EXECUTIVE SUMMARY
At a time when the world is in search of new and innovative ways to create sustainable communities, an historic opportunity stands before us: the opportunity to form an official partnership between Western Washington University and the Port of Bellingham to begin the redevelopment process in The Waterfront District.

The Port of Bellingham, Western Washington University and the City of Bellingham have been working together for the past several years to provide a more direct connection between Western and the waterfront and – more importantly – between Western and the Bellingham community.

This report recaps that planning effort, both on the WWU campus and in the community. It summarizes the key findings of the Waterfront Futures Group and Waterfront Advisory Group and outlines the steps remaining to be taken and expected timeline.

The report summarizes the background of The Waterfront District redevelopment project and shares the overall vision for the project as well as the vision for WWU’s participation in it.

The various development models that have been considered are reviewed, and one is recommended as the best solution for the situation. This report seeks to demonstrate the need for a separate development entity to oversee WWU’s entry onto the waterfront and to answer potential questions about the process.

Board and Commission action now under consideration: Approval of creation of “intermediary development authority.”

To demonstrate that educational institutions across the country are leading the way in building facilities in nontraditional locations and with mixed use purposes, several comparative examples of other university development projects are included.

And finally, the report provides the answers to a series of frequently asked questions about The Waterfront District, about WWU’s expansion on the waterfront, and about the proposed development entity.

The establishment of WWU buildings and programs on the waterfront is a keystone to the redevelopment of critical portions of the entire 220 acre site. The entry of WWU into the project builds confidence in the development that will attract further private investment.

The Waterfront District unites diverse groups – government, education, business and the green movement – together in a common goal: creating a robust, welcoming neighborhood that demonstrates that economic vitality and environmental sustainability can thrive together.
Today, Western Washington University’s campus overlooks Bellingham’s waterfront from the hillside above Bellingham Bay. Tomorrow, its campus will extend to the water’s edge.

The Port of Bellingham, Western Washington University, and the City of Bellingham have been working together for the past several years to provide a much more direct connection between Western and the waterfront and – more importantly – between Western and the Bellingham community.

This brief report recaps that planning effort, both on campus and in the community, and recommends the approval of the creation of a Port of Bellingham/Western Washington University development entity – Viking Development – to serve as a tool to make this goal a reality.

This began at the earliest stages with Western officials serving on the Waterfront Futures Group in 2003. This Port - and City of Bellingham - funded group met for 18 months to create a vision for all 11 miles of Bellingham’s waterfront, including the former Georgia-Pacific mill property, where redevelopment efforts are now focused.

From those early community visions, to the Port acquiring the 137-acre mill site in 2005, to today when a master plan is underway for the entire area, members of the University’s leadership have been clear about their goal of creating a place for Western Washington University in The Waterfront District.

History

Bellingham’s waterfront has long been an industrial area providing essential family wage jobs and economic opportunities for all of Whatcom County. In the late 1990s, it became clear that one of the largest waterfront employers, Georgia-Pacific Corporation, was downsizing its pulp and paper operations, and likely would be closing its plant in the near future.

The Port of Bellingham and City of Bellingham responded by leading a community planning effort – the Waterfront Futures Group – to create a vision for this downtown waterfront area. In addition to Western Washington University consistently taking part in the community planning process, University leadership also undertook a comprehensive and inclusive campus planning effort. Campus planning engaged faculty, staff, and students, and provided a conduit for many ideas to be considered and issues to be explored.

In addition to the 137 acres the Port acquired from Georgia-Pacific, the Port and City currently are completing long-range planning for surrounding properties and have created a 220-acre planning area known as The Waterfront District. This downtown waterfront property will be transformed from an industrial site to Bellingham’s newest urban neighborhood, featuring a mix of uses including educational, institutional, residential, commercial, light industrial, marine and recreational areas.

Western Washington University is poised to become the anchor in the first phase of this 20-year redevelopment project. Western on the waterfront will meet the expansion needs of the growing University and will accelerate development in The Waterfront District by
Western Washington University’s development in the Downtown Waterfront section alongside the Central Business District.

attracting additional public and private sector investors.

WWU on the Waterfront

Across the state, demand is growing for new spaces to accommodate a bulging university student population. By 2010, the State anticipates needing to meet the needs of 45,000 more students in state-funded colleges and universities than are served today. The state has directed all public colleges and universities to find ways to accommodate this growth.

