



City of Blaine Feasibility Research for Potential Developers, Users, and Real Estate Brokers

10/14/2013

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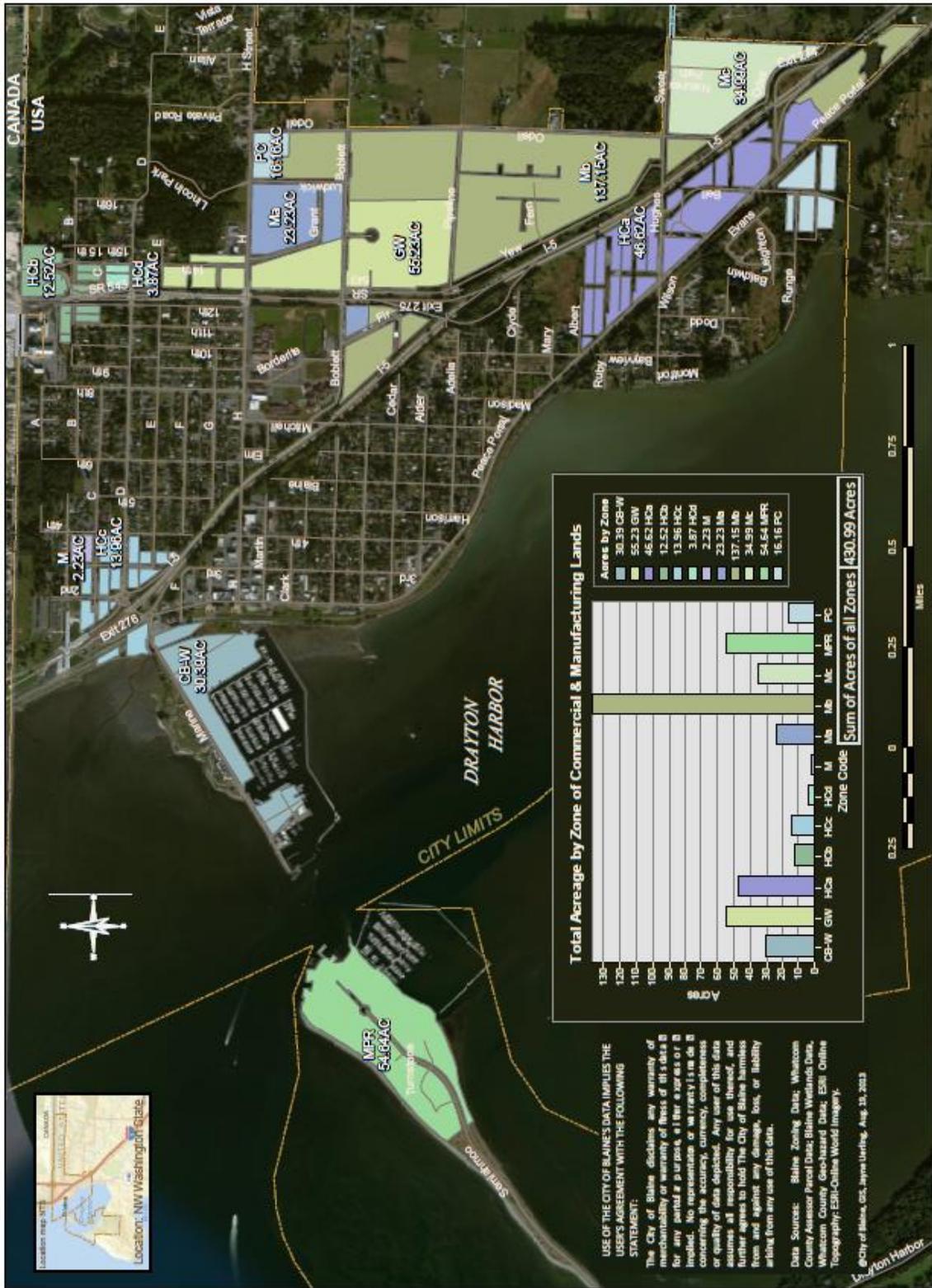
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This report was funded by the City of Blaine and the Port of Bellingham

