

**ORDINANCE NO. 2013-06-042**

**AN ORDINANCE AMENDING THE CITY OF BELLINGHAM COMPREHENSIVE PLAN, ADDING A NEW ECONOMIC DEVELOPMENT CHAPTER, IN ACCORDANCE WITH THE STATE GROWTH MANAGEMENT ACT (RCW Chapter 36.70A) AND BELLINGHAM MUNICIPAL CODE 21.10.150 AND 20.20.030.**

**WHEREAS**, the City has a process to amend the Comprehensive Plan once per year in accordance with Bellingham Municipal Code (BMC) 21.10.150 and 20.20.030; and

**WHEREAS**, the State Growth Management Act (GMA) (RCW Chapter 36.70A) requires local jurisdictions to include an economic development chapter in their comprehensive plans once State funding necessary to complete the work is provided; and

**WHEREAS**, while no State funding has been provided, the City Council directed staff to complete an economic development chapter using City resources and staff; and

**WHEREAS**, in accordance with the GMA, the State Department of Commerce and other agencies were notified on December 20, 2012 of the City's intent to adopt a comprehensive plan amendment adding an economic development chapter to the Bellingham Comprehensive Plan; and

**WHEREAS**, in January, staff met with two groups of economic development practitioners, local business leaders and representatives of the city's higher education institutions to review the initial draft of the chapter; and

**WHEREAS**, the practitioners groups suggested a number of changes to the chapter, many of which were incorporated into the version reviewed by the Planning Commission; and

**WHEREAS**, the SEPA responsible official reviewed the non-project action to amend the comprehensive plan under the procedures of the State Environmental Policy Act, and issued a Determination of Nonsignificance on January 28, 2013; and

**WHEREAS**, after mailed and published notice as required by BMC 21.10.150 D., the Planning Commission held a public hearing to review the proposed amendment on February 14, 2013; and

**WHEREAS**, the Planning Commission considered the staff report, stakeholder and public comment, and on February 28, 2013 approved findings, conclusions, and a recommendation to approve the proposed amendment with a number of changes; and

**WHEREAS**, after mailed and published notice as required by BMC 21.10.150 G., the City Council held a public hearing on April 8, 2013 and work sessions on April 22, May 13 and June 3, 2013; and

**WHEREAS**, the City Council considered the recommendations of staff, the Planning Commission, comments from the stakeholder groups and the public during the review process; and

**WHEREAS**, the City Council finds that the proposed amendment to the Comprehensive Plan addresses the GMA economic development goal (RCW 36.70A.020(5)) and satisfies the GMA content requirements for an economic development chapter; and

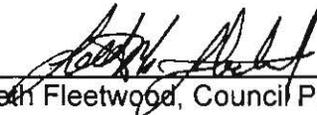
**WHEREAS**, the City Council finds that the proposed Economic Development chapter satisfies the decision criteria for comprehensive plan amendments in BMC 20.20.040 A; and

**WHEREAS**, the City Council agrees with the Findings of Fact, Conclusions and Recommendations of the Planning Commission attached as Exhibit A.

**NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:**

**Section 1.** The Bellingham Comprehensive Plan is hereby amended with the addition of the Economic Development Chapter 10 as shown in Exhibit B.

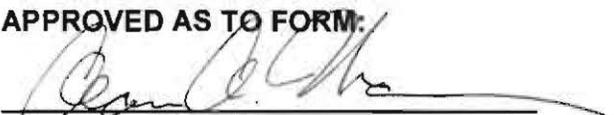
**PASSED** by the Council this 17th day of June, 2013

  
Seth Fleetwood, Council President

**APPROVED** by me this 24th day of June, 2013

  
Mayor Kelli Linville

**ATTEST:**   
John Carter, Finance Director

**APPROVED AS TO FORM:**  
  
Office of the City Attorney

**Published:** June 21, 2013

# **BELLINGHAM PLANNING COMMISSION FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATIONS**

## **COMPREHENSIVE PLAN AMENDMENT - NEW ECONOMIC DEVELOPMENT CHAPTER**

**FEBRUARY 28, 2013**

### **SUMMARY**

At the City Council's direction, the Planning and Community Development Department is requesting an amendment to the City's 2006 Comprehensive Plan to add a new chapter on economic development.

## **I. FINDINGS OF FACT**

### **1. Proposal Description**

The proposal includes a new comprehensive plan chapter on economic development. The purpose of the new chapter is to:

- Highlight and elaborate on the City's ongoing commitment to fostering a vibrant, sustainable economy in Bellingham;
- Identify and explain the City's role in economic development activities;
- Ensure that the community's economic development aspirations and priorities are reflected in the comprehensive plan;
- Provide a framework for creation of future strategic action plans;
- Proactively address the Growth Management Act's economic development goal and content requirements for a GMA-compliant economic development chapter.

### **2. Background Information/Procedural History**

January 2011 -- The City Council docketed the proposal to create a new Economic Development chapter of the comprehensive plan, thereby directing staff to begin work on the project.

February 13, 2012 -- The City Council was briefed by staff on the status of the project, explaining that the chapter would be completed in the 2012-2013 plan amendment cycle.

December 20, 2012 -- as required under the Growth Management Act (RCW 36.70A.106), staff notified the State Department of Commerce of the City's intent to amend the comprehensive plan by adding a new chapter on economic development. No comments were received by the State agencies charged with reviewing comprehensive plan amendments.

January 2013 -- staff met with two economic development stakeholder groups to get their comments and suggestions for potential changes to the initial draft of the chapter.

January 28, 2013 -- a non-project SEPA threshold determination of Non-Significance (SEP2013-00005) was issued.

February 14, 2013 -- the Planning Commission held a properly noticed public hearing.

On February 28, 2013 -- the Commission held a work session to review with staff the draft chapter and the public comments and questions that had been raised at the hearing. At the conclusion of the work session, the Commission developed final recommendations to the City Council, including some changes that are reflected in the Feb. 28, 2013 version of the chapter.

### **3. Stakeholder Comment**

As detailed in the staff report, several individuals and organizations who are directly involved in local business and economic development activities were invited to review and comment on the initial draft of the ED chapter. A list of the stakeholders was included in the Planning Commission packet and many of their comments and suggested changes included in the version of the chapter reviewed by the Commission. Other comments from stakeholders and the public were summarized in a "comment tracker" document dated February 21. Many of the comments and recommendations were incorporated into the chapter by staff and the Planning Commission.

### **4. Public Comment**

Three members of the ED stakeholders group provided comments during the February 14 Planning Commission public hearing. Two other members of the public also spoke. The comments received during the hearing are reflected in the attached February 14 meeting minutes. Additional written comments were summarized in the attached "comment tracker".

### **5. Consistency with the Comprehensive Plan Amendment Review Criteria**

According to Bellingham Municipal Code 20.20.040A (2), the Planning Commission and the City Council must use the following criteria to evaluate comprehensive plan amendment proposals. Below are all five criteria that must be met.

#### **Review Criteria #1. The proposed amendment is consistent with the Growth Management Act and other applicable laws.**

**Planning Commission Findings.** The GMA was amended several years ago to add a requirement that each local jurisdiction planning under the Act have an economic development chapter in their comprehensive plan. However, the requirement does not take effect until the State provides grant or other funds to local jurisdictions to do the work needed to create an economic development chapter. While no such funds have been provided and therefore development of an ED chapter is not required, the City chose to use existing staff resources to do the work and not to wait for State funding.

The GMA's economic development planning goal (RCW 36.70A.020(5)) was used by staff in drafting the ED chapter:

*"Economic Development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing*

*insufficient economic growth, all within the capabilities of the state's natural resources, public services, and public facilities."*

More specifically, the GMA (36.70A.070.(7)) requires that a jurisdiction's economic development chapter include:

- Goals, policies and provisions for economic growth, vitality and a high quality of life;
- A general summary of the local economy;
- A summary of the strengths and weaknesses of the local economy;
- An identification of policies and programs to foster economic growth and development and to address future needs.

The "strategic action plan" (SAP) called for in the ED chapter will define and prioritize the City's activities with respect to achieving the economic development goals, polices, legacies and strategic commitments. The process to develop the SAP should include representatives of stakeholder groups such as business associations, educational institutions, economic development practitioners and other community members. The intent of SAP is that it would identify and prioritize specific steps that the City could take to:

- promote the retention and growth of existing businesses;
- encourage new businesses that offer the best opportunities for job creation and economic growth, especially in sectors that build on Bellingham's documented competitive advantages.

The SAP would not be a component of the comprehensive plan, so that it can be quickly updated or revised to respond to changing circumstances and/or changing priorities.

In summary, the proposed chapter (with the appendices) contains the necessary components to meet the goal and content requirements of the GMA. Therefore the Planning Commission finds that the proposed amendment is consistent with review criteria #1.

**Review Criteria # 2. The proposed amendment addresses changing circumstances, changing community values, and is consistent with and will help achieve the comprehensive plan goals and polices.**

**Planning Commission Findings.** Circumstances have changed. The current comprehensive plan, adopted in 2006, includes a few goals and policies related to economic development activities, but does not have an economic development chapter. The State GMA now requires jurisdictions to have an ED chapter, although not until funding is provided. The desire to add an ED chapter (and subsequent strategic action plan) has been expressed at various times by community members, ED stakeholders, the Planning Commission and the City Council. The Planning Commission and City Council formalized the project as a priority when it was placed on the comprehensive plan amendment docket in 2011.

The "Great Recession" of recent years and the resulting reductions in City, State and Federal revenues and programs has highlighted the importance of sustainable economic development. The recession made very apparent that, without a strong, diverse, and sustainable economy, the outstanding public safety agencies, cultural amenities, recreational facilities and other services provided by city government will become

increasingly difficult to sustain. The addition of an Economic Development chapter in the comprehensive plan, and subsequent strategic action plans, are intended to guide and prioritize the City's economic development activities. A strong and sustainable local economy is an essential component with regard to achieving all the other comprehensive plan goals.

