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... now and

October 6, 2010

Craig Cole, President/CEO
Brown & Cole, Inc.
1323 Commercial Street
Bellingham, WA 98227

Dear Mr. Cole: 

Thank you for convening the meeting with local officials in Whatcom County regarding the Cherry Point Aquatic Reserve. I found the conversation to be informative and helpful. I appreciate having heard the perspectives of the various participants first-hand and that there was a clear recognition of our shared goals. My hope for the meeting was to listen to the concerns raised by community leaders. While their perspectives have previously been communicated to me in staff briefings, it is always preferable to sit together and hear them in person. Your decision to bring leaders together was a valuable and productive experience.

I was pleased to be able to convey to you and your colleagues, the vision I have outlined for the Cherry Point Aquatic Reserve. As you know, the Washington State Department of Natural Resources (DNR) has been working on the Cherry Point Aquatic Reserve Management Plan (Plan) for many years, and I am eager to see it reach a successful conclusion. DNR is committed to protecting the unique natural features at the Cherry Point reach, however, as the Plan states and I reiterated; we understand that the reach is also important for economic development in Whatcom County. I do not believe those items are mutually exclusive and will ensure that message is incorporated into the final Plan. I have communicated this direction to my staff as DNR finalizes the Cherry Point Aquatic Reserve Management Plan.

Again, thank you for convening the meeting and sharing your thoughts.

Sincerely,



Peter Goldmark
Commissioner of Public Lands

cc: Bridget Moran, Deputy Supervisor for Aquatics and Agency Resources





July 7, 2010

Peter Goldmark
Washington State
Commissioner of Public Lands

- Senator Dale Brandland, Washington State Senate
- Councilman Craig Cole, Whatcom County Council
- Tim Douglas, Former Mayor of Bellingham
- Mayor Bonnie Onyon, City of Blaine
- Mayor Gary Jenson, City of Ferndale
- Jeffrey McClure, President, Whatcom County PUD
- David Warren, President, NW WA Central Labor Council

Dear Interested Parties:

I received your letter dated June 15th, 2010 regarding the draft Cherry Point Aquatic Reserve Management Plan. Thank you for expressing your concerns with the plan and providing suggestions for how to address those concerns.

The Washington State Department of Natural Resources (DNR) manages over 2.6 million acres of state-owned aquatic lands. As the aquatic lands steward, DNR must balance multiple public benefits, including environmental protection, public use and access, use of renewable resources, and water dependent uses to ensure these lands continue to provide benefits for this and future generations. The Cherry Point Aquatic Reserve was designated on August 1, 2000, to ensure environmental protection of important resources at Cherry Point, while also recognizing the importance of the Cherry Point area for sustainable economic development.

DNR has been working for nearly 10 years to identify the management needs of the Cherry Point Aquatic Reserve and develop a plan to guide the agency's future management decisions at the site. While the public comment period for the draft plan closed on June 24th, DNR will take ample time to review all comments and determine what changes may need to be made to the document before it is finalized.

It is our intention to produce a final plan that responsibly addresses the ecosystem needs of the site, while providing an opportunity for existing and future industries at Cherry Point to continue to provide an economic benefit for the region and the state.

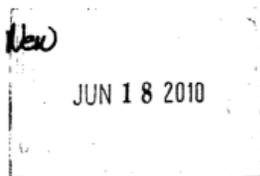
Sincerely,

Peter Goldmark,
Commissioner of Public Lands

- cc: **Bridget Moran, Deputy Supervisor for Aquatics and Agency Resources**
Rep. Kelli Linville, Washington State House of Representatives
Kristin Swenddal, Aquatic Resources Division Manager
Michal Rechner, Assistant Aquatic Resources Division Manager
 #10-487

Department of Natural Resources
1111 Washington ST SE
MS 47001
Olympia, Washington 98504-7001
(360) 902-1000

062110 Cherry Point - New
 Bridget Moran
 Due 6-28-10



The attached letter of advice to Commissioner Goldmark regarding the Cherry Point area (dated June 15, 2010) is provided by the signatories in their capacities as individuals.

