

## 8.8. Economic Development Development Element

This chapter is a required element of a comprehensive plan that has been initially developed to meet the main provisions of the GMA. Further updates to this chapter are anticipated in the future (as funding becomes available) to ensure the chapter meets all of the requirements under the GMA. In overview, this chapter presents a brief description of the economic setting in Sumas followed by economic development goals and policies.

### 8.1 Economic Setting

#### 8.1.1 Existing conditions

Sumas is a small town located immediately adjacent to the Canadian border and about twenty-five miles northeast of the city of Bellingham. An international border crossing station is located at the north end of town, and several major transportation facilities converge on and pass through Sumas. These transportation facilities include two state highways (SR 9 and SR 547) and two Burlington Northern Railway Company lines (the north-south main line and the Lynden spur). These transportation facilities and the proximity to Canada are the major factors that impact economic development in Sumas.

As described in the transportation element of this plan, the Sumas border crossing is one of the busiest in the county, both in terms of automobile and truck traffic and also pedestrian traffic. The border is one of two 24-hour commercial truck crossings in the county, and persons travelling by automobile utilize the border crossing to make connections between the lower mainland and points to the east in Canada and recreational and urban areas in Whatcom County and points south. The two state highways and the trans-Canada highway on the north side of the border help facilitate these connections. Many Canadians travel through the border on foot to purchase goods or collect mail at the several mail/shipping businesses in town. Because of these businesses, the Sumas crossing has been estimated to be the second largest pedestrian crossing along the US-Canada Border.

The exchange rate for the Canadian dollar has had and will continue to have a profound impact on business activity in Sumas. When the exchange rate is favorable for Canadians, the city experiences a boom in commercial activity. On the other hand, when the exchange rate goes the other direction (as is currently the case), commercial activity slows substantially. During such times, the city has seen a number of businesses, especially commercial fueling stations, go out of business.

In 2020, when the Coronavirus Pandemic forced the US government to close all border crossings to everyone but priority travelers, businesses in Sumas who rely on Canadian travelers for their customer base suffered greatly.

The rail lines that run through town connect the city's industrial area to points north in Canada and points south, including Sedro-Woolley and beyond. A number of businesses have located in Sumas that are able to transport materials from Canada to be processed in the industrial area and then be shipped either back north or farther south to serve U.S. or international markets. Unfortunately, this type of movement of goods does not result in substantial revenue for the city that could be used to support maintenance of the local infrastructure.

Part of the local infrastructure utilized by companies in the industrial area is the city's system of industrial roads built to Canadian heavy-haul standards. The presence of these roadways allows loads that are too heavy to travel on typical state highways in the U.S. to move between the industrial area and the international border without needing to unload and reload due to weight limitations.

Other factors that impact economic development in Sumas include the availability of relatively inexpensive water and electricity, both of which are public utilities owned and maintained by the city. The availability of these resources serves to attract businesses to town. Sumas also maintains some of the lowest utility connection charges in Whatcom County.

### **8.1.2 Future conditions**

Sumas will continue to attract businesses through the planning period that benefit from a location near the Canadian border and that, in some cases, require access to an industrial site by way of a heavy haul road. Future upgrades to the regional rail system will also support increased rail traffic and businesses that rely on access to rail to transport their goods. The fluctuation of the Canadian dollar will have a strong effect on the expansion or contraction of businesses such as commercial fueling stations and food markets that rely heavily on customers coming down from Canada.

The planned increase in industrial jobs will support more local citizens being able to work locally and avoid needing to travel to other parts of the county for employment.

## **8.2 Goals and Policies**

Goal **8.1**:-——Maintain and increase access to the city's commercial area for local residents and those travelling through town.

Policy **8.1.1**: The city should work with WSDOT and federal agencies to reduce back-ups at the international border crossing that block access to local businesses.

Policy **8.1.2**: The city should work with WSDOT to ensure adequate room for vehicle queuing is provided.

Policy **8.1.3**: Regulations limiting blockage of intersections should be enforced to ensure safe access to areas on both sides of SR 9.



Policy 8.1.4: The city should encourage new businesses serving local residents to locate along Sumas Avenue to avoid impacts associated with the state highway.

Policy 8.1.5: The city should continue to expand the local sidewalk system to increase safe access from residential areas to existing and future commercial areas.

Goal 8.2: ——— Maintain and increase access to the city’s industrial area.

Policy 8.2.1: The city should maintain existing roadways built to heavy-haul standards.

Policy 8.2.2: The city should consider options for generating revenue necessary to maintain the heavy-haul road network.

Policy 8.2.3: The city should work with property owners in the industrial area to expand the heavy-haul road network as part of proposed industrial developments.

Goal 8.3: ——— Attract new businesses that provide jobs and serve the local and travelling public.

Policy 8.3.1: The city should work with local property owners to develop a regional truck stop to serve freight traffic moving through the international border.

Policy 8.3.2: The city council should continue to support new businesses or business expansion through the Economic Development fund.