Property Description

2013 Hebert Economic Feasibility Analysis for Mixed Use Development for the City of Blaine and the Port of Bellingham
TOTAL ACREAGE OF COMMERCIAL AND MANUFACTURING LANDS BY ZONE IN BLAINE, WASHINGTON



Background

There are many variables that contribute to the feasibility of Blaine as a site for both commercial and industrial development. The city's infrastructure, access to the Bellingham port, and unique location help create an area prime for significant investment. The economic benefits of development in Blaine are based on its ability to access market demand of the two major metropolitan areas of Seattle, WA and Vancouver, BC.

One comparable east coast market (due to its geographic proximity to Canada) is Buffalo, New York. Though significantly larger in population, Buffalo closely resembles the City of Blaine in reference to its border location, freight corridor, and potential development. It has an extensive light and heavy manufacturing industry which largely benefits from markets in both Canada and the U.S. This city has also seen widespread success with the Niagara Medical Facility, a primary care facility for both Canadian and American citizens.

The City of Blaine's proposal for major commercial development is unique in the Puget Sound area. Its unique attributes include:

1. Geographic location at a major Canada-United States border crossing.
2. Being served by the I-5 corridor, which stretches over 1300 miles from San Diego to the Canadian border before continuing to Vancouver as British Columbia Highway 99.
3. Its location between Seattle and Vancouver, providing businesses with sufficient domestic and North American demand, as well as access to international trade with Asia-Pacific countries. The metro areas of Seattle and Vancouver have populations of 3.5 million and 2.4 million people respectively.
4. The City of Blaine owning their utility company creating a highly reliable system that is managed with competitive rates. This lowers energy costs for businesses, and is particularly important for manufacturing companies that require a significant amount of energy in their production processes.
5. Having sufficient infrastructure capacity to support development. Blaine's roads, water, and treatment facilities have been well maintained and expanded to accommodate



Gateway Area

new and existing businesses. The city recently completed a new road that connects SR-543, the primary route for commercial vehicles in the area, with industrial properties along Odell Road.

6. Blaine's community offers residents a high quality of life. There are low crime rates, a moderate cost of living, and high performing public schools.

Infrastructure

With planning and forethought, the City of Blaine has already put in place an extensive infrastructure which can provide the necessary foundational components for a broad base of industries. This foundation will allow for a high degree of flexibility in the development of Blaine properties for potential developers, real estate brokers, and other users. This document consists of an analysis of available property for potential sites, infrastructure, utility services, trade comparison, and other important variables that help clarify the current state of Blaine properties.

Electricity

At the forefront of needs for their development project is the availability and access to dependable and efficient utility systems. The City of Blaine is capable of providing these services at substantially lower commercial rates than in nearby areas, such as King and Pierce County, and has the capacity to handle increased levels of expansion. Developers and other users can expect a potential 40% difference between the cost of electricity in Blaine and the rates of electricity provided by Puget Sound Energy. Blaine's electrical services are provided through an independently controlled system and contain over 72 miles of overhead and underground power lines. Each property presented for development consideration is serviced by the City of Blaine with Three Phase electrical power. In rare cases of power outage, the City of Blaine provides multiple dedicated personnel whose only duty is solving power outage issues.

Natural Gas

Natural gas is available at each of the properties presented for development.

Telecommunication

Each available property is equipped with access to high speed data cables and telecommunication lines. Expansion of these services is available depending on the independent needs of their user.

Roads

The unique location of Blaine and its proximity to Metropolitan Statistical Areas (MSAs) in both Canada and the United States allow for the perfect area to develop a large range of commercial uses. Blaine is connected to multiple large consumer markets through well managed transportation systems. Interstate 5 is the primary north-south connector for motor freight and noncommercial traffic that stretches from Mexico to Canada. All city roads have access to and from main highway arteries with access to both Canada and the United States. Major truck lines and routes are fully developed and provide for one of a few large Port of Entry areas between

the United States and Canada. The city's roads feature substantial reserve capacity to support the expected and existing commercial growth in Blaine.

