

Planning Commission approved draft = Redline

Pending Council Amendment = **Yellow Highlight**

Chapter Seven Economic Development

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 living wage jobs.

Economic vitality depends on job retention, job creation, job training programs, public and private capital investment, and business and community capacity-building, as well as the conditions that allow workers and families to participate fully in the workforce, including access to housing, childcare, and education. (#1) The purpose of the economic element is to set goals and establish policies that 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 residents (#2) 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 diversified, robust economy; the emphasis on coordination and cooperation among jurisdictions and public/private partnering; coordination between environmental quality, economic development, and climate resilience; and the desire to maintain the resource-based and recreation industries. This chapter recognizes the best path towards economic prosperity will likely be found through promotion of the county's existing strengths (e.g. business retention and expansion) (#3), as well 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.

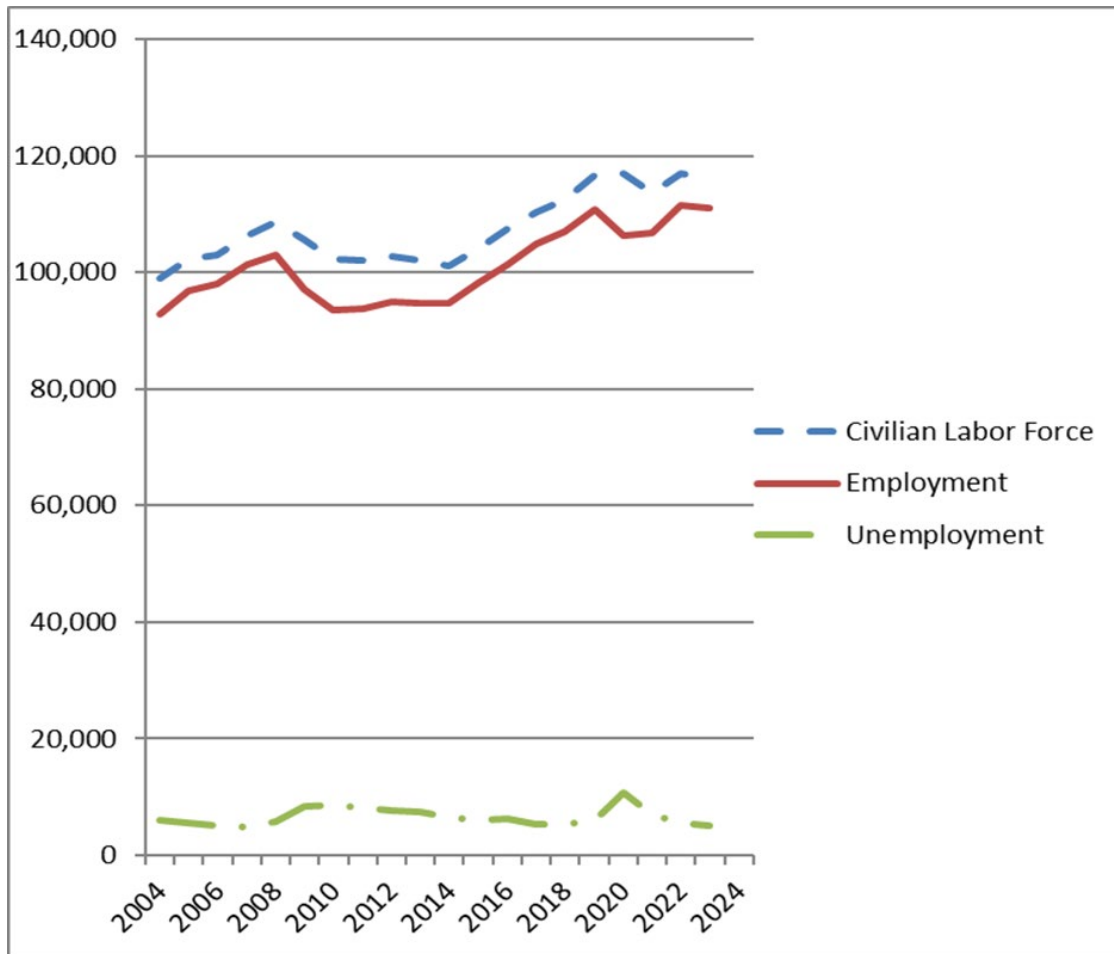
GMA Requirements

The GMA was amended in 2002 to require an economic development element in a comprehensive plan upon appropriation of state funding. As of 2025, state funding for the economic development element has not been provided.

Background Summary (#4)

Total number of people employed in Whatcom County increased from 92,875 in 2004 to 111,058 in 2023, an increase of more than 18,000 people with jobs. During this period, average yearly unemployment has typically ranged from about 4.5% to 8%, but has gone as high as 9.2% in 2020 during the COVID pandemic to as low as 4.4% in 2023.

Figure 1. Whatcom County Labor Force, Employment and Unemployment, 2004-2023



Source: Washington Employment Security Department (2024)

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Employment for Whatcom County is shown below in Table 1 by North American Industry Classification System (NAICS) codes.

