

March 19, 2003

Ms. Patricia Decker, Director
Waterfront Futures
1801 Roeder Ave
Bellingham, WA 98225

Dear Ms. Decker:

We, the undersigned, submit for consideration by Waterfront Futures a white paper outlining a concept for a project that would co-locate some important economic development assets in a single facility or contiguous cluster of facilities on the waterfront. For the sake of discussion, we consider these assets to be the various economic development organizations, WorkSource, education and training services from a variety of institutions, permitting departments of the city and county, and business incubator space. The goal underlying this concept is to create a beacon on the waterfront to attract, start, and grow businesses that create the kinds of jobs that increase the prosperity of the community and help us sustain the qualities that we all enjoy.

It is our hope that Western Washington University will come to be a partner in the development and implementation of this concept. Our sense of urgency in submitting this proposal has us moving more quickly than meets the needs of the university. To be truly successful, we must find a timeline and scope acceptable to the university in future discussions.

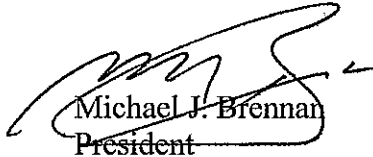
We believe this concept, if implemented, can increase the pace, scale, and sustainability of business development on the waterfront, downtown Bellingham, and Whatcom County. We appreciate your consideration of our submission in full acknowledgement that we have a great deal of work to do in developing it for an eventual implementation.

Sincerely,

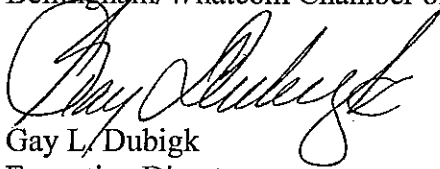


Pete Kremen
County Executive
Whatcom County

Peggy Zoro
Co-Chair
Bellingham Whatcom Economic Development Council



Michael J. Brennan
President
Bellingham/Whatcom Chamber of Commerce and Industry

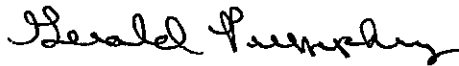


Gay L. Dubigk
Executive Director
Northwest Workforce Development Council

Robin Halliday
Chief Executive Officer
Rivetek



Dale Kinsley
Superintendent
Bellingham School District



Gerald Pumphrey
President
Bellingham Technical College

Community Center for Sustainable Business and Economic Development

Bellingham and Whatcom County's economy began on the waterfront. Commercial activity first arose as the bay's shore became a staging area for the Fraser Valley gold rush. Soon afterwards, Bellingham developed as a center for processing and shipping the region's seemingly endless resources of timber, coal, and salmon. As these commodities dwindled, agriculture spread inland. Later, economic development returned to the waterfront around Bellingham Bay with the development of heavy manufacturing of pulp and paper, aluminum smelting, and oil refining. In varying degrees, these industries relied on deepwater access, cheap electricity, and like the industries before them, abundant labor with minimal education.

The world around us has changed. Raw resources, less expensive labor, and cheaper power are found in other places, and capital investment flowing through a global economy is now relocating many of our former industries in those places. In today's economy, the new competitive advantage is no longer based on raw resources, energy, and unskilled labor. The new, knowledge-based economy instead depends on the creativity of its workers and the agility of its institutions to bring new products and services to the market even before customers perceive a need for them.

Bellingham and Whatcom County have many of the assets needed to compete in the knowledge economy. We have rich educational resources including a strong K-12 system, a highly regarded regional university, a community college, a technical college and a tribal college. We have high capacity data and telecommunications infrastructure. We are in close proximity to Seattle and Vancouver, two leading centers of creativity in the knowledge economy. Finally, we have geographic, cultural, and social assets that are extremely attractive to the people and the companies we need grow, recruit, and retain. The emergence of small clusters of information technology and light manufacturing companies in our economy validate the value of these assets.

However, if we are to leverage these assets to our competitive advantage, we must also increase our agility in responding to the rapidly changing needs of workers and companies in the knowledge economy. Insufficient connectivity among our educational, economic development, and regulatory institutions presents significant barriers to the efficient formation and growth of the companies creating the kinds of jobs we want. Both companies and their future employees must waste time, effort, and money wandering through an unintentional maze to access the services they need, we have, and they receive..

It does not have to be this way. Other communities in Washington including Spokane (www.sirti.org), Wenatchee (www.ccpd.com), and Port Angeles have streamlined access to the services needed by companies attempting to create jobs in the knowledge economy. A common theme in their effort is combining (in various iterations) their economic development, educational, and business incubation services in a single facility. We propose the creation of a new facility on the waterfront to co-locate and thus make more accessible the services needed by our emerging and growing companies. Co-location,

managed correctly, will bring connectivity agility to our rich array of assets, and position us powerfully to compete in the fast-moving knowledge economy. Serving as a beacon for the kind of economic development we want, this facility can reconnect our economy with our waterfront in a way that is sustainable and that enhances our quality of life.

We are currently researching similar models in other communities to learn their programmatic scope, financial structures, and business plans. We are evaluating what seems to be working and what is not. At this point, we are advancing a broad concept rather than a plan. We do not know whom all the potential partners might be, or whether they would join in the development of a plan. We simply ask that you consider two scenarios.

Imagine starting a company in a city where you could begin operations in a new building located within walking distance of a wide variety of residential housing options, restaurants, and shopping opportunities. Several major banks are also within walking distance. The building has advanced data and telecommunications infrastructure. The Chamber of Commerce and Economic Development Council all have offices in your building. They work together to provide you advice and information as you start your company, as you grow it, and as you need to relocate to larger quarters in the community. The governmental departments that issue the permits you need are also in the same building. WorkSource is also on site, making employee recruitment and hiring procedures as efficient as possible. The colleges have centers in the building where you and your employees can access training customized to your needs at the most convenient times. High school and college students taking technology and business courses in the building are also available as co-ops and interns.

Now, imagine seeking a career in the knowledge economy. In one place, WorkSource can offer you counseling on employment opportunities, education and training services, and employment transitional services. Courses are available on-site to help you bridge specific skills gaps, or if you need an entire program, representatives from institutions of higher education can help get you connected. Part- and full-time employment or internship opportunities are available with companies in the building or with those that have grown into other locations in the community.

Much discussion and planning is needed to bring this concept into focus, but we ask the members of the Waterfront Planning Commission to hold a place for it in your conceptual framework for the re-development of the Bellingham waterfront. We believe it can truly be the beacon for a sustainable future grounded in the knowledge economy.