

Chapter Seven Economics

Introduction

Purpose

Economic vitality is the measure of the economic health of the County--its people, ~~its~~ businesses, and ~~its~~ government. ~~A way~~ Different ways of enhancing economic vitality ~~are~~ s through public and private actions s designed to achieve:

1. Maintenance of a strong sustainable economic base;
2. Diversification of the local economy;
3. Improved job training and educational opportunities; and
4. Creation and maintenance of a range of family-wage jobs.

Economic vitality ~~depends on~~ ~~can also be described simply as~~ job retention, job creation, job training programs, public and private capital investment, and business and community capacity-building to allow businesses or community groups to do the job themselves. The purpose of the economic element is to set goals and establish policies which promote economic vitality for the future of Whatcom County. This chapter provides policies that directly affect other elements of this plan, ~~and how this plan was drafted~~. There are also policies that can be utilized to help direct future planning actions or to review private requests for plan amendments, rezones, or specific projects. ~~Finally, the list of specific action items set forth direction for immediate and long-term actions by the county and suggestions that involve other entities interested in Economic Development.~~

Process

~~This chapter was originally created by utilizing policies from the Overall Economic Development Program (OEDP), developed while working with the boards of the Bellingham/Whatcom County Economic Development Council (EDC), formerly Fourth Corner Economic Development Group, the Bellingham/Whatcom Chamber of Commerce, the Chamber of Commerce Economic Committee, and an ad hoc committee that was established to review industrial land supply issues. Currently, the Economic Development Administration (EDA) now requires a Comprehensive Economic Development Strategy (CEDS) instead of an OEDP to be eligible for grant funding. The EDA established the OEDP process in order to create an effective Federal/local partnership in economic planning. An expansion of the OEDP process, the CEDS directs its investments to be based on strategies resulting from locally controlled participatory planning processes established to develop and maintain the CEDS.~~

~~Lead by the Partnership For a Sustainable Economy, a committee of the principal coordinators and advocates of the wise management of new public and private investment provided ongoing involvement during development of the CEDS. The~~

1 ~~resulting vision, goals and strategies provide the framework for public and private~~
2 ~~decision-making and serve as the basis for the action plan.~~

3
4 ~~In addition to establishing a series of goals and strategies, a countywide~~
5 ~~compilation of projects has been assembled and is included as an appendix section~~
6 ~~entitled *Whatcom County Comprehensive Economic Development Strategy Project*~~
7 ~~*List*. Included in this list are capital improvements, planning efforts, business~~
8 ~~development and finance tools and technical assistance projects. This compilation~~
9 ~~may be used as a tool for coordinating community and economic proposals~~
10 ~~throughout the county.~~

11
12 ~~**GMA Goals, and County-Wide Planning Policies, and Visioning Community**~~
13 ~~**Value Statements**~~

14
15 This chapter specifically addresses Goal #5 of the Growth Management Act, which
16 encourages economic development and economic opportunity for all citizens of the
17 state. The County-Wide Planning Policies ~~and Community Value Statements~~ also
18 have a sections on economic development, which this chapter specifically
19 addresses. Examples include: recognition of the need for a healthy economy; the
20 emphasis on coordination and cooperation among jurisdictions and public/private
21 partnering; coordination with environmental quality; and the desire to maintain the
22 resource-based industries and recreation as we move toward a more diversified
23 economy. This chapter recognizes the best path towards economic prosperity will
24 likely be found through promotion of the county's existing strengths, such as our
25 unique position to accommodate Canadian companies looking to expand and access
26 the US market, our extensive recreational infrastructure, and the skilled workforce
27 produced by our excellent educational institutions. ~~In general this chapter~~
28 ~~addresses the points raised in the CEDS, the County-Wide Planning Policies, and the~~
29 ~~Visioning Community Value Statements but goes beyond all documents to address~~
30 ~~other economic issues.~~

31
32 ~~As a result of the CEDS process, a compilation of all countywide economic~~
33 ~~development goals, strategies and objectives has been assembled. The *Key Policies*~~
34 ~~*(Goals & Strategies) Related to Local Economic Development* is also a part of the~~
35 ~~CEDS document as an appendix. This summary includes entries from municipalities~~
36 ~~such as area cities, Whatcom County, Council of Governments, PUD #1; economic~~
37 ~~development groups such as East County (Foothills), Point Roberts, Birch Bay~~
38 ~~Economic Development Committees; and special focus organizations such as~~
39 ~~Agriculture Preservation Committee, Workforce Development Council, and Whatcom~~
40 ~~Coalition for Healthy Communities. Goals, strategies and objectives are categorized~~
41 ~~among six general topics: Land Use & Development; Public Infrastructure &~~
42 ~~Services; Workforce & Education; Business Development; Coordination; and~~
43 ~~Natural Resources. Each general topic is further divided into sub-categories allowing~~
44 ~~for cross-community themes and coordination efforts to be supported.~~

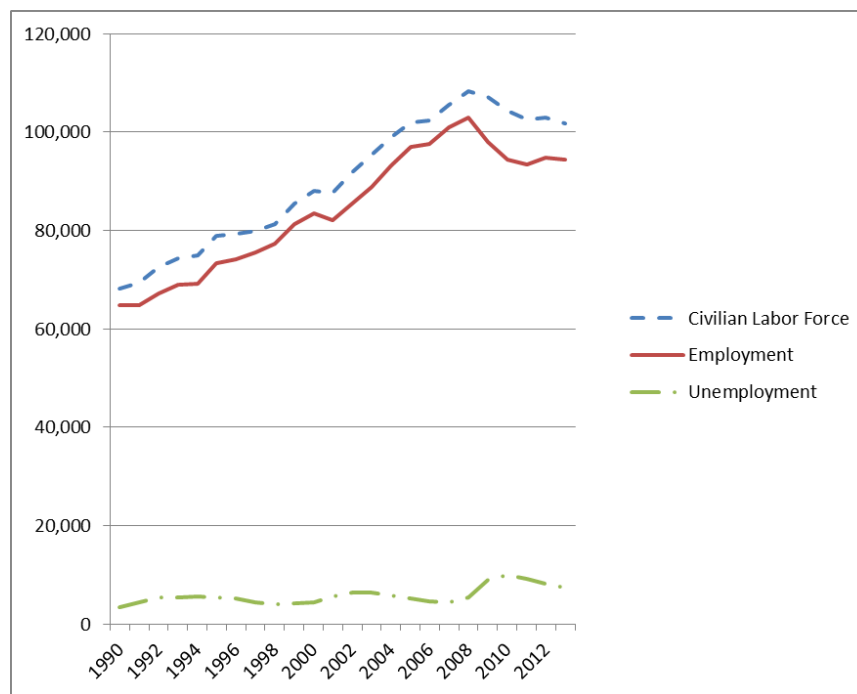
GMA Requirements

The GMA was amended Beginning in 2002 to require an economic development element ~~into be included as~~ a comprehensive plan upon appropriation of state funding. ~~As of 2014, state funding has not been provided. In addition, the County Council has specifically requested that the CEDS report prepared by the Partnership for a Sustainable Economy be incorporated in the comprehensive plan. With this update to the Economics Chapter of the Comp Plan current economic data contained within the CEDS and other sources is incorporated. This chapter directly accomplishes the above objectives though economic policies also appear in other chapters of this plan.~~

Background Summary

Total number of people employed in Whatcom County increased from 64,720 in 1990 to 94,310 in 2013, an increase of almost 30,000 people with jobs. During this period, monthly unemployment has typically ranged from about 5 to 7.5%, but has gone as low as 3.8% in 2006-2007 and peaked at 11.1% in 2010 in the aftermath of the Great Recession.

Figure 1. Labor Force, Employment and Unemployment, 1990-2013



Source: Washington Employment Security Department (2014)

