, or will they go down? The answer is: every city is different, and every city makes its own decisions.” (Page ES-8)

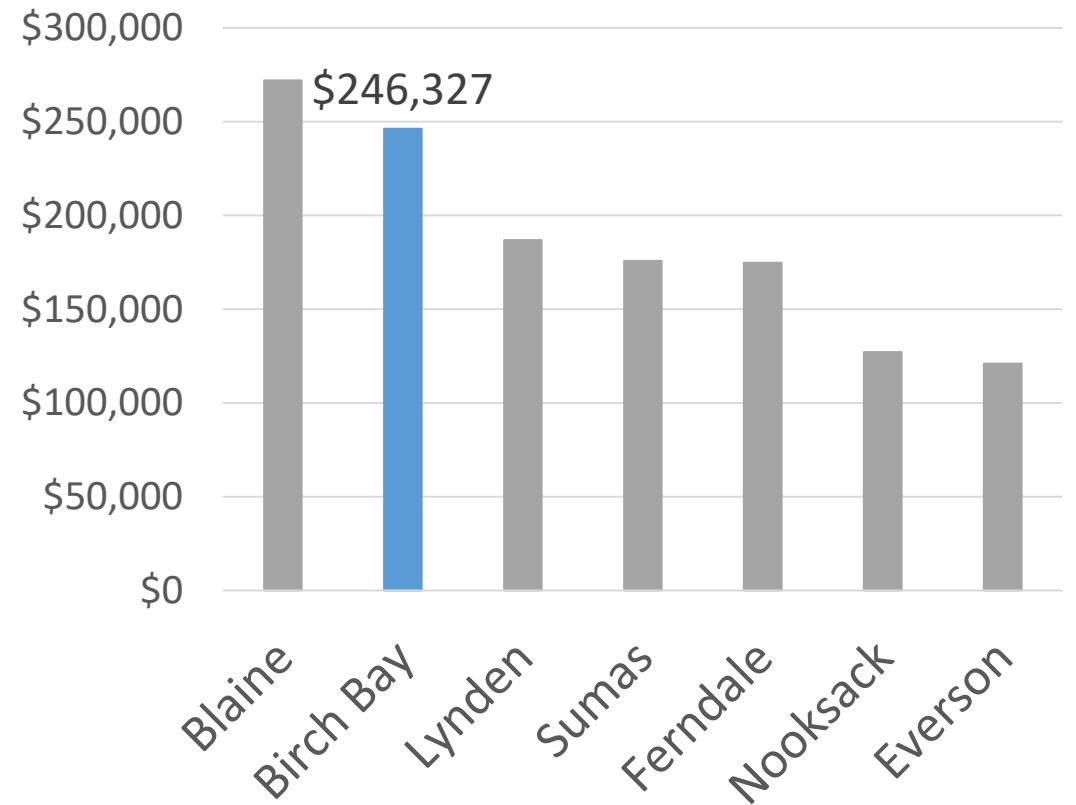


# Regarding taxes...

## Total Property Tax Valuation

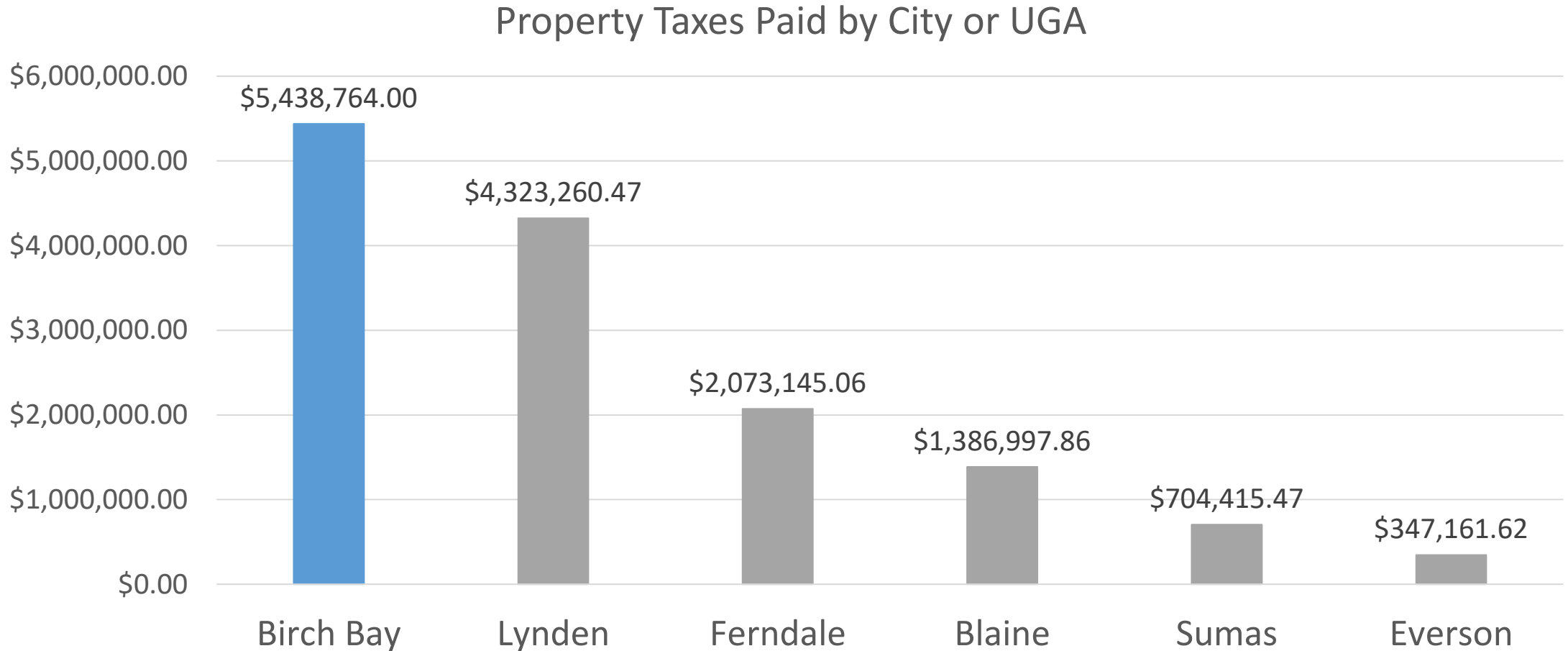


## Property Tax Valuation Per Resident



Source: 2023 Whatcom County Annual Tax Book & independent GIS estimates based on title company data

# Regarding taxes...



Source: 2023 Whatcom County Annual Tax Book & independent GIS estimates based on title company data



# City of Birch Bay – Revenue and Expense Projections

## Two approaches:

- Comparative Approach – Look at similarly sized cities in Washington with comparable incomes/property values