In 2009, the City Council adopted a series of long range goals for the community. Called "Legacies and Strategic Commitments", many of the goals directly address the importance of sustainable economic development. *(Note: the adopted Legacies and Strategic Commitments related to economic development are included as Appendix A in the ED chapter.)*

As stated, there are some existing goals and policies in the comprehensive plan that deal with economic development activities. Therefore it is possible to evaluate the proposed ED chapter in relation to consistency with the comprehensive plan. The Planning Commission noted that the existing goals and policies in the comprehensive plan:

- recognize the need for a diversified and sustainable economy;
- recognize the need for higher wage jobs;
- recognize the contributions a strong and stable economy provide with respect to maintaining and enhancing City facilities and services;
- direct the City to maintain an adequate supply of developable land providing new employment opportunities;
- support the development of more affordable housing.

The ED chapter was also drafted to be consistent with the other chapters of the comprehensive plan. A list of some of the relevant comprehensive plan goals and policies were included as an attachment the Planning Dept. staff report. *(See Attachment 3.)*

The Commission finds that the proposal addresses these changing circumstances, changing requirements in state law, and is seen a positive step towards emphasizing and achieving many of the comprehensive plan's existing ED goals and policies.

**Review Criteria #3. The proposed amendment will result in long term benefit to the community and is in the community's overall best interests.**

**Planning Commission Findings.** Staff noted and the Planning Commission agrees that the proposed Economic Development chapter defines and advances the City's economic development efforts. A few examples from the ED chapter are listed below.

- the ED chapter calls for the development of a strategic action plan that will set priorities and identify specific steps that the City could undertake to focus limited resources to promote economic development;
- the chapter identifies as a priority the Performance Measures Program to periodically measure progress towards achieving the City's ED goals, legacies and strategic commitments;
- the chapter recognizes the importance of urban villages and vibrant commercial areas in achieving the plan's infill goals;
- the chapter recognizes the many benefits of a strong and vibrant downtown area;
- the chapter identifies the importance of the City's role in providing high quality infrastructure;

- the chapter recognizes the importance of the city's public safety services and quality of life amenities in promoting economic development.

The Planning Commission recognizes that a strong and diverse economy is critical to maintaining and enhancing the public facilities and services the City provides and the community expects. Focusing and prioritizing the City's economic development activities and limited resources as recommended in the new chapter will benefit the community now and in the future.

Also, compliance with the GMA's economic development goal and content requirements is in the community's best interest. GMA compliance is required to maintain eligibility for a number of State grant and loan programs.

For these reasons and the other findings cited in review criteria #1 and #2, the Planning Commission finds that the proposal will be of long term benefit and is in the community's best interests.

**Review Criteria #4. The amendment will not adversely affect the public health, safety, or general welfare.**

Nothing in the proposed chapter will negatively affect public health, safety and welfare. In fact, balancing economic development and environmental stewardship and maintaining the health of the community's natural systems are important aspects of the ED chapter. The survey done by the NW Economic Council that is referenced in the chapter noted the importance respondents placed on maintaining high standards in terms of environmental protection and stewardship. A high-quality natural environment is good for attracting and retaining sustainable economic development.

The chapter also includes a policies that promote quality architectural design, green building practices and sustainable business practices. Policies in the chapter require the City to continue to set a positive example and provide leadership in these areas.

For these reasons, the Commission finds that the proposal meets review criteria #4.

**Review Criteria #5. If a concurrent rezone is requested, the proposal must also meet the criteria for rezones in BMC 20.19.030.**

No rezones are proposed with this amendment.

## II. CONCLUSIONS

Based on the staff report, other documents in the record, and the information presented at the public hearing, the Planning Commission concludes:

1. The proposed amendment to add a new Economic Development chapter to the City's 2006 Comprehensive Plan addresses the GMA economic development goal and content requirements.

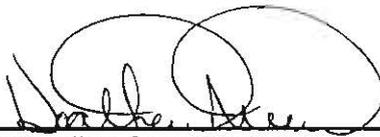
2. The proposed amendment will ensure that the community's current economic development aspirations and priorities are reflected in the comprehensive plan
3. The proposed amendment satisfies the review criteria for comprehensive plan amendments listed in BMC 20.20.040A(2).
4. The Commission noted that the format of the new chapter was easier to read and understand than some of the other chapters in the comprehensive plan.

### III. RECOMMENDATION

Based on these findings and conclusions, the Planning Commission recommends that the City Council approve the proposed amendment to the comprehensive plan to add the Economic Development chapter, with the revisions shown in the version dated February 21, 2013.

ADOPTED this 28th day of February, 2013.

  
\_\_\_\_\_  
Planning Commission Chairperson

ATTEST:   
\_\_\_\_\_  
Recording Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

## I. Introduction

The City of Bellingham has long recognized the benefits of a strong and diverse local economy. As outlined in Chapter 1 – Framework Goals and Policies, the City’s “Visions for Bellingham” community goal- setting process completed in the early 1990’s acknowledged the importance of sustainable economic growth in a series of goal statements that became the basis for the 1995 Comprehensive Plan.<sup>1</sup> Additional goals and policies were added to the “Visions” in the 2006 Comprehensive Plan as a result of additional community workshops. However, neither of these earlier versions of the Comprehensive Plan had a chapter devoted solely to economic development.

In 2009, the City Council adopted a series of “**Legacies and Strategic Commitments**” (see Appendix A) that identified goals and set priorities to help guide city government in budgeting and other decision-making activities. A number of the legacies and commitments are relevant to the City’s economic development efforts. In 2013, the Economic Development chapter was added to the City’s Comprehensive Plan, to identify goals and policies to help achieve the legacies.

The purpose of this chapter is to:

1. Highlight and elaborate upon the City’s legacy commitment to create a “**vibrant, sustainable economy**”.
2. Identify the **City’s role** in economic development activities.
3. Consolidate existing and create new **goals and policies** related to economic development.
4. Provide a framework for the creation of an economic development **Strategic Action Plan**.

### What is Economic Development?

No single definition incorporates the many aspects of economic development. It is typically described as the **creation of jobs** and wealth and the **improvement of quality of life** for all residents. Economic development can also be described as a process that influences the growth and restructuring of an economy to enhance the economic well-being of a community – its citizens, businesses and government. Economic development activities can help existing and new businesses reach their goals. Economic development programs do not directly create jobs, businesses do. Even so, the City can play an important role in providing a positive environment within which economic opportunities can thrive (see Section II, the City’s Role in Economic Development).

The **main goal** of economic development is to improve the economic and social well-being of a community through efforts that encourage creation and retention of jobs, enhance the tax base and improve the quality of life. There is no single strategy, policy, or program for achieving successful economic development.

So while definitions, policies and strategies differ, it is clear that without a strong, diverse and sustainable economy, the outstanding public safety agencies, cultural amenities, recreational facilities and other services provided by city government will become increasingly difficult to

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<sup>1</sup> See original Visions for Bellingham Goals in *Chapter 1 – Framework Goals and Policies*

sustain. While cities typically have a somewhat limited role in economic development activities, the City does have the ability (and the responsibility) to **protect and enhance the “livability” attributes of Bellingham** – the parks, trails, open spaces, libraries, aquatic center, playfields, historic buildings, successful downtown, diverse neighborhoods, excellent public safety services and a healthy natural environment. Maintaining these assets is critically important in attracting and retaining employers and a talented, educated workforce.

The City can also take the lead in ensuring that economic growth is balanced with other community values of environmental quality and social equity. Implicit in this concept is the development of a measurement system. Through the annual "**Performance Measures Program**", the City uses a series of measurable attributes ("metrics") to track achievement of a variety of economic, environmental, social and other community goals. It is important that this program continue and be enhanced as a way for the City to monitor progress towards achieving the economic development and other goals in the Comprehensive Plan.

### **Coordinated Economic Development Activities**

In Bellingham and Whatcom County, various agencies -- both private and public -- are dedicated to economic development activities. The City can provide leadership to support this effort by working to enhance coordination and communication between agencies and organizations.

Economic development is not an isolated activity within the borders of a city, and can be affected by events occurring at a county, state, national or international scale. To be successful, economic development activities must be carried out through **partnerships** with other governments and agencies.

The City partners with numerous agencies throughout Whatcom County that provide workforce and economic and community development services that enhance Bellingham's economic vitality. These partnerships offer opportunities for coordination and synergy.

## **II. The City's Role in Economic Development**

The City's **PRIMARY ROLES** in economic development activities include:

**ROLE 1:** *Provide strong **LEADERSHIP** to create a **POSITIVE ENVIRONMENT**, both physical and social, that supports business activity and a high quality of life for employees and residents.*

Examples of Potential Activities:

- Develop and periodically review an economic development strategic action plan to prioritize and help achieve the City's economic development goals, policies, legacies and strategic commitments. *(See the Positive Business Climate section.)*
- Support agencies with missions explicitly directed at economic development activities and improving the business climate.
- Continue to provide and support high quality amenities that make Bellingham a desirable place to live and do business.

**ROLE 2:** *Ensure that there is enough properly zoned, developable **LAND and INFRASTRUCTURE CAPACITY** to accommodate the expected 20-year employment growth.*

Examples of Potential Activities:

- Periodically review and update employment lands demand and supply data.
- Provide and maintain high quality infrastructure to support employment lands.

**ROLE 3:** *Provide **EXCELLENT SERVICES** that foster business growth and retention, and minimize expenses.*

Examples of Potential Activities:

- Provide timely, predictable and cost-effective permitting processes.
- Periodically assess the effects of City tax and fee policies on economic development goals.