Tim Douglas is a former Director of the Washington State Department of Community, Trade and Economic Development and a former member of the Puget Sound Water Quality Authority. He was the Mayor of Bellingham for 13 years, after having served on its City Council. He is a former WWU administrator and Chair of the Whatcom County Democratic Party. He currently serves the state as a community college trustee.

David Warren is the President of the NW Washington Central Labor Council, which covers Whatcom, Skagit, and Island Counties. He is a retired SEIU official.

Craig Cole is a businessman and former member and Chair of the Whatcom County Council. He Chaired the Whatcom County Natural Heritage Task Force, served on Commissioner Belcher's Public Lands Advisory Committee, and has been an active supporter of numerous environmental causes. He currently serves the state as a university regent.

Bonnie Onyon is the Mayor of Blaine and a long-time City Councilmember. She previously served on the City Planning Commission and is a retired businesswoman.

Gary D. Jensen is the Mayor of Ferndale and a former member of the City Council. He is a business owner.

Dale E. Brandland is Washington State Senator for the 42nd District. Previously, he was the Whatcom County Sheriff. Senator Brandland is active in a variety of civic matters involving health, youth, and public safety.

Jeffrey McClure, AIA, is President of the Whatcom County PUD Board of Commissioners. He serves on the Board of Directors of the NW Economic Council and is a member of the Urban Land Institute. He has an extensive practice in architecture and land use master planning.

A response may be directed to Post Office Box 2025, Bellingham, WA 98227. *Thank you.*

June 15, 2010

The Honorable Peter Goldmark
Washington State Commissioner of Public Lands
PO Box 47000
1111 Washington Street SE
Olympia, WA 98504-7000

Dear Commissioner Goldmark:

The citizens and leaders of Northwest Washington have demonstrated a longstanding commitment to environmental values in the context of healthy economic development. This is an equation that produces a quality of life that is both environmentally sustainable and economically equitable. We also know that a healthy and secure job base fosters a balanced political and cultural climate that enhances the prioritization of environmental considerations. When things get out of balance, such as when jobs are seriously threatened, then environmental advocacy can be viewed as the enemy of family well-being.

Responsible leaders seek to avoid unnecessary *either-or* and *win-lose* public policy scenarios. They seek to harmonize legitimate interests and avoid dysfunctional polarization.

It is for this reason that we appeal to you with a sense of great urgency to assist Whatcom County in avoiding a grave and harmful imbalance that appears to be imbedded in the Department of Natural Resources' Draft Cherry Point Environmental Aquatic Reserve Management Plan.

The threat arises out of the plan proposing to do two things that are not both possible in the real world. On the one hand, the draft says it will accommodate modification or expansion of existing leases and accommodate the proposed SSA Marine Gateway Pacific project, while on the other hand, the draft mandates that DNR not even consider making any decisions on modifying or expanding current facilities or permitting a new project until a long list of studies have been completed. While these studies are neither defined nor funded, it would appear that even if they were, it would take many years to complete them all, and there is no requirement that even then the Department would be obliged to consider making leasing and permitting decisions. The result would be an endless and unproductive bureaucratic processing loop.

As a businessman, surely you understand the inherent disconnect in your staff's draft: without any certainty of a fair and prompt process, badly needed private capital to foster economic recovery will not be committed either to improve current industries (including environmental upgrades) at Cherry Point or to build a new facility. Absent investment, all industry at Cherry Point, a crucial economic engine of the region, will in time deteriorate and/or die. This result is in fact the direct opposite of what the plan also claims as one of its central principles – that the current and proposed industry at Cherry Point will be allowed. If the real purpose of the plan is to discourage water-dependent economic activity at Cherry Point and move toward the area's eventual de-industrialization, then this should be an explicit public debate on the merits and not a subtle, implied major shift in public policy.