Table 1. Employment by Sector, 2010-2021

	2010	2021	Growth	Percent Change 2010-21
Resources & Utilities	2,829	3,343	514	18.2%
Construction	4,885	7,556	2,671	54.7%
Manufacturing	7,738	8,699	961	12.4%
Wholesale Trade	2,425	2,629	204	8.4%
Retail Trade	8,099	8,450	351	4.3%
Transport & Warehousing	2,073	2,344	271	13.1%
Health Care Svcs	9,347	13,494	4,147	44.4%
Accommodation & Food Services	6,413	6,148	-265	-4.1%
Other Services	15,893	17,247	1,354	8.5%
Government	13,718	12,247	-1,471	-10.7%
Total	73,420	82,157	8,737	11.9%

Source: *Population and Employment: Growth Projections and Preliminary Allocations Technical Report*, May 2024 (Leland Consulting Group) and U.S. Census Longitudinal Employer-Household Dynamics (LEHD) On the Map.

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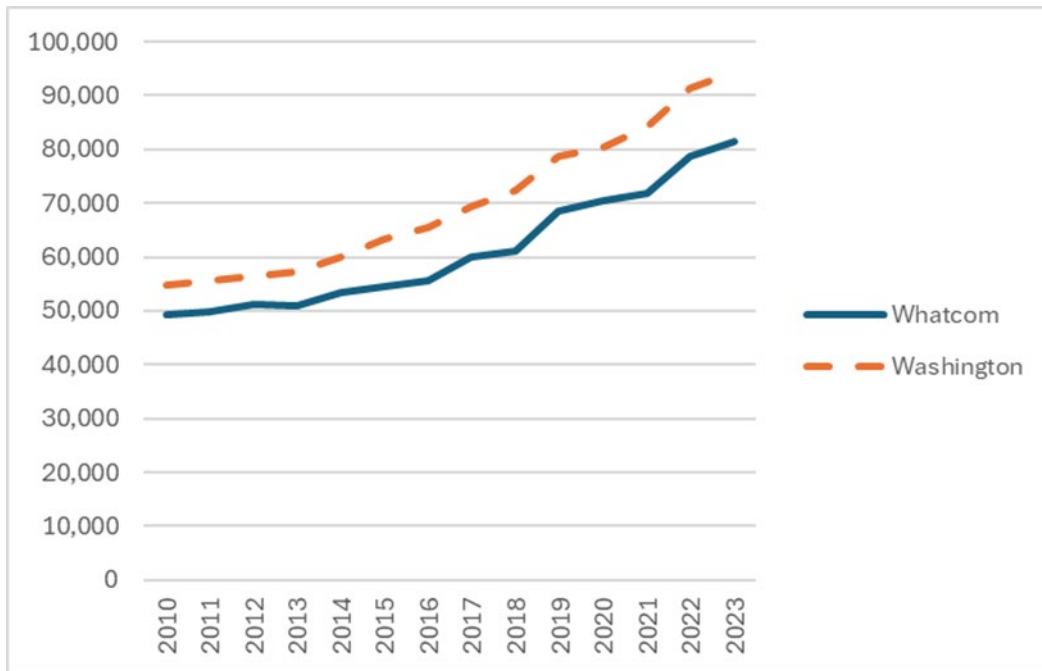
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Total employment in Whatcom County increased by 11.9% between 2010 and 2021, while population grew by 12.5% during this same period (see Table 1 above). Construction jobs grew 54.7% from 2010-2021, although the 2010 base-year figure was in the aftermath of the economic downturn. Health care services jobs also increased significantly, growing by 44.4% from 2010 to 2021. Government and accommodation & food services employment declined during this period.

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Median household income in Whatcom County increased between 2010 and 2023, although not as much as in Washington State. In 2023, the median household income was almost \$81,432 in Whatcom County. In the state as a whole, 2023 median household income was approaching \$95,000. A comparison of County and State median income, not adjusted for inflation, is presented below.

Figure 2. Median Household Income, 2010-2023



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Source: Washington Office of Financial Management (2024)

Communitywide Strategic Planning Efforts

Whatcom County Comprehensive Economic Development Strategy

The Whatcom County Comprehensive Economic Development Strategy (CEDS) (2022-2026) was updated in 2020-2021 and was approved unanimously by Whatcom County Council in 2021. 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 the following vision statement relating to the County’s preferred economic future:

A resilient regional economy that has: a dynamic and inclusive business community, a commitment to living wage jobs and equity, and the physical, social, and economic infrastructure to support it” (p. 23).

The 2022-2026 CEDS report provides valuable contributions to the challenge of the improving the Whatcom County economy and Whatcom County has much to offer prospective employers as indicated by the latest informational resource www.ChooseWhatcom.com.

The CEDS also identifies infrastructure and other projects that support economic development and includes economic data. The Whatcom County Economic Development Investment (EDI) Board has primarily directed sales tax revenue collected under RCW 82.14.370 be used to fund infrastructure, with a focus on infrastructure that facilitates affordable housing development.

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 was designated as the 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. ADOs are also the local arm of the Washington State Department of Commerce and are supported by a small financial contract with quarterly and annual deliverable requirements related but not limited to: **business retention and expansion, recruitment**, (#5) startup assistance, and export assistance.

