

About Incorporation & the Incorporation Process

What is a city?

A city is a municipal corporation, a public corporate entity with specific boundaries and taxing powers. A city's primary purpose is to regulate the local issues of the **incorporated** community (the community within the specific boundaries) and to share responsibility of governing that area with the state.

What does it mean to be incorporated? How is it different than being unincorporated?

Areas that are not part of any city are **unincorporated**. An unincorporated area receives local services like Sheriff's services, roads maintenance, and parks services directly from the county. Incorporated areas (areas that fall within the boundary of a city) receive these and other local services from their city. The process of **incorporation** is the process by which an unincorporated area becomes a new city.

What can a city do?

A city is responsible for providing most local governmental services, including services like police protection, operation and maintenance of most public roads, and parks services. Cities are also responsible for passing local ordinances, including land-use laws like zoning.

Specifically, a city may enter into contracts, may sue and be sued, may require licenses for the conduct of business within the city, may grant franchises, may acquire and operate certain public utilities, may furnish police and fire protection, may adopt and enforce regulations governing the physical development of the community, and may purchase and sell or otherwise use and dispose of real and personal property.

There are key distinctions between counties and cities. Counties are also political subdivisions of the state. While cities are created by a vote of local residents, counties are directly created by the state legislature. County government is essentially designed to provide two levels of services: (1) counties provide **regional services** to all residents of the county (e.g. counties are responsible for protection of public health for all residents [city and unincorporated area residents alike]) and (2) **local services** to unincorporated areas (e.g. the county sheriff provides police protection only to unincorporated areas unless contracted with a city to provide services).

How does an incorporated city raise revenue?

Cities have many sources of revenue, but most cities get the majority of their revenues from three main sources:

- City property taxes
- Retail sales taxes; and
- Utility taxes

Revenues from these three sources vary widely from city to city. A city like Medina (where Bill Gates now lives) has very high property values and therefore generates very high property tax revenues per city resident. A city like Tukwila has a high concentration of retail activity and therefore generates very high levels of retail sales taxes per resident. Other cities, particularly some small cities in eastern Washington, have low property values and low levels of retail sales. Needless to say, these cities do not have the financial means to provide high levels of local services.

What is Birch Bay now?

Birch Bay is currently an unincorporated part of Whatcom County – meaning it is not a part of any city and local services are provided by Whatcom County. Birch Bay is a designated urban growth area. The community has and will most likely continue to experience urban levels of growth.

Note that incorporated city boundaries differ from postal addresses—that is why Birch Bay addresses are in Blaine. Birch Bay is not in the City of Blaine. The City of Blaine does not collect taxes in, or provide services to, Birch Bay.

Incorporation Process

How does an unincorporated community become an incorporated city?

State law (RCW 35.02) outlines the procedures for incorporation. Generally, parties interested in incorporation must work with the county legislators and the Boundary Review Board (BRB), an independent review agency with the authority to oversee municipal and special district boundary changes. Please see the steps below and the Incorporation Process schematic on the next page for more detail.

Incorporation Feasibility Study

- While not mandated by state law, it is recommended to analyze the fiscal feasibility of incorporating a new city. Many boundary review boards will even request a formal study during their review of an incorporation petition. The Birch Bay Incorporation Study Committee and Whatcom County are currently working on an Incorporation Feasibility Study.

Notice of Proposed Incorporation and Public Meeting

- The first step in the incorporation process is to file a notice of proposed incorporation with the County. Then there is a public meeting for the community to state their views on incorporation. The September 24, 2007 Birch Bay Community Forum about incorporation is not this meeting. The goal of the September 24, 2007 meeting is to kick off the Incorporation Feasibility Study by hearing from the community and answering the community's questions.

Petition for Incorporation

- Within 180 days of the proposed incorporation public meeting, 10% of registered voters must sign a valid incorporation petition and present it to the BRB and county government.

Review by the Whatcom County BRB and Public Hearing

- The BRB will review the petition and may approve, modify boundaries (with no more than a 10% change to the total area), or recommend against the proposal. They will then present the proposal or modified proposal for election. The BRB does not have authority to prevent a public vote on, even if they recommend against incorporation.

Incorporation Election

- At the next special election date, more than 60 days after the final public hearing by the BRB, the community will vote on the proposal. The proposed city needs a simple majority to become incorporated. If fewer than 40% of voters support incorporation, no new election on incorporation for the area or any portion may be held for 3 years from the failed election.