### **III. Economic Development Resource Documents**

In addition to the City Council's adopted Legacies and Strategic Commitments, **several other documents** provide direction for economic development efforts in Bellingham and the greater Whatcom County region. The policies and other information contained in these documents informed the development of many of the goals and policies in this chapter.

Examples of **adopted policy documents** and additional resources include:

- Bellingham Comprehensive Plan
- City of Bellingham Consolidated Plan
- Whatcom County Comprehensive Economic Development Strategy (CEDS)
- City of Bellingham Employment Lands report, Phase I and II
- Bellingham/Whatcom County Economic Profiles
- Regional Economic Development Strategy for Whatcom County – Phase 1 Report
- Whatcom County Comprehensive Plan

In 2010, Phase I of the **Regional Economic Development Strategy** listed above was completed. The report includes the results of a business survey and series of interviews conducted by a collaborative team of economic development practitioners and partner agencies. The project lead was the Northwest Economic Council in contract with Western Washington University's Center for Economic and Business Research. The on-line survey was designed to assess the strengths and weaknesses of the business environment in Whatcom County. Roughly 400 businesses responded. In addition to the survey, the project team identified and interviewed 21 key business leaders, economic development professionals and city leaders. An analysis of the survey results was combined with the results of the interviews to produce an analysis of the strengths, weaknesses, opportunities and threats (or **SWOT**) related to the economy of Bellingham, and Whatcom County. The results of the SWOT analysis was used in the development of this chapter (*see Appendix E*).

The **SWOT assessment** identified **several recurring themes**: business diversity, quality of life/location (i.e. natural beauty, proximity to Canada, agricultural lands, employment center),

infrastructure (transportation, utility, technology) and business resources (i.e. higher education, economic development organizations and nonprofits). The *SWOTs* are further defined and explained under the following categories, which form the organizational basis for the goals and policies of this chapter:

- A. **Positive Business Climate**
- B. **Economic Diversification**
- C. **Land and Infrastructure**
- D. **Vibrant Commercial Centers**
- E. **Quality of Life**

The following five sections of this chapter briefly explain the importance of each of these categories, and then list a relevant goal and associated policies. The goals are broad statements of intent that describe a desired outcome. Policies generally include actions that the City would take to achieve the goals.

#### **A. POSITIVE BUSINESS CLIMATE**

A positive economic climate is a significant factor in business locational decisions. Also, a mutually beneficial relationship between government and business is an important component for promoting economic development and prosperity. For purposes of this chapter, the definition of a positive and competitive business climate is the creation of a supportive environment for business retention and expansion via the efficient delivery of governmental services, a cost-effective tax, fee and regulatory structure, and effective partnerships with agencies that engage in direct economic development activities. The City can promote a positive business climate in a number of ways as identified in the following goal and policy statements.

##### **Positive Business Climate Goal and Policies**

- GOAL ED-1** Build and maintain a positive and competitive business friendly climate that will attract and retain high quality businesses in Bellingham.
- Policy ED-1** Periodically review and assess the impacts of the City's regulatory structure, taxes, fees and utility rates on Bellingham's economic development goals and make adjustments as appropriate.
- Policy ED-2** Establish incentives to promote economic development activity and environmentally responsible business practices.
- Policy ED-3** Recognize and consider the potential economic impacts of proposed legislative actions prior to adoption.
- Policy ED-4** Continually review and evaluate the City's permit processes in order to provide timely, cost effective services and predictable outcomes.

The City's annual Performance Measures Program tracks various metrics that can be used to evaluate progress towards achieving a variety of economic, environmental, social and other community goals. The performance measures are organized around the City Council's Legacies and Strategic Commitments. Examples of the metrics related to economic development include average wages in Whatcom County, annual City sales tax receipts, and number of jobs. It is imperative that this program continue and be enhanced.

**Policy ED-5** Continue the City's "Performance Measures" program as a means of monitoring progress towards achieving the economic development and other goals in the comprehensive plan.

As stated in the introduction section, this chapter of the comprehensive plan is intended, in part, to provide the framework for development of an Economic Development Strategic Action Plan (ED-SAP). The Strategic Action Plan will define and prioritize the City's activities with respect to achieving the economic development goals and policies in the comprehensive plan. The process to develop the ED-SAP should include representatives of stakeholder groups such as business associations, educational institutions and other community members, and could begin by refining the vision for economic development in Bellingham and comparing Bellingham's business environment (i.e. startup costs, fees, taxes) with its competitors.

The ED-SAP will not be a component of the comprehensive plan, so that it can be quickly updated or revised to respond to changes in circumstances.

**Policy ED-6** Adopt and periodically review a Strategic Action Plan to define and prioritize specific actions to help achieve the City's economic development goals and policies.

**Policy ED-7** Identify in the Strategic Action Plan creative and appropriate ways for the City of Bellingham to encourage and stimulate business activity.

Economic development is regional in nature and as a result no single entity or agency can carry out all the necessary activities. Developing a culture of collaboration and enhanced coordination both in Bellingham and between neighboring communities is important in creating a positive climate for businesses and for the economic well-being of the City and its residents.

**Policy ED-8** Coordinate City activities and share resources with agencies and organizations that provide direct economic development and other business services such as business retention and growth counseling, start-up assistance, recruitment, marketing, and environmentally responsible business practices.

**Policy ED-9** Aid the efforts of business associations to promote tourism and other economic activities.

**Policy ED-10** Continue to build strong working relationships with Whatcom County, the Port of Bellingham and the small cities within Whatcom County to address regional economic development issues and to support a thriving regional economy.

**Policy ED-11** Provide and support initiatives that enhance quality of life amenities, expand job training opportunities and support other economic development goals and policies.

Bellingham is home to several higher education institutions that contribute new ideas and innovations, cultural offerings and training and internship opportunities that benefit students and businesses. These institutions, along with the City and several business networks, can offer resources to businesses large and small.

**Policy ED-12** Continue to support the expansion and infrastructure needs of Western Washington University, Whatcom Community College, Bellingham Technical College, Bellingham School District, PeaceHealth (St. Joseph's Hospital medical facilities), the Port of Bellingham and other major employers that offer a diverse range of living-wage jobs.

**Policy ED-13** Support the ongoing efforts of Bellingham's educational institutions to partner and build connections with economic development agencies and with local businesses.

**Policy ED-14** Support the efforts of business and educational institutions to train workers to meet the current and future needs of local businesses.

**Policy ED-15** Continue to provide internships and other job training opportunities in city government.

**Policy ED-16** Support startup efforts to make it easier for businesses to get started in Bellingham.

**Policy ED-17** Support access to working capital and other forms of financial assistance to encourage entrepreneurship, innovation and business growth.

## **B. ECONOMIC DIVERSIFICATION**

### **Characteristics of The Local Economy**

In Whatcom County, employment data shows that the number of jobs has grown consistently since 1982. Local job growth has been consistent with state and national trends - the services sectors (trade, services, government, financial, transportation) have grown over time while goods production (mining, construction, forestry, fishing and manufacturing) has decreased as a share of total employment.

Bellingham is fortunate to be the home of a variety of large, diverse employers representing the medical/health services, education, government, light industrial, communications and retail sectors. The top 20 employers account for one out of every four jobs in Bellingham. Table 1 in Appendix B (*Characteristics of the Local Economy*) shows the top 25 employers in Whatcom County, many of which are located in the city or in the Bellingham Urban Growth Area (UGA). Appendix B also includes figures that illustrate the share of jobs in Bellingham and the urban growth area by

industry sector and compares the occupations of people living in Bellingham with the remainder of Whatcom County.<sup>2</sup>

While the City is home to a number of large employers, small businesses make up an important part of the local economy. 60% of Bellingham businesses have four or fewer employees. These small businesses account for about 12% of the total jobs in the city and UGA.

### **What is Economic Diversification?**

A fundamental aspect of the "quality of life" characteristics of a city is a robust and diversified economy. A diversified economy is one that provides a wide variety of job opportunities in various sectors suited to all skill levels of the workforce. Such an economy would provide opportunities for all segments of the community, from manufacturing and marine trades to medical research and high technology. A diversified economy is able to absorb inevitable market changes and business cycle fluctuations. Over-reliance on any one sector of the economy makes a community more vulnerable to inevitable business cycle downturns and market changes.

A strong and diverse economy is also one that provides a sustainable tax base to meet community needs. As has been stated previously, a robust economy is more likely to provide the revenues necessary to sustain the outstanding public safety agencies, unique cultural amenities, world class recreational facilities and other facilities and services that community members have come to expect.

Economic strength also means jobs that pay a "living wage". A living wage is one that allows households to meet their basic needs for food, shelter, transportation, child care and other needs. This is an especially important issue in Bellingham, where wages have typically lagged behind those of other cities in Washington State.

Bellingham wages have also been below the county and state averages (*see Table 2, Median Family and Household Income in Appendix B*). At the same time, the cost of living in Bellingham is 15% higher than the national average, with housing being the primary cost factor<sup>3</sup>. While it is important to increase living wage jobs, it is equally important for housing costs to be within reach and comparable to earnings (*See the Housing Chapter for additional information, goals and policies related to housing affordability*). On the upside, Whatcom County and Bellingham have not suffered the level of economic downturn faced in other regions of the country; feedback from local business leaders credits the diversity of business as one of the primary reasons for Whatcom County's resiliency.

The County's proximity to Canada provides a large potential customer base to support retail sales, and also an ideal entry point for Canadian businesses to locate distribution and marketing centers. In return, opportunities exist for Whatcom County businesses to export products to the Canadian market. These locational factors can contribute to economic diversity.