As the ADO, the Port of Bellingham is also responsible for maintenance and updating of the Whatcom County CEDS and the associated CEDS Project List. The Port of Bellingham’s mission statement is: “To promote sustainable economic development, optimize transportation gateways, and manage publicly owned land and facilities to benefit Whatcom County”.

Issues, Goals, and Policies (#6)

Leverage our historical strengths – recognize and address our weaknesses

Whatcom County’s economy thrives when its intrinsic strengths are leveraged with entrepreneurial talent and investment capital. The county's well-educated workforce, proximity to the Canadian market, accessible health care services, seaport facilities, and high-quality natural environment collectively invites domestic investment.

The County has also historically benefited from its distinctive capacity to attract Canadian businesses interested in accessing the U.S. domestic market. The proximity of Vancouver, BC, to Whatcom County uniquely allows Canadian professionals to manage their U.S. operations during the day while still being able to return home to their families in Canada each evening - a convenience available nowhere else along a 2,000-mile stretch of the border.

Established domestic businesses that offer living wages (or better), recruit skilled graduates from local educational institutions (such as cyber security and **computer numerical control** technicians). However, due to limited affordable workforce housing and a shortage of developable industrial land, these businesses typically relocate these new hires to other counties where such resources are more accessible.

Traditionally, as skilled professionals advance in their careers, some choose to establish startup enterprises, with a portion achieving success as living-wage

employers for future generations. Similarly, certain graduates from our programs go on to serve as educational mentors, instructors, or venture capital investors.

Companies that are unable to secure affordable housing and industrial land for local employment not only contribute to the outmigration of skilled workers, but also remove the potential for these individuals to become local living-wage employers or educators within Whatcom County.

Among the significant factors determining our success in attracting and retaining family and living wage employment opportunities is our capacity to offer affordable housing and “shovel-ready” industrial land. Raising wages for all is closely linked to ensuring these foundational resources are accessible.

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 living 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.

The goal is to retain the diverse base of manufacturing and other living 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 very high starting salaries.

As the developed world evolves away from a resource-based and high-volume/low-value-added manufacturing economy, most of the new generation of living wage jobs will likely come from knowledge intensive industries like cyber security, health care, and high-value-added specialty manufacturing, such as alternative energy manufacturing and food processing.

Goal 7A: Promote a healthy economy that provides ample opportunity for living wage jobs for diverse segments of the community, which is essential to maintaining and enhancing the quality of life in the area.

Policy 7A-1: Support the implementation and evaluation of the Whatcom County CEDS, as well as the planning and future updates of the document every five years.

- Policy 7A-2: Together with the cities, provide an ample, developable land supply for commercial and industrial uses to provide opportunities for business retention, expansion and recruitment in Whatcom County. Where applicable, retain existing light and heavy industrial zoning and identify additional industrial sites as recommended by the July 2025 Whatcom County Industrial Lands Study to ensure the county can meet future demand.(#7)
- Policy 7A-3: Foster a diverse, private-sector job base including those that contract with government, as well as facilitate public sector jobs—defined as jobs that offer compensation at or above the state median income, and include essential benefits such as health insurance and employer retirement contributions—to ensure long-term economic stability for workers and their families,(#8) and facilitate the retention and expansion of existing businesses.
- Policy 7A-4: Employ innovative techniques to recruit and develop a diversified mix of businesses for a broader economic base using the economic development program funded with monies collected under RCW 82.14.370.
- Policy 7A-5: In addition to stimulating living wage employment and jobs in diverse sectors including renewable energy and(#9) green industry and infrastructure, ensure we retain entry level and service-related jobs such as those necessary to support tourism, recreation, retailing, manufacturing,(#9) and other industries.
- Policy 7A-6: Support public-private partnerships to develop training and technology solutions relevant to current industry needs with local education resource providers to develop an educated and skilled 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, Northwest Career and Technical Academy, career and technical education programs in K-12 schools, apprenticeship programs, (#10) and businesses and industries.
- Policy 7A-7: Partner with the Western Washington University Small Business Development Center, Port of Bellingham, Chambers of Commerce, and other stakeholders to support(#11) business start-up operations and entrepreneurship to facilitate growth of businesses.
- Policy 7A-8: Foster an adequate amount of preferred housing supply that is affordable for all income levels as a prerequisite for a healthy economy.
- Policy 7A-9: Enhance the environment for resource-based and knowledge-based industries with an emphasis on attracting employment to the communities in eastern Whatcom County by rezoning nearby

land suitable for companies who need the type of skills already possessed by residents in the eastern areas.

Policy 7A-10: Maintain a strategic plan to guide the county's participation in tourism marketing.

Policy 7A-11: Establish a competitiveness review of county policies, regulations, taxes/fees, and other processes to help promote affordable housing, child care, high-speed internet, modern infrastructure, (#12) and other influences that impact county businesses.