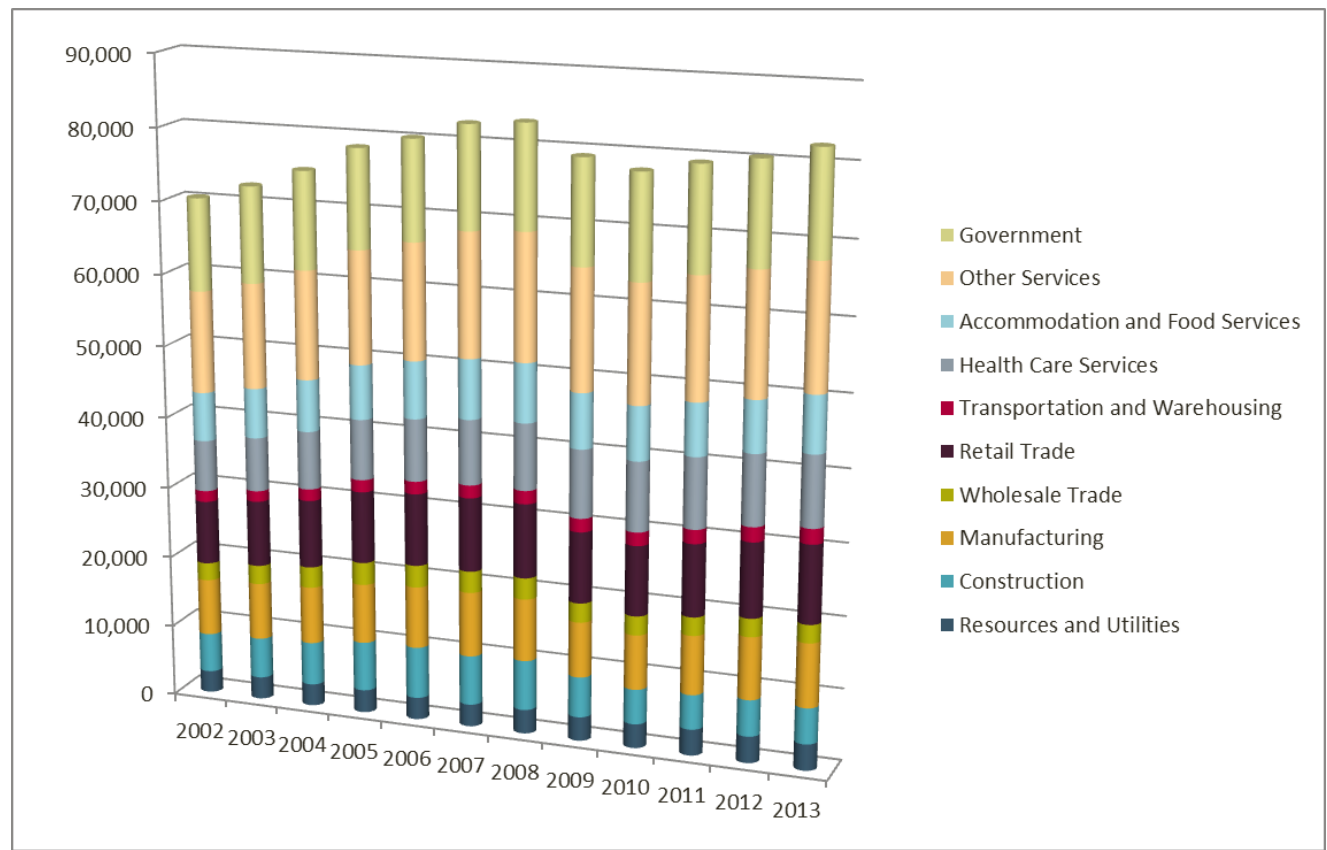
The Washington State Employment Security Department maintains more detailed statistics on "covered" employment, which are jobs covered by state unemployment insurance. Covered employment for Whatcom County is shown below in Table 1, and Figures 2 and 3 by North American Industry Classification System (NAICS) codes.

1 **Table 1. Employment by Industry, 2002-2013**

Industry	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% increase 2002-2013
Resources and Utilities	3,053	3,110	3,071	3,196	3,097	3,115	3,362	3,336	3,376	3,645	3,710	3,672	20.28%
Construction	5,471	5,679	6,030	6,906	7,216	6,928	6,979	5,652	4,861	4,845	5,078	5,002	-8.57%
Manufacturing	7,932	7,991	8,034	8,324	8,630	9,027	8,695	7,727	7,617	8,242	8,703	8,923	12.49%
Wholesale Trade	2,465	2,629	2,919	3,127	3,075	2,994	2,971	2,677	2,648	2,552	2,535	2,514	1.99%
Retail Trade	8,877	9,211	9,487	10,012	10,063	10,253	10,295	9,855	9,701	10,029	10,373	10,834	22.05%
Transportation and Warehousing	1,562	1,506	1,634	1,707	1,751	1,782	1,827	1,862	1,856	1,950	2,047	2,102	34.57%
Health Care Services	7,139	7,507	8,086	8,394	8,644	9,015	9,232	9,445	9,625	9,784	9,781	9,861	38.13%
Accommodation and Food Services	6,818	6,936	7,220	7,544	7,944	8,266	8,159	7,621	7,454	7,257	7,138	7,833	14.89%
Other Services	14,172	14,576	15,056	15,639	16,026	17,084	17,421	16,673	16,295	16,675	16,935	17,235	21.61%
Government	12,817	13,272	13,451	13,652	13,742	14,082	14,224	14,316	14,346	14,291	14,101	14,339	11.87%
Total	70,306	72,417	74,988	78,501	80,188	82,544	83,167	79,164	77,779	79,270	80,401	82,315	17.08%

2
3
4 Source: [Whatcom County Population and Employment Projections and Urban Growth Area Allocations – Phase I](#)
5 [Technical Report, November 1, 2013 \(BERK\) and Washington State Employment Security Department \(2014\)](#)

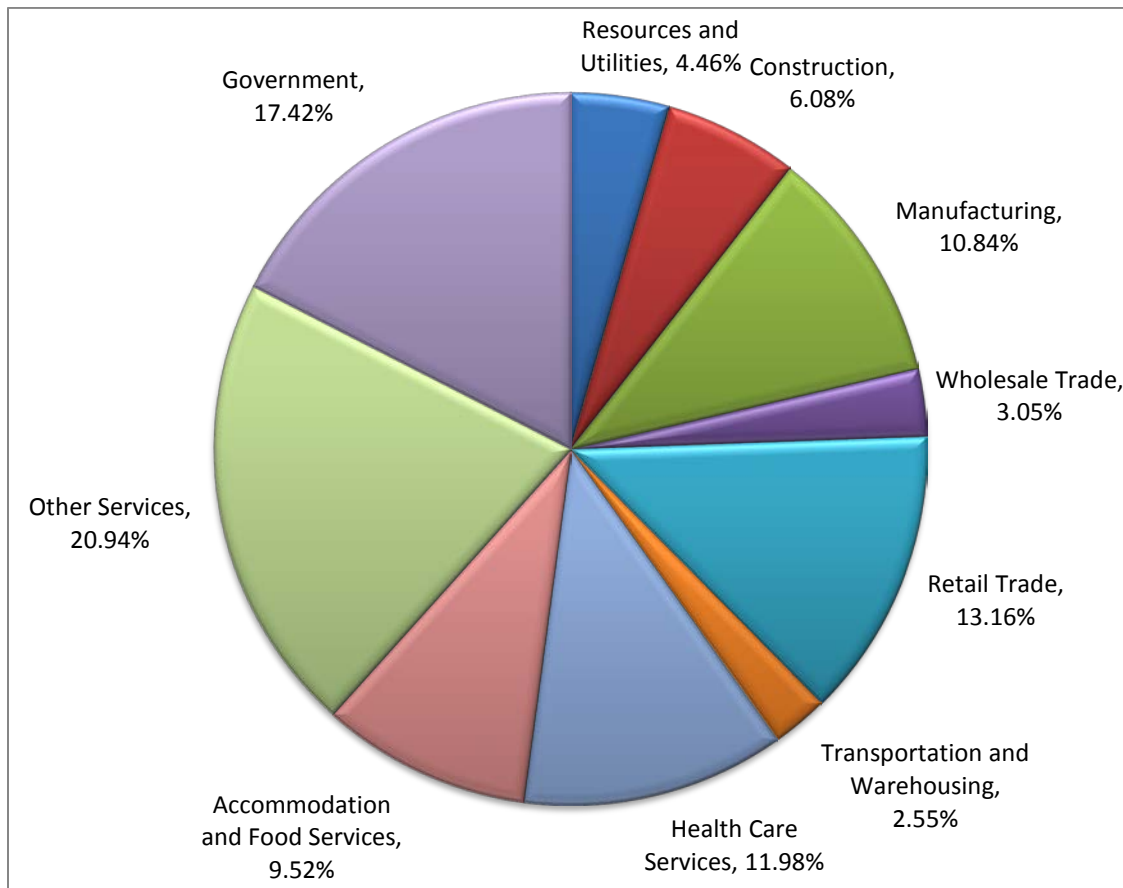
6
7 **Figure 2. Employment by Industry, 2002-2013**



Total covered employment in Whatcom County increased by 17% between 2002 and 2013, while population grew by 18% during this same period (see Table 1 above). Health care services increased by 38% from 2002-2013, which is the highest percentage gain of any industries shown above. Employment in the resources and utilities, retail trade, transportation and warehousing, and other services categories also grew more than average. Between 2002 and 2013, about

1 8.5% of the construction jobs were lost. Construction, which was hit hard in the
2 aftermath of the economic downturn, was the only industry that suffered a net loss
3 of jobs in this time-frame. The 2013 distribution of jobs is shown below.

4
5 **Figure 3. Employment by Industry, 2013**



7
8
9 Median household income in Whatcom County increased between 1990 and 2013,
10 although not as much as in Washington State. In 2013, the median household
11 income was almost \$52,000 in Whatcom County. In the state as a whole, 2013
12 median household income was approaching \$59,000. A comparison of County and
13 State median income, not adjusted for inflation, is presented below.

Figure 4. Median Household Income, 1990-2013



Source: Washington Office of Financial Management (2014)

Historically, Whatcom County has had a cyclical economy. The unemployment rate typically runs nearly a percentage point higher than the state as a whole, though the 2002 year-to-date (10 month) average unemployment rate for Whatcom County of 6.3% is lower than the state average of 7.1%. Average annual wages run several thousand dollars below the state as a whole, a gap that continues to grow.

A number of efforts have been made in the past to address the economic issues in the county. Beginning in 1966 and continuing periodically thereafter, the Whatcom County Council of Governments, working with public and private sectors, published an Overall Economic Development Program (OEDP). For the years 1991 to 1993, the OEDP was prepared by the EDC, in cooperation with Whatcom County Council of Governments. Since 1993, the Whatcom County area has not had an update to overall or comprehensive economic development strategy, until completion of the GEDS process.

The earlier programs led to several studies that were completed in the early 1980s, including: *The Business Triad Report*, 1981; *The Economic Futures Study of Whatcom County*, 1983; and *The Stanford Research Institute Study*, 1983. These studies led to the creation of Team Whatcom, a coordinating group, and Fourth Corner Economic Development Group, both of which joined with the Council of Governments, the Chamber of Commerce, and the Port of Bellingham to sponsor studies and/or carry the economic development role in the county. In 1987, the Business College at Western Washington University led an exercise involving all of the agencies in Whatcom County interested in economic development. From this exercise, a major conclusion was that there is a need for continuing coordination.