Western faces a dilemma: high demand by students but a lack of additional land surrounding its existing campus to accommodate them. While WWU is third in student enrollment among comprehensive colleges and universities in the state, it has the smallest physical footprint of any, with only 173 developable acres on its main campus.

Following nearly a year of participating on the Waterfront Futures Group planning process, WWU first expressed its interest publicly in possible expansion to the waterfront in November 2003. The concept was first presented to the WWU Board of Trustees at its March 18, 2004, meeting. In the Spring of 2004, President Karen Morse appointed and chaired a committee to discuss whether and how WWU might participate in the proposed development on the waterfront. The University confirmed the waterfront as a location for possible expansion in its 2006 Strategic Action Plan.

Since 2004, the University has conducted extensive research, undertaken significant planning, and invited considerable input from the University community as well as the community as a whole about the concept of developing an off-campus site on the waterfront. WWU contracted with Stratus Inc. for facility and program planning.

WWU, the Port and the City of Bellingham all believe that the University’s presence on the waterfront will benefit our community. The objective now is to identify an approach that allows development to occur in the most efficient, cost-effective way possible.

University and Port leadership believe the way to accomplish this goal is to form a separate nonprofit entity that would undertake the task of identifying a developer, negotiating the terms of a transaction and overseeing construction of WWU facilities on the waterfront.

WWU Waterfront Development Specifics

**Programs Targeted for Relocation**: WWU plans to relocate and expand the Huxley College of the Environment to the waterfront site to take advantage of the site’s proximity to the very subjects students are studying. Other programs being considered include the Northwest Consortium for Technological Innovation, marine trades, continuing and teacher education, community health, the College of Business and Economics, Centers for Economics and Business Research and Economic Education, and the Small Business Development Center.

**Acreage Needs**: WWU campus expansion would occupy approximately 10-16 acres of the 220 acres in The Waterfront District.
Waterfront Expansion Objectives

By expanding to the waterfront, WWU hopes to:

- Accommodate increasing student populations while relieving campus congestion;
- Allow expansion of teaching and research programs vital to the future of our State both on the waterfront site and on the existing campus;
- Enhance WWU’s role in the community and make programs more accessible to the public.

Location in The Waterfront District: The University’s waterfront campus would primarily be located in the Downtown Waterfront section, one of five distinct areas in The Waterfront District.

The Downtown Waterfront section is an extension of Bellingham’s Central Business District. It is bounded generally by the Whatcom Waterway, Roeder Avenue and Log Pond Drive. Development in the area would encourage pedestrian and bike use, provide ample opportunities for public transportation, maximize marine views, and encourage open spaces and public gathering places.

Re-use of Campus Huxley Facility: Once identified programs are moved to the waterfront, existing buildings on WWU’s main campus would be modified to provide space for other University programs that need room to meet current and future needs for enrollment growth, particularly in high demand fields including the sciences.

Timing: WWU hopes to occupy new facilities on the waterfront by 2013. At that point work would begin on redeveloping spaces vacated by Huxley College toward the goal of reuse during the 2015-17 biennium.

Recommendation for Creation of Development Entity

WWU and the Port have been analyzing the best ways to move forward with this important project. Several development models have been studied, and the recommendation is that the WWU Board of Trustees and the Port Board of Commissioners approve creation of a private non-profit corporation — Viking Development — to serve as an intermediary development entity. This will ensure that the University development occurs in a timely and cost-effective manner.

Several development models for WWU’s participation in the waterfront site were explored. These methods have been discussed in detail in previous Board of Trustees and Port Commission meetings and can be found later in this report.

What the Approval Process Means

The purpose for creation of the entity now is to continue to move forward with the planning process. Approval does not commit WWU or the Port to a specific project or any financial obligation. As the project moves forward, WWU’s Board of Trustees and the Port’s Board of Commissioners would play an active role in evaluating and approving next steps.

Approval of the entity will begin the process of establishing the principles and bylaws under which the entity will operate, and indicate a strong commitment to the State and City to moving development forward. It also will allow the Port and Western to solicit early developer interest and to adopt early goals.

Development Entity Objectives

Objectives for the development entity include:

- Facilitating the timely development of new facilities for WWU;
- Jump-starting development of the waterfront site as a whole;
- Providing a financial buffer between a private developer and the University and Port; and
- Negotiating a more favorable cost structure for development of new facilities than WWU can make on its own.

