Bellingham Comprehensive Plan
Economic Development Chapter

2016

Photo by Buff Black

I. Introduction

The City of Bellingham has long recognized the benefits of a strong and diverse local economy. The City's Visions for Bellingham community goal-setting process completed in the early 1990s acknowledged the importance of sustainable economic growth in a series of goal statements that became the basis for the 1995 Comprehensive Plan. 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 plan had a chapter devoted solely to economic development. In 2013, the Economic Development Chapter was added to the Comprehensive Plan to identify goals and policies to help achieve the Legacies.

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 "The City's Role in Economic Development" section).

The **main goal** of economic development is to improve the economic and social well-being of a community through efforts that encourage the 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.

Although 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 the City will become increasingly difficult to 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, playfields, historic buildings, successful downtown, diverse neighborhoods, excellent public safety services and healthy natural environment. Maintaining these assets is critically important in attracting and retaining employers and a talented, educated workforce.

The Granary building will be repurposed into a mixed-use building as part of the first phase of redevelopment of the Waterfront District. Photo by Angelica Orozco.

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 toward 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 the county, state, national or international levels. 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 to provide workforce and economic and community development services that enhance Bellingham's economic vitality. These partnerships offer opportunities for coordination and synergy.

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. Provide a framework for the City's **Economic Development Strategic Action Plan (ED-SAP).**

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:

- Periodically review the Economic Development Strategic Action Plan to prioritize and help achieve the City's economic development goals, policies and Legacies and Strategic Commitments (see "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.

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 in these documents informed the development of many of the goals and policies in this chapter.

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

- City of Bellingham Consolidated Plan
- Whatcom County Comprehensive Economic Development Strategy
- City of Bellingham Employment Lands Study, Phases I and II
- 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 (WWU) Center for Economic and Business Research. The online 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. The survey results were combined with the results of the interviews to produce an analysis of the strengths, weaknesses, opportunities and threats (or SWOT) related to the economies of Bellingham and Whatcom County. The results of the SWOT analysis were used in the development of this chapter (see Section IV).

The **SWOT assessment** identified **several reoccurring themes**: business diversity, quality of life/location (e.g. natural beauty, proximity to Canada, agricultural lands, employment center), infrastructure (e.g. transportation, utility, technology) and business resources (e.g. higher education, economic development organizations and nonprofits). The SWOTs are further defined and explained under the following five categories, which form the organizational basis for the goals and policies of this chapter:

Positive Business Climate
Economic Diversification
Land and Infrastructure
Vibrant Commercial Centers
Quality of Life

The chapter's five goals mirror the City's Legacies and Strategic Commitments and emphasize the interdependence of the environment, economy and society:

GOAL ED-1 **Build and maintain a positive and competitive business-friendly climate that will retain, grow and attract high-quality businesses.**

GOAL ED-2 **Accommodate a broad mix of employment opportunities, while actively seeking a greater proportion of living wage jobs that will benefit a broad cross-section of Bellingham residents.**

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

GOAL ED-4 **Foster vibrant urban villages.**

GOAL ED-5 **Continue to invest in the quality of life attributes that provide the City with a competitive advantage in terms of economic development.**

II. Goals and Policies

Positive Business Climate

A positive economic climate is a significant factor in business locational decisions. A mutually-beneficial relationship between government and business is also an important component for promoting economic development and prosperity. For the 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.

GOAL ED-1 Build and maintain a positive and competitive business-friendly climate that will retain, grow and attract high-quality businesses.

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.

Staff at the City's permit center answer zoning and permit questions daily.

Policy ED-4 Continually review and evaluate the City's permit processes in order to provide timely, cost-effective services and predictable outcomes.

Policy ED-5 Continue the City's Performance Measures program as a means of monitoring progress toward achieving the economic development and other goals in the Comprehensive Plan.

*Examples of **metrics** related to economic development include average wages in Whatcom County, annual City sales tax receipts and number of jobs.*

As stated in Section I (Introduction), this chapter of the Comprehensive Plan is intended, in part, to provide the framework for the City's Economic Development Strategic Action Plan. The ED-SAP defines and prioritizes the City's activities with respect to achieving the economic development goals and policies in the Comprehensive Plan.