Since you are relatively new to this issue, a bit of context may be helpful. Whatcom County has long recognized that Cherry Point is a unique asset both economically and environmentally. Over the



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decades, local elected officials, staff, and citizens have crafted a careful and balanced set of plans – land use, shoreline management, zoning, and economic development – to bring critically needed high-paying industrial jobs to our area while protecting our key natural assets. It may not be your intent, but it appears to us that your department’s draft plan for the aquatic reserve area would, as written, upset a half-century of work and consensus over how to strike this balance, and would essentially replace the Growth Management Act process of state and local planning with a single state agency’s plan that ignores the legitimate roles and expertise of other state and local agencies under the law.

The effect of the draft plan on the future needs of our existing Cherry Point industries is a vital concern. We also have an immediate concern that the plan would deny an opportunity to permit the SSA Marine bulk export facility. If true, this would strike a real blow to the state’s prospects for economic recovery and send a chilling message to the private investment community. This project, which has been under active review and processing for nearly two decades, is projected to create around 200 high-wage, permanent direct jobs and most certainly at least double that number across the region’s economy. These are the kind of high-value jobs that have proved so elusive for many Americans over the past several years and provide hope for Washington parents that they can keep their children in the Northwest when they reach adulthood and enter the workforce.

The private investment of \$400 million in our local tax base would generate between 1,000 and 2,000 direct jobs for about three years of construction. The initial sales tax revenue and ongoing property and B&O tax implications to our local schools and other state and local governments are very important as well. This is a stunning private investment in economic recovery that is of statewide significance.

Beyond that, it is important for you to understand that we regard the project sponsor as very credible and the project as very responsible. We have observed SSA Marine, a Washington company, display a remarkable degree of commitment to their project, lasting 19 years. In that time, this company has participated willingly in myriad permitting activities and analyses. They have produced several scientific reports at their expense to design a minimal impact, sustainable project, achieved a settlement with environmental groups, and have made many important improvements to the project, such as an agreement with the Washington Department of Fish and Wildlife covering all necessary protections of the herring population. In addition, the project will involve important elements of environmental restoration and enhancement, extensive green-space buffering, and increased public shoreline access.

For these reasons, we call on you now to intervene and remove the inherent conflicts in the draft aquatic reserve plan. *We ask you to:*

1. *stop the fast-track, 30-day decision timeframe for the plan implementation. This is a department prerogative and is within your discretion to change;*
2. *revise the plan so as to bring it into harmony with the land use plans for the area, and to recognize the importance of Cherry Point for the retention and expansion of the state’s industrial job base; and*



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- 3. *direct that the plan language be changed so that the requirement for future or on-going studies will not cause the Department to delay in making leasing and permitting decisions for modifications to current industrial facilities or the proposed S.S.A Marine project, subject to the best currently available science as determined by the appropriate agencies of special expertise and jurisdiction.*

The state and county governments and the citizenry of the area have a longstanding compact that recognizes Cherry Point as the most important industrial job base in the region. This compact has encouraged pier-on-piling as the preferred form of new shoreline development, in lieu of dredging and other more disruptive practices. As the compact has evolved, it has limited development to just one more pier, with construction to be subject to the best available science and environmental management. *We ask that you not betray this compact, which has endured throughout the terms of many thoughtful public officials and which has been relied upon in good faith by the private investment community.*

It is axiomatic that we need private investment in high-value job creation to get our economy back on track. We, therefore, seek your prompt attention to this issue. We would be glad to meet with you in person to discuss this matter in more detail, as it is of the utmost importance to the future of Northwest Washington and, indeed, the entire state.

Thank you for your consideration.

Respectfully,

Jim Duffin
Dick Waver
Craig Cole

Bonnie Dreyfus
Gay S. J.
Dale Brandland
[Signature]