

Chapter Seven Economics

Introduction

Purpose

Economic vitality is the measure of the economic health of the County—its people, businesses, and government. Different ways of enhancing economic vitality are through public and private actions 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 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. 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.

GMA Goals and Countywide Planning Policies

This chapter specifically addresses Goal #5 of the Growth Management Act, which encourages economic development and economic opportunity for all citizens of the state. The Countywide Planning Policies also have a section on economic development, which this chapter specifically addresses. Examples include: recognition of the need for a healthy economy; the emphasis on coordination and cooperation among jurisdictions and public/private partnering; coordination with environmental quality; and the desire to maintain the resource-based industries and recreation as we move toward a more diversified economy. This chapter recognizes the best path towards economic prosperity will likely be found through promotion of the county's existing strengths, such as our unique position to accommodate Canadian companies looking to expand and access the US market, our extensive recreational infrastructure, and the skilled workforce produced by our excellent educational institutions.

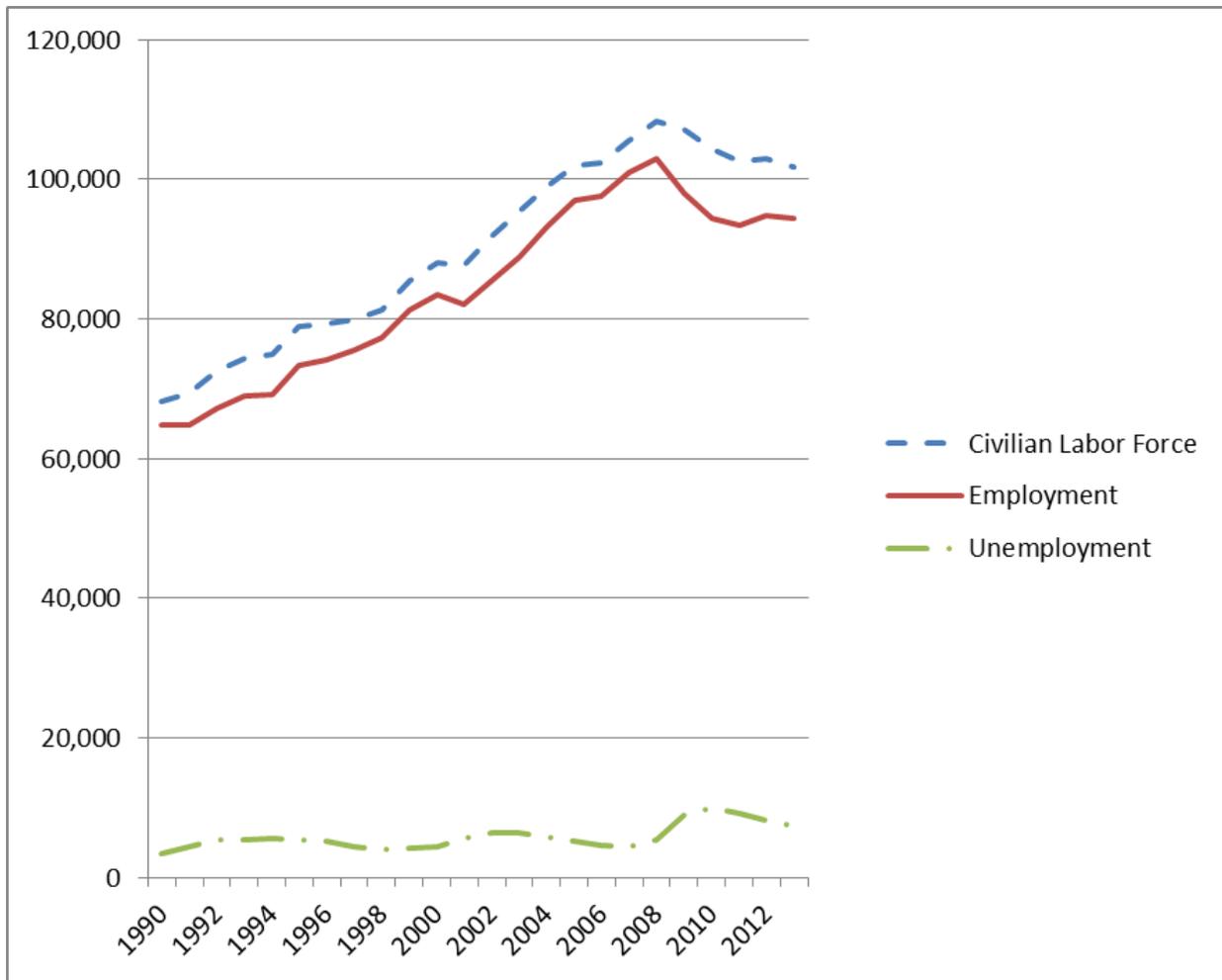
GMA Requirements

The GMA was amended in 2002 to require an economic development element in a comprehensive plan upon appropriation of state funding. As of 2014, state funding has not been provided.