Policy ED-6 Periodically review the ED-SAP to help achieve the City's economic development goals and policies.

Policy ED-7 Implement the ED-SAP 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 among 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 economic activities and tourism.

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 support a thriving regional economy.

Kayaker enjoys Bellingham Bay, with downtown and Mount Baker in the background. Photo by Jamie Valenta.

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.

Policy ED-12 Continue to support the expansion and infrastructure needs of Western Washington University, Whatcom Community College, Bellingham Technical College, the 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.

*Bellingham is home to several **institutions of higher education** 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-13 Support the ongoing efforts of Bellingham's educational institutions to partner and build connections with economic development agencies and 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.

Economic Diversification

In Whatcom County, employment data show 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 Section III shows the top 25 employers in Whatcom County, many of which are located in Bellingham or its unincorporated urban growth area (UGA). Section III also includes figures that illustrate the share of jobs in Bellingham and the UGA by industry sector and compares the occupations of people living in Bellingham with the remainder of Whatcom County. 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 websites and WWU's Center for Economic and Business Research website.

While the City is home to a number of large employers, small businesses make up an important part of the local economy. Sixty percent of businesses in Bellingham 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. Overreliance on any one sector of the economy makes a community more vulnerable to inevitable business cycle downturns and market changes.

Ryzex, a local company with a worldwide customer base, employs about 150 people and sells, repairs and refurbishes new and used data collection equipment.

A strong and diverse economy is also one that provides a sustainable tax base to meet community needs. 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's wages have also been below the county and state averages (see Table 2, Median Family and Household Income, in Section III). According to a recent United Way ALICE (asset limited, income constrained, employed) report, ALICE households coupled with those in poverty, comprise 49% percent of Bellingham households. ALICE families are those that earn more than the U.S. poverty level, but less than the basic cost of living for the country. At the same time, according to the Council for Community and Economic Research (January 2015), the cost of living in Bellingham is 17% higher than the national average, with housing being the primary cost factor. 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 Housing Chapter for additional information on housing affordability).

On the upside, Whatcom County and Bellingham have not suffered the level of economic downturn faced in other regions of the country. Local business leaders credit the diversity of businesses 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 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.

PeaceHealth St. Joseph Medical Center, located in Bellingham, is the largest employer in Whatcom County.

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

GOAL ED-2 Accommodate a broad mix of employment opportunities, while actively seeking a greater proportion of living wage jobs that will benefit a broad cross-section of Bellingham residents.

Policy ED-18 Increase Bellingham's competitive advantage in international trade by assisting Canadian businesses seeking a United States-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 such as the waterfront and in and around the Bellingham International Airport.

Policy ED-22 Working with the Port of Bellingham, Whatcom County and others, explore and pursue opportunities to solicit/attract new investment and expansion from businesses outside the Bellingham area, both regionally and nationally.