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<sup>2</sup> For more detailed information on the economy of Bellingham and Whatcom County, see the State of Washington's Employment Security Dept. and Office of Financial Management web sites, and WWU's Center for Economic and Business Research web site.

<sup>3</sup> Council for Community and Economic Research, January 2012

Because most of Bellingham's future employment growth will likely come from expansion of businesses that are already located here<sup>4</sup>, economic development resources and activities should first be focused on retaining and growing existing businesses.

### **Economic Diversification Goal and Policies**

- GOAL ED-2** Bellingham accommodates a broad mix of jobs, while actively seeking a greater proportion of living wage jobs that will benefit a broad cross-section of the residents of the city.
- Policy ED-18** Increase Bellingham's competitive advantage in international trade by assisting Canadian businesses seeking a U.S.-based presence, and Bellingham businesses seeking access to the Canadian market.
- Policy ED-19** Support the retention and growth of Bellingham's small businesses.
- Policy ED-20** Continue to lead and manage the redevelopment of City-owned properties for maximum public benefit, using public/private partnerships when appropriate.
- Policy ED-21** Support the Port of Bellingham's role in growing Bellingham's economy in areas like the waterfront and in and around the Bellingham International Airport.
- Policy ED-22** Encourage an environment supportive of entrepreneurial activities and explore methods to encourage low-impact enterprises and emerging business models.

## **C. LAND AND INFRASTRUCTURE**

Bellingham's urban area (land in the city and in the urban growth areas) is the main employment center for Whatcom County, containing approximately 65% of total countywide jobs. An adequate land supply and corresponding infrastructure is key to growing existing businesses and creating opportunities for new business. Of the 7,300 acres of vacant "employment lands" (land in the city limits and the UGA with commercial, industrial or mixed-use zoning), only about 1,000 acres are available for development according to the City's 2008-09 Employment Lands Report. Critical areas and their buffers impact nearly 50% of the 7,300 acres. Most of this undeveloped land is located in the northwest and north central portions of the city and UGA. Vacant land in the city has about 53% of the total employment capacity and the UGA lands have about 47%. City staff analyzed the potential capacity of the employment lands in the Employment Lands Report. (*See Appendix D, Employment Lands Report Summary.*) It was estimated at that time that the remaining vacant land and other areas potentially available for redevelopment in the city and UGA would likely accommodate the employment growth that is expected to occur by 2029. The employment growth forecasts and land supply information will be periodically updated as part of the GMA-required update to the city's comprehensive plan and urban growth areas.

Bellingham's critical infrastructure, including shipping terminals, rail, interstate highway and local street and utility networks, fiber-optic connectivity and truck routes are important to many industry sectors. Business leaders interviewed as part of the Phase 1 Regional Economic

<sup>4</sup> Employment Lands Study, Phase I (City of Bellingham, 2009)

Development Strategy study indicated general satisfaction with Bellingham's transportation system. They also noted the importance of the airport as a key link to communities outside of the Pacific Northwest and described the recent runway restructuring and terminal expansion projects as positive developments. (See *SWOT Analysis, Appendix E*)

#### **Land and Infrastructure Goal and Policies**

**GOAL ED-3** Maintain an adequate supply of developable employment lands to accommodate the forecasted growth and accomplish the City's economic development goals.

**Policy ED-23** Periodically assess the adequacy of the supply of vacant and re-developable employment lands in Bellingham and the Urban Growth Area, especially land zoned for industry.

The remaining vacant and re-developable employment lands in the in the city and UGA should be used as efficiently as possible to reduce the pressure to expand the boundaries of the UGA into rural areas.

**Policy ED-24** Review land use regulations, development standards and design guidelines to ensure that the existing developed and remaining vacant or underutilized employment lands are used as efficiently as possible.

**Policy ED-25** Evaluate rezone proposals and changes to development regulations for potential impacts on the supply of land zoned for employment activities.

The City's 2009 Employment Lands Study, Phase II, includes a target industry evaluation that identifies desirable, mutually supportive employment sectors for Bellingham. These sectors were identified based on their potential for growth, wage and salary rates, and presence or concentration in the city and region. Based on this analysis, a number of employment sectors were identified as desirable for Bellingham. Examples include, but are not limited to the following. Further analysis and refinement of these sectors may be considered in the Strategic Action Plan.

- Marine trades
- Professional, scientific and technical services
- Computers, internet and telecommunications
- Equipment and instrumentation manufacturing
- Adventure-related recreation
- Food processing
- Health care
- Education, including workforce training
- Advanced manufacturing

**Policy ED-26** Ensure that there are suitable locations for these targeted employment sectors.

**Policy ED-27** Support the retention and growth of the industrial/manufacturing sectors and seek to attract new businesses to provide opportunities for skilled employment and living wage jobs.

**Policy ED-28** Develop or support programs that seek to provide an increased supply of workforce housing.

Bellingham's transportation network and other infrastructure is an important asset in terms of encouraging and accommodating economic development. Traditional infrastructure provided by a municipality includes roads, water, sewer, stormwater and similar facilities and systems.

**Policy ED-29** Continue to provide adequate and efficient community infrastructure such as roads, water, sewer, stormwater management and other public facilities and services.

**Policy ED-30** Coordinate City investments in utilities, transportation and other public facilities with business and employment opportunities whenever possible.

**Policy ED-31** Maintain the adopted level-of-service standards for police, fire and emergency medical services.

**Policy ED-32** Explore the use of wetland mitigation tools such as mitigation banking or in-lieu-of fees that allow for more streamlined permitting and improved mitigation success.

**Policy ED-33** Explore the feasibility of adopting a regional approach to stormwater management when it can be shown to provide equal or better functions than on-site treatment.

**Policy ED-34** Encourage continued and expanded transportation options connecting Portland, Seattle, Bellingham and Vancouver, B.C.; and ferry service to the San Juan Islands, British Columbia and Alaska.

**Policy ED-35** Support the Port of Bellingham's efforts to advance the Bellingham International Airport, providing greater access to other marketplaces while also benefiting the local economy.

**Policy ED-36** Encourage and support the development of technology and telecommunications infrastructure citywide and throughout the region.

Many opportunities exist to reclaim and repurpose vacant, obsolete or contaminated land and buildings to improve community health and safety, increase environmental quality and provide economic benefits in these areas.

**Policy ED-37** Promote the efficient use/reuse of employment lands by coordinating with other levels of government to support and encourage the cleanup of contaminated soil and other environmental remediation activities.

**Policy ED-38** Identify and remove barriers to redeveloping underutilized and/or vacant land and buildings.

## D. VIBRANT COMMERCIAL CENTERS

Central to the City's economic development efforts is the promotion of a strong and vibrant downtown and other mixed-use urban villages with approved master plans, including Barkley Village. To achieve the City's infill and urban village growth strategies, growth should be directed to these areas with strategic investments in the facilities and services necessary to support the development. The provision of housing is a key component in successful urban villages.

Mixed-use urban villages offer tremendous opportunities for job growth. Each urban village master plan will contain goals, policies and strategies specific to that particular village to support the City's growth management and economic development goals. (See the Land Use chapter for information regarding the City's urban village infill strategies.)

### Vibrant Commercial Centers Goal and Policies

- GOAL ED-4** Bellingham accommodates and manages growth primarily by encouraging the development of mixed-use urban villages.
- Policy ED-39** Provide for a wide range of permitted uses in emerging urban villages to encourage these areas to develop as employment centers.
- Policy ED-40** The City should invest in park facilities, historic and cultural resources and other amenities to stimulate the development of housing and businesses in urban villages.
- Policy ED-41** Identify actions in the Downtown Subarea Plan to promote an economically healthy downtown that is unique, attractive, encourages environmentally responsible business practices, and offers a variety of residential, retail, office, service, cultural, civic and recreational opportunities.
- Policy ED-42** Provide infrastructure and public amenities to support the redevelopment of Downtown, Old Town and the Waterfront District consistent with the adopted subarea plans.
- Policy ED-43** Support the Port of Bellingham's efforts to attract private investment to the Waterfront District, delivering a mix of land uses at a pace that supports redevelopment of the Downtown and Old Town areas.

## E. QUALITY OF LIFE

The region's location and beauty are Whatcom County's "special ingredients". Bellingham's locational advantages include easy access to Seattle and Canada, small town feel, world class cultural and recreational amenities, marine-to-mountain natural features and leadership on environmental issues. Participants in the business leader interviews (conducted as part of the CEBR Phase 1 Regional Economic Development Strategy study) were passionate about Whatcom County's unique beauty and the many natural assets contributing to the area's quality of life. A reoccurring suggestion regarding the development of a regional economic strategy for Whatcom

County was offered by many participants, "communities need to figure out how to wisely use existing opportunities and assets, accentuating the positive".<sup>5</sup> Bellingham is well suited for such a strategy as it is in a beautiful location, has excellent schools and offers a great quality of life. The population is educated - as the city is home to an outstanding university, community and technical colleges. The community has a genuine downtown, and a wealth of cultural, arts and historic resources and a world class parks/greenways system.

To have a positive environment for businesses and residents, the City also regards investments in major quality of life amenities and services as "infrastructure". These include parks, trails, playfields, aquatic center and recreational programs; outstanding views of, and proximity and access to Bellingham Bay, the surrounding county and to the nearby hills and mountains; access to high quality healthcare facilities; schools; arts and cultural attractions such as museums, art galleries and the Mt. Baker Theater; and outstanding police, fire and emergency medical services. Providing a high quality of life and maintaining the livability of Bellingham are very effective tools for attracting and retaining quality businesses. This was reinforced over and over in interviews with local business leaders.