OR



Review county policies, regulations, taxes/fees, and other processes to help promote affordable housing, child care that supports workforce participation, high-speed internet, modern infrastructure, and other influences that impact county businesses, and identify opportunities to improve efficiency, streamline processes, and reduce unnecessary barriers to economic development. (#13)


Policy 7A-12: Support supply chain resiliency by encouraging local sourcing, distributed production, and diversification of inputs for key industries, including food, construction materials, energy, and health-related goods.

Policy 7A-13: Encourage Bellingham Technical College, Whatcom Community College, Northwest Indian College, (#14) and Western Washington University to develop and design training programs in rapidly growing industries such as alternative home construction technologies and renewable energy.

Policy 7A-14: Evaluate and consider the impacts of land use, housing, transportation, and climate policies on economic security for residents, workers, and businesses. Review other elements of the Comprehensive Plan to inform decisions that support equitable economic opportunity and long-term financial stability across all communities in Whatcom County.

Policy 7A-15: Long term prosperity in Whatcom County depends on reliable access to water and fiscally responsible management of local resources. While adjudication may ultimately clarify legal rights, experience from other basins demonstrates that multi decade litigation creates uncertainty and imposes significant costs not only on water users but also on County government. A proactive,

negotiated settlement approach can achieve water certainty faster, protect the economy, and relieve unnecessary strain on the County’s justice system and taxpayers. (#15)

 Policy 7A-16: Whatcom County shall actively pursue and support a negotiated or mediated settlement process among all major water use sectors - agricultural, municipal, industrial, tribal, and environmental - as an alternative to a protracted adjudication. The County should provide leadership, facilitation, and technical support to help all parties reach consensus on allocation, mitigation, and conservation measures that sustain the county’s economic base while protecting ecological resources. (#16)

Policy 7A-17: The County shall evaluate both the economic and fiscal costs of adjudication, including impacts on agricultural production, housing investment, and County government operations. Analyses should compare the long-term financial obligations of supporting additional courtroom facilities, staffing, and judicial appointments against the potential savings achieved through a negotiated settlement process. (#17)

Policy 7A-18: Recognizing that the State initiated the adjudication but does not fully fund its implementation, the County shall advocate for state reimbursement of adjudication-related costs. Including courtroom expansion, judicial staffing, and administrative expenses - while simultaneously pursuing settlement strategies that can reduce or eliminate the need for these ongoing expenditures. (#18)

Policy 7A-19: A negotiated settlement should be used as a vehicle to invest in local economic infrastructure such as water storage, conveyance efficiency, and mitigation banking that benefits multiple sectors and offsets the costs of prolonged litigation. The County shall seek state and federal partnership funding to implement such projects as part of any basin-wide agreement. (#19)

Policy 7A-20: Ensure that settlement frameworks explicitly address the water needs of both agriculture and housing, acknowledging that stable water supply supports job creation, food security, and housing affordability. The County’s facilitative efforts should aim to preserve the viability of existing farms while ensuring sufficient water resources for urban and rural housing consistent with Comprehensive Plan goals. (#20)

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.

(#21)

Collaboration between public and private entities can help promote and prioritize responsible industry that balances both the need for living wage jobs and protection of our environment and natural resources. Whatcom County should craft policy and allocate resources that support local economic and workforce development initiatives, an adequate industrial lands base, and the sustainable development of affordable housing in the Cities and UGAs. (#21)

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 partnerships 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 across multiple departments(#22) and to attract appropriate businesses to Whatcom County. In accordance with the Whatcom County CEDS, the ADO and partners will evaluate their progress on economic development goals annually in the form of a CEDS Progress Report.

Policy 7B-2: Continue participating in the Small Cities Caucus and Whatcom County Business and Commerce Advisory Committee monthly meetings, which are largely focused upon issues of economic development that impact the county, cities, and local business.

Policy 7B-3: With the cities, Port of Bellingham, Council of Governments, Tribal governments,, 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 Program), 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 living 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.

Policy 7B-7: Facilitate opportunities for government entities to stimulate the local economy including leveraging public funding to create local, living wage jobs for local workers and workforce development opportunities such as apprenticeship utilization in public work. (#23)

Policy 7B-8: Preserving farmland alone is not sufficient to sustain Whatcom County's agricultural economy. County policy shall ensure that agricultural lands remain not only physically preserved but also economically productive, infrastructure-ready, and supplied with the water necessary for continued production. Agriculture must be treated as the highest and best use of designated agricultural lands. (#24)

Policy 7B-9: Land-use regulations, conservation easements, and preservation tools shall be implemented in a manner that supports active agricultural production and farm business viability. The County shall evaluate existing agricultural zoning, easement terms, and critical area provisions to ensure they do not unnecessarily restrict agricultural infrastructure or operational flexibility. (#25)

Policy 7B-10: A viable agricultural economy cannot exist without reliable access to water. The County shall ensure that agricultural water use is prioritized and protected in all aspects of land-use, resource management, and economic planning. Water management policies shall explicitly support ongoing and future agricultural operations as a critical component of Whatcom County's economy. (#26)

Policy 7B-11: The County shall recognize agricultural production as a cornerstone of the local economy and shall integrate farm viability into its economic development strategies. Planning efforts shall emphasize infrastructure investments, workforce development, and financing mechanisms that enable continued agricultural production. (#27)