1 ~~In 1989, the Cities of Everson and Nooksack held economic summits sponsored by~~
2 ~~Puget Sound Power and Light. Several years later, the City of Ferndale followed~~
3 ~~suit.~~

4
5 ~~Early in 1993, an ad hoc industrial land supply committee was created under the~~
6 ~~auspices of EDC to review industrial land supply needs. The Whatcom County~~
7 ~~Council appointed a Jobs Based Economy Committee that published a report in~~
8 ~~September 1994. Prior to an economic summit in October 1994, the Chamber of~~
9 ~~Commerce published a background study on the local economy.~~

10
11 ~~In addition an Economic Development Task Force (EDTF) was formed in the fall of~~
12 ~~1996 to address economic development issues, network between jurisdictions and~~
13 ~~organizations in Whatcom County and to take positive actions in information and~~
14 ~~marketing; regulatory issues; and infrastructure. In addition, the EDTF was charged~~
15 ~~with the mission to facilitate actions that will improve the economy of Whatcom~~
16 ~~County. A full work plan was established from which to accomplish these objectives.~~

17 18 Community Wide Strategic Planning Efforts

19 20 Whatcom County Comprehensive Economic Development Strategy

21
22 The Whatcom County Comprehensive Economic Development Strategy (CEDS) was
23 updated in 2015. The principal purpose of the CEDS is to facilitate the retention and
24 creation of living-wage jobs and to foster a stable and diversified regional economy,
25 thereby improving the quality of life in the region. Its intent is to bring together the
26 public and private sectors in the creation of an “economic roadmap” to diversify and
27 strengthen the regional economy by integrating the region’s human resources and
28 capital-improvements planning in the service of economic development. The CEDS
29 incorporates three vision statements relating to the County’s preferred economic
30 future:

- 31
32 • Whatcom County values its business community, which is principally
33 responsible for the continued growth in jobs and incomes in the region;
- 34
35 • Whatcom County and its constituent communities have vibrant and dynamic
36 economies where the region’s abundant natural resources are cherished and
37 protected; and
- 38
39 • Whatcom County has an outstanding quality of life where all residents have
40 opportunities to thrive and the support they need to seize those
41 opportunities.

42
43 The CEDS also identifies infrastructure and other projects that support economic
44 development and includes economic data. The CEDS report has primarily directed
45 sales tax revenue collected under RCW 82.14.370 be used to fund infrastructure.

1 Whatcom Futures

2
3 In 2012, more than 90 leaders and representatives from businesses, local
4 governments, not-for-profit organizations and the public helped create the
5 Whatcom Futures report. The following are quotes from the report:
6

7 “Whatcom County’s lower commercial real estate costs compared to those in B.C. –
8 as well as the enhanced access to the U.S. market that a Canadian company enjoys
9 with a U.S. location – has resulted in significant Canadian business investment in
10 the County.”

11
12 “Bellingham Technical College’s Engineering and Advance Manufacturing programs
13 offer degrees that are in demand by industries in Whatcom – and nationwide – with
14 starting salaries for new graduates in excess of \$50,000 a year”.

15
16 “The economic value of Whatcom’s natural resources manifests itself in numerous
17 ways. For instance, the County is the top producer of raspberries in the U.S. and a
18 leading producer of other types of berries as well as dairy products, fish and
19 shellfish”.

20
21 “However, it is important to note that a single resource will often have value to
22 more than one economic sector. For instance, the presence of timberland supports
23 eco-tourism as well as the forest products industry. The same can be said of
24 farmland – which in addition to the produce it generates also facilitates agri-tourism
25 – as well as the region’s fisheries, which support both commercial and sport
26 fishing.”

27
28 “The ability to receive a quality education from Pre-K through post graduate study
29 greatly enhances the quality of life in the County and is an important asset in
30 recruiting businesses to come to the region. Indeed, strong public schools and the
31 availability of higher education are among the principal attributes that prospects
32 look for when considering relocation.”

33
34 ~~In 2000, the Partnership for a Sustainable Economy was formed to coordinate~~
35 ~~countywide economic development planning efforts. The first task is completion of~~
36 ~~the CEDS, which is being incorporated into this Economics Chapter. Six overarching~~
37 ~~Economic Development Strategies have been identified through the CEDS process.~~
38

39 ~~Goal A: Finance and maintain appropriate infrastructure for community and~~
40 ~~economic development.~~

41 ~~Goal B: Ensure sustainable development and uses of natural resources.~~

42 ~~Goal C: Promote a diverse economy by sector and location.~~

43 ~~Goal D: Foster collaborative working relationships among economic~~
44 ~~development stakeholders at the community, state, federal, international and tribal~~
45 ~~levels.~~

46 ~~Goal E: Provide and retain a high quality workforce.~~

47 ~~Goal F: Increase public understanding and involvement in economic issues.~~
48

1 ~~Numerous strategies accompany each of the above Goals.~~

2
3 **Minority Population Issues**

4
5 ~~Historically, Native Americans, the largest minority population in Whatcom County,~~
6 ~~have had high unemployment rates. This has been further impacted by the loss of~~
7 ~~fisheries, although casinos recently built on both reservations have partially~~
8 ~~substituted for this loss. Another growing cultural group in the county is the~~
9 ~~Hispanic community, which came to Whatcom County for seasonal agriculture work~~
10 ~~and has chosen to stay. Seasonal employment, however, cannot provide for~~
11 ~~adequate housing and other basic needs. Russian and Ukrainian immigrants are~~
12 ~~another growing minority in Whatcom County who may have special needs.~~

13
14 **Strategic Economic Vitality Issues**

15
16 ~~There are a number of major economic vitality issues facing Whatcom County.~~
17 ~~These issues are discussed individually below and each is addressed through a~~
18 ~~specific goal with attendant policies.~~

19
20 **Current County Economic Development Activities**

21
22 ~~Whatcom County delegated job creation activities to the Port of Bellingham, which~~
23 ~~serves as the County's "Associate Development Organization" (ADO). The Port of~~
24 ~~Bellingham's mission statement is: "To fulfill the essential transportation and~~
25 ~~economic development needs of the region, while providing leadership and~~
26 ~~maintaining Whatcom County's overall economic vitality through the development~~
27 ~~of comprehensive facilities, programs, and services".~~

28
29 **Issues, Goals, and Policies**

30
31 **Diversified Economy**

32
33 Quality of life is an essential component in many people's choice to live in Whatcom
34 County. A fundamental aspect of "quality of life" characteristics is a strong and
35 diversified economy, ~~one~~ that remains resilient through business cycles, is
36 relatively recession-proof, and ~~one that~~ can provide family-wage employment,
37 affordable housing, discretionary income, tax base, and sponsors for worthy causes.
38 Such an economy should provide for all segments of society with a geographic
39 distribution that, in accordance with the land use plan, spreads the jobs and tax
40 base throughout the area. ~~This concept was reinforced by a non-statistical Business~~
41 ~~Retention and Expansion (BRE) survey conducted by Western Washington~~
42 ~~University's Small Business Development Center (SBDC) with 54 manufacturers.~~
43 ~~They reported that the top two strengths of Whatcom County are Recreation and~~
44 ~~Quality of Life.~~

45
46 Retain the diverse base of manufacturing and other family wage firms already here,
47 as well as prepare for future opportunities by:

- 1 (i) working with our workforce development partners to ensure we focus
2 on the skills enhancement needed for existing and future industries; and
3 (ii) maintaining an adequate supply of shovel-ready land to support the
4 buildings and infrastructure companies will require.

5
6 The wage and job prospects in the service sector vary widely based on the nature
7 of the employment. Retail positions offer relatively low wages and limited prospects
8 for job growth in part due to the trend of retail sales shifting away from traditional
9 storefronts to the internet. Conversely computer programming and cyber-security
10 positions offer entry level wages that are typically well above the national average
11 with some artificial intelligence positions attracting stratospheric starting salaries in
12 other areas of the country.

13
14 As the developed world evolves away from a resource-based and high-volume/low-
15 value-added manufacturing economy, most of the new generation of family wage
16 jobs will likely come from knowledge intensive industries such as computer
17 software and high-value-added specialty manufacturing.

18
19 The CEDS and Whatcom Futures reports are valuable contributions to the challenge
20 of the improving the Whatcom County economy and Whatcom County has much to
21 offer prospective employers as indicated by our latest informational resource
22 www.ChooseWhatcom.com.

23
24 ~~Based on non-agriculture payroll employment data in Whatcom County, the~~
25 ~~number of non-agricultural jobs has consistently grown since 1982. In general, the~~
26 ~~long-term trend in the county's economic development is similar to state and~~
27 ~~national trends. More specifically, the service-producing employment sectors (trade,~~
28 ~~services, government, financial, transportation/utilities) have grown over time,~~
29 ~~while goods production (mining, construction and manufacturing) has decreased as~~
30 ~~a share of total employment. The goods share of the Whatcom economy declined~~
31 ~~from 33% in 1970 to 23% in 2000, while services rose from 67% to 77%.~~

32
33 ~~Even though employment growth has surged, wage growth has lagged. Per capita~~
34 ~~personal income growth in Whatcom County has also not kept pace with the~~
35 ~~statewide average. In 1999, per capita personal income for Whatcom County was~~
36 ~~reported to be \$23,228 while Washington State reported \$30,380. From an analysis~~
37 ~~of the annual average wage in Whatcom County and Washington State since 1970,~~
38 ~~the wage gap that is apparent in per capita personal income is even wider by this~~
39 ~~measure. In 2000, the average annual wage difference between the state and the~~
40 ~~county was \$10,743. Adjusted for inflation, average wages in Whatcom County~~
41 ~~have declined from \$23,872 to \$19,958 over the last 30 years.~~

42
43 ~~This overall decline of the average wage has been subject of considerable~~
44 ~~discussion because it is a national trend. Some of the explanations considered~~

1 ~~include an overall decline in high paying goods-producing jobs accompanied by a~~
2 ~~large increase in lower paying trade and service jobs.~~

3
4 ~~The rapid growth in service-related jobs mirrors national and state trends that have~~
5 ~~occurred for several decades. As reported in the CEDS, forecasts suggest that these~~
6 ~~trends will continue through 2020 and beyond. Washington State's economy will~~
7 ~~continue to become more and more dominated by service jobs. It is expected that~~
8 ~~service jobs will account for 35% of Whatcom County's employment in 2020, up~~
9 ~~from 26% in 2000.~~

10
11 **Goal 7A: Promote a healthy economy ~~which provides~~ providing ample**
12 **opportunity for family-wage jobs for diverse segments of**
13 **the community, which is essential to the quality of life in the**
14 **area.**

15
16 Policy 7A-1: Together with the cities, provide an ample, developable land supply
17 for commercial and industrial uses to provide opportunity for new
18 and expanding firms wishing to locate or remain in Whatcom
19 County.