- Extrapolation – 2008 Birch Bay Incorporation study assumptions and actual growth in Whatcom County revenues and expenses between 2009 and 2023.

## Limitations of data:

- Each City is unique and makes different decisions about what services to provide to its citizens.
- Different expenses and revenues change at varying rates

## Use of data:

- If Birch Bay incorporated today, it would likely generate more revenue than needed to cover expenses.
-

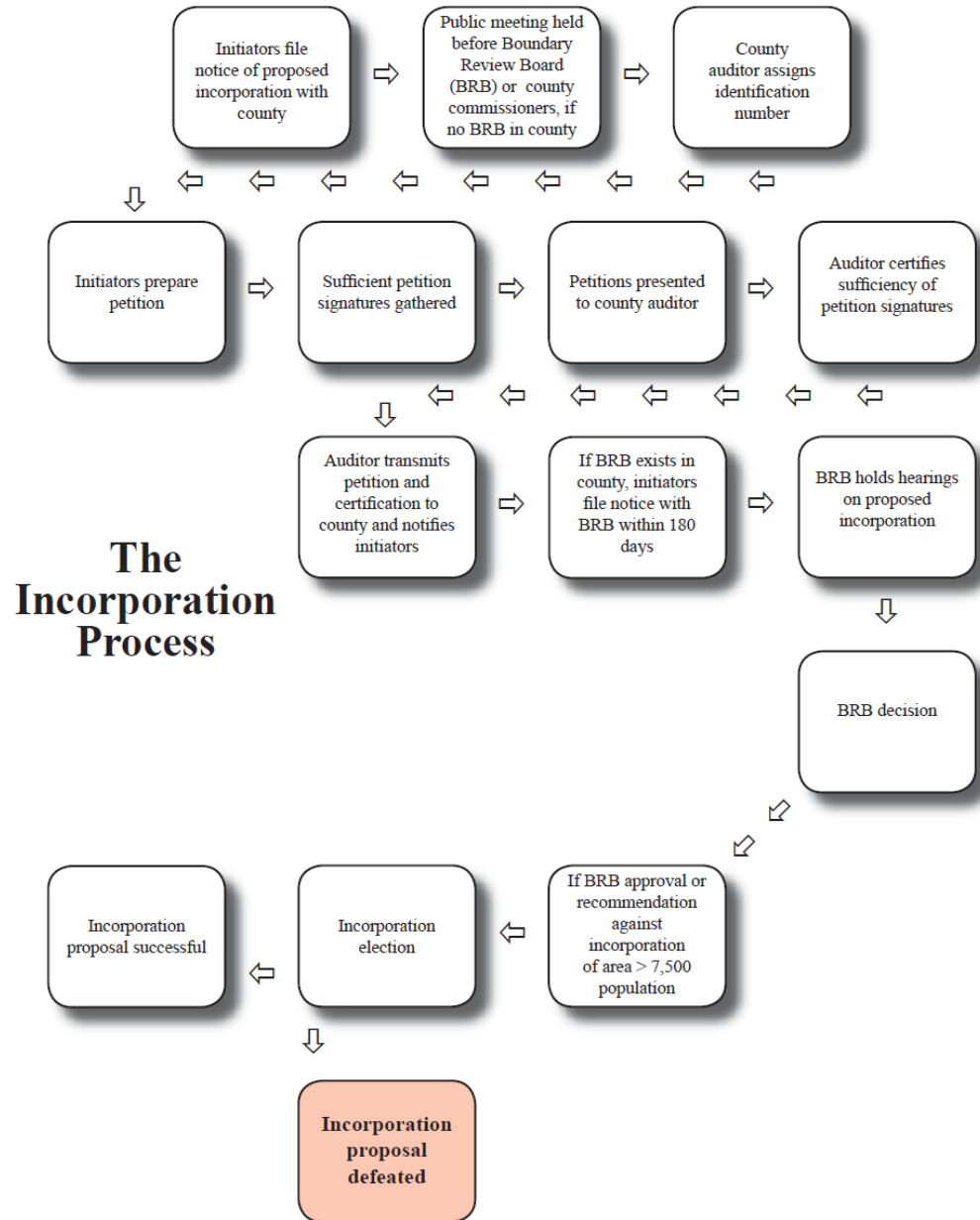
# Projected Birch Bay Revenues and Expenses