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)

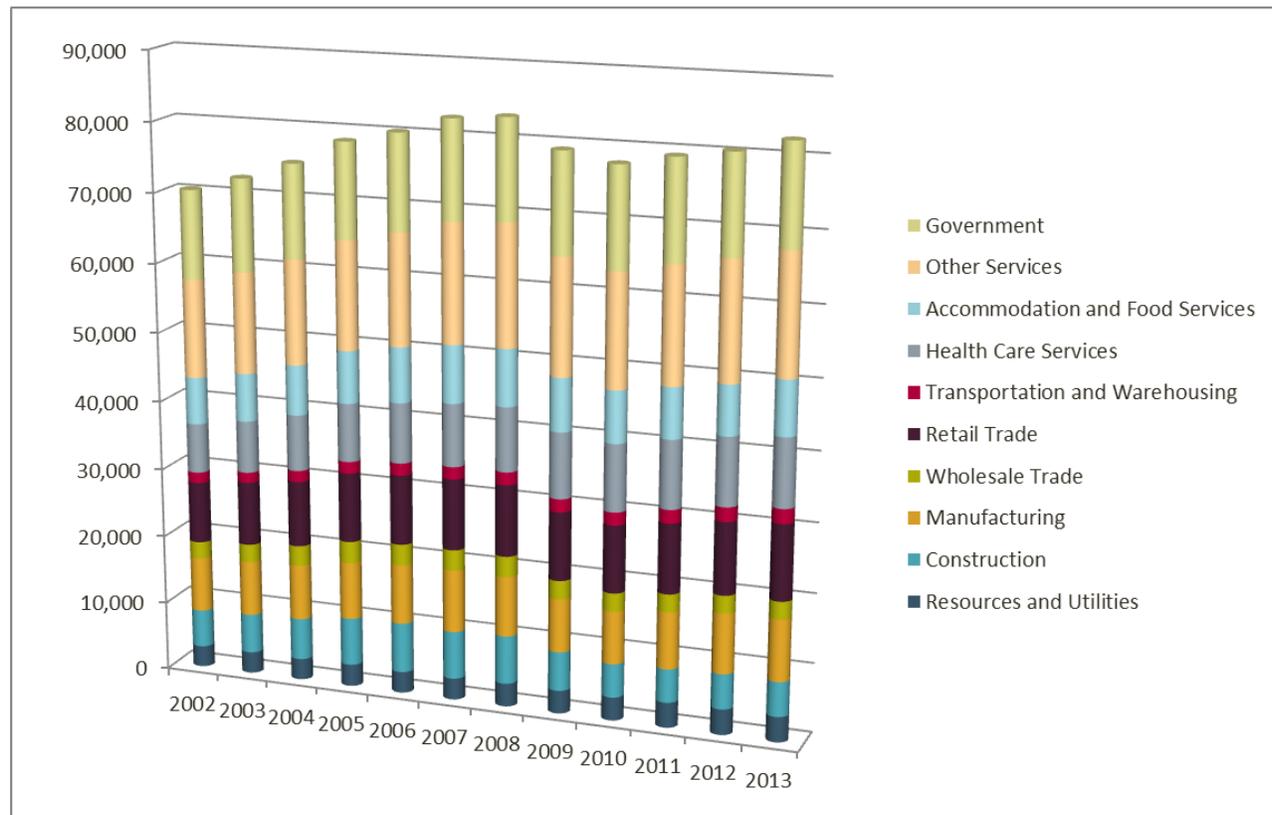
The Washington State Employment Security Department maintains more detailed statistics on “covered” employment, which are jobs covered by state unemployment insurance. Covered employment for Whatcom County is shown below in Table 1, and Figures 2 and 3 by North American Industry Classification System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

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%

Source: Whatcom County Population and Employment Projections and Urban Growth Area Allocations – Phase I Technical Report, November 1, 2013 (BERK) and Washington State Employment Security Department (2014)