20
21 Policy 7A-2: Foster a diverse, private-sector job base, which will provide family-
22 wage jobs at the state median income level or greater, and
23 facilitate the retention and expansion of existing businesses.

24
25 Policy 7A-3: Employ innovative techniques to ~~attract~~ recruit and develop a
26 diversified mix of businesses—a mix of diversified industries for a
27 broader economic base starting with the creation of a new
28 economic development program to be funded ideally with monies
29 collected under RCW 82.14.370. This program will be governed by
30 a sunset provision whereby it will automatically terminate after
31 seven years if it was not able to document its efforts were
32 contributing to an equal or greater number of new jobs for the
33 money invested in it, compared to other economic development
34 projects funded by the community.

35
36 Policy 7A-4: In addition to stimulating family-wage job employment and jobs in
37 diverse sectors, ~~plan for~~ ensure we retain entry level and service-
38 related jobs such as those necessary to support tourism,
39 recreation, ~~and~~ retailing, ~~as well as those that relate to~~ and other
40 industries.

41
42 Policy 7A-5: Support a joint venture between the public and private sector in a
43 training and technology partnership with local education resource
44 providers ~~to develop in the interest of supporting the development~~
45 ~~of~~ an educated work force as a key factor for economic success.
46 Such partnerships should include Western Washington University,
47 Whatcom Community College, Bellingham Technical College,

1 Northwest Indian College, NW Northwest Workforce ~~Development~~
2 Council, and businesses and industries.
3

4 Policy 7A-6: Support ~~"Industrial Incubators" to facilitate business~~ start-up
5 operations and entrepreneurship education for small companies
6 ~~which are bigger than cottage industries, but not yet ready for a~~
7 ~~stand-alone industrial site.~~

8
9 Policy 7A-7: Foster an adequate amount of preferred housing supply for all
10 income levels as a prerequisite for a healthy economy.
11

12 Policy 7A-8: Enhance the environment for resource-based and knowledge-based
13 industries ~~and the growing service industry~~ with an emphasis on
14 attracting employment to the communities in eastern Whatcom
15 County.
16

17 Policy 7A-9: Produce a strategic plan to guide the county's participation in
18 tourism ~~development~~ marketing.
19

20 Policy 7A-10: Establish a competitiveness review of policies, taxes/fees,
21 processes, and other influences that impact county businesses.
22

23 **Coordination/Cooperation and Public/Private Partnerships**

24
25 ~~In the mid 1980s, it was recognized that c~~ooperation and coordination by
26 businesses, jurisdictions and other entities ~~are~~ essential components to
27 achieve a strong economy. The CEDS states that one of its purposes is
28 communication and outreach that encourages local goal setting, public
29 engagement, and a commitment to cooperation among the different levels of
30 government, the business community, and the not-for-profit sector. Special efforts
31 were made to accomplish these; both the City of Bellingham and Whatcom County
32 hired staff with this focus.
33

34 The Port of Bellingham was designated as the Associate Development Organization
35 (ADO) in Whatcom County by the County Executive in 2012. An ADO is intended to
36 serve as a point of contact for local economic development activities by supporting
37 business retention, expansion of existing businesses, and new business
38 development.
39

40 In the late 1970s, Whatcom County and its communities were suffering
41 economically. Reliance on natural resource harvesting and export to drive
42 employment growth was insufficient to generate the jobs that were required. A
43 work group of community leaders, local governments, and the private sector was
44 convened, and the Stanford Research Institute was hired to assess opportunities.
45 Their report emphasized:
46

- 47 a. Selling the State of Alaska on relocating the southern terminus of its
48 ferry from Seattle to Bellingham;

- b. Marketing to BC businesses interested in a foothold in the U.S. market; and
- c. Promoting Whatcom County's potential as a regional service center for Northwest Washington and the lower BC mainland, including retail, healthcare and manufacturing entrepreneurs.

The community rose to the challenge and the Alaska Ferry terminal was relocated to Bellingham and more than 3,000 primarily manufacturing jobs were added at a time when the county's population was about half of what it is today.

The community recognizes both the global and local economy have changed significantly since the Stanford report was commissioned in the 1970s and the report itself is out of date. Nonetheless the community remains confident our history proves that with updated research, and an intelligent, focused approach, we can again bring much needed family-wage jobs to our community. Our success will depend on leveraging the significant expertise of our business community and our willingness to allocate sufficient financial resources for our economic development initiatives to have a meaningful impact.

New employers have traditionally emerged from three primary sources:

- i. Canadians looking for skilled labor and cheaper industrial land than can be found in BC and/or access to the US market;
- ii. Home grown entrepreneurs who have chosen to remain headquartered in the county as their businesses have grown; and
- iii. Established business owners who have relocated because they are attracted to the county's superior quality of life.

~~During the 1990s, the county's small cities followed suit with the addition of either added staffing or contracted planners and three unincorporated areas (Birch Bay, Point Roberts and East County) assembled economic development committees. As evidenced in the *Key Policies Related to Local Economic Development*, this commitment to coordination and cooperation by all entities and jurisdictions throughout the county is more specifically revealed. As the area continues to grow and systems become more complex, it will be increasingly important to maintain this effort.~~

Goal 7B: Support increased public/private sector partnering among all entities involved with economic development.

Policy 7B-1: The Port of Bellingham, serving as the ADO, will work with the cities, the County, Chambers of Commerce, educational institutions, and other groups to assist retention and expansion of existing local businesses and to attract appropriate businesses to Whatcom County. Prior to an ADO contract renewal, the ADO's performance shall be evaluated by surveying the members of the other organizations and private companies the ADO has been working with to promote economic development. ~~Work with the~~

~~Partnership for a Sustainable Economy, Chambers of Commerce, the Port of Bellingham, the ECD, and the Convention and Visitor Bureau and other groups to attract sustainable industry to Whatcom County and to assist expansion and retention of local businesses.~~

Policy 7B-2: Continue ~~to work with the Partnership for a Sustainable Economy in informal meetings of informally meeting with~~ staff from all the entities and jurisdictions involved with economic development to discuss issues of interest on a periodic basis.

Policy 7B-3: With the ~~Partnership for a Sustainable Economy~~, cities, Port of Bellingham, Council of Governments, Tribal governments, Northwest Economic Council~~EDC~~, Chambers of Commerce, business, labor, education, and other social and community interests, continue to cooperate; ~~on updating~~prepare and implementing the ~~annual~~Comprehensive Economic Development Strategy project list and other economic analyses and plans.

Policy 7B-4: Identify, develop and match funding opportunities with the economic development projects contained within the CEDS ~~report~~. Funding sources could include ~~WA-CERT, the Economic Development Administration (EDA), Community Development Block Grants (CDBG), & Community Economic Revitalization Board (CERB), CZM,~~ Rural Sales Tax (also known as the Economic Development Initiative or EDI fund), USDA Rural Development, and other types of grants, ~~and~~ loans, private investment, local match and many other federal, state, and local sources.

Policy 7B-5: Encourage utilization of current technology and efficient communications tools to disseminate information.

Policy 7B-6: A forward focused marketing strategy and a professional outbound lead generation program shall solicit inward investment from targeted industry sectors that are forecast to provide growth in the type of family wage jobs that the community is well positioned to support. The program shall provide these leads to organizations such as Team Whatcom, the Port, non-profits, and private sector partners that offer the best fit based on the nature of the lead and the partners commitment to continuously demonstrate/verify high levels of responsiveness and customer satisfaction.

Infrastructure

Despite the many natural advantages for economic growth in Whatcom County, several factors constrain the creation of future wealth in the county. One of the factors is the lack of adequate infrastructure for future industrial development. An adequate water distribution system is one example.

1
2 Water quantity and quality and the distribution system needed to supply water are
3 all elements of the water supply problem. In addition, the complex legal issues
4 regarding rights to water are being considered relative to planning for future growth
5 (see Utilities and Environment Chapters). Future water withdrawals from the
6 region's rivers and aquifers will be considered relative to the need to provide
7 adequate water for both in-stream and out-of-stream users. In 1998, through
8 the enactment of state legislation, the boundaries of the Water Resource Inventory
9 Area No. 1 (WRIA 1) were established. ~~Caucuses~~ The Planning Unit, representing
10 various stakeholders, ~~is~~ were designated to address, ~~through local government,~~
11 water resource planning needs from a watershed perspective through local
12 government. The WRIA 1 Watershed Management Plan was completed in 2005.
13 This plan addresses water quantity, water quality, instream flow, and fish habitat.
14 ~~This process is currently underway and is expected to provide technical tools to aid~~
15 ~~future local planning for sustainable economic development.~~

16
17 Watershed planning must continue to be considered relative to the 20 year plans
18 for sewer, all-weather access roads, and appropriate storm drainage to encourage
19 new industries to easily locate in Whatcom County.