- Establishing an early site anchor that will stimulate additional public and private investment.
**Benefits of an Intermediary Development Authority**

- The entity does not require WWU to receive legislative commitments for capital funds upfront because the project developer will seek funding to build the desired facilities for the University. However, the model does not preclude the project from receiving state funding if private or other grant funding is not forthcoming. The private development model will require WWU to seek and secure long-term lease appropriations.
- The entity will enable WWU to move forward on its expansion faster than with other models. It is anticipated that WWU will be able to break ground under this model three to four years earlier than under other models. This earlier timetable also benefits the Port because it will jump-start development of the site as a whole.
- The entry of WWU into the project at an early date builds confidence in the development that will attract further private and public investment, a benefit to both WWU and the Port.
- It is anticipated that the entity may save taxpayers money by building the structures with current dollars, as the initial cost for development will be on the shoulders of a private developer. WWU would lease its facilities from the developer at favorable terms negotiated as part of its Request for Qualifications, which would follow a Request of Interest from for-profit developers. At the end of the long-term lease, the State will own the University’s facilities, just as it does now with the University’s other buildings and land.
- This method would allow WWU to “bank” space for future growth.
- The entity would allow WWU to compel a private developer to include amenities the University might not otherwise be able to immediately afford.
- Because the entity would allow WWU to move forward on its expansion plans faster, results from Innovation Zone partnerships to produce lab-to-market technologies would be realized sooner, drawing additional interest in the program and the waterfront site from businesses.
- The entity allows the University and the Port to demonstrate the effectiveness of an alternate model of development that provides a win-win-win situation for cash-challenged institutions needing to expand, through public/private partnership.

**Timing**

1. Approval of formation of entity by WWU Board of Trustees and selection of WWU Board of Trustees representative to entity Board – August 2008
2. Approval of formation of entity by Port of Bellingham Board of Commissioners and selection of Port of Bellingham Board of Commissioners representative to entity Board – August 2008
3. Tentative joint WWU/Port Board meeting to officially sign document – August 2008
4. Meeting of Board of Trustees representative, Board of Commissioners representative, WWU President and Port Executive Director to select fifth Board member – Fall 2008
5. Development of bylaws, approval of budget and interim funding by the entity Board to be presented to and approved by WWU Board of Trustees and Port Board of Commissioners- Fall 2008
6. Selection and retention of a development consultant – Fall 2008
7. Issuance of Request of Interest to private developers – Fall 2008
8. Issuance of Request for Qualifications to select developers identified in ROI process – Early 2009
The Waterfront District Redevelopment Project presents a rare opportunity for this community to reinvent its waterfront, to restore its environment and to create unprecedented opportunities for future generations.

As the final redevelopment planning phases near their close and the actual redevelopment design phase is about to begin, a growing coalition can envision the vast possibilities.

The Waterfront District is a special confluence of natural and human elements. It’s an opportunity to re-invent the relationship between land and sea in a creative and sustainable way.

This project unites diverse groups – government, education, business and the green movement – together in a common goal.

Today, The Waterfront District is an urban brownfield, burdened by contamination from decades of industrial use and municipal landfills. Cut off from the community since its creation more than 100 years ago, this waterfront property has never been available to the general public to explore and enjoy.

The community is dedicated to finding the right balance so that this working waterfront also embraces new businesses, parks and educational opportunities.

New parks, trails and public spaces will make The Waterfront District available to everyone. A focus on encouraging pedestrian access, public transportation links and bicycle friendliness will support the area’s environmental focus. A mix of Western Washington University’s educational programs, business, retail, restaurants, manufacturing, marine industry and residences will make the District a vibrant urban neighborhood.

Innovation, Sustainability, Environment, Recreation, Education, Employment and Housing all are parts of the complex equation that is The Waterfront District.

Vision for Western on the Waterfront

Establishing Western Washington University buildings and programs on the waterfront is a keystone to the redevelopment of critical portions of the entire site. The entry of Western into the project builds confidence in the development that will attract further private and public investment.

Education, innovation and new jobs will be the driving forces in the joint development project between Western and the Port in The Waterfront District. WWU’s plans to relocate and expand its Huxley College of the Environment as well as its Northwest Consortium for Technological Innovation and Development among other programs melds seamlessly with the community’s vision for an environmentally friendly, progressive waterfront.