Over the years, the City of Bellingham and our residents have wisely invested in public improvements such as new schools, the Arne Hanna Aquatic Center, Mt. Baker Theater, Whatcom Museum of History and Art, Lightcatcher Museum, parks, trails, playfields, greenways, farmers market and expanded sanitary sewer capacity. These assets help spur private sector investments that increase the City's revenue base, supporting existing facilities and additional community improvements.

### Quality of Life Goal and Policies

- GOAL ED-5** Bellingham continues to invest in the quality of life attributes that provide the City with a competitive advantage in terms of economic development.
- Policy ED-44** Continue to provide a healthy community that includes clean air and water, public open spaces, natural and recreational areas, and "green infrastructure" such as street trees and native vegetation in urban centers and residential areas.
- Policy ED-45** Use education, regulations and incentives to help maintain and improve the health of natural systems such as air and water quality, and aquatic habitat.
- Policy ED-46** The City will continue to employ sustainable practices, such as those that minimize use of energy, minimize waste, and reduce vehicular trips; and will encourage the private sector to take part in these activities.

The quality of the built environment in Bellingham provides an important component of our "sense of place". The City's design standards and design review process should be performance based, to allow for unique circumstances, creativity and new technologies, resulting in high quality and economically viable development.

- Policy ED-47** Through the adoption and application of design standards, encourage high quality urban design in new public and private development projects.

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<sup>5</sup> Northwest Economic Council, Regional Economic Strategy for Whatcom County, Phase 1 Report, March 2011.

**APPENDICES --**

**Appendix A - Bellingham City Council Legacies and Strategic Commitments**

**Appendix B - Characteristics of the Local Economy**

**Appendix C - Economic Profile of Bellingham & Whatcom County**

**Appendix D - Employment Lands Report Summary**

**Appendix E - SWOT Analysis**

# Economic Development Chapter

## Appendix A

### And City Council Legacies and Strategic Commitments

**The Following Legacies and Strategic Commitments related to the economic development efforts of the City of Bellingham were adopted by the City Council in July 2009:**

*"We are working today so that future generations will benefit from...."*

#### **Legacy #3: A Vibrant Sustainable Economy**

- Support a thriving local economy across all sectors
- Promote inter-dependence of environmental, economic and social interests
- Create conditions that encourage public & private investment
- Foster vibrant downtown & other commercial centers
- Preserve farmland & the agricultural economy

#### **Legacy #5: A Safe and Prepared Community**

- Ensure safe infrastructure
- Prevent and respond to crime

#### **Legacy #6: Mobility and Connectivity Options**

- Maintain and improve streets, trails and other infrastructure

#### **Legacy #7: Access to Quality of Life Amenities**

- Maintain and enhance publicly owned assets
- Foster arts, culture and lifelong learning
- Provide recreation and enrichment opportunities
- Ensure convenient access to & availability of parks and trails

#### **Legacy #8: Quality, Responsive City Services**

- Deliver efficient, effective & accountable services
- Use transparent processes and involve stakeholders in decisions

#### **Legacy #9: Equity and Social Justice**

- Support safe, affordable housing
- Increase living wage employment
- Support services for lower income residents

## ECONOMIC DEVELOPMENT CHAPTER

### Appendix B. Characteristics of the Local Economy\*

**Table 1. Top 25 Employers in Whatcom County 2010-11**

RANK	BUSINESS	Employees
1	Peace Health / Madrona Medical Group*	2,753
2	Western Washington University*	1,592
3	Bellingham School District*	1,312
4	City of Bellingham*	899
5	Whatcom County*	864
6	BP Cherry Point Refinery	800
7	Heath Tecna*	704
8	Ferndale School District	698
9	Sodexo Services*	652
10	Lummi Tribal Office	640
11	Fred Meyer (Kroeger)*	613
12	Alcoa Intalco	605
13	Silver Reef Casino	544
14	Matrix Service Inc*	482
15	The Markets LLC*	476
16	Whatcom Community College*	413
17	Anvil Corp.*	400
18	Lynden School District	360
19	Premier Graphics*	354
20	Smith Gardens*	350
21	Costco*	340
22	Wal-Mart*	310
23	Mt. Baker School District	300
24	Conoco Phillips Company	280
25	Alpha Technologies*	270

Source: WWU Center for Economic and Business Research

\*Located primarily in Bellingham or the Bellingham UGA.

\*\* Hagen Inc.(896 employees in 2008), Sterling Health (700 employees in 2008) and T Mobile (440 employees in 2008), are believed to be among the top 20, but reliable information was not available. All three are primarily located in Bellingham.

\*For other information on the local economy, see the following sources: [create links](#)

1. Washington State Employment Security Department
2. WWU Center for Economic and Business Research
3. Washington State Office of Financial Management
4. U.S. Census/American Community Survey

Figure 1 shows the distribution of jobs by industry sector in Bellingham and the urban growth area.

Figure 1

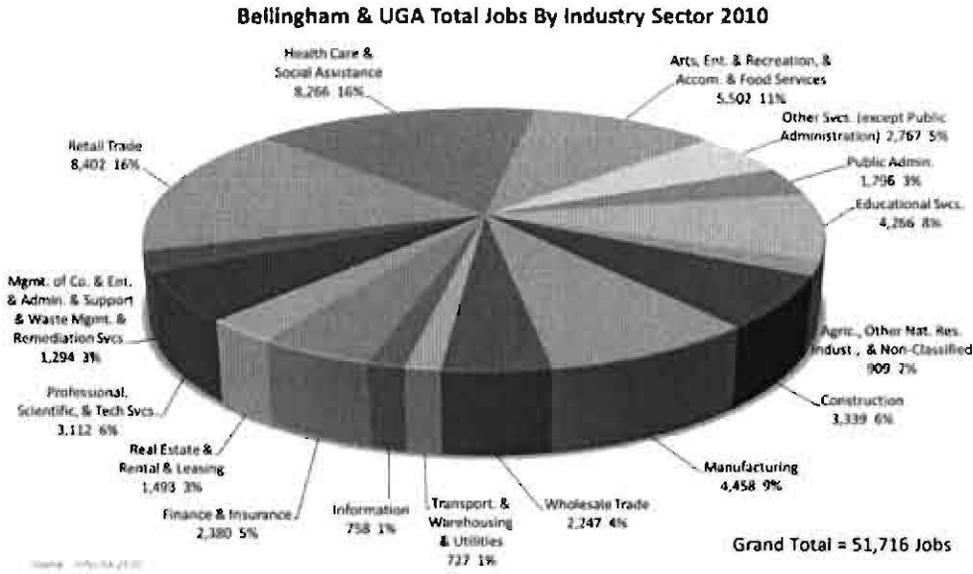
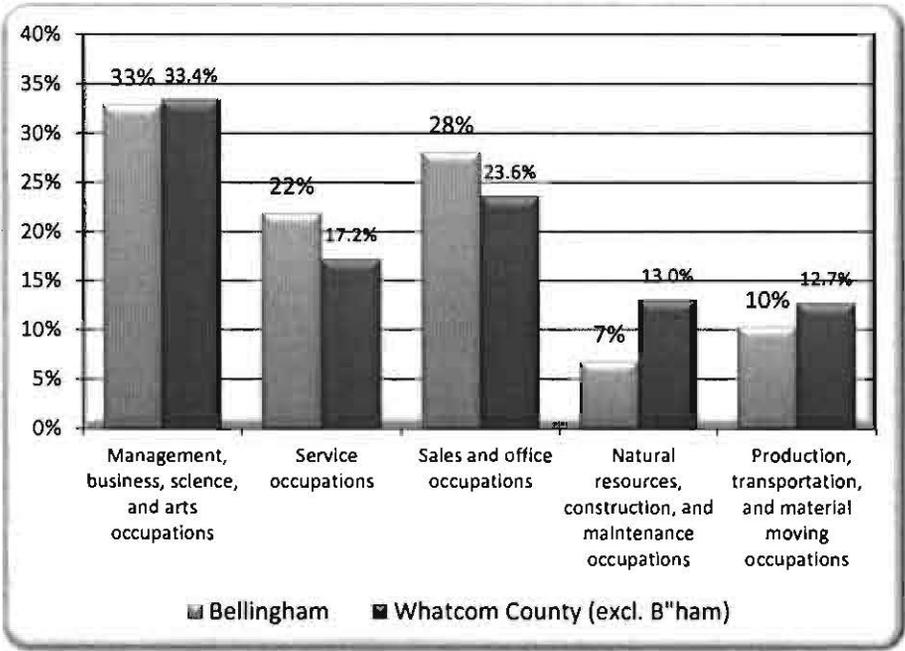


Figure 2 from the American Community Survey compares the occupations of people living in Bellingham with the remainder of Whatcom County.