Revenues						
	Whatcom County 2009	Birch Bay Incorporation Study Projection 2009	Percent of County Revenue	Whatcom County Budget 2023	Birch Bay 2023 Estimate	Rate of Inflation
Property Tax	\$24,619,029	\$1,724,000	7.0%	\$32,096,641	\$2,247,636	2.17%
Retail Sales Tax	\$12,586,923	\$650,000	5.2%	\$24,667,669	\$1,273,861	6.86%
Building Permits	\$2,697,970	\$305,000	11.3%	\$3,912,880	\$442,343	3.22%
Other Revenues	\$12,572,020	\$386,000	3.1%	\$18,683,508	\$583,860	3.47%
Lodging Excise Tax	\$515,400	\$116,000	22.5%	\$1,458,700	\$328,307	13.07%
<b>Adjusted Revenues (General Fund)</b>	<b>\$52,991,342</b>	<b>\$3,181,000</b>	<b>6.0%</b>	<b>\$80,819,398</b>	<b>\$4,876,006</b>	<b>3.75%</b>
<b>Total Revenues</b>	<b>\$179,069,399</b>	<b>\$3,253,800</b>	<b>1.8%</b>	<b>\$306,779,655</b>	<b>\$5,572,458</b>	<b>5.09%</b>

Expenses						
	Whatcom County 2009	Birch Bay Incorporation Study Projection 2009	Percent of Total County GF Expense	Whatcom County Budget 2023	Birch Bay 2023 Estimate	Rate of Inflation
Adjusted Expenses General Fund	\$81,560,587	\$2,963,000	3.6%	\$117,201,004	\$4,257,238	3.12%
Total County Operating Budget	\$167,264,403	\$2,963,000	1.8%	\$313,608,513	\$5,555,625	6.25%

# Similar City Comparison

	<i>2023 Population</i>	<i>Area in Square Miles</i>	<i>2023 Total GF Revenues</i>	<i>2023 Total GF Expenditures</i>
<b><i>Grandview</i></b>	10,911	6.43	\$6,138,280	\$6,810,480
<b><i>Port Townsend</i></b>	10,600	6.94	\$14,081,332	\$15,643,031
<b><i>Snohomish</i></b>	10,096	3.52	\$11,237,476	\$11,216,271
<b><i>Ferndale</i></b>	16,164	6.99	\$9,666,906	\$11,900,689
<b><i>Birch Bay est</i></b>	8,903	5.63	\$4,876,006	\$4,257,238



## Regarding timeline...

- There is a clear and well document process for incorporation
- Incorporation is not achieved without thorough research and consideration
- It will take years to complete
- This is OUR responsibility alone

# What will change if we vote to become a city?

- We **WILL** focus our resources on our problems (keep tax dollars here)
- We **WILL** have more control over our development and priorities
- We **WILL** elect City Council members from within our community
- We **WILL** have better access to state and federal grants
- We **WILL NOT** need to build a city hall, police station, post office
- We **WILL NOT** radically change the character of Birch Bay but preserve it