20
21 Effective government services, such as criminal and civil justice, public health and
22 safety, planning and development services, safe roads, and stormwater facilities
23 play an important role in supporting economic development. Adequate funding for
24 ~~the increased demand for~~ governmental services and the infrastructure to support
25 them is critical to expansion of the Whatcom County economy.

26
27 Along with planning for future water and other infrastructure for economic
28 development, electric energy supply and telecommunications are also important for
29 future economic growth within the county. The expansion or construction of new
30 transmission facilities is important for the locational decisions of the industries that
31 might want to locate to Whatcom County. ~~Also PUD #1's InfiNET~~
32 ~~Telecommunications Utility (Whatcom Open Network) has been established to~~
33 ~~facilitate the availability of advanced telecommunications services for public~~
34 ~~agencies and businesses in proximity to the InfiNET network facilities. Facilities~~
35 ~~include a backbone of fiber optic infrastructure, both existing and future, as~~
36 ~~InfiNET's network expands countywide.~~

37
38 **Goal 7C: Ensure adequate infrastructure to support existing and**
39 **future business development and evolving technology.**

40
41 Policy 7C-1: Continue to work with all involved parties to ensure an adequate
42 water supply and distribution system to support economic growth.

43 Policy 7C-2: Encourage the provision of adequate transportation infrastructure,
44 including roads to all industrial sites.

45
46 Policy 7C-3: Work with service providers for a dependable electric power supply,
47 alternative energy sources, communications, and evolving
48 technology to support existing and future business development.

- 1
2 | Policy 7C-4: Encourage location of industrial areas, especially where sewer and
3 water service and all weather access can be readily provided when
4 necessary.
5
6 | Policy 7C-5: Support the efforts of ~~the~~ PUD #1 and area communication and
7 cable companies to get a fiber optic network throughout Whatcom
8 County.
9
10 | ~~Policy 7C-6: Consider proposals for an east-west rail line between Cherry Point~~
11 ~~and Sumas including stops in Lynden.~~
12
13 | Policy 7C-~~6~~7: Participate in the ongoing, implementation and operation of the
14 countywide water resources management body (WRIA #1) for
15 Whatcom County.
16
17 | Policy 7C-~~7~~8: Recognize the importance of governmental services and facilities to
18 support economic development. Update capital facility plans and
19 appropriate adequate funding for public facility upgrade or
20 expansion necessary to serve projected population and business
21 growth.
22
23 | Policy 7C-~~8~~9: Recognize the importance of integrated transportation planning to
24 economic development.
25
26 | ~~Policy 7C-9: Work with Bellingham Whatcom County Tourism, and the cities to~~
27 ~~develop and implement a common Countywide Way-Finding system~~
28 ~~that encourages people traveling on the I-5 corridor to detour and~~
29 ~~easily find the many tourist attractions that Whatcom County has to~~
30 ~~offer.~~
31
32 | ~~Policy 7C-10: Develop plans and prioritize facilities for the County to become~~
33 ~~internationally recognized as a "Trail-Town" tourist destination (one~~
34 ~~that offers 100 miles or more of contiguous walking/hiking trails)~~
35 ~~by 2027.~~
36

37 Regulations/Processing

- 38
39 | ~~Governmental regulations are both a perceived and a real problem.~~ Sufficient
40 regulatory control and enforcement is needed to protect the environment and
41 general health, safety, and welfare of the community and also to assure minimum
42 quality standards to protect development investments from adverse effects from
43 neighboring development. This must be tempered to avoid excessive cost,
44 inflexibility, unpredictability, and excessive time delays. Ample land is needed with
45 proper zoning to ensure a wide range of choice and preclude excessive land prices.
46 | Such lands should be located in areas suitable for development, thus minimizing
47 the need for regulatory controls.
48

- 1 Site-specific environmental constraints such as wetlands, streams, and river
2 protection areas reduce land use options for many businesses and industrial firms.
3 ~~The current incremental, site-by-site approach to regulating environmental~~
4 ~~resources is considered an impediment to achieving economic vitality goals.~~ One
5 step toward addressing this issue is ~~the initiation by the Port of Bellingham to~~
6 ~~conduct an a land capacity analysis, which includes an~~ inventory of the supply and
7 availability of industrial and commercial properties in the county and ~~to conduct a~~
8 forecast of future demands. ~~and needs.~~
9
- 10 **Goal 7D: Consistent with other goals of the county, strive for**
11 **balanced, clear, and predictable overall policies, practices**
12 **and regulations which do not unnecessarily or inadvertently**
13 **prevent, confuse, delay, or create costly hurdles restricting**
14 **effective and desirable economic development.**
15
- 16 Policy 7D-1: Work with state and federal agencies to coordinate and streamline
17 environmental review.
18
- 19 Policy 7D-2: ~~In implementing this plan, do~~ Consider conducting in-depth
20 environmental analysis for comprehensive plans and subarea plans
21 to limit the need for future analysis by the private sector to a few
22 issues that are unique to a specific project and cannot be
23 reasonably analyzed at a subarea level.
24
- 25 ~~Policy 7D-3: Seek grants to develop government-sponsored environmental~~
26 ~~impact statements for specific industrial sites.~~
27
- 28 Policy 7D-~~34~~: Integrate and simplify regulations to make them more
29 understandable and user-friendly.
30
- 31 Policy 7D-~~45~~: Utilize graphic illustrations to explain choices which cannot be
32 clearly conveyed in a few words.
33
- 34 Policy 7D-~~56~~: Utilize private sector professional review, where appropriate, to
35 streamline the permitting process and provide a choice of reviewing
36 options for applicants including engineers who could provide pre-
37 approved engineered drawings.
38
- 39 Policy 7D-~~67~~: Streamline and coordinate the permit process and sustain a
40 supportive customer service approach towards permitting.
41
- 42 Policy 7D-~~78~~: ~~Develop a computerized system, similar to the public library~~
43 ~~system, Use~~ the status of projects, latest drafts of documents, and
44 access to general resources via the Internet.
45
- 46 Policy 7D-~~89~~: Create options for greater flexibility in the regulatory and
47 development review process.
48

1 Policy 7D-~~240~~: ~~Consider the vision statements and action items in the CEDS when~~
2 ~~conducting local planning processes. Review and incorporate into~~
3 ~~local planning processes the goals and policies summarized from~~
4 ~~countywide planning documents in the CEDS appendix document:~~
5 ~~Key Policies Related to Local Economic Development.~~
6

7 Proximity To Canada

8

9 The impact of the British Columbia population on the local Whatcom County
10 economy is considered both an asset and a liability, depending on the particular
11 type of impact being considered. The large Canadian consumer population has
12 created ~~an inordinately~~ large retail sector in Whatcom County, increasing jobs,
13 retail sales, taxes, and traffic. ~~In 1994, estimates indicated that over 25% of all~~
14 ~~county employment was related to Canadian consumer activity, and 30% to 40% of~~
15 ~~all county retail activity depended on the Canadian shopper.~~ Over time, the
16 impacts of Canadian consumer activity have~~has~~ fluctuated greatly, primarily in
17 relationship to the value of the Canadian dollar and ~~more recently due to~~ increased
18 security issues. ~~Between 1995 and 2001, taxable retail sales declined 2%, 10%~~
19 ~~and 27% in Everson, Blaine and Sumas, respectively, according to Washington~~
20 ~~Department of Revenue.~~
21

22 Retail jobs tend to be low-wage, frequently part-time, and without benefits. Even
23 though these jobs can prove to be a valuable asset to a community by providing
24 supplemental family income, part-time work availability, and entry-level positions,
25 when this is factored with the rising cost of living in Whatcom County, it becomes
26 apparent that many local retail jobs do not pay a living wage. This fact has
27 important ramifications for funding public sector services, provision of affordable
28 housing, meeting rising medical costs, and supply of other basic services.
29

30 A ~~more~~ positive aspect of the proximity to Canada is the opportunity for job
31 creation through BC to provide for Canadian companies who want to looking for a
32 great location to expand or relocate in the United States ~~to broaden their market~~ or
33 enjoy other economic advantages.
34

35 **Goal 7E: Enhance the economic trade, tourism, and industrial siting**
36 **advantages of the county's location adjacent to the**
37 **Canadian border.**
38

39 Policy 7E-1: Support attractions for Canadians and other visitors so they will
40 remain in the community longer and distribute their
41 spending throughout the community. Some of the examples would
42 include support for such items as the following:
43

- 44 • Events such as the "Ski to Sea" race and festival.
- 45

- 1 • The Whatcom Museum ~~of History and Art~~, Mount Baker Theater,
2 other historic and cultural centers, and community revitalization
3 efforts.
- 4 • Parks and open spaces.
- 5 • The Bellingham Festival of Music.
- 6 • The Mount Baker outdoor recreation area.
- 7 • Farmers markets and other natural resource based activities.
- 8 • Projects, events and activities of unincorporated areas such as
9 Point Roberts, Birch Bay and East County.

10
11 Policy 7E-2: Work cooperatively with jurisdictions in the Lower Mainland of
12 British Columbia, along with US and Canadian national
13 governments, to facilitate the development of economic,
14 transportation, and environmental initiatives.

15
16 Policy 7E-3: Use Western Washington University as a regional resource and
17 major draw for Canadians and others who participate in
18 symposiums and other regional events.

19
20 Policy 7E-4: Continue to provide assistance and ~~the~~ opportunities for Canadian
21 companies to relocate or set up a second plant in Whatcom County,
22 while at the same time encouraging our companies to explore and
23 develop markets in Canada.