Figure 2



**Table 2: 2012 Median Family and Household Income**

	<b>Bellingham</b>	<b>Whatcom County</b>	<b>Washington State</b>
<b>Median Family Income</b>	\$58,149	\$64,586	\$69,328
<b>Median Household Income</b>	\$38,136	\$49,031	\$57,244

Source: American Community Survey

# ECONOMIC DEVELOPMENT CHAPTER

## **Appendix C. Economic Profile of Bellingham/Whatcom County**

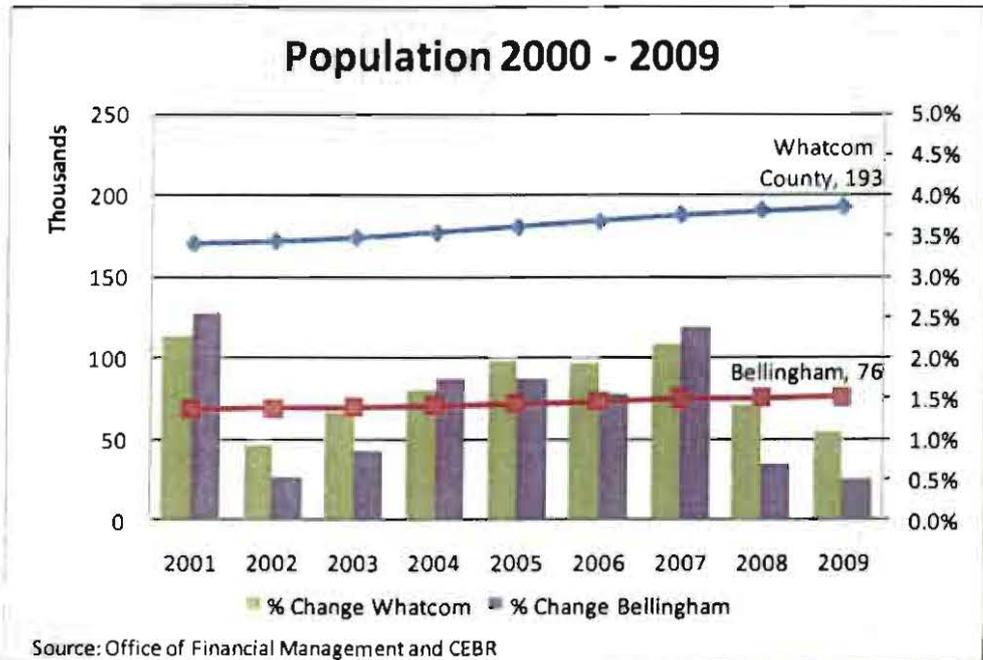
The economic profile of Bellingham was prepared by Western Washington University's Center for Economic and Business Research.

# 2009 Whatcom County Snapshot

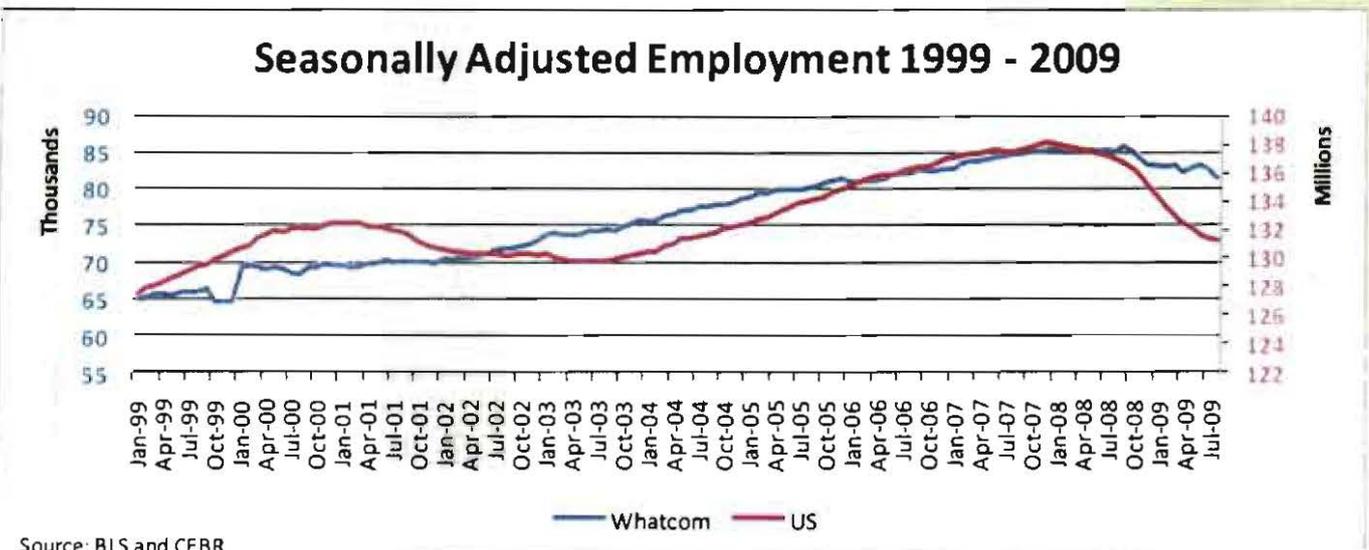


BY: WWU CENTER FOR ECONOMIC AND BUSINESS

Population in Bellingham and Whatcom county has been steadily increasing with people moving into and throughout Whatcom County. The majority of Whatcom's population is White (88.7%) followed by Hispanic (6.5%) and American Indian (2.9%). Of the different age groups in Whatcom the biggest increase since 2000 is the 45-64 year old age group (3.6%). There has also been a decrease in the 25-44 year old age group (-3.3%) which implies a slight aging of the population. It may be important to note that other counties in the state and in other states have had higher population growth rates in recent years and show the same aging of the population.



We often hear that the local economy lags behind the US by 6-12 months. And while some indicators, such as home prices do show such a lag, other indicators do not. Historical employment data shows little correlation between the local and national economies. information on prior years contact CEBR.

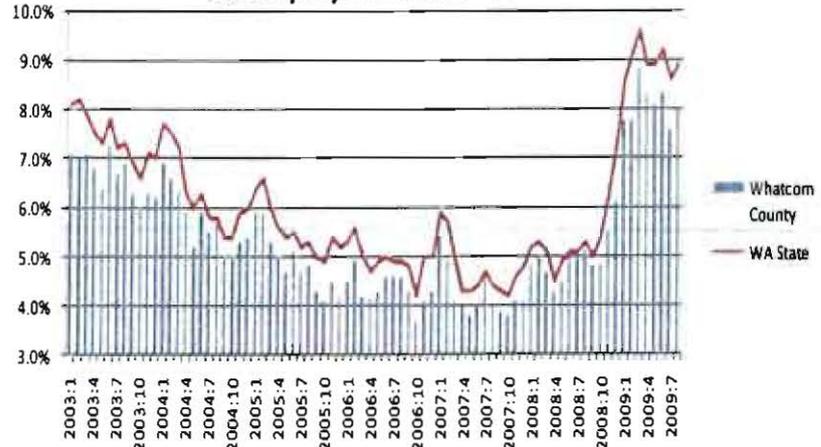




## 2009 Whatcom County Snapshot

Unemployment in Whatcom County has been below both the State and US level since 2000. With the recent increase, unemployment is now the highest it has been since the early 1980's. We expect unemployment could increase into 2010 and will recover very slowly.

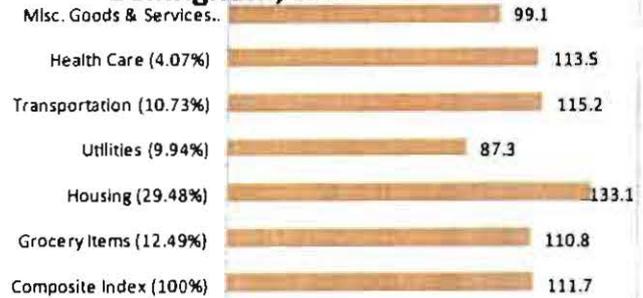
### Unemployment Rate 2003 - 2009



Source: Washington Employment Security Dept. and CEBR

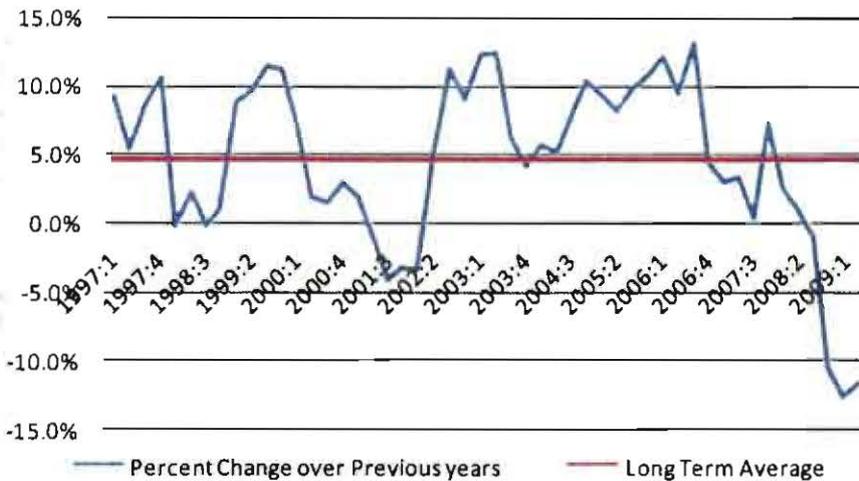
The ACCRA Cost of Living Index shows the cost of specific items in a city relative to the same items in other cities. The index is constructed so that the US average is 100. The overall cost of living index for Bellingham was 111.7 in the second quarter of 2009—suggesting that the cost of living in Bellingham is roughly 12 percent above the US average. The cost of living is slightly higher in Seattle, WA and Portland, OR but wages are also higher in those larger, urban areas.

### 2009 Q2 Cost of Living for Bellingham, WA



Source: ACCRA and CEBR

### Whatcom Taxable Retail Sales



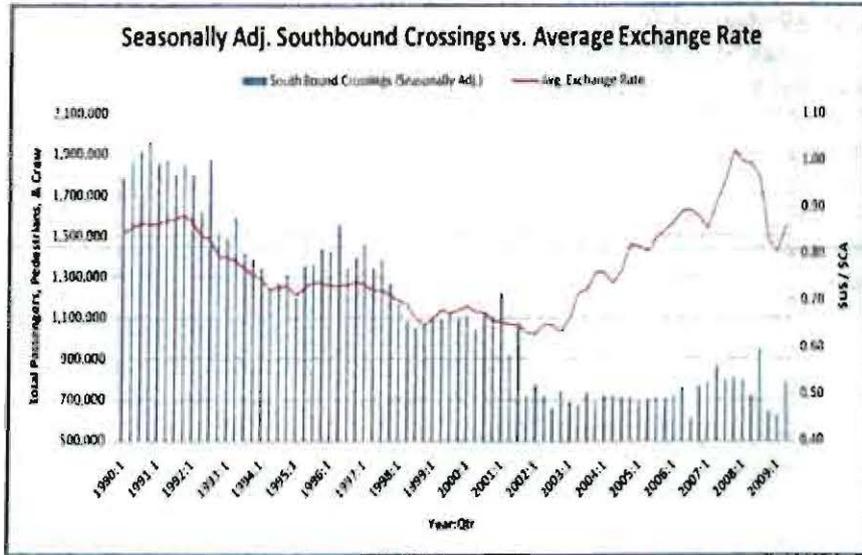
Source: WA Department of Revenue and CEBR

Taxable retail sales have declined sharply with the recession, with the drop in tax revenues being a very important issue for city, county, and state agencies.