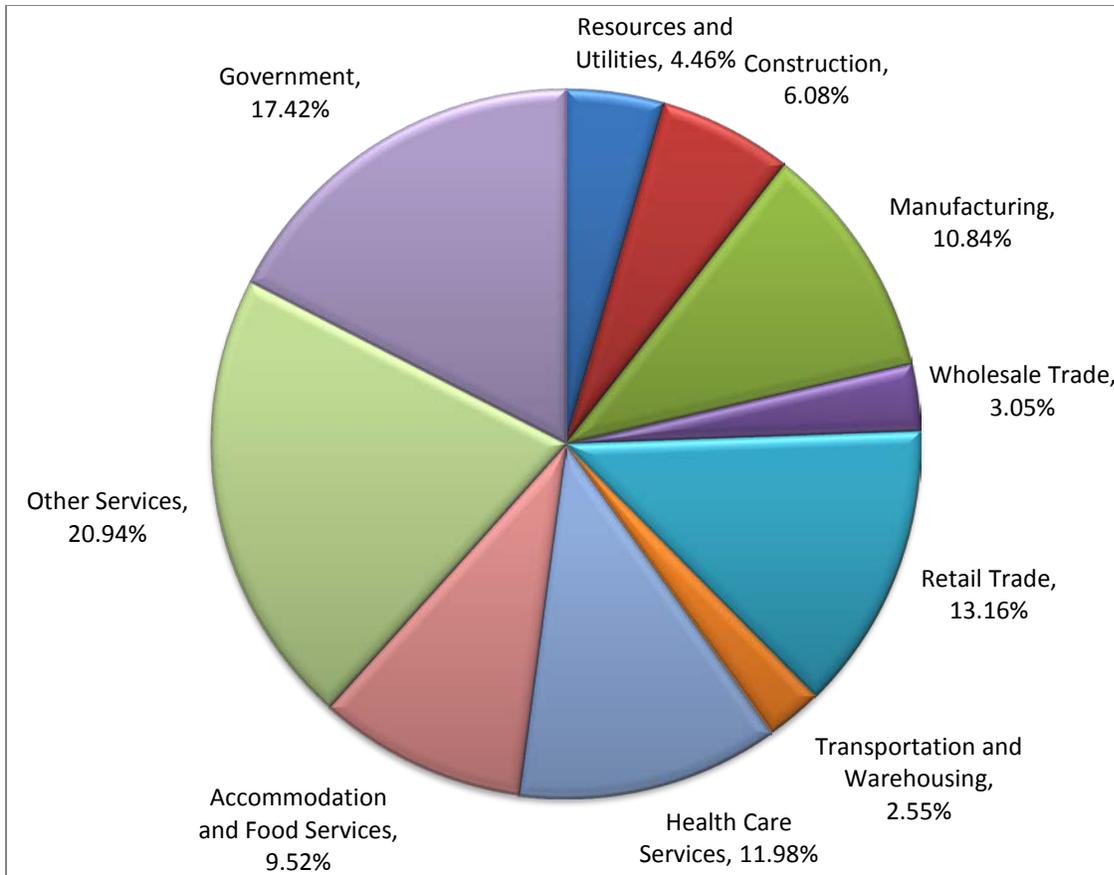
Figure 2. Employment by Industry, 2002-2013



