

June 18, 2013

FINAL Version

Western Crossing Memorandum of Understanding Questions and Answers

Description of Agreement

The Memorandum of Agreement is a broad framework agreement between the Port of Bellingham and Western Washington University that defines how land can be moved into their shared development authority, Western Crossing Development, to enable development of the WWU presence in the Waterfront District.

The actual land transactions will require additional authorization by Western's Board of Trustees and the Port's Board of Commissioners. This memorandum creates the road map for that process.

Some Details within the Agreement

It is anticipated that Western will transfer ownership of approximately 24 acres of land at the southwest corner of Bakerview and Hannegan Roads into Western Crossing Development and after the approval of the Master Plan for the Waterfront District and creation of the appropriate parcel, the Port will transfer ownership of approximately 6 acres of land within the Waterfront District into Western Crossing Development. Western Crossing Development will sell the Hannegan parcel at market prices. The value of the Hannegan land sale will be assigned to the university and the value of the waterfront parcel will be assigned to the port within their shared Western Crossing Development entity.

While the Port and Western envision a long-term partnership within Western Crossing Development, the Memorandum of Agreement does define how and under what terms the partnership could be ended and commits to the partnership for a minimum of three years.

Process

This Memorandum of Understanding was unanimously approved by the Western Crossing Development Board of Directors on June 12. The Western Washington Board of Trustees on June 14 unanimously approved the MOU and the Port of Bellingham Board of Commissioners will consider the measure on June 18.

The memorandum states that following all parties approving the agreement, the Port and the University would move forward on the necessary steps to move their property into Western Crossing Development.

At the same time the Port Commission and City Council will be moving through their review and approval process for the Waterfront District Master Plan and related regulations and agreements. They are scheduled to vote on these agreements by the end of 2013.

What Are Western Washington University's Waterfront Plans?

In addition to Western planning for a large public/private partnership on the six acre parcel several years from now, the memorandum also anticipates Western leasing space from a future developer in the 10.8 acre parcel the Port now is offering for private development. This would establish Western as an early tenant for the Waterfront District.

Western has been committed to being part of the Waterfront District since the Port acquired the property. Western participated in both the Waterfront Futures Group and the Waterfront Advisory Group and the university has been engaged in planning for programs and facilities at the Bellingham Waterfront District since 2004. The memorandum anticipates Western completing a University Development Plan for the six-acre parcel by December 2015.

Once the Hannegan property is sold by Western Crossing, the funds from the sale will be used toward Western's first and second phase of waterfront development. Western is planning various concepts for two phases of their development within the Waterfront District. The first phase concept involves Western leasing space within the Initial Development Opportunity (the first 10.8 acres that are available through the recently issued Request for Proposal), while the second phase concept is for the long-term future development of approximately six acres of the "Institutional Mixed" zoned land within the Downtown Waterfront Area.

Why Does It Benefit the Community to Have Western on the Waterfront?

Large land developments across the country have demonstrated the value a university anchor tenant adds by attracting additional development, creating new jobs and increasing surrounding property values. Examples can be found with Oregon State University on Portland's riverfront and the University of Washington in Bothell and Tacoma. Where some developments must recruit universities, the Port has benefited by having Western dedicated to being part of the Waterfront District for nearly a decade.

Western Washington University is highly regarded and has a national reputation for its academics, its green campus, its economic value and its economic value to Whatcom County. Western's diverse programs have a demonstrated ability to attract private sector firms that want to locate in a community with a university to benefit from the highly trained workforce and the academic innovation.

What Type of Development does Western Plan?

Western envisions a ***Community Learning Center*** facility, one that offers high tech educational delivery and an environment that fosters constant learning for people from all walks of life from the city, region, state, nation and the world. It is envisioned that this facility would be built in partnership with other higher education, non-profit and private sector entities, and would result in a destination point that creates new economic stimulation for the city and region and provide a connection to the global community. This economic production would be created by virtue of the customer volume generated through the programming and outreach activities conducted in the facility.

How does Western's Waterfront Development fit the current Waterfront District Master Plan?

The Master Plan that is under consideration anticipates Western, or some other educational institution, on the waterfront in an area that will be zoned for institutional use. This area is adjacent to the Downtown Development Area (mixed use) and alongside the Log Pond Area (light industrial/manufacturing). The six acre parcel that the Port would provide to Western Crossing Development is within the institutional zoning area. Having a WWU as an anchor user and one of the first to commit to locating within the Waterfront District not only provides the first user for the site, but also allows developers to leverage the University's reputation and existing population base with other potential users. It will also assure the City Council that this project is real, that there is desire for people to work and live there, and that there is momentum to actually getting this project going.

The entire Waterfront District is 237 acres. It includes a carefully balanced mix of acreage for mixed use, commercial, residential, institutional, marine trades, light industrial, parks and open space and traditional deep-water shipping.