The location of Huxley in The Waterfront District also underscores the project’s commitment to the environment. With Puget Sound’s largest marine cleanups completely transforming the shoreline, the reclaiming of an industrial brownfield and plans to build one of the nation’s first LEED-Neighborhood Design projects, The Waterfront District will become known throughout the world as the premier...
location that demonstrates that economic vitality and environmental sustainability can thrive together.

Innovation will be key to developing The Waterfront District. The State of Washington has designated the entire 220 acre site as an Innovation Partnership Zone, which presents opportunities for partnerships between educational institutions and private manufacturers to bring new technologies to the marketplace. WWU will lead the way in the concept of partnering with businesses to help bring new technology to market more quickly.

Plus this property will allow Western Washington University to expand to meet growing enrollment demands. University growth here adds significant value to the entire community and greatly increases Western’s community relationship.

The Waterfront District is creating an environment for education, partnerships and innovation.
The Intermediate Development Authority would be a separate, financially independent entity.

The entity would take the form of a separate, financially independent organization governed by its Board of Directors. The Board would consist of:

- A representative selected from and by the WWU Board of Trustees;
- A representative selected from and by the Port of Bellingham’s Board of Commissioners;
- The President of WWU;
- The Executive Director of the Port of Bellingham; and
- A fifth member selected by the aforementioned representatives acting as a body of the whole.

Once formed, the entity Board would be charged with developing bylaws, determining its organizational structure and developing a budget. The Board also would identify needed resources and clarify objectives both general and specific. Key formation decisions would be reviewed and approved by WWU’s Board of Trustees and the Port’s Board of Commissioners.

The entity would either purchase or lease a parcel of land from the Port. This land would include the acreage desired by WWU for new facilities as well as additional banked land for the future and for compatible commercial development.

The entity would establish site-wide development and design standards with input from the University and the Port and in accordance with the detailed Waterfront Master Plan and Design Guidelines currently being created by the Port and the City.

The entity would serve as a buffer between the developer and the University and the Port, protecting the interests of both while moving the development project forward more expeditiously.

How Might a Transaction Work?

1. The first action the entity would take is the issuance of a Request of Interest from private developers and financiers. This would enable the entity Board to determine the potential level of interest in the project.
2. The entity Board then would review and analyze the responses to the Request of Interest, following up with a Request for Qualifications and vision to select the organization to proceed.
3. Subsequently, the development entity would reach agreement with the Port to acquire, either by lease or purchase, a parcel of property.
4. The development entity also would reach agreement with WWU to provide facilities for long-term lease by the University with terms that would include a right-to-own clause.
5. Following the submittal of the responses to the Request for Qualifications, the development entity would select and negotiate an agreement with a developer and/or financier to finance and build the University facilities and to develop the balance of the property acquired by the development entity.

Actual details of a transaction would be dependent on market forces and effective negotiation with the private sector partner. Because both the University and the Port leaders would be on the entity Board, both organizations would remain fully involved in all decision making.
Example of Potential Commercial Approach Proposal for Viking Development

**State of Washington AKA WWU**
- WWU through the State obtains a budget allocation to lease Huxley College facility from Viking Development for 30 years with a right to own.
- OR State allocates funds for purchase of land, which developer then improves with lease for facility as above.

**WWU/PORT**
- Private Non-Profit Corporation
- Through the Interlocal Cooperation Act

**Federal or State Grant Agencies**
- Government agencies or WWU Foundation make capital grants to WWU or Viking Development to support the construction and outfitting of Huxley College

**WWU Foundation**
- Viking Development borrows to purchase property from Port and build Huxley College. It contracts with a private party to build Huxley College.
- OR Viking Development leases a built Huxley College from private party

**Port**
- The Port sells 12 acres to Viking Development

**Private finance or development company**
- Private entity develops x acres for Huxley College and y acres in revenue producing market rate commercial property adjacent to Huxley College which can in the future be expansion area for WWU