24 25 **Business Retention and Expansion**

26
27 Businesses create jobs, supply needed goods and services, and enhance economic
28 opportunities for the residents of the County. It is also important to encourage
29 locally owned and operated businesses to re-invest profits and pay wages in the
30 local community. A local company with national or international interests, or a
31 national firm with major local investment can provide substantial support to local
32 causes, and educational and cultural activities, and the tax base. Local businesses
33 use local banks and other support services which help keep dollars cycling through
34 the local economy. Therefore, business retention and expansion are important
35 elements that support the economic well-being of the community.

36
37 ~~In the "Evaluation for Industry Recruitment in Whatcom County and Cherry Point"~~
38 ~~study conducted for the Port of Bellingham and PUD #1 in 2000, it was shown that~~
39 ~~the best industrial sectors for targeting success include small (20-50 employees) to~~
40 ~~medium-sized (50-250 employees) firms. Target locations include firms in the~~
41 ~~Seattle and BC market, as well as industries already present in the county that are~~
42 ~~ready for expansion and retention.~~

43
44 **Goal 7F: Encourage development that creates local re-investment**
45 **funds and provides jobs in the local community.**

46

- 1 | Policy 7F-1: Support existing ~~local~~ businesses locally as the major contributors
2 | of job creation and regeneration and afford them every opportunity
3 | to continue their success in the community.
4 |
- 5 | Policy 7F-2: Encourage ~~businesses investments~~ whose products and services can
6 | be marketed beyond the borders of Whatcom County, both
7 | domestically and internationally.
8 |
- 9 | Policy 7F-3: Encourage firms to contribute financially as ~~a partners~~ with the
10 | public sector in sharing ~~the~~ costs for civic and cultural needs of the
11 | community ~~at large~~.
12 |
- 13 | Policy 7F-4: Enhance opportunities for increased resource ~~based~~ (agricultural,
14 | forest, fisheries, ~~and~~ mining products) value added industries.
15 |
- 16 | Policy 7F-5: Encourage utilization of existing and future resources available
17 | through local agencies, entities, ~~and~~ organizations, ~~such as the~~
18 | ~~"Evaluation for Industry Recruitment in Whatcom County and~~
19 | ~~Cherry Point" and industry sector analyses being completed by~~
20 | ~~information from the~~ Western Washington University Center for
21 | Economic and Business Research.
22 |

23 | Economic Growth and Environmental Quality

24 |

25 | Often economic development and environmental protection are seen as opposites.
26 | Because growth can increase pressure on ~~sensitive critical~~ areas and resource lands
27 | there can be some truth to this. However, both economic vitality and
28 | environmental quality are interrelated and are extremely important to the
29 | community. Economic development requires adequate water supply as a
30 | fundamental need. The fishing and shellfishing industries are particularly
31 | dependent on water quantity, good water quality, and habitat. The tourist industry
32 | needs these same attributes. ~~Washington CEO, dated November 1993, printed a~~
33 | ~~survey, which ranked q~~Quality of life and environment ~~are first and third,~~
34 | ~~respectively, as reasons that for~~ businesses ~~are to be~~ attracted to Whatcom
35 | ~~County, the State of Washington.~~ Conversely a strong economy that provides
36 | wellgood-paying jobs allows the leisure time and the resources to focus on
37 | environmental protection.
38 |

39 | **Goal 7G:** **Coordinate economic development with environmental,**
40 | **resources, and other comprehensive plan land use and open**
41 | **space policies and measures to enhance the community's**
42 | **overall quality of life.**
43 |

- 44 | Policy 7G-1: Recognize the natural environment as a major asset and manage
45 | environmental resources accordingly. We need both economic
46 | prosperity and environmental sustainability.
47 |

- 1 | Policy 7G-2: Review ~~the~~ environmental protection ~~policies plan~~ for Whatcom
2 | County to coordinate with and incorporate economic development
3 | objectives.
4 |
- 5 | Policy 7G-3: Provide support to Whatcom County's tourist industry to maintain
6 | and enhance a balance between the economic benefits of tourism
7 | and the local quality of life.
8 |
- 9 | Policy 7G-4: Encourage sustainability ~~"sustainable materials economy"~~ by:
10 |
11 | • Supporting waste reduction, re-use, recycling and the processing
12 | of used and waste resources into economically viable
13 | products ~~;~~ and
14 | • Supporting renewable energy, state-of-the-art technology, and
15 | conservation techniques to minimize demands on resources
16 | such as water, energy, and other natural and developed
17 | resources.
18 | • Pursuing energy resiliency and self-sufficiency by
19 | establishing renewable energy overlay zones, and by
20 | revisiting restrictions on the development of wind energy
21 | systems that protect public health and safety.
22 |
- 23 | Policy 7G-5: Coordinate environmental and economic planning efforts.
24 |
- 25 | Policy 7G-6: Address environmental issues on a county-wide basis so that areas
26 | like the Cherry Point Industrial ~~a~~Area or public access areas such as
27 | marinas or the airport can expand as necessary using mitigation
28 | banking or other appropriate mitigation measures.
29 |

30 | **Natural Resource Based Industries**

31 |
32 | Natural resource based industries are agriculture, forestry, fishing and mining.
33 | While accounting for less than 5% of the total county employment, resource based
34 | industries are still major components of the economy. For example, the market
35 | value of crop and livestock product sales from Whatcom County farms was over
36 | \$357 million in 2012 (Census of Agriculture). Over \$26 million in timber was
37 | harvested in 2012 from private and public lands in Whatcom County (State
38 | Department of Revenue). Additionally, almost \$11 million was paid to fishermen for
39 | salmon, ground-fish and shellfish at Whatcom County ports in 2012 (Washington
40 | Department of Fish and Wildlife). Farming, forestry, fishing, and mining are
41 | important to the economic health of the County. In 1997, the total value of farm
42 | products produced and sold in the county was \$241.6 million, ranking 5th among
43 | counties in the state. Some resource jobs tend to be high paying and it is the
44 | resource industries that give Whatcom County its distinctive flavor.
45 |

1 ~~Agriculture is one of Whatcom County's largest economic drivers. Whatcom County~~
2 ~~holds the most agricultural and farming land within western Washington, according~~
3 ~~to the 2014 Whatcom Futures Report. Additionally, according to U.S. Department of~~
4 ~~Agriculture's 2012 Census of Agriculture, 1,702 Whatcom County farms produced a~~
5 ~~market value of \$357 million in crops and livestock that year. Locally produced milk~~
6 ~~produced in 2013 reached an all-time high market value of \$246.1 million.~~
7 ~~Raspberries and blueberries combined for a record market value of \$123.6 million~~
8 ~~in 2014.~~

9
10 ~~The reduction in jobs in the resource industries not only lowers the average wages,~~
11 ~~it also disproportionately eliminates jobs from different segments of society. For~~
12 ~~example, dwindling fisheries have impacted those who, historically, have relied on~~
13 ~~fishing for a livelihood. According to the Washington State Department of~~
14 ~~Employment Security, commercial fishing has declined to 71 reported local jobs in~~
15 ~~2000, down from a 1990-1994 average of 208 local jobs per year. Likewise, the~~
16 ~~local shellfish industry has suffered significant losses. The Dungeness crab fleet as~~
17 ~~been affected by increased competition, imposition of quotas and shorter harvest~~
18 ~~seasons. Also, due to deteriorating water quality, The State of Washington~~
19 ~~Department of Health has prohibited commercial shellfish harvest within Drayton~~
20 ~~Harbor (Blaine) and Portage Bay (off the Lummi Peninsula). In response, the~~
21 ~~County created Shellfish Protection Districts for these waterbodies and local~~
22 ~~advisory committees are actively working on strategies and actions to reduce~~
23 ~~pollution sources.~~

24
25 ~~Forest industry job losses also severely impact families living in the eastern part of~~
26 ~~the county. In addition, consolidation of farmsteads and land use is occurring more~~
27 ~~rapidly in Whatcom County than in other parts of the state. In Whatcom County,~~
28 ~~the number of farms declined by 11% between 1992 and 1997, while the state~~
29 ~~declined by only 6%. Also, the acreage devoted to farming has been steadily~~
30 ~~declining. Between 1992 and 1997, the county acreage fell 12%. During the same~~
31 ~~period, the state declined by only 3%.~~

32
33 ~~New technology and improved practices are continually being evaluated. With the~~
34 ~~decrease in farmland and increase in farm productivity, more manure waste is~~
35 ~~being generated in decreasing areas of agricultural land. Thus, efforts to use waste~~
36 ~~for biogas (energy production) is under study.~~

37
38 **Goal 7H: To promote economic diversity, continue to support ~~the~~**
39 **resource industries as significant elements of the local**
40 **economy including the employment base.**

41
42 **Policy 7H-1: Ensure ~~that~~ sufficient agricultural land, support services, and skills**
43 **are available to encourage a healthy and diversified agricultural**
44 **economy.**

45
46 **Policy 7H-2: Work with ~~other~~ agencies, Tribal governments, and other groups to**
47 **improve the condition of the fishery resource, including habitat**