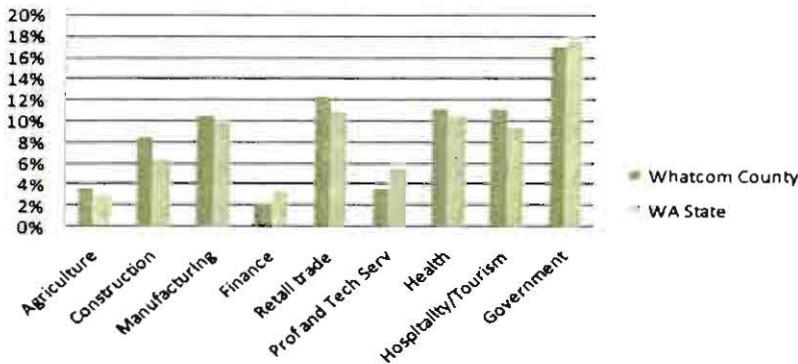
# 2009 Whatcom County Snapshot



We tend to imagine a wave of Canadian shoppers traveling south when the Canadian dollar is strong (relative to the US dollar). In fact, border crossings have varied little in recent years, despite periods when the Canadian dollar has been strong. Border data are available on the CEBR website (along with the graph at right).



## Percent of Total Employment by Sector - 2008

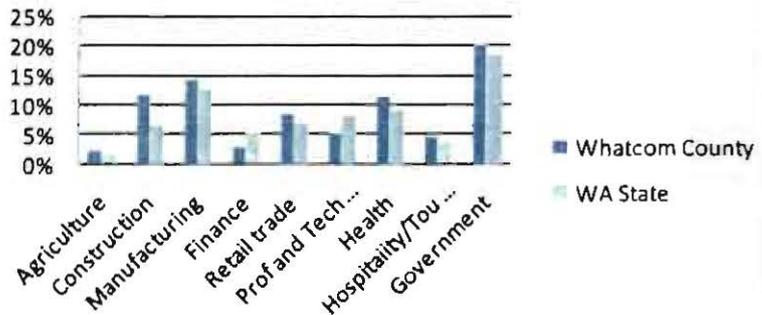


Source: Washington Employment Security Dept. and CEBR

Sectors with the most employment are Government, retail trade, healthcare and social assistance, and manufacturing. According to Washington Employment Security Department the fastest growing occupations are Veterinary Technologists and Technicians, Personal Financial Advisors and Computer Hardware Engineers. The top five largest employers in Whatcom in 2008 were St. Joseph Hospital/Madrona Medical Group, Western Washington University, Bellingham School District, Whatcom County, and the City of Bellingham.

In general wages in Whatcom County are lower than the state average. The highest wages in Whatcom County are in the Petroleum Manufacturing sector. The highest wages by occupation include Physicians and Surgeons, Family and General Practitioners, Real Estate Brokers, Chief Executives and Dentists according to Washington Employment Security Department.

## Percentage of Wages by Sector - 2008



Source: Washington Employment Security Dept. and CEBR

# 2009 Whatcom County Snapshot

WWU CENTER FOR ECONOMIC AND BUSINESS RESEARCH

	Whatcom	WA State	US
Population (2008)	196,529	6,549,224	304,059,724
Growth (%) since 2000	17.80%	11.11%	8.04%
Households (2008)	78,093	2,698,930	126,237,884
Labor Force (2008)	94,866	3,312,856	151,062,383
Unemployment Rate (2009:8)	8.00%	9.20%	9.60%
Per Capita Personal Income (2008)	\$24,570	\$28,290	\$26,178
Median Household Income (2008)	\$46,766	\$53,940	\$50,007
Individual Poverty Rate (2007)	14.50%	11.80%	13.30%
H.S. Diploma or More (2008)	89.40%	88.90%	84.00%
B.A. Degree or More (2008)	34.80%	30.00%	27.00%
Crime - Violent (2007) Per 1,000	2.2	3.3	4.5
Crime - Property (2007) Per 1,000	19.5	37.6	32.1

Source: Census, Washington Prospector, City-Data, BLS, FBI, CEBR



The Center for Economic and Business Research (CEBR) makes academic research useful to businesses and communities. It is also a primary resource for the analysis of business conditions and economic forecasts. CEBR is a member of the Association for University Business and Economic Research (AUBER). CEBR is one of five outreach centers in the College of Business & Economics at Western Washington University.

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The College of Business and Economics at Western Washington University promotes economic development through research, education, and outreach. We at CEBR work closely with the other college outreach centers—including the Center for Economic Vitality, the Small Business Development Center, and the Center for Economic Education to help businesses and communities work together to build the best future possible.

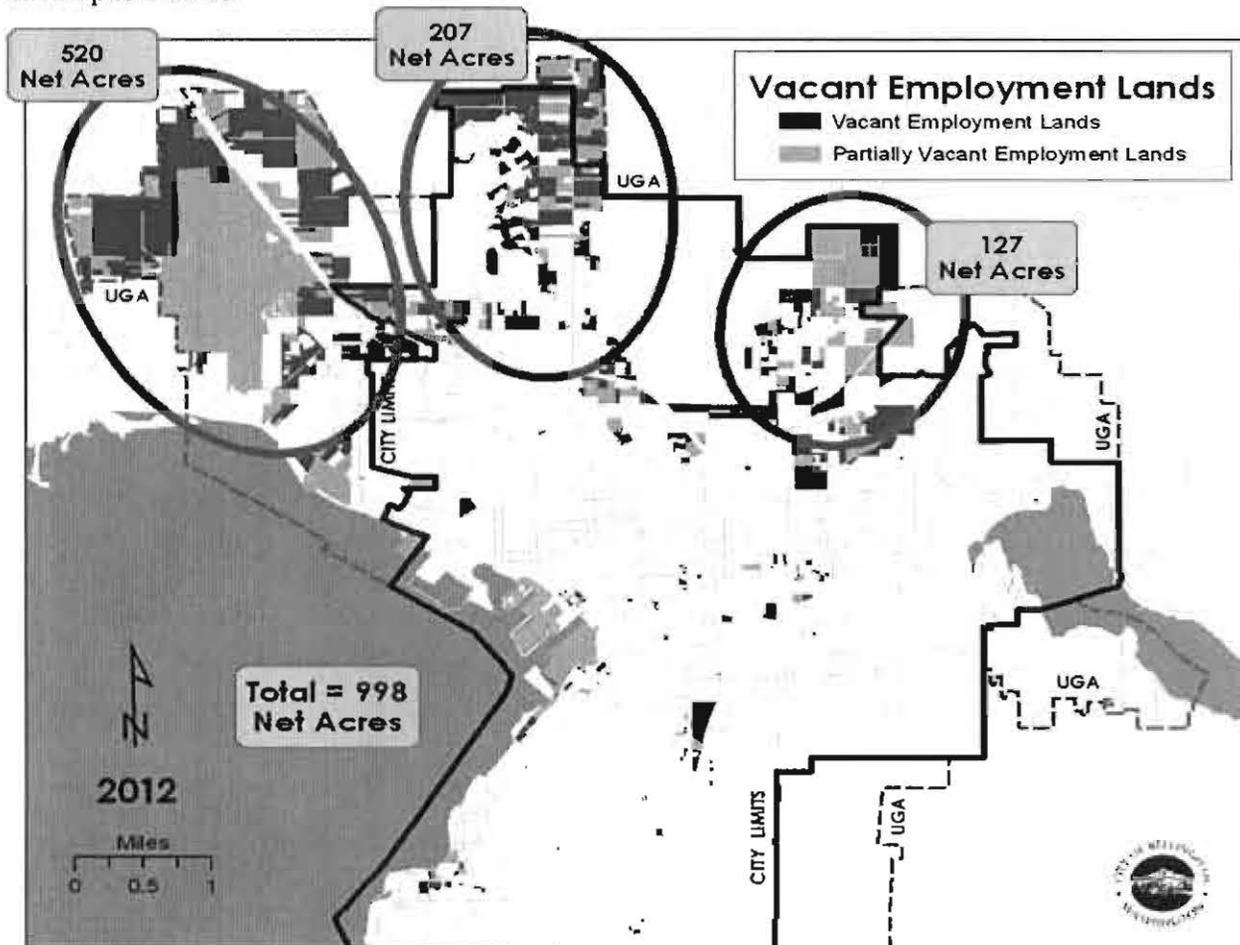
# ECONOMIC DEVELOPMENT CHAPTER

## Appendix D. Employment Lands Report Summary

The 2008 Employment Lands report provided an overview of Bellingham's industry sectors, employment zones, and future employment capacity. The report includes statistical profiles and analysis of each of the City's geographic employment centers. Also included is a general summary of Bellingham's employment land supply based on GIS analysis of vacant lands. Finally, a simple jobs-per-acre model translates this supply into a baseline capacity estimate to inform future land use discussions.