Note: There must be a differential in lease rate between what WWU pays and the lease cost to get it built with land costs. Also, Viking Development can create revenue to itself for overhead costs by building private commercial market rate facilities through the developer.
<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>CSU Channel Islands</th>
<th>Ohio State University — South Campus Gateway</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENROLLMENT</td>
<td>1,320 FTES (initial)/15,000 FTES (maximum)</td>
<td>51,000 FTES</td>
</tr>
<tr>
<td>PROJECT OVERVIEW</td>
<td>University given a piece of surplus state land for a new CSU university but no funds to develop academic facilities. University faced with the challenge of how to build campus without any money and how to generate money without any development on the property. Key to the development of the CSU Channel Islands campus was creation of the Channel Islands Site Authority, a local government entity with the authority and responsibility for ensuring the successful transition of the state land to the university.</td>
<td>The Gateway project is a mixed-use urban redevelopment project on 7.5 acres of blighted neighborhood south of the Columbus campus of Ohio State University. The project is based on the partnership between the university and city to improve the quality of life in the university district and revitalize a distressed urban neighborhood.</td>
</tr>
<tr>
<td>INTENDED IMPACT &amp; GOALS</td>
<td>• Provide quality, public higher education programs to eligible high school graduates, community college transfer students, and “non-traditional” students who are presently in the workforce or retired • Develop an educational, cultural, and recreational facility that serves all citizens of the region • Provide a beneficial re-use of existing state facility • Preserve the historic nature of the site and its buildings • Foster an alternative funding mechanism for campus development activities</td>
<td>• Strategic investment into the larger revitalization plan for the University District • Improve municipal services • Enhance public safety • Renovate housing • Promote revitalization</td>
</tr>
<tr>
<td>PROJECT SCOPE</td>
<td>• 680 acres total • 150 acres main campus • 125 acres revenue generating • Remainder for future expansion • Residential/Housing – 900 for sale and rental residential units • Town Center – mixed-use • 80,000 GSF housing • 56,000 GSF retail space • 350,000 square feet of R&amp;D space and related support uses</td>
<td>• 7.5 acres • $150 million total cost • Began construction in early 2004 — completed in fall 2005 • Retail/Commercial — 35 to 40 retail tenants • Office Space — 88,000 square feet of office space • Housing — 190 market-rate apartments • 1,200-space parking garage</td>
</tr>
<tr>
<td>DEVELOPMENT PARTNERSHIP</td>
<td>Site Authority: Made up of university, city, and county representatives was created to manage development of the campus property</td>
<td>Campus Partners — Non-profit redevelopment corporation (501.c.3) established by Ohio State in 1995 to spearhead neighborhood planning and revitalization efforts. Campus Partners has a 13 person board of trustees made up of university, city, and community members</td>
</tr>
</tbody>
</table>
## University Development Examples

### Other Project Comparisons

<table>
<thead>
<tr>
<th>School</th>
<th>CSU Channel Islands</th>
<th>Ohio State University — South Campus Gateway</th>
</tr>
</thead>
</table>
| **Funding**             | • Site Authority will collect property tax revenues which will be used to support development agreements with the board of supervisors to support the campus.  
• Site Authority will receive all of the local government share of sales and use tax revenues from retail sales or use of property that occurs on the site  
• Financing Authority: created through a Joint Exercise of Powers Agreement between the California State University and the California State University, Channel Islands to assist the Site Authority with financing  
• The Financing authority created a Community Facilities District (CFD) in order to levy a special tax upon leasehold and possessory interest  
• Financing Authority has power to issue revenue bonds and special tax bonds, as well as to acquire, finance, construct, equip, maintain, operate, and lease buildings and other improvements for the campus “                                                                 | • University Board of Trustees authorized investment of $20 million from Ohio State’s endowment to finance site acquisition  
• City committed $6 million for public infrastructure improvements  
• State of Ohio appropriated $4.5 million in capital funds to subsidize the parking garage  
• City approved a tax-increment financing district to support the parking garage (low-cost parking required for retail portion of Gateway to succeed)  
• Campus Partners received allocation of $35 million in federal New Markets Tax Credits to help finance the retail portion of the project  
• University issued tax exempt bonds to finance the housing, office space, and parking garage  
• Investment by private property owners in renovation of other High Street buildings  
• Excess cash flow from development fees goes primarily to Campus Partners, with some money going to the endowment, and a smaller percentage going to the university”                                                                 |
| **Development Team**    | Developer — Campus Partners for Community Urban Redevelopment, Inc.  
• Development management advisor — Jones Lang LaSalle  
• Construction management advisor — Turner  
• Architects/Designer — Elkus/Manfredi Architects of Boston  
• Property manager — CB Richard Ellis (since opening)”                                                                 |                                                                                                           |
| **Year Completed**      | Full buildout anticipated by 2025                                                                                                           | 2003                                                                                                        |
| **Today**               | In August 2002, CSU Channel Islands opened as the 23rd campus of the CSU system.                                                           | Gateway brings a sense of community and a lively urban atmosphere to Ohio State  
• Gateway sets Ohio State apart from other schools by creating an environment to live, work, and play in one place within the campus area  
• Campus Partners continues as a viable organization which continues to take on redevelopment projects to revitalize neighborhoods surrounding the university”                                                                 |
| **Contact Information** | Handel Evans  
Principal, H. Evans Consulting  
(805) 384-8151”                                                                                               | Terry D. Foegler  
President, Campus Partners  
(614) 294-7300 ext. 203”                                                                                   |
FAQ: About the Waterfront Project