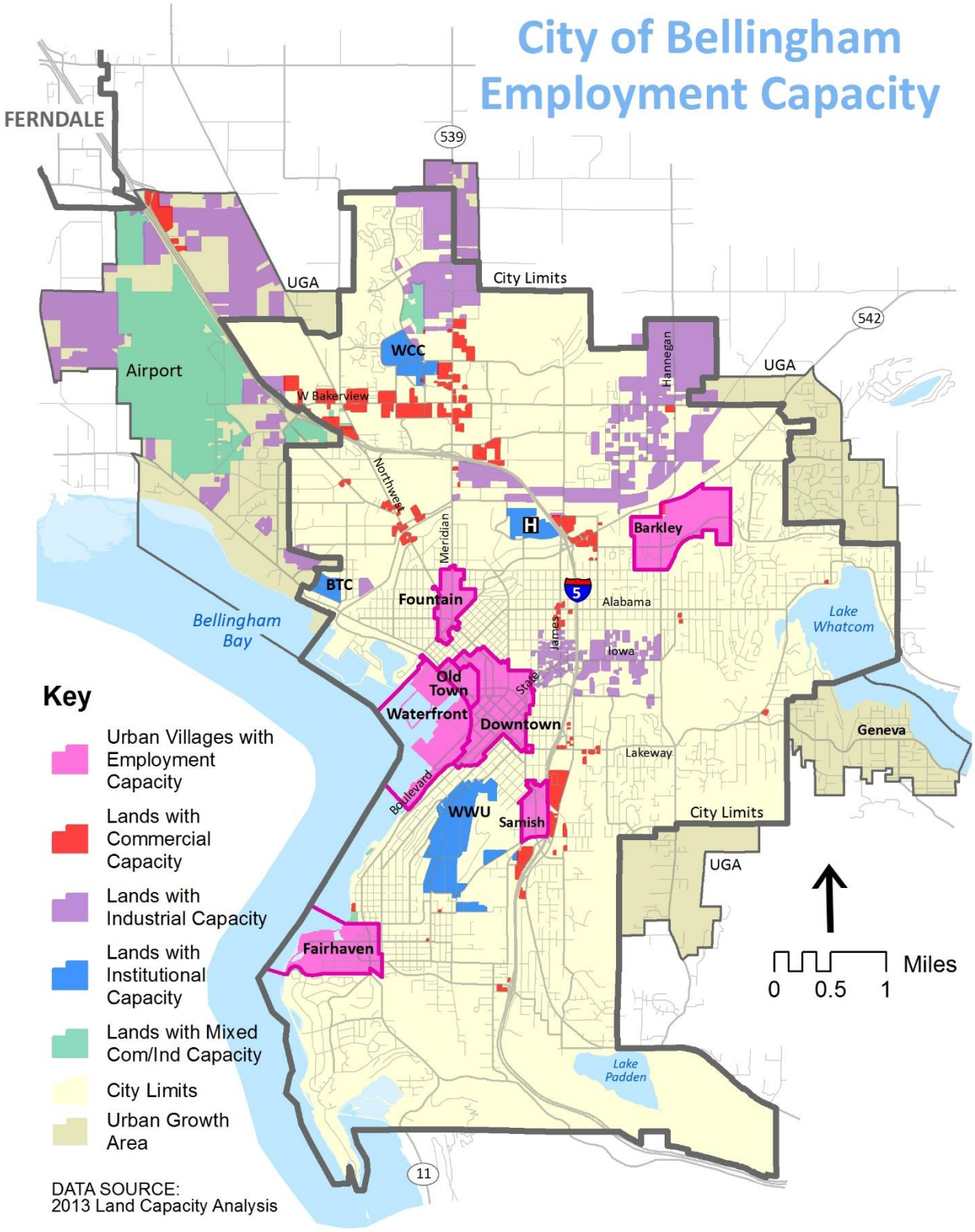
Policy ED-23 Encourage an environment supportive of entrepreneurial activities and explore methods to encourage low-impact enterprises and emerging business models.

Land and Infrastructure

Bellingham's urban area (land in the City and UGA) is the main employment center for Whatcom County, containing approximately 65% of total countywide jobs. An adequate land supply and corresponding infrastructure are key to growing existing businesses and creating opportunities for new business. Of the more than 7,000 acres of vacant "employment lands" (land in the City limits and UGA with commercial, industrial, institutional or mixed-use zoning), approximately 820 acres are available for development, according to the 2013 Land Capacity Analysis. Critical areas and their buffers impact nearly half of the available acres. Additional capacity exists within the City's seven urban villages, several of which are experiencing significant infill and redevelopment.

Most of the undeveloped land is located in the northwest and north central portions of the City and UGA. Vacant land in the City has about 66% of the total employment capacity and the UGA lands have about 34%. About 26% of the capacity in the current City limits is inside urban village areas. It is estimated that the developable land in the City and UGA can accommodate growth of about 27,300 jobs - 7,840 industrial jobs, 16,650 commercial jobs, and 2,810 institutional jobs (see Employment Capacity map). This capacity is more than adequate to accommodate the 2036 forecast employment growth of 22,641 jobs. See the Land Use Chapter (Commercial and Industrial Development Section and Land Capacity Analysis Section) for additional information on future employment capacity.

Undeveloped industrial land in the Cordata Neighborhood.