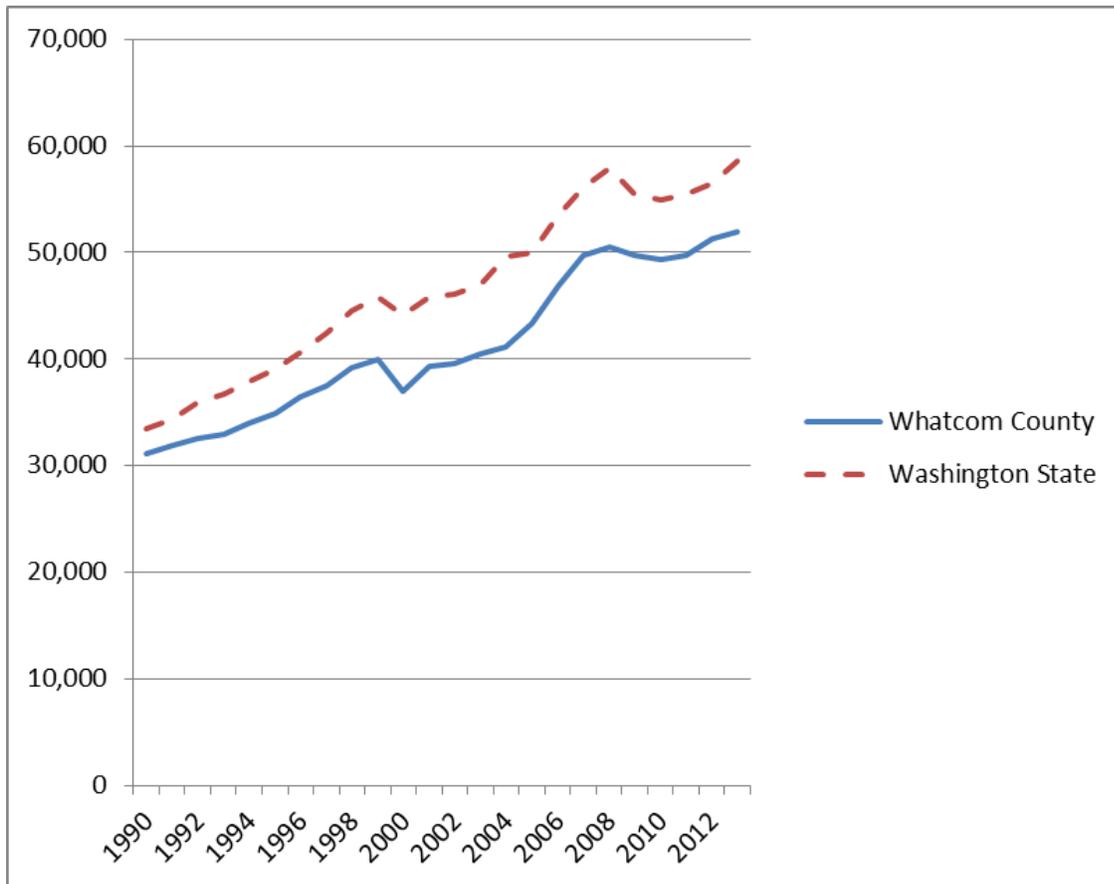
Total covered employment in Whatcom County increased by 17% between 2002 and 2013, while population grew by 18% during this same period (see Table 1)

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

Figure 3. Employment by Industry, 2013



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

Figure 4. Median Household Income, 1990-2013

Source: Washington Office of Financial Management (2014)

Communitywide Strategic Planning Efforts

Whatcom County Comprehensive Economic Development Strategy

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

- Whatcom County values its business community, which is principally responsible for the continued growth in jobs and incomes in the region;
- Whatcom County and its constituent communities have vibrant and dynamic economies where the region’s abundant natural resources are cherished and protected; and

- Whatcom County has an outstanding quality of life where all residents have opportunities to thrive and the support they need to seize those opportunities.

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

Whatcom Futures

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

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

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

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

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

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

Current County Economic Development Activities

Whatcom County delegated job creation activities to the Port of Bellingham, which serves as the County’s “Associate Development Organization” (ADO). The Port of Bellingham’s mission statement is: “To fulfill the essential transportation and economic development needs of the region, while providing leadership and maintaining Whatcom County’s overall economic vitality through the development of comprehensive facilities, programs, and services”.

Issues, Goals, and Policies

Diversified Economy

Quality of life is an essential component in many people's choice to live in Whatcom County. A fundamental aspect of "quality of life" characteristics is a strong and diversified economy that remains resilient through business cycles, and can provide family-wage employment, affordable housing, discretionary income, tax base, and sponsors for worthy causes. Such an economy should provide for all segments of society with a geographic distribution that, in accordance with the land use plan, spreads the jobs and tax base throughout the area.

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

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

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

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

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

Goal 7A: Promote a healthy economy providing ample opportunity for family-wage jobs for diverse segments of the community, which is essential to the quality of life in the area.

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

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

- Policy 7A-3: Employ innovative techniques to recruit and develop a diversified mix of businesses for a broader economic base starting with the creation of a new economic development program to be funded ideally with monies collected under RCW 82.14.370. This program will be governed by a sunset provision whereby it will automatically terminate after seven years if it was not able to document its efforts were contributing to an equal or greater number of new jobs for the money invested in it, compared to other economic development projects funded by the community.
- Policy 7A-4: In addition to stimulating family-wage employment and jobs in diverse sectors, ensure we retain entry level and service-related jobs such as those necessary to support tourism, recreation, retailing, and other industries.
- Policy 7A-5: Support a joint venture between the public and private sector in a training and technology partnership with local education resource providers to develop an educated work force as a key factor for economic success. Such partnerships should include Western Washington University, Whatcom Community College, Bellingham Technical College, Northwest Indian College, Northwest Workforce Council, and businesses and industries.
- Policy 7A-6: Support business start-up operations and entrepreneurship education.
- Policy 7A-7: Foster an adequate amount of preferred housing supply for all income levels as a prerequisite for a healthy economy.
- Policy 7A-8: Enhance the environment for resource-based and knowledge-based industries with an emphasis on attracting employment to the communities in eastern Whatcom County.
- Policy 7A-9: Produce a strategic plan to guide the county's participation in tourism marketing.
- Policy 7A-10: Establish a competitiveness review of policies, taxes/fees, processes, and other influences that impact county businesses.