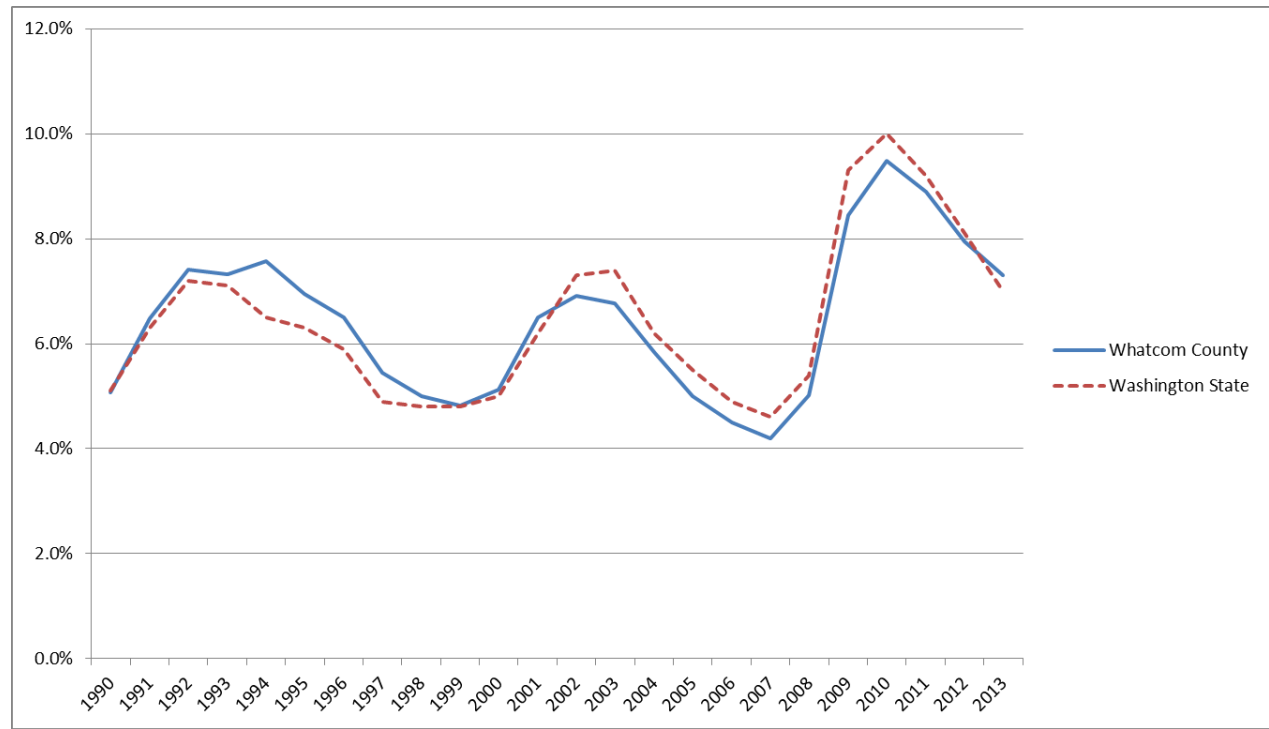
- 1 maintenance and enhancement, especially for habitats utilized by
2 threatened and endangered fish species.
3
- 4 Policy 7H-3: Maintain the commercial forestland base of Whatcom County to
5 assure the industry's continued economic viability and sustainable
6 harvest.
7
- 8 Policy 7H-4: As part of a broad-based economy, foster productive timber,
9 agriculture, and fisheries industries in a sustainable manner.
10
- 11 Policy 7H-5: Support mining, which is compatible with other land use and
12 environmental policies, including surface mining of sand, gravel,
13 and rock and subsurface mining of other minerals found in
14 Whatcom County, such as gold and silver.
15
- 16 Policy 7H-6: Promote the expansion of "value added" production of secondary
17 products and resources to support the primary resource industries
18 and maintain wealth and jobs in the local community.
19
- 20 Policy 7H-7: Encourage growth of tourism, and recreational activities, and
21 businesses that provide for diversity of the natural resource
22 industry, provided that they comply with County regulationthe
23 countywide planning policies, and, when located in a rural area,
24 preserve the rural character of the area.
25
- 26 Policy 7H-8 Develop and support more programs to promote ag-tourism and
27 ag-education to increase public awareness of the nutritional and
28 economic value of agriculture and quality food production.
29

30 Unemployment and Underemployment

31
32 ~~Over the past five years (1996-2001), unemployment has tended to run nearly~~
33 ~~a percentage point higher in Whatcom County (5.8%) than in the state as a~~
34 ~~whole (5.2). Unemployment tends to affect minorities harder; thus, lessening the~~
35 ~~opportunity for cultural diversity. However, this relationship has reversed during~~
36 ~~2002 with the 10-month average unemployment rates of some more rural counties~~
37 ~~of the state, it has averaged the highest of three similar Westside counties of~~
38 ~~Thurston (Olympia), Kitsap (Bremerton), and Pierce (Tacoma) since 1990. Adjacent~~
39 ~~and more rural Skagit County has consistently held a higher unemployment rate~~
40 ~~since 1990 than Whatcom County.~~

41
42 Average yearly unemployment rates in Whatcom County have generally tracked
43 unemployment rates in Washington State as a whole. In the 1990s, Whatcom
44 County unemployment was slightly higher than the state. However, state
45 unemployment has generally been higher from 2002 to 2013.
46
47
48

Figure 5. County and State Unemployment, 1990-2013



Source: Washington State Employment Security Department (2014)

Underemployment reflects underutilization of the productive capacity of the employed population. Measurable statistics are not available to monitor this issue but should be considered as the employment base of Whatcom County shifts from being a resource-based economy to one of services-producing employment. Cottage industry and home-based businesses, also minimally measured, have an impact on the employment base. Graduates from Western Washington University, area high schools, and the community and technical colleges desiring to remain in the area are another sector of the population that is underutilized.

Goal 7J: ~~In an economic strategy for Whatcom County, a~~ **Address unemployment and underemployment as important issues and continue the effort to increase family wage jobs.**

Policy 7J-1: Support creation of job opportunities for local residents, especially family wage jobs to decrease unemployment and underemployment.

Policy 7J-2: Support economic development that recognizes and respects the needs, concerns, rights, and resources of a diversity of cultural groups, and allow them every opportunity to participate and benefit in this process in full partnership with the community-at-large.

Policy 7J-3: Focus on absorbing and retraining displaced and discouraged workers and addressing the skills gap through grants, training by

1 ~~the Northwest Workforce Council, Through grants~~Bellingham
2 ~~Technical College, Whatcom Community College, Northwest Indian~~
3 ~~College, and other opportunities~~~~focus on absorbing and retraining~~
4 ~~displaced workers from declining industries.~~

6 **Geographic Diversity**

7
8 A final issue with the local economy is the location of the majority of jobs in the
9 western-most portion of the lowlands area of Whatcom County. This is where the
10 majority of the population lives and works, ~~and~~ the infrastructure is available, and
11 where most of the jobs should continue to be located. ~~People from smaller~~
12 ~~communities located throughout the County generally have longer commutes.~~~~But~~
13 ~~as the commercial forestry, farming and fishing job base declines and people~~
14 ~~disperse more throughout the county, commuting distances increase,~~ creating
15 greater impacts on the road system. Also, ~~there is it creates~~ additional need for
16 more ~~discretionary~~ income for travel costs.
17

18 These and other area-specific issues have spurred ~~three communities to focus~~
19 ~~efforts on economic development:~~~~the creation of three economic development~~
20 ~~regions in the unincorporated areas of Whatcom County:~~ Point Roberts, Birch Bay,
21 and East County. Each has successfully developed an area Economic Development
22 Plan and has ~~either completed or is in the process of completing~~ a ~~Sub-A~~ area plan,
23 ~~with the Planning Department.~~ The ongoing work of these groups is crucial to
24 addressing the most urgent and long-range planning needs in ~~these areas~~~~the most~~
25 ~~rural areas of Whatcom County~~ such as loss of family-wage jobs and tax-base
26 revenues, and ~~the increased~~ demand for services by a growing residential
27 population.
28

29 **Goal 7K: Enable a geographic balance for economic growth within the**
30 **capacities of the county's natural resources, natural**
31 **systems, public services, and public facilities.**
32

33 Policy 7K-1: Support small and cottage businesses in rural areas that minimally
34 impact productive agricultural, forest, or mineral resource land.
35

36 Policy 7K-2: Designate adequate zoning to allow business and industrial
37 development where it is needed and most appropriate.
38

39 Policy 7K-3: Locate new commercial or industrial development along Guide
40 Meridian within designated urban growth areas, Rural Community
41 LAMIRDs, and Rural Business LAMIRDs in a manner that does not
42 disrupt the Guide's regional transportation function.
43

44 Policy 7K-4: ~~Consider establishing more~~~~Encourage~~ resource and tourism based
45 recreational, commercial, and ~~cottage industry~~~~industrial~~ uses to
46 create economic opportunity in the rural areas of the county.
47

1 Policy 7K-5: Support the implementation of land use concepts as defined in
2 Chapter Two by seeking grants to provide technical support and
3 complete necessary programmatic environmental analysis to
4 facilitate reduced time frames and duplication in the SEPA process.
5

6 Policy 7K-6: Support long-term employment efforts in the unincorporated areas
7 of the county, such as those stated in the Point Roberts, Birch Bay,
8 and east County Economic Development Plans and Sub-Area Plans.
9

10 ~~Policy 7K-7: Support efforts and/or organizations trying to achieve agricultural~~
11 ~~diversity such as:~~

- 12
- 13 ~~• niche markets for local products.~~
- 14
- 15 ~~• technical assistance or educational programs.~~
- 16
- 17 ~~• farmers' markets.~~
- 18
- 19 ~~• value-added or innovative ag products or services.~~
- 20
- 21 ~~• other product outlets.~~
- 22
- 23 ~~• community education and information dissemination.~~
- 24

25 Policy 7K-~~7~~8: Support agriculture, agricultural processing, and manufacturing as
26 a high priority in future allocations of water rights.
27

28 ~~Policy 7K-8: Within urban growth areas, balance areas planned for housing and~~
29 ~~jobs to potentially shorten commute times.~~