Interim Council Election/Appointment

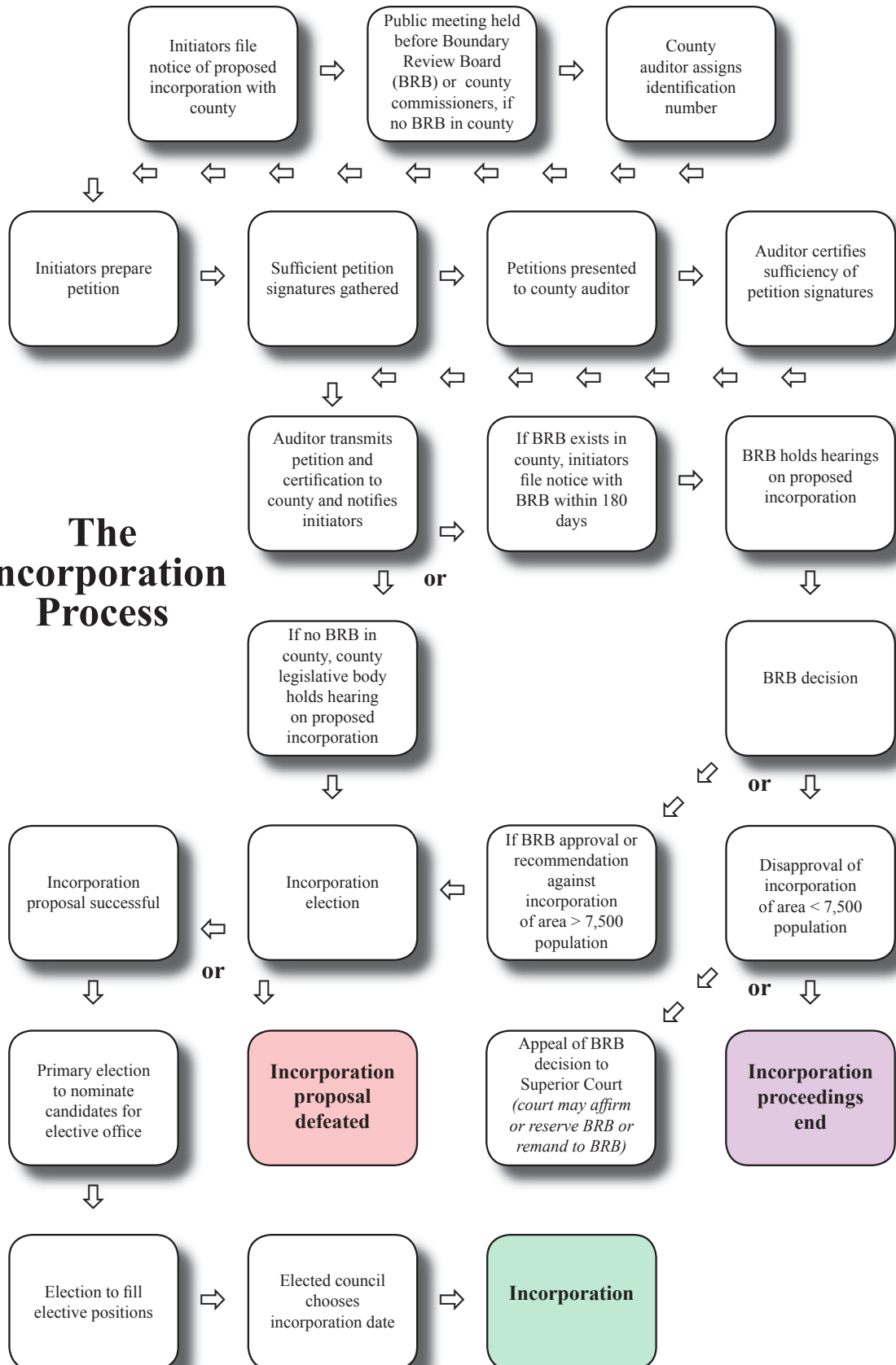
- If the voters approve the proposed incorporation, a primary election to nominate candidates for city council (and, in mayor-council cities, a mayor) will be held.

Incorporation

- New city must officially incorporate, at a date set by the initial city council, within 180 to 360 days after the incorporation election.

Incorporation Process

The Incorporation Process



How Will Incorporation Affect Local Service Providers?

Who provides service to the Birch Bay community now and who will provide it if Birch Bay becomes a new city?

Service	Served Now By...	If Incorporated...
Schools	Blaine and Ferndale School Districts	No change.
Library	Whatcom County Library System	No change.
Police Services	Whatcom County Sherriff's Office	City would provide. City could create its own police department or contract with the WCSO for continued service at a variety of different service levels.
Fire & Emergency Medical Services	Fire Districts 21 & 7	No automatic change. Cities can provide Fire and EMS services, but most newly-incorporated cities continue to receive Fire and EMS services from existing the fire district or districts.
Water & Sewer	Birch Bay Water & Sewer District	No automatic change. Cities can provide Water & Sewer service, but most newly-incorporated cities continue to receive service from existing districts.
Garbage	Blaine Bay Refuse	No change initially, although the City does have the power to negotiate with a different service provider when the existing hauler's franchise contract is up.
Local Roads	Whatcom County Public Works	City would provide. City could create its own public works department or contract with the County for continued service
Surface Water Management (SWM)	Whatcom County Public Works	City would provide. The City's public works department could provide SWM services, or contract with the County for continued service
Parks	Washington State Parks Whatcom County Parks & Recreation	Operation of local public parks generally transfers to new City. Regional and State parks would remain under County or State operation.
Legislative (Council)	Whatcom County Council	City would provide. New city of Birch Bay Legislative Branch (There are multiple options under state law)
Legal Services (Criminal & Civil)	Whatcom County Prosecuting Attorney's Office	City could provide or contract with County or a private law firm.
Permitting and Zoning	Whatcom County Planning and Development Services	City would provide. City could create its own planning department or contract with the County for continued service
Animal Control	Whatcom County Humane Society contracted with Whatcom County	City would provide. City could create its own animal control department or continue to contract with the Whatcom County Humane Society
Public Transit	Whatcom Transportation Authority (WTA)	No change.
Court Services	Whatcom County District Court	City would provide through contract. Most newly-incorporated cities and many well-established cities contract with County District Court.