Coordination/Cooperation and Public/Private Partnerships

Cooperation and coordination by businesses, jurisdictions and other entities are essential components to achieve a strong economy. The CEDS states that one of its purposes is communication and outreach that encourages local goal setting, public engagement, and a commitment to cooperation among the different levels of government, the business community, and the not-for-profit sector.

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

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

- a. Selling the State of Alaska on relocating the southern terminus of its 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:

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

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.

- Policy 7B-2: Continue informally meeting with staff from all entities and jurisdictions involved with economic development to discuss issues of interest on a periodic basis.
- Policy 7B-3: With the cities, Port of Bellingham, Council of Governments, Tribal governments, Northwest Economic Council, Chambers of Commerce, business, labor, education, and other social and community interests continue to cooperate on updating and implementing the *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. Funding sources could include the Economic Development Administration (EDA), Community Development Block Grants (CDBG), Community Economic Revitalization Board (CERB), Rural Sales Tax (also known as the Economic Development Initiative or EDI fund), USDA Rural Development, and other types of grants, loans, private investment, local match and many other federal, state, and local sources.
- Policy 7B-5: Encourage utilization of current technology and efficient communication 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.

Water quantity and quality and the distribution system needed to supply water are all elements of the water supply problem. In addition, the complex legal issues regarding rights to water are being considered relative to planning for future growth (see Utilities and Environment Chapters). Future water withdrawals from the region's rivers and aquifers will be considered relative to the need to provide adequate water for both instream and out-of-stream users. In 1998, through the enactment of state legislation, the boundaries of the Water Resource Inventory Area No. 1 (WRIA 1) were established. The Planning Unit, representing various stakeholders, is designated to address water resource planning needs from a

watershed perspective through local government. The WRIA 1 Watershed Management Plan was completed in 2005. This plan addresses water quantity, water quality, instream flow, and fish habitat.

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

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

Along with planning for future water and other infrastructure for economic development, electric energy supply and telecommunications are also important for future economic growth within the county. The expansion or construction of new transmission facilities is important for the locational decisions of the industries that might want to locate to Whatcom County.

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

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

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

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

Policy 7C-4: Encourage location of industrial areas, especially where sewer and water service and all weather access can be readily provided when necessary.

Policy 7C-5: Support the efforts of PUD #1 and area communication and cable companies to get a fiber optic network throughout Whatcom County.

Policy 7C-6: Participate in the ongoing implementation and operation of the countywide water resources management body (WRIA #1) for Whatcom County.

Policy 7C-7: Recognize the importance of governmental services and facilities to support economic development. Update capital facility plans and appropriate adequate funding for public facility upgrade or expansion necessary to serve projected population and business growth.

Policy 7C-8: Recognize the importance of integrated transportation planning to economic development.

- Policy 7C-9: Work with Bellingham Whatcom County Tourism, and the cities to develop and implement a common Countywide Way-Finding system that encourages people traveling on the I-5 corridor to detour and easily find the many tourist attractions that Whatcom County has to offer.
- Policy 7C-10: Develop plans and prioritize facilities for the County to become internationally recognized as a “Trail-Town” tourist destination (one that offers 100 miles or more of contiguous walking/hiking trails) by 2027.

Regulations/Processing

Sufficient regulatory control and enforcement is needed to protect the environment and general health, safety, and welfare of the community and also to assure minimum quality standards to protect development investments from adverse effects from neighboring development. This must be tempered to avoid excessive cost, inflexibility, unpredictability, and excessive time delays. Ample land is needed with proper zoning to ensure a wide range of choice and preclude excessive land prices. Such lands should be located in areas suitable for development, thus minimizing the need for regulatory controls.

Site-specific environmental constraints such as wetlands, streams, and river protection areas reduce land use options for many businesses and industrial firms. One step toward addressing this issue is a land capacity analysis, which includes an inventory of the supply and availability of industrial and commercial properties in the county and a forecast of future demands.

Goal 7D: Consistent with other goals of the county, strive for balanced, clear, and predictable overall policies, practices and regulations which do not unnecessarily or inadvertently prevent, confuse, delay, or create costly hurdles restricting effective and desirable economic development.