Q: What is the timeline for development on the waterfront?

A: A proposal providing the framework to define the contents for the Preferred Alternative to be used for the Environmental Impact Statement (EIS) was presented in June 2008. In September 2008, the Preferred Alternative is expected to be issued for public review and comment prior to the completion of the Final Environmental Impact Statement. The community input from the draft EIS and from the Preferred Alternative then will be used to produce the Final EIS and the Draft master Plan, which will be issued at the end of 2008. These documents will be used by the Port and City to determine the timeline for starting work on the infrastructure needed to allow development to take place. If roads and other utilities are in place, the first development may start as early as 2012. It is expected that it will take at least 20 years to fully develop The Waterfront District.

Q: Who has been involved in making the decisions about how development will take place?

A: In 2002, the Port and City established the Waterfront Futures Group (WFG) to obtain citizen input regarding a redevelopment vision for the Georgia-Pacific site and a long-term plan for the entire Bellingham waterfront. This group spent 18 months reviewing options and assimilating public comment before coming forward with its recommendations in a document called the Waterfront Vision and Framework Plan: Connecting Bellingham to the Bay. This document articulated the group’s vision, recommendations and guiding principles for future development. This plan was finalized and presented to the City and Port in June 2004.

In 2005, the City and Port established a citizen advisory committee to continue the strong community voice in determining the future of Bellingham’s waterfront. The Waterfront Advisory Group (WAG) reviewed the work accomplished by the WFG and defined a set of implementation strategies to guide the ongoing master planning process. The WAG continues today in its advisory role for the development process.

Throughout the nearly six-year process that waterfront planning has been underway, thousands of opinions from local citizens have been collected in hundreds of hours of public comment periods. The WFG and WAG duly considered each one and incorporated those that they felt best fit the overall objectives of waterfront redevelopment.

Q: How much space is there for redevelopment?

A: Approximately 220 acres make up the area known as The Waterfront District. Of that, the Port owns nearly 149. The City owns just more than 21. Other private owners, including Burlington Northern Santa Fe Railroad, the State of Washington and Puget Sound Energy, own just more than 46.

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FREQUENTLY ASKED QUESTIONS

Q: What does “mixed use” development mean?

A: Mixed use development is the practice of allowing more than one type of use in a building or group of buildings. In the case of The Waterfront District, the intent is to bring all aspects of a thriving economy together in a single neighborhood. Proposed plans call for retail space, restaurants, offices, manufacturing facilities, various types of residences, marine industry activities, educational institutions and recreational space.

Q: Who is going to develop all of these buildings?

A: Following agreement by the Port, City and community on the Master Plan for the site, the Port will issue Requests for Qualifications (the development entity may issue RFQ’s before the agreements are in place) for specific areas throughout the site. The Port will market the property for sale or lease. The City has created the Bellingham Public Development Authority, which will oversee development of its 21 acres on the waterfront as well as other city-owned real estate.

Q: How much space will be allocated to public access?

A: One of the most significant elements of the redevelopment project is that it will provide people with numerous new areas of waterfront access through the creation of new parks, trails and boating facilities. More than 33 acres will be dedicated to parks, trails and habitat.

Q: Will waterfront housing only be affordable for upper-income residents?

A: By its nature, a mixed use development is designed to have a wide variety of housing types. The Waterfront District is no different. By creating residential zoning that encourages low-rise, mid-rise and high-rise buildings, some of which will require retail on the lower level to encourage street-level activity throughout the day and evening, The Waterfront District will be home to people of all income levels.

Q: How “green” will development be?