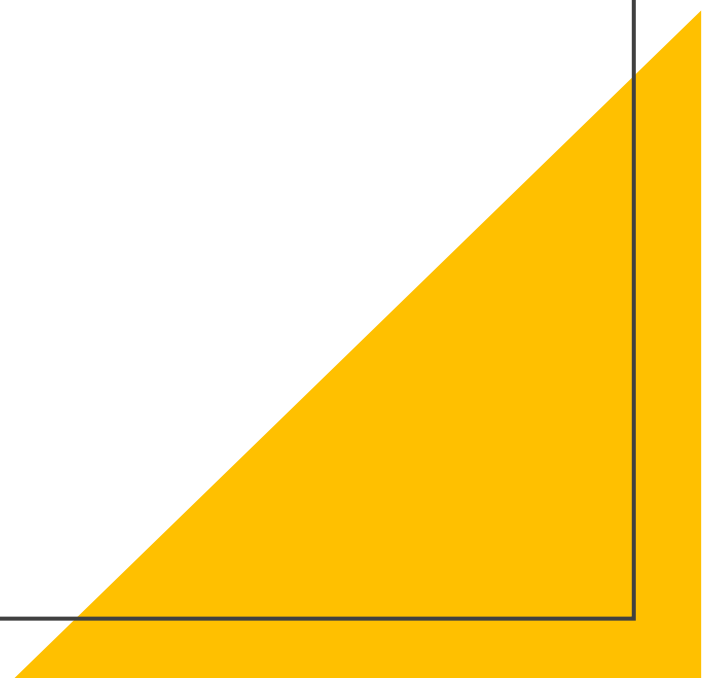






Questions?

# 3. Ratify Bylaws





# Priorities of Birch Bay Incorporation Association per the proposed Bylaws

- **Transparency:** All meetings open to the public taking input from all stakeholders
  - **Inclusivity:** Giving representation to all members of our community, not just those that may eventually vote
  - **Legitimacy:** Conduct ourselves in a manner that demonstrates we can self govern
  - **Critical & Analytical:** Explore and accurately substantiate both the potential advantages and disadvantages of incorporation with authoritative data
-

## Proposed changes to Section 2 - Statement of Purpose

- A. The purpose of BBIA is to ~~advance a nonpartisan campaign~~ explore and, if found feasible, advocate for incorporation to give residents of Birch Bay direct control over the future of our community. ~~We~~ BBIA will accomplish this purpose by:
1. Creating an inclusive, nonpartisan process to ~~plan for a~~ explore the creation, through incorporation, of a future City of Birch Bay, including, but not limited to exploring and proposing city boundaries, form of government and classification of city.
  2. Promoting ~~incorporation through community engagement~~ a feasibility study and community engagement, soliciting feedback, and information sharing regarding the possibility of incorporating Birch Bay into a city.
  3. Serving as a liaison with County, State, and Boundary Review Board and, should a feasibility study and sense of Birch Bay residents be positive, to advocate for and advance the incorporation process through a citizen initiative.
- B. BBIA will not plan for, discern, or take positions on matters of future City policy including land use, health and safety regulations, and taxes.





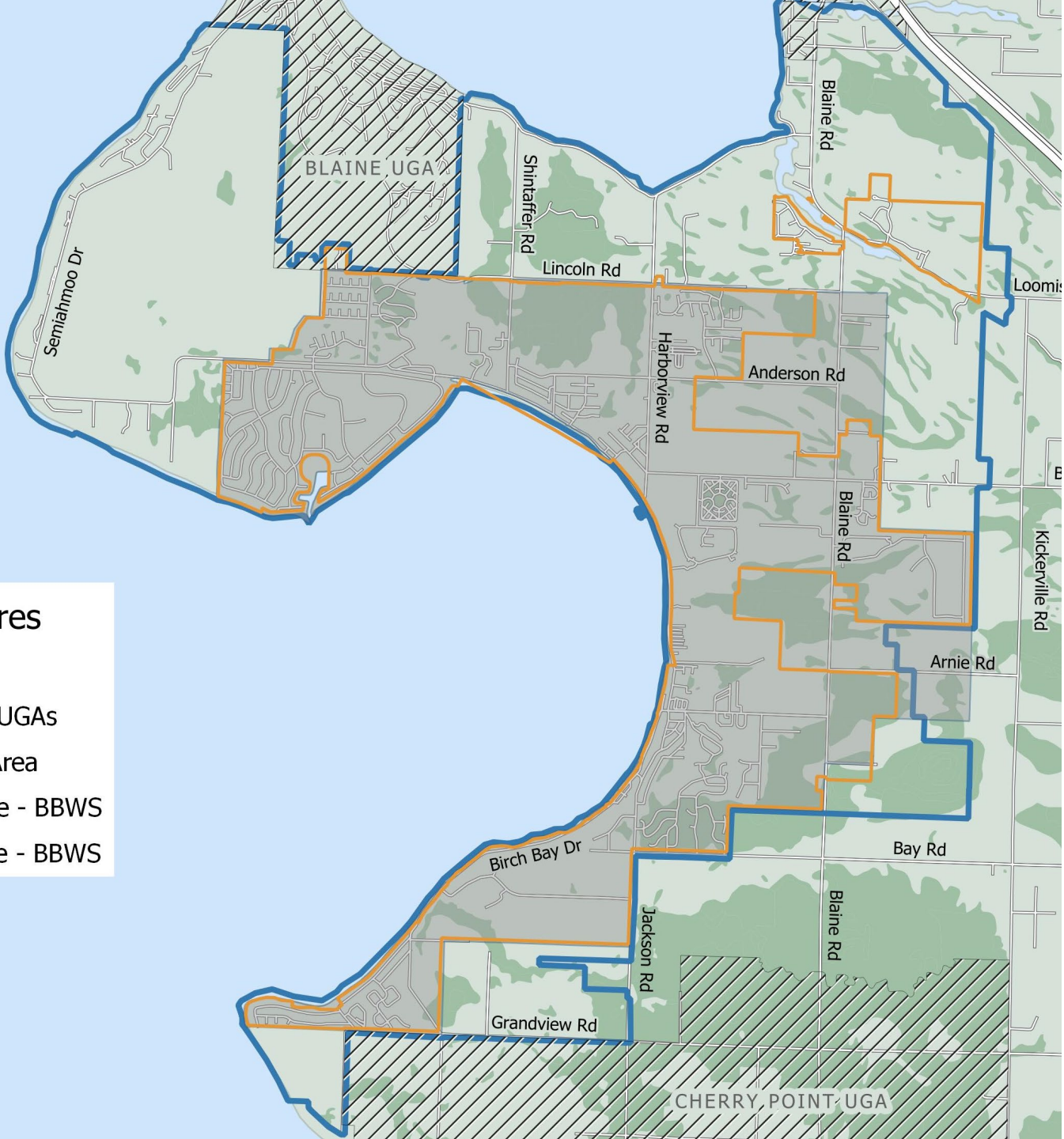
Questions  
before we  
vote?