City of Bellingham
Employment Capacity
FERNDALE
539
UGA
City Limits
542
Airport
WCC
W Bakerview
Hannegan
UGA
Northwest
Meridian
H
Barkley
BTC
Fountain
5
Alabama
Bellingham
Bay
James
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Downtown
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WWU
Samish
City Limits
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Key
Urban Villages with Employment Capacity
Lands with Commercial Capacity
Lands with Industrial Capacity
Lands with Institutional Capacity
Lands with Mixed Com/Ind Capacity
City Limits
Urban Growth Area
DATA SOURCE:
2013 Land Capacity Analysis
Miles
0
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1

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 Phase 1 of the Regional Economic Development Strategy 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, Section IV).

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

*The remaining **vacant and re-developable employment lands** 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 Periodically assess the adequacy of the supply of vacant and redevelopable employment lands in Bellingham and the UGA, especially land zoned for industry.

Policy ED-25 Land with industrial zoning in the UGA should be reserved for industrial uses and appropriate accessory uses.

Policy ED-26 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-27 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:

- 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

Bellingham has an established fishing port that includes a fleet and local processing facilities. Photo by Jake Hilleary.

Policy ED-28 Ensure that there are suitable locations for the targeted employment sectors listed above.

Policy ED-29 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-30 Develop or support programs that seek to provide an increased supply of workforce housing.

Bellingham's transportation network and other infrastructure *are important assets that encourage and accommodate economic development.*

Policy ED-31 Continue to provide adequate and efficient community infrastructure such as roads, water, sewer, stormwater management and other public facilities and services.

Policy ED-32 Identify employment land that lacks sufficient infrastructure and coordinate City investments in utilities, transportation and other public facilities with business and employment opportunities whenever possible.

Policy ED-33 Strive to maintain level of service (LOS) standards that support Bellingham's high quality of life.

Policy ED-34 Select wetland mitigation sites for unavoidable impacts based on current state mitigation guidance documents and first consider on-site and in-basin mitigation before considering a mitigation bank or in-lieu fee program.

Policy ED-35 Consider regional stormwater detention when low impact development techniques are not feasible and where it can be shown to limit maintenance costs, improve the management of stormwater and increase the development potential of properties.

Wharf Street multi-modal roundabout serves as a gateway to several key locations.

Policy ED-36 Encourage continued and expanded transportation options connecting Portland, Oregon, Seattle, Bellingham and Vancouver, British Columbia, and ferry service to the San Juan Islands, British Columbia and Alaska.

Policy ED-37 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-38 Encourage and support the development of technology and telecommunications infrastructure Citywide and throughout the region.

Policy ED-39 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-40 Identify and remove barriers to redeveloping underutilized and/or vacant land and buildings.

*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.*

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. Sufficient housing is a key component in successful urban villages.

Mixed-use urban villages offer tremendous opportunities for job growth. Each urban village master plan contains 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).

Downtown Bellingham is the heart of the community, serving as host to many community-wide events.

GOAL ED-4 Foster vibrant urban villages.

Policy ED-41 Provide a wide range of permitted uses in emerging urban villages to encourage these areas to develop as employment centers.

Policy ED-42 The City should invest in parks, historic and cultural resources and other amenities to stimulate the development of housing and businesses in urban villages.

Policy ED-43 Implement the visions of the Downtown Bellingham Plan, which strive to further a downtown that:

- Is economically healthy;
- Is clean, safe and welcoming;
- Uses environmentally-friendly building and business practices; and
- Offers a variety of residential, retail, office, service, cultural, civic and recreational opportunities.

Policy ED-44 Provide infrastructure and public amenities to support the redevelopment of the Downtown, Old Town and Waterfront Districts consistent with the adopted subarea plans.

Policy ED-45 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 Districts.

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, a 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 Regional Economic Development Strategy, Phase 1) 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". 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; the City is home to an outstanding university, community and technical colleges. The community has a genuine downtown; a wealth of cultural, arts and historic resources; and a world class parks/greenways system.

Boulevard Park at dusk. Photo by Sean Stockburger.