A: The Waterfront District is being designed to take sustainability into every aspect of its creation, from transportation modes to energy generation and consumption to wastewater treatment and stormwater management. The District is being developed as a project under the Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) system, a program designed by the United States Green Building Council, National Resources Defense Council, Congress for the New Urbanism and Urban Land Institute. The LEED-ND rating system integrates the principles of smart growth, urbanism and green building into the first system for neighborhood design. LEED-ND certification. The Waterfront District will become the premier location that demonstrates that economic vitality and environmental sustainability can thrive together.
FREQUENTLY ASKED QUESTIONS

Q. What type of planning is being done to take into consideration earthquakes, tsunamis and a projected rise in sea level?

A. Each of these environmental factors is a potential concern that is being addressed in the current planning and future design process. Sound engineering design and construction expertise is available to address these concerns related to The Waterfront District redevelopment. Seismic-induced ground acceleration and the potential for settlement and liquifaction due to earthquakes will be addressed. A full array of ground stability improvement methods are available to provide the structural support needed for development. Sea level rise calculations are included in the site planning and design process. Likewise, tsunami modeling is available for input into the design process.

FAQ: About WWU on the Waterfront

Q. Why does WWU want to expand outside of its existing campus?

A. Several factors have spurred WWU to expand beyond its existing campus. First, the State of Washington has given direction to all state-funded colleges and universities to find ways to accommodate 45,000 more students by 2010. The directive encouraged schools to explore all possible methods for accepting more students. Second, although WWU is the third largest comprehensive college in Washington State, it has the smallest footprint of any, with only 173 developable acres on its main campus. WWU simply has no more physical space to expand enrollments in its current location. Third, moving some programs off the existing campus would provide the needed space to expand other programs on campus, enhancing WWU’s ability to serve more students in high demand fields and creating a better connection with the community.

Q. Why is the Port considering allowing WWU to occupy prime waterfront real estate?

A. With 220 acres available for development, there is plenty of room to accommodate a wide variety of tenants in The Waterfront District. WWU is proposing to occupy less than 6 percent of the total acreage available.

Q. How will the City of Bellingham and the Port recoup development costs if WWU is exempt from paying property taxes?

A. A number of financial scenarios are being discussed that would allow WWU to have the space it needs to expand yet still pay for operating infrastructure and municipal services.

Q. What facilities does WWU propose to locate on the waterfront?

A. Current plans call for WWU to relocate and expand the Huxley College of the Environment, a step that places students and faculty in close proximity to the very subjects they’re studying. WWU also has discussed relocating the Northwest Consortium for Technological Innovation and Development, creating an excellent tie to the Innovation Zone designation given to the area by the State. The Innovation Zone is a Port-managed effort to create lab-to-market opportunities by bringing educational research together with private manufacturing. Other programs that are under consideration for relocation to the waterfront include the Center for Economics and Business Research, evening MBA program and continuing teacher education.
**FREQUENTLY ASKED QUESTIONS**

**Q.** How much space does WWU propose to occupy?

**A.** WWU would like to develop about 12-16 acres for university facilities over the entire future development period.

**Q.** What would happen to the space on campus currently occupied by Huxley and the other programs slated for relocation?

**A.** Planning is already underway for determining the appropriate uses, and necessary adaptation and renovation of vacated space on campus.

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**FAQ: About the Development Entity**

**Q.** Why is a separate entity necessary?

**A.** The entity provides WWU and the Port with a tool to cooperatively develop the University’s waterfront project in a cost-effective, timely manner. It also provides WWU with a path forward that doesn’t rely solely on the States Capital Budget process, which allows the University to move forward more rapidly.

**Q.** Why is it important to form it now?

**A.** The creation of the entity now is simply an approval to move forward with the planning process. Approval does not commit WWU or the Port to a specific project or a specific financial obligation. As the project moves forward, WWU’s Board of Trustees and the Port’s Board of Commissioners would play an active role in evaluating and approving next steps.

Approval of the entity will begin the process of establishing the principles under which the entity will operate (including bylaws) and will demonstrate a strong commitment to the State and City about moving development forward. It also will allow the Port and Western to solicit early developer interest.

**Q.** How will the entity be governed?

**A.** The entity would be governed by an independent board consisting of a representative selected from and by the WWU Board of Trustees, a representative selected from and by the Port of Bellingham’s Board of Commissioners, the President of WWU, the Executive Director of the Port of Bellingham, and a fifth member selected by the aforementioned representatives acting as a body of the whole.