- Policy 7D-1: Work with state and federal agencies to coordinate and streamline environmental review.
- Policy 7D-2: Consider conducting in-depth environmental analysis for comprehensive plans and subarea plans to limit the need for future analysis by the private sector to a few issues that are unique to a specific project and cannot be reasonably analyzed at a subarea level.
- Policy 7D-3: Integrate and simplify regulations to make them more understandable and user-friendly.
- Policy 7D-4: Utilize graphic illustrations to explain choices which cannot be clearly conveyed in a few words.
- Policy 7D-5: Utilize private sector professional review, where appropriate, to streamline the permitting process and provide a choice of

- reviewing options for applicants including engineers who could provide preapproved engineered drawings.
- Policy 7D-6: Streamline and coordinate the permit process and sustain a supportive customer service approach towards permitting.
- Policy 7D-7: Use technology so the public can receive information on the status of projects, latest drafts of documents, and access to general resources via the internet.
- Policy 7D-8: Create options for greater flexibility in the regulatory and development review process.
- Policy 7D-9: Consider the vision statements and action items in the CEDS when conducting local planning processes.

Proximity to Canada

The impact of the British Columbia population on the local Whatcom County economy is considered both an asset and a liability, depending on the particular type of impact being considered. The large Canadian consumer population has created a large retail sector in Whatcom County, increasing jobs, retail sales, taxes, and traffic. Over time, the impacts of Canadian consumer activity have fluctuated greatly, primarily in relationship to the value of the Canadian dollar and increased security issues.

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

A positive aspect of the proximity to Canada is the opportunity for job creation through BC companies looking for a great location to expand or relocate in the United States or enjoy other economic advantages.

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

- Policy 7E-1: Support attractions for Canadians and other visitors so they will remain in the county longer and distribute their spending throughout the community. Some of the examples would include support for such items as the following:
- Events such as the "Ski to Sea" race and festival.
 - The Whatcom Museum, Mount Baker Theater, other historic and cultural centers, and community revitalization efforts.
 - Parks and open spaces.
 - The Bellingham Festival of Music.
 - The Mount Baker outdoor recreation area.

- Farmers markets and other natural resource based activities.
- Projects, events and activities of unincorporated areas such as Point Roberts, Birch Bay and East County.

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

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

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

Business Retention and Expansion

Businesses create jobs, supply needed goods and services, and enhance economic opportunities for the residents of the County. Businesses reinvest profits and pay wages in the local community. A local company with national or international interests, or a national firm with major local investment, can provide substantial support to local causes, educational and cultural activities, and the tax base. Local businesses use local banks and other support services which help keep dollars cycling through the local economy. Therefore, business retention and expansion are important elements that support the economic well-being of the community.

Goal 7F: Encourage development that creates local reinvestment funds and provides jobs in the local community.

Policy 7F-1: Support existing businesses locally as the major contributors of job creation and regeneration and afford them every opportunity to continue their success in the community.

Policy 7F-2: Encourage businesses whose products and services can be marketed beyond the borders of Whatcom County, both domestically and internationally.

Policy 7F-3: Encourage firms to contribute financially as partners with the public sector in sharing costs for civic and cultural needs of the community-at-large.

Policy 7F-4: Enhance opportunities for increased resource-based (agricultural, forest, fisheries, and mining products) value added industries.

Policy 7F-5: Encourage utilization of existing and future resources available through local agencies, entities, and organizations, such as information from the Western Washington University Center for Economic and Business Research.

Economic Growth and Environmental Quality

Often economic development and environmental protection are seen as opposites. Because growth can increase pressure on critical areas and resource lands there can be some truth to this. However, both economic vitality and environmental quality are interrelated and are extremely important to the community. Economic development requires adequate water supply as a fundamental need. The fishing and shellfishing industries are particularly dependent on water quantity, good water quality, and habitat. The tourist industry needs these same attributes. Quality of life and environment are reasons that businesses are attracted to Whatcom County. Conversely a strong economy that provides good paying jobs allows the leisure time and the resources to focus on environmental protection.

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

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

Policy 7G-2: Review environmental protection policies for Whatcom County to coordinate with and incorporate economic development objectives.

Policy 7G-3: Provide support to Whatcom County's tourist industry to maintain and enhance a balance between the economic benefits of tourism and the local quality of life.