Policy 7B-12: To sustain a viable agricultural economy, the County shall support the development of processing, storage, distribution, and marketing facilities as permitted or accessory uses in the Agriculture Zone. The County shall review zoning and permitting processes to remove unnecessary barriers to small and medium scale “value added” operations, including processing, storage, and on farm retail. (#28)

Policy 7B-13: Conservation easements and Transfer of Development Rights programs shall be designed to protect both the land base and the ability to farm it. Easement terms shall permit necessary agricultural buildings, farmworker housing, and resource improvements essential for modern and sustainable farming. (#29)

Policy 7B-14: The County shall review Title 20.40 (Agriculture District) to ensure that the regulations reflect current agricultural practices and market realities. This review should evaluate minimum lot sizes, accessory use definitions, and conditional use procedures to promote economically viable farm operations while maintaining environmental protections. (#30)

Policy 7B-15: All future amendments to agricultural land policy shall consider data on farm income, product diversification, infrastructure capacity, and generational land transfer trends to ensure that preservation measures enhance rather than constrain long-term viability. (#31)

Policy 7B-16: The County should continue to support apprenticeship utilization requirements on the construction of all public work in accordance with WCC 3.72. The County should collect apprentice registration numbers or similar documentation for each individual apprentice from contractors entering into a contract with the county to construct an applicable public work and validate that utilization reports are accurate and verifiable. (#32)

Policy 7B-17: The County should strive to include pre-apprenticeship graduates in the County’s economic development strategy and equity efforts. Pre-apprenticeship programs play a key role in

preparing local residents—especially those from underrepresented communities—for entry into registered apprenticeships and living-wage careers, strengthening long-term local workforce. (#33)

Infrastructure

Despite the many natural advantages for economic growth in Whatcom County, several factors constrain potential economic development. One of the factors is the lack of adequate infrastructure for future industrial development. This includes a lack of access to power, water, sewer, stormwater, and internet utilities and an adequate supply of “shovel ready” buildable land for workforce housing and industrial development.

Water quantity and quality and the distribution system needed to supply water are all elements of the water supply problem. Whatcom County has been engaged in many processes to address water quality and quantity issues including watershed planning and salmon recovery through the WRIA 1 Watershed Management Board and water system coordination through the Coordinated Water Supply Planning process. In addition, the Washington State Department of Ecology filed a basin-wide water rights adjudication in May 2024 which is leading to uncertainty regarding who will be able to access water. A water rights adjudication is a legal process that will validate, quantify, and prioritize water rights in WRIA 1, the Nooksack Basin, including the entire Nooksack River watershed and nearby areas. This process is expected to last at least a decade. All those who directly withdraw water from a well or divert water from a waterbody in WRIA 1 will be included in the adjudication. Evidence collection and submission will follow, culminating in a court-ordered inventory of all legal water rights. This process may identify entities that are using water now that may not have the legal right to do so and would need to curtail their use or it could lead some water users needing to curtail their use during certain times of year in order for more senior instream flow rights to be met. While the process will lead to a lot of uncertainty while the case winds its way through court, it will ultimately provide certainty once it is completed.

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, water resource planning, 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. Within the County’s areas of responsibility, work with service providers to maintain and upgrade critical infrastructure, including reliable communication networks, to support existing and future businesses, particularly small businesses, technology startups, and large-scale industries.

Policy 7C-4: To retain and attract living wage jobs, encourage location of additional industrial areas where sewer and water service and all weather access can be readily provided, near highway interchanges and freight corridors, as recommended by the July 2025 Whatcom County Industrial Lands Study to ensure the county can meet future demand. (#34)

Policy 7C-5: Support the efforts of PUD #1, the Port of Bellingham, and area communication and cable companies to develop high-speed internet infrastructure in unserved and underserved areas of Whatcom County.

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

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 upgrades or expansion when 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).
- Policy 7C-11: Encourage use of renewable energy sources and energy conserving/GHG reducing technologies, where feasible, in infrastructure projects.
- Policy 7C-12: Recognize that access to affordable child care supports workforce participation and economic vitality in Whatcom County. Support local efforts to expand the availability of affordable, quality child care as part of workforce development. Consider the recommendations of the Child and Well-Being Task Force relating to child care issues. (#35)

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. 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. Any land capacity analysis should include all known data from all available resources on potential and actual wetlands, including consideration of the impact of current and potential increases in buffers which could come into effect during the 20-year planning period covered by the Comprehensive Plan.