# 4. Ratify Preliminary Boundaries

To determine Steering Committee eligibility  
and scope of work for initial feasibility study.

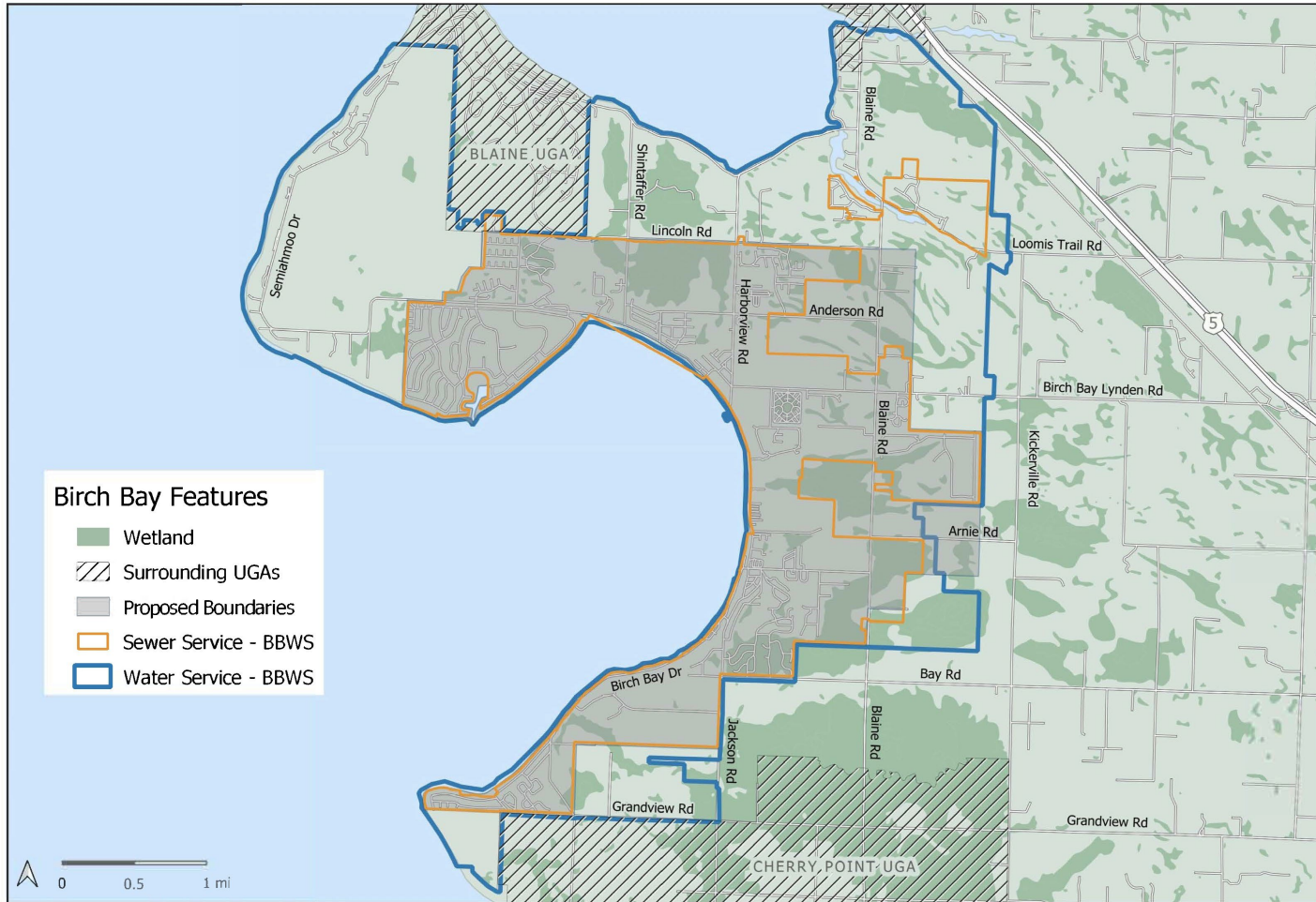






## Rationale for proposed preliminary boundaries

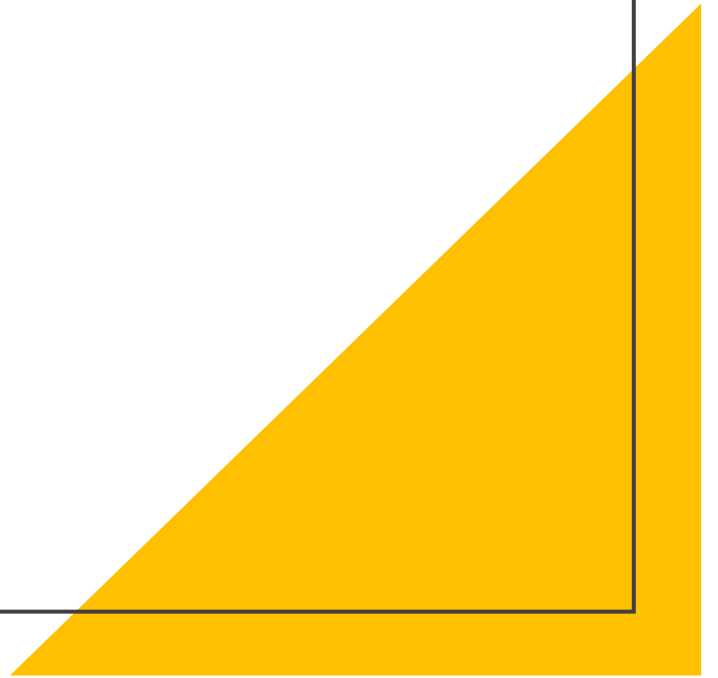
- Consistent with Urban Growth Area boundaries
  - Includes only areas currently designated for urban growth, no rural areas
- Consistent with Comprehensive Plan policies
- Consistent with 2008 Feasibility Study boundaries
- Serviced by Birch Bay Water & Sewer
- Excludes areas where polling indicated less desire for incorporation



Questions?



# 5. Elect Steering Committee





# BBIA Steering Committee Election

- The Steering Committee will coordinate the activities of BBIA and represent the campaign
  - The committee will be responsible for the strategy and vision of the effort
  - The Steering Committee shall consist of between seven and fifteen Association members
  - Candidates will have 60 seconds to address the Association
  - Please choose up to fifteen candidates from the list of twenty-two applicants
-



Questions  
before we  
vote?




# Candidate #1: Jonathan Mallahan

**Neighborhood:** Central Reaches

**Statement:** I consider Birch Bay my home, it is where I grew up. I graduated from Blaine High School and earned a bachelor's degree from Gonzaga University. Professionally, I worked for the City of Spokane for 12 years in various leadership roles overseeing departments responsible for neighborhood engagement, community development, planning, development, human services, and customer service. For the last 5 years, I