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, the aquatic center and recreational programs; outstanding views of, and proximity and access to Bellingham Bay, the surrounding county and the nearby hills and mountains; access to high quality healthcare facilities; schools; arts and cultural attractions such as museums and art galleries; 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 - a fact that was reiterated in staff interviews with local business leaders.

Over the years, the City and its residents have wisely invested in public improvements such as new schools, an aquatic center, the Mount Baker Theatre, the Whatcom Museum (Lightcatcher, Old City Hall and Syre Education Center), parks, trails, playfields, greenways, farmers markets 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.

GOAL ED-5 Continue to invest in the quality of life attributes that provide the City with a competitive advantage in terms of economic development.

Policy ED-46 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.

Policy ED-47 Explore options and partnerships to allow continued recreational use of the Galbraith Mountain trails, which serve as a regional amenity.

Policy ED-48 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-49 Continue to employ sustainable practices, such as those that reduce energy use, waste and single-occupancy vehicle trips, and encourage the private sector to take part in these activities.

Lake Padden Park is a popular spot for fishing, picnicking and other recreational activities. Photo by Amy Woodward.

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-50 Through the adoption and application of design standards, encourage high-quality urban design in new public and private development projects.

Policy ED-51 Encourage locally-based food production, distribution and choice through the support of community gardens, farmers markets, and other small-scale initiatives.

Local food systems *are generally defined by marketing arrangements such as farmers selling directly to consumers at farmers markets or schools. Statistics suggest that local food markets account for a small, but growing, share of U.S. agricultural production.*

III. Characteristics of the Local Economy

Table 1. Top 25 Employers in Whatcom County 2015

Whatcom County Top 25 Employers

Rank	Business	Employees
1	Peace Health (St Joseph's Medical) *	2,750
2	Western Washington University *	1,690
3	Bellingham School District *	962
4	City of Bellingham *	825
5	BP Cherry Point	820
6	Whatcom County *	809
7	Fred Meyer (Kroger) *	760
8	Zodiac (Heath Tecna) *	607
9	Lummi Nation	600
10	Alcoa Intalco	586
11	Silver Reef Casino	513
12	Matrix Services Inc *	455
13	Alpha Technologies *	439
14	T-Mobile *	437
15	Bellingham Technical College *	432
16	Lynden School District	405
17	Smith Gardens	400
18	The Markets *	392
19	Family Care Network *	380
20	Anvil Corporation *	372
21	Faithlife (formerly Logos *)	361
22	Lynden Door	360
23	Ferndale School District	307
24	Cascade DAFO	281
25	WECU *	279

** Employers located primarily in Bellingham. Source: WWU Center For Economic & Business Research - 2015*

For more information on the local economy, see the following sources:

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

Figure 1 depicts employment by industry sector. In 2015, Bellingham and its UGA accommodated 48,800 jobs, or 64% of the total employment in Whatcom County. About 42% of those jobs included workers who also live in Bellingham, while about 58% work in Bellingham, but live elsewhere. About 44% of Bellingham's employed residents commute to other places for work.