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

- Policy 7D-1: Work with state, federal, and tribal (#36) agencies to coordinate and streamline environmental review.
- Policy 7D-2: Conduct (#37) 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, streamline, and simplify regulations to make them more understandable and user-friendly in an effort to facilitate planned development. (#38) Utilize accessible language and graphic illustrations to explain land-use and development codes and regulations. (#38)
- Policy 7D-4: 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-5: Streamline and coordinate the permit process and sustain a supportive customer service approach towards permitting.
- Policy 7D-6: 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-7: Create options for greater flexibility in the regulatory and development review process.
- Policy 7D-8: Consider the vision statements and action items in the CEDS when conducting local planning processes.
- Policy 7D-9: Develop a Countywide Wetland Mitigation Bank to facilitate development and appropriately mitigate for impacts to wetlands.
- Policy 7D-10: To further facilitate development of housing and land for industry consider making Advanced Wetlands and Buffer Mitigation Credit creation and Compensatory Offsite and Wetlands and Buffer mitigation an outright permitted use in all R5, R10, Forestry and AG zones outside of Urban Growth and Urban Growth Reserve Areas.
- Policy 7D-11: To further facilitate development of housing and land for industry, the county should evaluate allowing land that has been planted and maintained in USDA Conservation Reserve Enhancement Program (CREP) habitat to qualify as Advanced Wetlands and Buffer Mitigation Credit and Compensatory Offsite mitigation creation with the effective date of the CREP contract serving as the commencement date of the mitigation creation.
- Policy 7D-12: Collaborate with the cities to clarify industrial and commercial land uses in zoning districts designated for industrial development to ensure greater consistency among the codes and to ensure nonindustrial uses or uses not contributing to living wage jobs should remain an allowed use, as recommended by the July 2025 Whatcom County Industrial Lands Study. (#39)

Proximity to Canada

The impact of British Columbia 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 the degree to which the Canadian border is open for commercial and personal travel.

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.
- Local festivals.
- 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 an American Headquarters based

in Whatcom County, while at the same time encouraging our companies to explore and develop markets in Canada.

Policy 7E-5: Actively recruit Canadian businesses using Whatcom County’s unique ability to allow Canadian professionals to manage their U.S operations during the day while still being able to return home to their families in Canada each evening – something unavailable anywhere else along a 2,000-mile stretch of the border.

Business Retention and Expansion

Businesses create jobs, supply needed goods and services, and enhance economic opportunities for the residents of the County. Businesses support the local community and economy by paying taxes (property, sales, and B&O), often reinvesting profits into business and infrastructure improvements and expansion, investing in philanthropic endeavors, and paying wages enabling workers to live, learn, work and play in Whatcom County. (#40) 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. Business retention and expansion for existing businesses in Whatcom County has been identified as a top priority in the Whatcom County CEDS 2022-2026.

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 and non-profit sectors in sharing costs for civic, cultural, and philanthropic (#41) needs of the community-at-large.

Policy 7F-4: Enhance opportunities for sustainable (#42) 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 viewed as opposing interests because growth can increase pressure on critical areas and resource lands. 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 shell-fishing industries are particularly dependent on water quantity, good water quality, and habitat. The tourism industry relies on these same attributes, as well as having naturally beautiful vistas, trails, (#43) and shorelines for recreation. Quality of life and the amazing natural environment are also reasons that businesses and employees (#43) are attracted to Whatcom County in the first place. Thus, a commitment to preserving and enhancing the natural environment is actually an economic development strategy for Whatcom County. Additionally, a strong economy that provides living wage jobs allows the leisure time and additional resources to focus on environmental stewardship and protection.

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

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 tourism industry to maintain, promote, and enhance responsible tourism and recreation, which should balance the economic benefits of tourism and protection of the local environment, natural resources, and (#44) 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 alternative energy systems that protect public health and safety.

- Policy 7G-5: Coordinate environmental and economic planning efforts with Port of Bellingham, cities, county, state, federal, and tribal governments and business, industry, and tourism stakeholders. (#45)
- 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.
- Policy 7G-7: Support living wage job opportunities that are sustainable, responsible, and meet the future needs of the community and economy. This could include renewable energy industries such as manufacturing hardware for solar panels, batteries, heat pumps, biofuels, and hydrogen, professional services, (#46)technology, alternative transportation, green infrastructure, and affordable housing, childcare, and health care. Ensure adequate retail, commercial, and industrial land to support investment in local business and workforce.
- Policy 7G-8: Support a just transition to a clean energy economy by investing in workforce retraining, education, and economic opportunities for communities and workers historically dependent on fossil fuels or vulnerable to energy insecurity.

Natural Resource Based Industries

Natural resource based industries include but are not limited to 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 \$510 million in 2022 (USDA Census of Agriculture). In 2023, Whatcom County accrued \$362,229 in revenue from state forestlands in (State Department of Natural Resources). In 2024, the state distributed \$450,873 in forest excise tax revenue to Whatcom County (State Department of Revenue). Farming, forestry, fishing, and mining are important to the economic health of the County.

Agriculture is a critical component of Whatcom County’s economy. According to the most recent USDA Census of Agriculture County Profiles, among the four Northwest Washington counties (Whatcom, Skagit, Island, and San Juan), Whatcom County has the most acres of farmland under production (102,886 acres). In 2022, 1,582 Whatcom County farms produced a market value of \$510 million in crops and livestock. Locally produced milk produced in 2022 had a market value of \$204.5million. Berries (along with tree nuts and fruit trees) combined for a market value of \$183.5 million in 2022 (USDA Census of Agriculture).