have worked for a not for profit organization that serves vulnerable people through services and housing. In addition to these roles, I have volunteered as board member with Spokane Neighborhood Action Partners, United Way of Spokane, and the Spokane Low Income Housing Coalition. My wife and two children spend much of our free time in Birch Bay and we plan to make it our long-term home.

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# Candidate #2: Caprice Pine

**Neighborhood:** Birch Point Village Reach

**Statement:** • Bachelor of Arts Degree from Willamette University, Salem, OR (Spanish Literature and International Studies, German Literature and International Studies)

- Master's Degree from University of Washington, Seattle, WA (Germanics)
  - Human Resources Professional, consultant to dozens of organizations over 40 years
  - Board President at Edgebrook Swim and Tennis Club (Bellevue, 2012-2016)
  - Birch Bay Village resident since February 2021, active in the community:
  - Sport Courts Committee Chair
  - Service and Social Club Co-Chair (Chair as of January 1, 2024)
  - Building and Grounds Committee Secretary
  - Pickleball and Tennis enthusiast...
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# Candidate #3: Matt Berry

**Neighborhood:** Cottonwood Reach

**Statement:** I am excited to express my strong interest in serving on the Steering Committee for the Birch Bay Incorporation Community. As a Realtor, Real Estate Appraiser, and Director of the Birch Bay Chamber of Commerce, I bring a unique blend of professional experience and community involvement to the table.