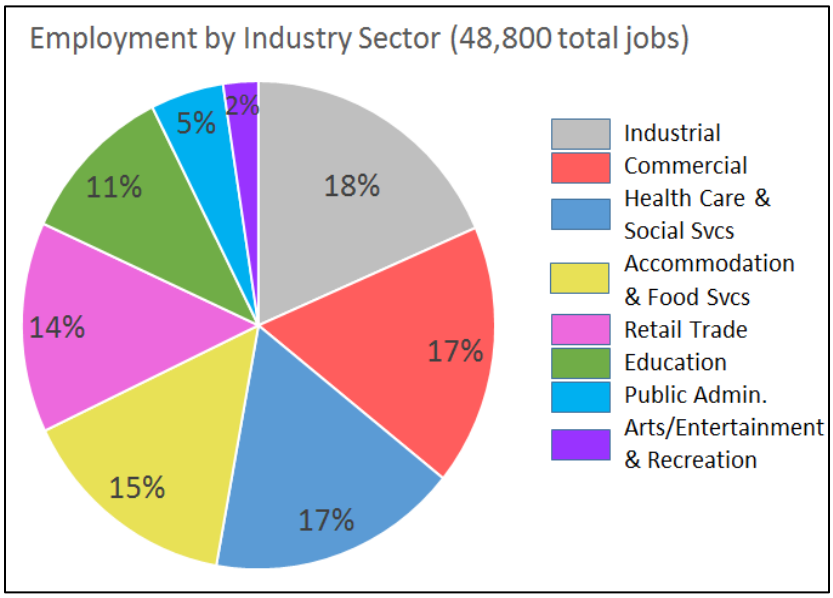

Figure 2

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

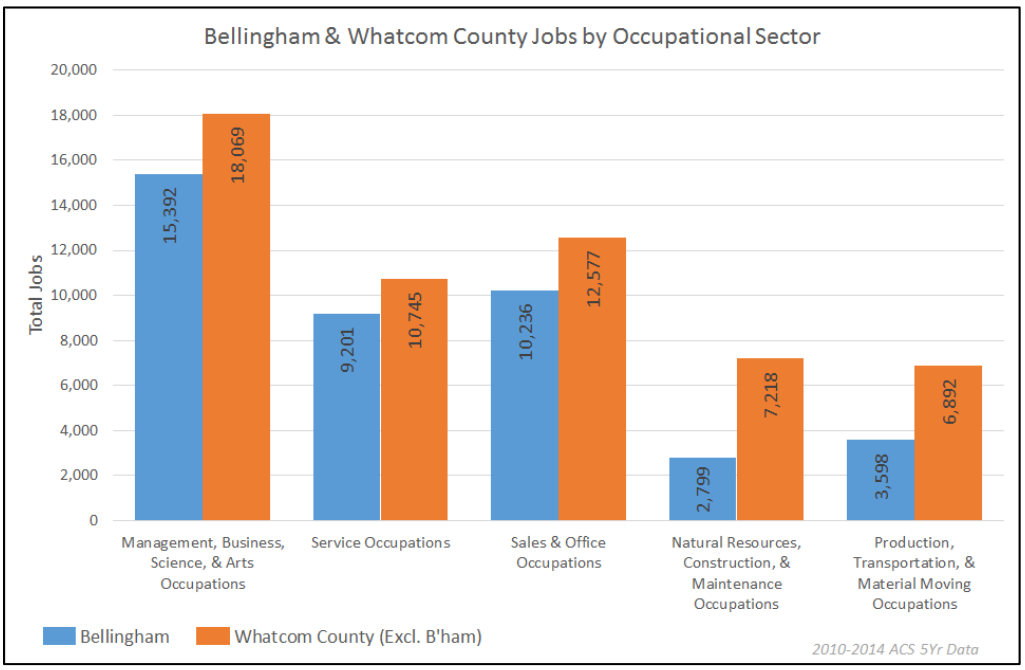

Table 2: 2000 - 2014 Median Family and Household Income

Bellingham's median household income is consistently about 70% of Washington's statewide average (2000 to 2014). The large percentage of college student households is the largest factor in this difference. The median family income is less influenced by students and is about 86% of the statewide average. Whatcom County's median household and family incomes are about 87% and 93% of the statewide average, respectively. Bellingham's totals also influence the countywide average. The 2000, 2010 and 2014 median household and family incomes for Washington, Whatcom County and Bellingham are shown below.

Year	Washington		Whatcom County		Bellingham	
	Median Household Income	Median Family Income	Median Household Income	Median Family Income	Median Household Income	Median Family Income
2014	$60,294	$73,039	$53,025	$68,084	$42,440	$63,355
2010	$57,244	$69,328	$49,031	$64,586	$38,136	$58,149
2000	$45,776	$53,760	$40,005	$49,325	$32,530	$47,196

US Census Bureau 2000 & 2010 Decennial Census, and 2010-2014 ACS 5-Yr Data

IV. SWOT Analysis (2010)

See page three of this chapter for more information on the SWOT analysis.

STRENGTHS

- Diversity both in 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, which 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.
- 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, present 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 UGA limits the opportunities for traditional large commercial and industrial business relocation.

- 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, and Downtown Districts and other mixed-use areas, through urban village and comprehensive planning efforts.
- Bellingham 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 worldwide 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.