Policy 7G-4: Encourage sustainability by:

- Supporting waste reduction, reuse, recycling and the processing of used and waste resources into economically viable products; and
- Supporting renewable energy, state-of-the-art technology, and conservation techniques to minimize demands on resources such as water, energy, and other natural and developed resources.
- Pursuing energy resiliency and self-sufficiency by establishing renewable energy overlay zones, and by revisiting restrictions on the development of wind energy systems that protect public health and safety.

Policy 7G-5: Coordinate environmental and economic planning efforts.

Policy 7G-6: Address environmental issues on a countywide basis so that areas like the Cherry Point Industrial Area or public access areas such as marinas or the airport can expand as necessary using mitigation banking or other appropriate mitigation measures.

Natural Resource Based Industries

Natural resource based industries are agriculture, forestry, fishing and mining. While accounting for less than 5% of the total county employment, resource based industries are still major components of the economy. For example, the market value of crop and livestock product sales from Whatcom County farms was over \$357 million in 2012 (Census of Agriculture). Over \$26 million in timber was harvested in 2012 from private and public lands in Whatcom County (State Department of Revenue). Additionally, almost \$11 million was paid to fishermen for salmon, groundfish and shellfish at Whatcom County ports in 2012 (Washington Department of Fish and Wildlife). Farming, forestry, fishing, and mining are important to the economic health of the County.

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

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

Policy 7H-1: Ensure sufficient agricultural land, support services, and skills are available to encourage a healthy and diversified agricultural economy.

Policy 7H-2: Work with agencies, Tribal governments, and other groups to improve the condition of the fishery resource, including habitat maintenance and enhancement, especially for habitats utilized by threatened and endangered fish species.

Policy 7H-3: Maintain the commercial forestland base of Whatcom County to assure the industry's continued economic viability and sustainable harvest.

Policy 7H-4: As part of a broad-based economy, foster productive timber, agriculture, and fisheries industries in a sustainable manner.

Policy 7H-5: Support mining, which is compatible with other land use and environmental policies, including surface mining of sand, gravel, and rock and subsurface mining of other minerals found in Whatcom County, such as gold and silver.

Policy 7H-6: Promote the expansion of "value added" production of secondary products and resources to support the primary resource industries and maintain wealth and jobs in the local community.

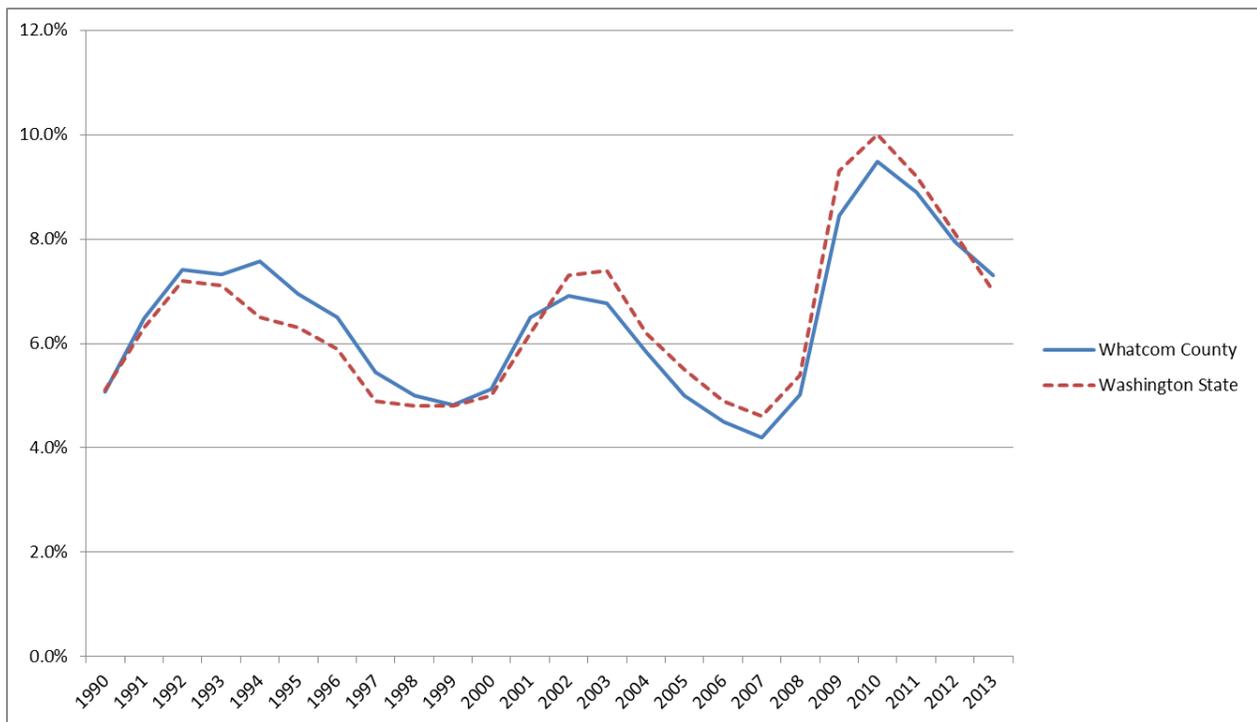
Policy 7H-7: Encourage growth of tourism, recreational activities, and businesses that provide for diversity of the natural resource industry, provided they comply with County regulations and, when located in a rural area, preserve the rural character.