My unwavering commitment to Birch Bay and its residents is my driving force. I firmly believe that the path to protecting our community lies in the establishment of the City of Birch Bay. This conviction has inspired me to step forward and offer my dedication and enthusiasm to this important cause.

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# Candidate #4: James R. (Bob) Aiken

**Neighborhood:** Central Uplands

**Statement:** 72 years old. I'm retired and have been a resident of Birch Bay since 2004. I've had a varied career over the years; Graphic arts designer, Commercial driver, Auto mechanic, Janitor, Free-lance writer, among other trades.

Education includes high school and a Bachelor of Arts degree from the University of Louisiana at Lafayette (formerly, the University of Southwestern Louisiana).

I hold an ASE Master's Certificate, a Private Pilot's Certificate, and a CPR/first aid rating.

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# Candidate #5: Cecil Robinson

**Neighborhood:** Cottonwood Reach

**Statement:** blaine high school grad, work in sales, looking to incorporate Birch Bay

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# Candidate #6: Jim Shaver

**Neighborhood:** Birch Point

**Statement:** Diploma in IT. Work in cybersecurity. Served on several boards and committees. Part of the website committee.

**Note:** Jim could not make it today as he had a preplanned work trip.

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# Candidate #7: Patrick Alesse

**Neighborhood:** Central Reaches

**Statement:** I was a school teacher in Blaine for 30 years. I have a Business at Birch Bay that my wife and I started in 1971. I have been involved with the Birch Bay community in various ways including the 1991 incorporation effort. I have held office in the Birch Bay Resort Association, the Birch Bay Chamber of Commerce and the Birch Bay Water & Sewer District.

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# Candidate #8: Lisa M Fisher

**Neighborhood:** Central Reaches

**Statement:** OHPE, CPO, General Manager Birch Bay Leisure Park (2 years) 13 yrs managing State Parks in VT, 6 Years managing Membership Resorts on East Coast, Para Educator, Author, 4-H Leader, Shooting Sports Leader (Archery), Outdoor Recreation Co-Ordinator and teacher, substitute teacher grades 1-12. Create and manage budgets, hire, train and de-hire staff, Create programs for training and recreation programs, building company cultures and building community relationships.

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# Candidate #9: Chuck Kinzer

**Neighborhood:** Cottonwood Reach

**Statement:** I best describe myself as leaning toward incorporation, but not fully having made up my mind. If you've seen my posts on Nextdoor, you'll know that I am very much in favor of collecting and sharing good data before making this decision. Maybe that's because I was a professor for 20 years at Vanderbilt University, then for another 15 at Columbia University. My background includes data collection and analysis, grant and report writing, communicating with government agencies, and survey construction, all wrapped up in a love of Birch Bay. I've been trained to look at evidence before making decisions—especially decisions that aren't reversible. I'd like to help collect good data and if it turns out incorporation is feasible, would make every effort to communicate effectively with the County and State so that we present the best case possible for becoming a city. Having been a part of Birch Bay on Birch Bay Dr...

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# Candidate #10: Brooks Friedland

**Neighborhood:** Central Reaches

**Statement:** BS Western WA University, WA State EMT, Mariner Cove Condo Association Board Association Member, U of W engineering-3 D printing, San Juan Island Emergency Services,

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# Candidate #11: Michael Edward Rutkowski

**Neighborhood:** Hillsdale

**Statement:** iworked dhs for 18 years was in navy for 22 years

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# Candidate #12: Michael Stringam

**Neighborhood:** Birch Point Village Reach

**Statement:** Residence: Purchased property in Birch Bay Village in 2006, started construction in 2013, became resident in 2015.

Education: BSc (Civil Engineering) 1971

Career: More than 400 projects as a consulting engineer in the United States, Canada and Europe, including comprehensive municipal plans, downtown plans, and community plans. Appeared before City Councils, Planning Commissions, hearing examiners and appeal boards. Served as adjunct professor at the Department of Environmental Design of the University of Calgary...

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# Candidate #13: Jason Polverari

**Neighborhood:** Central Reaches

**Statement:** Owner of Lil Sprouts Child Care (began as In-Home childcare in Birch Bay now located in Blaine), BA from Western Washington University, and Birch Bay resident for over 17 years. Community Service/Volunteer experience with local Cub and Boy Scout groups, and Nooksack Salmon Enhancement Assoc.