The marine trades industry, which includes fishing, continues to be an important aspect of Washington State’s and Whatcom County’s economy and culture. The Port of Bellingham commissioned an economic impact study that found 6,400 jobs (3,600 direct, 2,800 indirect) were attributable to Whatcom County’s maritime industry in 2023. In the same year, the maritime industry generated \$416 million in total labor income, resulting in \$1.6 billion in total revenue. Sectors included in this study were maritime logistics and shipping, commercial fishing and seafood processing, shipbuilding, repair and maintenance, recreational boating and fishing, maritime support services, and passenger water transportation.

Goal 7H: To promote economic diversity, food security, and climate resiliency, 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 tribal treaty protected fishing rights and fishery resources, including water quality and quantity, habitat maintenance, restoration, and enhancement, especially for estuaries, riparian areas, and other habitats utilized by threatened and endangered fish species, and removal of fish passage barriers. (#47)

Policy 7H-3: Maintain the commercial forestland base of Whatcom County to assure the industry’s continued economic viability and sustainable harvest. Whatcom County should continue to work with state and federal agencies, Tribes, private timber industry, and other relevant stakeholders to balance the economic interest with climate resilience and managing forestland for multiple benefits including jobs, wood products, recreation, carbon capture and sequestration, ecosystem services, and wildfire resilience. In an effort to protect Lake Whatcom, the drinking water source for nearly half of Whatcom County’s population, public and private management of forestland in the watershed should follow more stringent regulations, forest practice rules, and compliance monitoring to ensure consistency with the Lake Whatcom Management Program and compliance with the Landscape Plan, Clean Water Act, forest management plans, and other relevant state and federal laws. (#48)

Policy 7H-4: As part of a broad-based economy, foster productive timber, agriculture, and fisheries industries in a sustainable manner that aligns with County Comprehensive Plan Climate chapter, Climate Action Plan, Forest Resilience Plan, Lake Whatcom Management Program Work Plan, Comprehensive Parks, Recreation, and Open

Space Plan, WRIA 1 Salmon Recovery Plan, forest management plans, and other relevant county plans. (#49)

 Policy 7H-5:

Support **sustainable** mining **operations**(#50) 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 diversify and strengthen the natural resource industry, provided they comply with County regulations and are in alignment with County Comprehensive Plan Climate chapter.

Policy 7H-8:

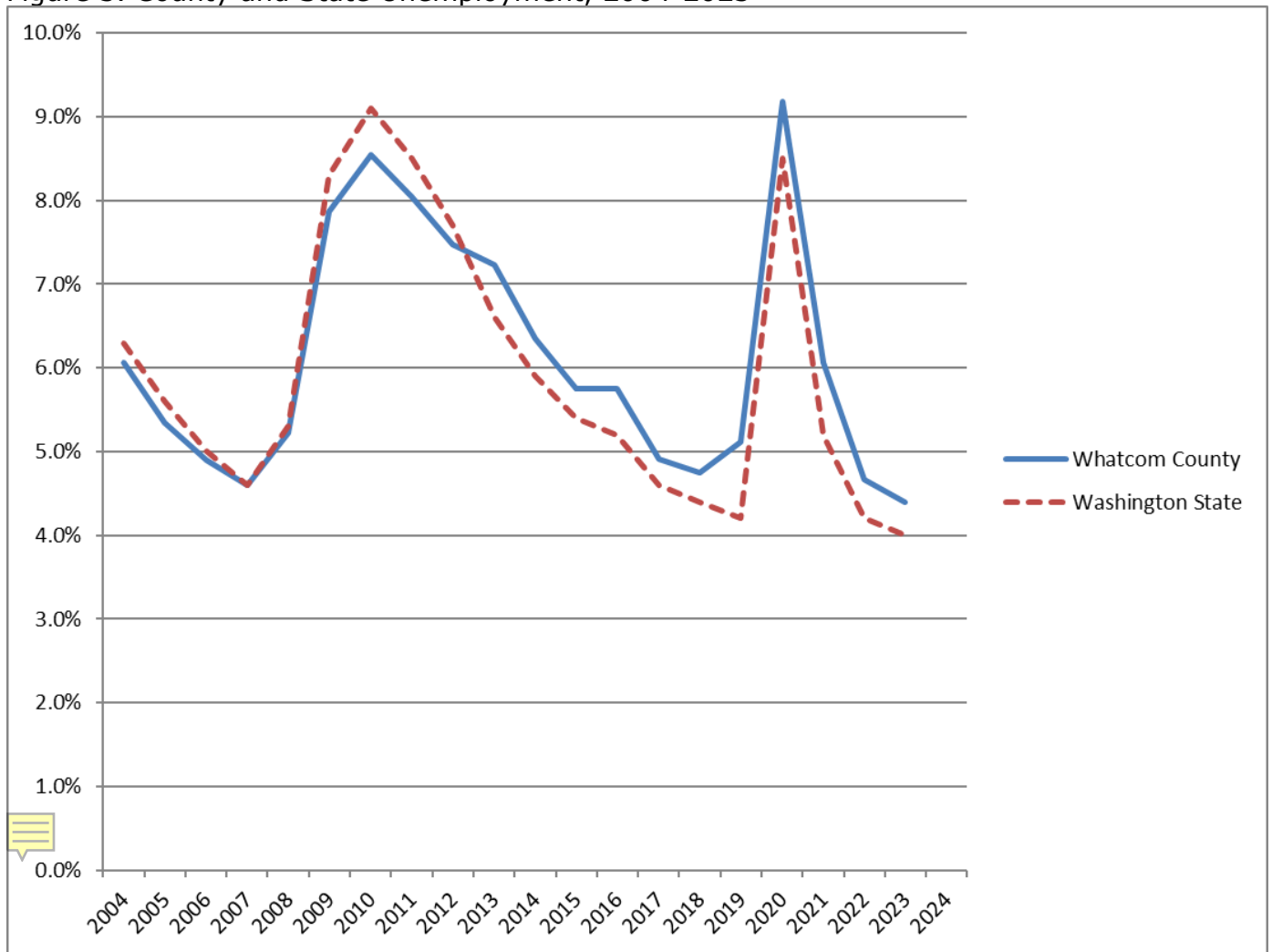
Develop and support more programs to promote ag-tourism and ag-education to increase public awareness of the nutritional and economic value of agriculture and quality food production.