Policy 7H-8: Develop and support more programs to promote ag-tourism and ag-education to increase public awareness of the nutritional and economic value of agriculture and quality food production.

Unemployment and Underemployment

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

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: 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 the Northwest Workforce Council, Bellingham Technical College, Whatcom Community College, Northwest Indian College, and other opportunities.

Geographic Diversity

A final issue with the local economy is the location of the majority of jobs in the westernmost portion of the lowlands area of Whatcom County. This is where the majority of the population lives and works, the infrastructure is available, and where most of the jobs should continue to be located. People from smaller communities located throughout the County generally have longer commutes, creating greater impacts on the road system. Also, it creates additional need for more income for travel costs.

These and other area-specific issues have spurred three communities to focus efforts on economic development: Point Roberts; Birch Bay; and East County. Each has successfully developed an area Economic Development Plan and has a subarea plan. The ongoing work of these groups is crucial to addressing the most urgent and long-range planning needs in these areas such as loss of family-wage jobs and tax base revenues and increased demand for services by a growing residential population.

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

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

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

Policy 7K-3: Locate new commercial or industrial development along Guide Meridian within designated urban growth areas, Rural Community LAMIRDs, and Rural Business LAMIRDs in a manner

- that does not disrupt the Guide’s regional transportation function.
- Policy 7K-4: Encourage resource and tourism based recreational, commercial, and cottage industry uses to create economic opportunity in the rural areas of the county.
- Policy 7K-5: Support the implementation of land use concepts as defined in Chapter Two by seeking grants to provide technical support and complete necessary programmatic environmental analysis to facilitate reduced time frames and duplication in the SEPA process.
- Policy 7K-6: Support long-term employment efforts in the unincorporated areas of the county, such as those stated in the Point Roberts, Birch Bay, and east County Economic Development Plans and Subarea Plans.
- Policy 7K-7: Support agriculture, agricultural processing, and manufacturing as a high priority in future allocations of water rights.
- Policy 7K-8: Within urban growth areas, balance areas planned for housing and jobs to potentially shorten commute times.
- Policy 7K-9: Recognize high speed Internet and cellular coverage is essential for all regions of our economy to succeed.
- Policy 7K-10: Encourage, and if necessary provide incentives, for high speed Internet and cellular infrastructure to be deployed in areas of the County such as the Columbia Valley.

Local Food System

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

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

- Policy 7L-1: Encourage government, institutions, and local businesses to purchase food produced within Whatcom County when available.
- Policy 7L-2: Encourage local farmers and producers to sell their products to local markets.
- Policy 7L-3: Support development plans and zoning changes that increase access to healthy and locally grown food products.

- Policy 7L-4: Support food outlets such as grocery stores, convenience stores, and local food markets that provide fresh, healthy foods, especially in underserved areas.
- Policy 7L-5: Support efforts and/or organizations seeking to achieve economic diversity within the food system such as:
- Niche markets for local agricultural products;
 - Technical assistance or educational programs.
 - Farmer’s markets;
 - Value-added or innovative agricultural products or services;
 - Farm-to-school and farm-to-institution;
 - Agricultural diversity;
 - Food access and affordability; and
 - Community gardens, education, and information dissemination.
- Policy 7L-6: Support efforts to protect water quality and quantity, soil health, and best management practices as related to the food system.
- Policy 7L-7: Encourage communication and collaboration across and within all sectors of the food system and support efforts/organizations working to build common understanding and to facilitate better collaborative effort toward an equitable, sustainable, and healthy food system for all.
- Policy 7L-8: Support establishment of communitywide food system development plans.
- Policy 7L-9: Support healthy and safe working conditions as well as healthy and safe living conditions for farmworkers.
- Policy 7L-10: Support organizations that provide technical assistance, educational programs, and general support to people and businesses within the local food system.
- Policy 7L-11: Consider food waste systems that reduce food waste and capture food waste nutrients.