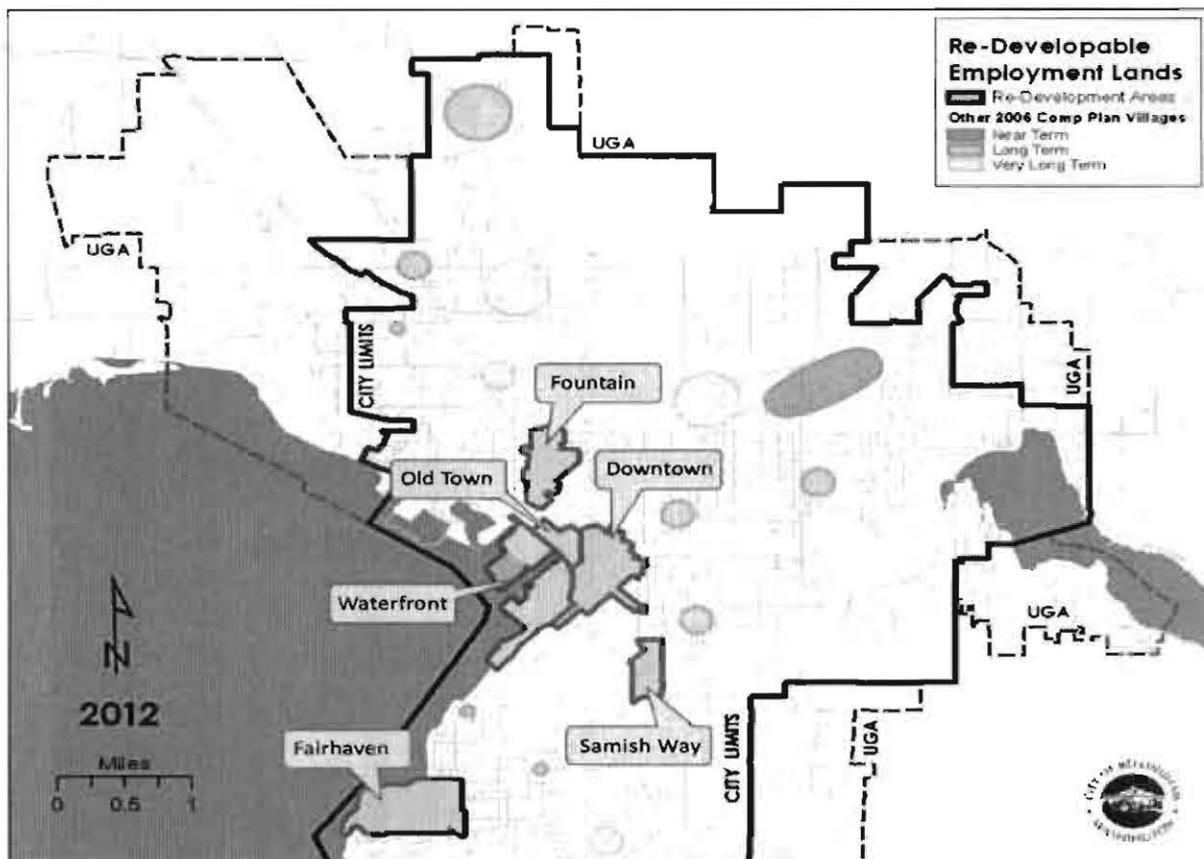
### Summary

Bellingham's employment lands encompass more than 7,300 gross acres. Critical areas and their buffers impact nearly 50% of this land. GIS analysis shows a total of about 1,000 net developable acres. About 85% of this acreage is located in the northwest and north central portions of the City and UGA. The Marine Drive to Northwest Drive area (including the airport) contains about 520 net developable acres. The West Bakerview/Meridian/Cordata area contains about 207 net developable acres. And the Hannegan industrial area contains about 127 net developable acres.



A simple analysis applying current jobs per net developed acre to vacant land indicates Bellingham has a capacity for about 13,000 additional jobs. This baseline number is derived from existing patterns of development and could increase if future development utilizes higher-intensity floor area ratios (FARs).

The average built FAR for all of Bellingham's employment centers is about 0.3 (about 300 sq ft of built floor area for every 1,000 sq ft of gross land area). Downtown, Fairhaven, St Joseph's, and WWU are the highest with FARs between 0.8 and 1.0. Closely tied to this ratio is the percentage of developed land covered by parking lots. About 34% of the developed area in Bellingham's employment centers is dedicated to surface parking. Multi-story development and structured parking have historically been economically feasible in only a few areas of Bellingham. This may change as property values and market conditions evolve.



Bellingham has completed urban village master plans for the Old Town, Samish Way, Fountain, and Fairhaven areas. Planning work continues on the Downtown and Waterfront areas. Additional urban villages have been identified as future planning priorities in the City's Comprehensive Plan. A key component of each of these master plans is the redevelopment of under-utilized land to efficiently accommodate future housing and jobs. While it is challenging to predict when and in what form redevelopment will occur; estimates for these areas indicate a future employment capacity of about 9,400 jobs.

Combining Bellingham's totals for vacant and re-developable lands yields an estimated future capacity of about 22,400 jobs.

In 2008, Whatcom County contracted with consultants to develop employment growth forecasts as part of the required 10-year urban growth area update process. The consultants estimated, and Whatcom County adopted, an employment growth forecast for the City of Bellingham and the Bellingham UGA of 18,829 new jobs by 2029.

## APPENDIX E. SWOT Analysis

### STRENGTHS

- Diversity both the size and type of Whatcom County businesses, helped stabilize the county's economic performance during the recession. \*\*
- The region's beauty is our "special ingredient" - Whatcom County's marine-to-mountain natural features and highly-accessible cultural and recreational amenities contribute important quality of life assets to business owners and employees across all sectors. \*\*
- The airport is a key link to accessing communities outside Pacific Northwest; recent runway expansions are a positive sign. \*\*
- Prime agricultural soils provide a critical, irreplaceable resource for Whatcom County's agricultural sector. \*\*
- Higher education institutions contribute assets such as new ideas, cultural offerings, and internship opportunities that benefit Whatcom County citizens and businesses. \*\*  
Bellingham Technical College is especially responsive to business training and staffing needs.
- Bellingham is the employment center for Whatcom County, bringing workers from across the region.
- A strong network of non-profit social service providers assist those in need and provide a "social safety net" in difficult economic times.\* Well-established partnerships between local non-profit funding organizations and the public/private sector provide alternative means of financing new business and public-private partnership ventures.
- Proximity and availability to critical infrastructure such as Interstate 5, waterfront shipping rail facilities, and high-quality and affordable utilities. \*\*\* and availability of high-quality, affordable utilities.
- Fiber optic connectivity.
- The availability of low-cost, high-quality technical assistance and business services supports new and expanding businesses in Whatcom County \*\*\*
- As the retail center for Whatcom County and lower mainland, Bellingham is able to support a variety of national and local retailers. \*\*\*

### WEAKNESSES

- A business-owner perspective that business growth and economic development is not wanted in Whatcom County makes it unclear where and how business should expand. \*\*
- The pace and curriculum format within higher education institutions may limit opportunities for faculty and students to work with business on today's challenges in industry and to respond to community needs. \*\*
- Most business-support organization offerings are geared toward newer businesses needs in the areas of technical assistance, financing, and business-to-business relationship building, rather than supporting and growing existing businesses. \*\*
- Typically higher unemployment rate, and lower average earnings than the state and nation \*, along with a high cost of living, presents challenges with affordable housing and general affordability of the area.

- A lack of large and/or affordable industrial and commercial parcels within the City limits and Urban Growth Area (UGA) limits the opportunities for traditional large commercial and industrial business relocation.
- increases the cost and complexity of development. \*\*\*
- Complex Land Use Code and zoning structure may create uncertainty for new development proposals.
- Lack of public transportation to the waterfront and airport.

### **OPPORTUNITIES**

- A positive business climate has as much to do with “how” regulators work with businesses as it does with “what” the regulations mandate. \*\*
- Straight forward development regulations and process provide predictability for business to invest in Bellingham.
- Local and state economic development assistance services, including data analysis, financing assistance, market analysis, have been helpful in challenging assumptions and testing new markets. \*\*
- Variety of economic development service providers and non-profit partners are located in the county, with access to multiple resources to assist business. \*
- Whatcom County has been an ideal entry point for Canadian businesses seeking to locate U.S.-based distribution and marketing centers. \*\* and for Canadian customers to support Bellingham as the center for retail.
- Business owners have cited their suppliers, distributors and colleagues from out of the region as the primary resources for business innovation ideas. \*\*
- A coordinated strategy to realize the higher intensity redevelopment potential in existing employment areas such as the Waterfront, Old Town, Downtown and other mixed-use areas throughout the City through urban village and comprehensive planning efforts.
- Shipping terminal.
- Increasing community interest in local supply chain development creates opportunities for additional connections and internal growth.
- “Legacy industries” such as fishing, lumber, farming, and marine trades are making a resurgence nationally and in the world-wide economy, while shifting to a more sustainable approach.

### **THREATS**

- Border security, fluctuating exchange rates, and trade policy impacts to local business.\*
- State, federal and international policy creates external threats to the local community\*
- Interdependence of land use, cost of living, and farmland conversion negatively impacts the availability of affordable housing and quality of life.
- Recruiting technical staff is a challenge across sectors, especially in growing industries, e.g., food manufacturing, process control, welding, software, and sciences. \*\*
- Affordable, high-quality water in sufficient quantities for Whatcom County’s agricultural, residential, manufacturing, and ecosystem.\*\*
- Available and affordable power, broadband telecommunications.

- Vacant real estate may not meet current needs or desires within the marketplace.
- Negative perception of safety within the downtown commercial core.
- Insufficient available land to support traditional land-intensive development models.
- Conflicting policy direction/goals.