Unemployment and Underemployment

Average yearly unemployment rates in Whatcom County have generally tracked the trajectory of unemployment rates in Washington State as a whole, although Whatcom County rates have been higher than State rates since 2013. State unemployment was higher from 2008 to 2013.



Figure 3. County and State Unemployment, 2004-2023



Source: Washington State Employment Security Department (2024)

NOTE: Delete Figure below

Unemployment was deeply impacted by the COVID-19 pandemic, resulting in closures for at least a period. In February 2020, Whatcom County’s unemployment rate was 4.8%. In April 2020, unemployment temporarily skyrocketed to 17.9% due to mandatory COVID-19 closures. These dramatic numbers stabilized within a year and actually continued to decline to an all-time low point in summer 2023, with Whatcom, Skagit, and Island counties hovering between 3-3.3% unemployment and San Juan County at a dramatic low of 2.3% in June 2023 (ESD 2024). Unemployment levels below 5% typically indicate a tightening labor market and businesses continue

to report labor shortages in several sectors as of December 2024 (ESD 2024; Northwest Workforce Council 2024).

Whatcom County is part of Washington State’s Workforce Development Area #3, which also includes Skagit, Island, and San Juan Counties and is served by the Northwest Workforce Council. Northwest Workforce Council, in consultation with local elected officials, oversees the WorkSource (one-stop) system programs and Workforce Innovation and Opportunity Act (WIOA) Title IB employment and training programs, coordinates local area workforce development services, and provides expertise and demand-driven workforce services to employers and job seekers in Whatcom, Skagit, Island, and San Juan Counties. Council members chart an important course to help local businesses, workers and communities realize a more prosperous future.

Northwest Workforce Council is responsible for updating the [regional workforce plan](#) since implementation of WIOA every five years. The plan is developed with local workforce development system partners and stakeholders and reflects system-wide goals and strategies to achieve optimum results serving shared business and job seeker customers.

Goal 7J: Address unemployment and underemployment as important issues and continue the effort to increase living wage jobs.

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

Policy 7J-2: Support economic development that recognizes and respects diversity and promotes inclusion and equity, in order to enhance and extend opportunities to participate and benefit from high wage employment.

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, **Western Washington University**, Bellingham Technical College, Whatcom Community College, Northwest Indian College, **apprenticeship programs, (#51)** and other opportunities.

Geographic Diversity (#52)

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 **con**tinue to be located. People from smaller communities located throughout the County generally have longer commutes, creating greater impacts on the road system and environment. It also 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 living 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 and food 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, including facilitating remote work, learning, and telehealth, maintaining and attracting businesses, and supporting essential services and critical County infrastructure.

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, that are underserved or where service is unavailable.

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.

The Whatcom County Council adopted the Whatcom County Food System Plan in 2023 (Resolution 2023-018). The Food System Plan contains goals, objectives and actions to strengthen the food system in Whatcom County including to:

- Cultivate equity and justice in our food system;
- Protect and regenerate our soil, water, and land;
- Build a resilient and vibrant local food economy;
- Ensure access to healthy food for all; and
- Mitigate emissions from food system activities and adapt the food system to a changing climate.

Goal 7L: **Support a thriving local food system including production, processing, distribution and consumption of locally grown, harvested, and made foods. Strengthen the local food system and take steps to improve conditions for a healthy, resilient, secure, and prosperous food economy.**

Policy 7L-1: Support implementation and evaluation of the Whatcom County Food System Plan and update the Community Food Assessment as necessary.

Policy 7L-2: Encourage local farmers and producers to sell their products to local markets and remove barriers to local market development.

Policy 7L-3: Encourage food accessibility and affordability by incentivizing government, institutions, and private-sector organizations in purchasing food produced in Whatcom County.

Policy 7L-4: Support development plans and zoning changes that increase access and remove barriers to healthy, nutrient-dense foods that are locally grown, raised, harvested, and made.

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 consistent with the Whatcom County Food System Plan.
- Policy 7L-9: Support healthy and safe working conditions as well as healthy and safe living conditions for farmworkers and other food chain workers.
- 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.