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# Candidate #14: Bryan VanderYacht

**Neighborhood:** Birch Point Village Reach

**Statement:** Self employed over 33 years as one of the owners of VanderYacht Propane  
We started serving the BirchBay trailer courts back in 1989

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# Candidate #15: Wayne Kortlever

**Neighborhood:** Central Reaches

**Statement:** Lived in Birch Bay for the last 35 years

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# Candidate #16: Devon M Machuta


**Neighborhood:** Cottonwood Reach

**Statement:** Hello, fellow residents of Birch Bay,

I'm deeply connected to this community, having moved to Birch Bay in 2018 with my husband, and starting our family here with the arrival of our three children. Our roots in Whatcom County span generations, and I see this area as a beacon of potential and pride.

But Birch Bay's journey to becoming its own city is still unfolding, and I'm convinced that, as locals, we are uniquely equipped to guide its transformation. My youth, imagination, and relentless drive fuel my vision for Birch Bay's future. The potential to create an unmistakable, welcoming aesthetic for our city inspires me...

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# Candidate #17: Jim Anderson

**Neighborhood:** Central Uplands

**Statement:** Education: University of Nebraska, University of Missouri - Kansas City, Boise State University.

Career: 20 years with Trans World Airlines, Field Manager Passenger Services, San Francisco Int'l Airport. 10 years with Alaska Airlines, International Services, Seattle Corporate offices. Various international organizations, board member IATA immigration groups, Montreal, PQ, Canada.

Community Service: current President of BayCrest North HOA,

Relevant expertise: in depth research into government regulations, negotiations of customs and immigration fines, manage large work force, coordinate sales agreements with foreign airlines and foreign governments.

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# Candidate #18: Lisa Guthrie

**Neighborhood:** Birch Point Village Reach

**Statement:** Life long Birch Bay lover, resident for the past 20+ years (lifetime Whatcom County). I have worked with the previous BB Steering Committee as an active resident member, as well as a stakeholder representative in Birch Bay development projects. I am a past president of the Birch Bay Chamber of Commerce, and a proponent of everything Birch Bay. My kids and grandkids live here as well and I can deeply about the future of Birch Bay. I believe we deserve to represent ourselves in what that looks like for us and future generations.

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# Candidate #19: Barney Yorkston

**Neighborhood:** Cottonwood Reach

**Statement:** Resident for over 30 yrs

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# Candidate #20: Sharman Burnam

**Neighborhood:** Central Reaches

**Statement:** At the age of 5 my Canadian parents purchased our property at Birch Bay. I know the joys of being a child and spending every summer, Easter and Christmas break for 13 years at Birch Bay. It was inevitable I'd marry an American and throughout my adult years, regardless of where I lived in the world, I came back to Birch Bay. In 2019 my husband and I moved permanently to our Birch Bay Homestead on Terrill Creek.

My career in sales and marketing and owning my own business, has allowed me the flexibility to follow my passion of volunteer work. In the past I have held many leadership positions such as Whatcom County Girl Scout Cookie Chairman & Guide leader, for years I was an active PTA Board member of Custer Elementary School. Living in Snohomish County I was active with...

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# Candidate #21: Brian Bell

**Neighborhood:** Central Uplands

**Statement:** I retired in 2014 after earning a degree in Computer Science, launching a 40-year career in industrial and corporate IT. (Yes, I was the ultimate computer geek.) My wife and I purchased a rental property in Sea Links (just up the hill from CJ's Beach House) in 2010, and we moved there from Michigan in 2012. I love it here and don't plan to ever move again.

The year after retiring (2015) I was drafted into a plucky band of bibliophiles intent on building a library right here in Birch Bay. We formed a non-profit named Friends of Birch Bay Library (FOBBL). If you've ever traversed Birch Bay Drive, then you've passed the property tagged for library use on the former Vogt homestead. The county bookmobile parks there from 3-7 PM...

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# Candidate #22: Gerald Gillespie

**Neighborhood:** Central Uplands

**Statement:** High school education and I grew up on a farm then joined the navy. Our community is full of veterans that deserve representation in having our neighborhood to be more like an area that everyone can feel safe and welcome

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Please turn  
in your  
ballots at  
the front  
desk when  
finished.

# 6. Updates

# 7. Next Meetings

Inaugural Steering Committee Meeting – Wed, November 29?

Next Regular Association Meeting – Wed, February 21, 2024

# Birch Bay Incorporation Association

First Annual General  
Meeting

November 15, 2023

A photograph of a sunset over a body of water. The sky is a gradient of blue, orange, and red. The water is calm and reflects the colors of the sky. In the foreground, there are silhouettes of plants. In the middle ground, there is a buoy and a marker. The text "THANK YOU!" is overlaid in white, bold, sans-serif font at the top of the image.

**THANK YOU!**