30 ~~Policy 7K-9: Recognize high speed Internet and cellular coverage are essential~~
31 ~~for all regions of our economy to succeed.~~

32

33 ~~Policy 7K-10: Encourage, and if necessary provide incentives, for high speed~~
34 ~~Internet and cellular infrastructure to be deployed in areas of the~~
35 ~~County such as the Columbia Valley.~~

36

37 Local Food System

38

39 Whatcom County is home to a robust agricultural production industry, marine
40 harvest industry, as well as an associated local consumption industry. To maintain
41 and advance the quality and quantity of food produced in Whatcom County,
42 consideration must be given to interconnected sectors which support a thriving food
43 system, including land, water, fishing, farming, labor, processing, transportation,
44 consumption, aquaculture and waste. A vibrant local food system is a community
45 asset to be protected, strengthened, planned for and celebrated.
46

1 **Goal 7L: Strengthen the local food system and take steps to improve**
2 **conditions for a healthy, resilient, and prosperous food**
3 **economy.**
4

5 Policy 7L-1: Encourage government, institutions, and local businesses to purchase
6 food produced within Whatcom County when available.
7

8 Policy 7L-2: Encourage local farmers and producers to sell their products to local
9 markets.
10

11 Policy 7L-3: Support development plans and zoning changes that increase access
12 to healthy and locally grown food products.
13

14 Policy 7L-4: Support food outlets such as grocery stores, convenience stores, and
15 local food markets that provide fresh, healthy foods, especially in
16 underserved areas.
17

18 Policy 7L-5: Support efforts and/or organizations seeking to achieve economic
19 diversity within the food system such as:

- 20 • Niche markets for local agricultural products;
- 21 • Technical assistance or educational programs.
- 22 • Farmer's markets;
- 23 • Value-added or innovative agricultural products or services;
- 24 • Farm-to-school and farm-to-institution;
- 25 • Agricultural diversity;
- 26 • Food access and affordability; and
- 27 • Community gardens, education, and information dissemination.
28

29 Policy 7L-6: Support efforts to protect water quality and quantity, soil health, and
30 best management practices as related to the food system.
31

32 Policy 7L-7: Encourage communication and collaboration across and within all
33 sectors of the food system and support efforts/organizations working
34 to build common understanding and to facilitate better collaborative
35 effort toward an equitable, sustainable, and healthy food system for
36 all.
37

38 Policy 7L-8: Support establishment of community-wide food system development
39 plans.
40

41 Policy 7L-9: Support healthy and safe working conditions as well as healthy and
42 safe living conditions for farmworkers.
43

44 Policy 7L-10: Support organizations that provide technical assistance, educational
45 programs, and general support to people and businesses within the
46 local food system.
47

1 Policy 7L: -11: Consider food waste systems that reduce food waste and capture
2 food waste nutrients.

4 ~~Economics Action Plan~~

6 ~~Coordination~~

- 8 1. ~~In addition to present efforts at various levels to coordinate programs, work~~
9 ~~with The Partnership for a Sustainable Economy, the Bellingham/Whatcom~~
10 ~~Economic Development Council, are Chambers of Commerce,~~
11 ~~Bellingham/Whatcom Convention and Visitors Bureau and other agencies on~~
12 ~~a more formal basis than in the past in order to ensure a coordinated~~
13 ~~economic development program in Whatcom County.~~
- 15 2. ~~Work with the Partnership for a Sustainable Economy and all other~~
16 ~~participating entities and jurisdictions to implement the *Comprehensive*~~
17 ~~*Economic Development Strategy* as designated.~~
- 19 3. ~~Utilize the information and data contained in the CEDS document and~~
20 ~~accompanying appendices along with the Goals, Strategies and Action Steps~~
21 ~~as a guide to all planning and development efforts.~~

23 ~~Economic Development Strategy~~

- 25 4. ~~Through the Partnership for a Sustainable Economy, Bellingham/Whatcom~~
26 ~~EDC or other designated entity, ensure that the CEDS is updated every two~~
27 ~~years or as necessary to qualify for federal programs.~~
- 29 4.5. ~~In addition, and working with the Partnership for a Sustainable Economy,~~
30 ~~Bellingham/Whatcom EDC or other designated entities, ensure the~~
31 ~~development of a strategic plan for economic development utilizing the~~
32 ~~benchmarking approach to measure specific objectives. The strategic plan~~
33 ~~should specifically address the following:~~
 - 35 ~~• Develop benchmarks to measure success of economic development in the~~
36 ~~county:~~
 - 38 ~~○ Increase of the median household income of the county.~~
 - 39 ~~○ Reduction of the county unemployment rate.~~
 - 40 ~~○ Improve turn-around time on development permit processing.~~
 - 41 ~~○ Increase the percentage of "owner occupied" dwellings in the~~
42 ~~county.~~
 - 43 ~~○ Increased worker access to affordable housing.~~
 - 44 ~~○ Increase citizen satisfaction of county government including permit~~
45 ~~processing.~~
 - 46 ~~○ Increased access to healthcare.~~
 - 47 ~~○ Assess the degree to which the following commitments stated in~~
48 ~~the CEDS are implemented.~~

- ~~The Comprehensive Economic Development Strategies overarching goals (below) and their accompanying strategies:~~

~~Goal A: Finance and maintain appropriate infrastructure for community and economic development.~~

~~Goal B: Ensure sustainable development and uses of natural resources.~~

~~Goal C: Promote a diverse economy by sector and location.~~

~~Goal D: Foster collaborative working relationships among economic development stakeholders at the community, state, federal, international and tribal levels.~~

~~Goal E: Provide and retain a high quality workforce.~~

~~Goal F: Increase public understanding and involvement in economic issues.~~

- ~~Consider any additional recommendations which may surface as a result of the goals and policies adopted by Partnership for a Sustainable Economy, EDC, Chambers of Commerce, Convention and Visitors Bureau, and local governments, and economic development committees, such as cities, towns, and Port Authorities.~~

- ~~Strategies which acknowledge and address environmental issues including trade off, areas where environmental and economic issues have positive linkages and creative solutions to the environmental contracts for specific development areas.~~

- ~~Strategies which take advantage of our proximity to Canada (see policies under Goal 7E).~~

- ~~Strategies which address the needs of local businesses (see policies under Goal 7F).~~

- ~~Strategies which address our local resource industries (see policies under Goal 7H).~~

- ~~Strategies which address employment issues for all of Whatcom County's citizens (see policies under Goal 7J).~~

- ~~Strategies that support sustainable economic development demonstration projects.~~

- ~~A mechanism for review of benchmarks and update the plan components.~~

~~5.6. Working through the Convention and Visitors Bureau and with the other governmental entities in Whatcom County, draft a program for expenditure of hotel/motel tax, which maximizes the draw for visitors to Whatcom County.~~

1
2 **Specific County Tasks**

3
4 **Infrastructure**

5
6 ~~6.7. Provide adequate levels of cost effective service to support business~~
7 ~~development and retention in all areas of the county when adopting and~~
8 ~~updating capital facilities plans.~~

9
10 ~~7.8. Working with the special districts, citizens in proposed Small Towns and~~
11 ~~others, develop a strategy for providing sewer service to suitable industrial~~
12 ~~areas in situations that will comply with GMA.~~

13
14 ~~8.9. Work with the Port, PUD, COG, cities and other entities in planning and~~
15 ~~developing a countywide fiber optic system.~~

16
17 **Regulations/Processing**

18
19 10. ~~Using goals and strategies contained within the *Key Policies Related to Local*~~
20 ~~*Economic Development*, review and re-draft the land use codes.~~

- 21
22 ~~• integrate and simplify regulations.~~
23 ~~• remove barriers to recycle product manufacturing in Title 20.~~

24
25 11. ~~Continue to improve the permit and development review process so that~~
26 ~~greater communication and efficiency will result to better expedite the~~
27 ~~application process and provide better communication when information is~~
28 ~~needed.~~

29
30 12. ~~Develop various permitting process tracks such as:~~
31 ~~• rapid processing for developments that conform to a prescribed set of~~
32 ~~regulations.~~
33 ~~• more flexibility for more creative proposals where more information can~~
34 ~~be provided.~~

35
36 13. ~~Continue to improve customer service, train and/or cross train permitting~~
37 ~~staff to provide excellent and expeditious customer service.~~

38
39 13.14. ~~Based on the result of the Industrial Land Availability, Conditions and~~
40 ~~Marketing Project currently being completed through the Port, continue to~~
41 ~~update the Comprehensive Plan of the County and other jurisdictions in the~~
42 ~~County to identify additional industrial land that may be needed including the~~
43 ~~areas identified in the proposed urban growth areas by each of the cities for~~
44 ~~longer planning time frames beyond 20 years and up to 50 years in order to~~
45 ~~prevent premature division of land that would preclude large parcels needed~~
46 ~~for future industrial sites.~~

1 ~~14.15. In accordance with the CEDS recommendations and other~~
2 ~~recommendations review the permit process to achieve a streamlined, user~~
3 ~~friendly approach that can turn around permits faster without losing the~~
4 ~~original objective of the review.~~

5
6 **Water Issues**

7
8 ~~15.16. Work with the Public Utility District No. 1 and others to implement the~~
9 ~~Coordinated Water System Plan including adopting a satellite system~~
10 ~~management program.~~

11
12 ~~16.17. Actively pursue resolution of water rights issues by maintaining a~~
13 ~~major role in working with user groups, interest groups and other~~
14 ~~jurisdictions on the Nooksack River issues and other related water questions.~~

15
16 ~~17.18. Continue to work with the WRIA #1 process and implement~~
17 ~~recommendations resulting from the collaborative watershed management~~
18 ~~project currently being completed.~~

19