**Q.** What type of organization will it have?

**A.** The entity will be a private, nonprofit corporation created under the State’s Interlocal Cooperation Act. The nonprofit corporation may find it advantageous to apply for tax exempt status under section 501 of the Internal Revenue Code either as a supporting organization of the Port and the University or as an organization devoted to educational purposes. The decision to seek federal tax exempt status will be made during formation.

**Q.** How will the entity be managed?

**A.** The powers, authorities and legal structure of the entity would be further described and authorized through Interlocal Agreements between WWU and the Port. Operational considerations, such
as Bylaws and operating policies, would be formulated by the appointed Board. Terms of Board members would be determined by the appointing authorities of each of the respective organizations.

Q: How will the entity be funded?

A: It is envisioned that the entity would rely on in-kind contributions of staff and space, as well as financial contributions, from its founding organizations for its first 36 months of operation. The entity’s financial model will assume that over the long-term, the entity will obtain its financial resources from the marginal difference between its operating revenues generated by leases and its capital and operating costs.

Q: Will WWU’s Board of Trustees and the Port of Bellingham’s Commissioners have a say in the entity’s decision-making process?

A: Initially, the Board of Trustees and the Board of Commissioners will be involved in approving the general and specific objectives for the entity, its policies and operating structure, budget and authority limits. Through development of each of these documents, the Trustees and Commissioners can determine the level of ongoing input they desire.

Q: How much will the entity cost?

A: Estimated operating costs for the first three years are $200,000 per year. Additional costs may be incurred at various stages of the development, such as when the entity requires bond counsel to assess the project proposals.

Q: What will the development entity do?

A: The entity would buy or lease property from the Port. It would conduct a competitive process to select a developer, and then negotiate a transaction favorable to both WWU and the Port to develop new University facilities according the WWU’s specifications as well as the surrounding property, likely for private, commercial purposes. At the same time, it would enter into a long-term lease arrangement with WWU for occupation and use of those facilities and negotiate a deal with the same developer to build out the rest of the land acquired in the initial step with the Port and WWU sharing in the profits of that development.

Q: What will the new entity be called?

A: The working name of the entity is Viking Development. However, the entity’s Board of Directors will take into consideration factors such as public perception, development and financial community perception, and legal requirements before submitting a permanent name to WWU’s Trustees and the Port’s Commissioners for approval.

Q: What other options for development were considered?

A: Four alternatives for enabling WWU to gain space on the waterfront were considered:

Traditional model: The “traditional” model involves WWU acquiring the land and building its desired facilities using the regular biennial capital budget process. It is anticipated that this process would allow ground-breaking for new facilities no sooner than 2016. Timing would be dependent on receiving funding from the Legislature for both land acquisition and construction, which is dependent on statewide priorities.
and processes.

**Magnet Tenant**: The “magnet tenant” model involves a for-profit developer buying or leasing a large parcel from the Port then donating or leasing property to WWU. The developer may or may not assist WWU with capital or operating costs thus potentially requiring WWU to again approach the Legislature for funding. It also requires WWU to be subordinate to a for-profit entity.

**University Developer**: The “University as developer” model requires WWU to form its own development entity, which would acquire a larger parcel than needed for WWU’s desired facilities. This WWU-based development entity then would seek funding for University facilities and private developers for the other portion of the property. This approach is illegal in Washington State.

**Intermediary Development Authority**: The “intermediary development authority” model involves creating a formal partnership between WWU and the Port of Bellingham. This entity would be a private, nonprofit corporation governed by a board consisting of a representative selected from and by the WWU Board of Trustees, a representative selected from and by the Port of Bellingham’s Board of Commissioners, the President of WWU, the Executive Director of the Port of Bellingham, and a fifth member selected by the aforementioned representatives acting as a body of the whole. It would be granted powers and authority as spelled out in Bylaws to be developed by the entity Board and approved by WWU’s Board of Trustees and the Port’s Board of Commissioners.

Each alternative was reviewed in depth, and the Intermediary Development Authority approach was selected as the best solution for the situation.

**Q**: Why can’t the Port just give WWU the land it wants? Then WWU could build its own buildings.

**A**: When acquiring the waterfront property, the Port of Bellingham agreed to undertake an environmental cleanup of the Whatcom Waterway and of the mill property, which will cost more than $84 million. The Port is relying upon the sale and lease of property in The Waterfront District to pay for these extensive cleanup costs.