Airports

Though the City of Blaine does not have a commercial airport, the region is fully serviced with passenger and cargo capabilities by the Bellingham International Airport (BLI) as well as the Vancouver International Airport (YVR). The Bellingham airport is the closest, located about 20 miles south of Blaine. It provides easy access for corporate aircraft and business travel. With the new expansion of the terminal, the airport will handle up to 800,000 enplaned passengers annually.

Interchange

Blaine's location allows for immediate access to I-5 and other transportation routes such as Pacific Highway (SR-543). These multiple access points allow for the transportation of goods to both the United States and Canadian provinces. While exit 275 (SR-543) provides adequate egress and ingress for commercial and residential use, the City of Blaine has begun implementing strategic changes to better adhere to its future projected needs.

A conceptual plan has been developed to redesign exit 274 to expand its use for potential light/heavy manufacturing as well as the commercial transport of goods and services. This redesign would consist of a two-level full-service interchange system, further reducing the potential for traffic congestion and increasing the ease of cargo transportation. The redesign plan for exit 274 has been approved by the Washington State Department of Transportation and the City is seeking funding for completion.

Water and Sewer Services

All properties have access to a well maintained and extensive water and sewer system. Furthermore, no Federal Emergency Management Agency flood designation zones exist in the vicinity of any upland properties proposed for development. This translates into large reductions in insurance costs and other related expenditures. It should also be noted that the properties within the Manufacturing and Gateway zones are free from 100-year floodplain risk. Minimal levels of potential flood risk exist at the Port of Bellingham water front, and represent the only property types with any probability of flooding.

Emergency Services

Fire and Rescue services within Blaine are provided by North Whatcom Fire and Rescue (District 21). A newly constructed fire facility lies, within City limits, minutes away from several of the properties available for development.

City Of Blaine Zoning and Approval

The zoning permissions for the proposed properties vary, dependent on each individual property and the areas in which they lie. Overall, there are three separate manufacturing zones which allow for a range of uses between light and heavy manufacturing. Some areas also consist of gateway zoning; these areas allow for the development of both manufacturing and commercial properties. Port of Bellingham waterfront properties are designated for marine commercial, fisheries, and ship building facilities.

Wetlands

Wetlands are common throughout the Puget Sound area. They should be mitigated to meet regulatory requirements. However, they are also viewed from a positive perspective. Wetlands provide an important ecosystem and are supported by the public, including employees, consumers and the business community. In order to achieve successful mitigating of the wetlands, it's essential that no single property incurs a loss of significant development rights or cost. A potential solution should be based on flexibility and the economic marketability of the various properties. One option under consideration by the City of Blaine is a consolidated wetland mitigation site. The site would be a receiving area for wetland enhancement that would be used to offset the impact of wetlands elsewhere in the City. The City is actively working to develop a public/private solution.

Storm water

The City of Blaine in cooperation with the Port of Bellingham and private property owners are creating a public/private partnership on the development of a regional storm water detention facility that is proposed to be built on City land for the Gateway zoning district. The intent of this facility is to provide a broad solution to storm water needs on parcels the City intends to transition to the private sector and with other off-site private developments in the area near the retention facility. The public/private solution is similar to the wetland discussion above based on the idea of flexibility and economic marketability of the various properties in the area.

Target Industries

Hebert Research conducted primary research within Washington, Oregon, California and British Columbia. The list below identifies key specific sectors that were surveyed.

- Advanced Manufacturing
- Software Development
- Medical Devices
- Civil, Electrical and Mechanical Engineering
- Information
- Warehousing and Distribution
- Trucking and Transportation Services

Education and Training

Whatcom Community College

Whatcom Community College was recently chosen as the lead institution of CyberWatch West, a regional cybersecurity education consortium funded by the National Science Foundation. CyberWatch West is one of four centers in the nation dedicated to cybersecurity education. Whatcom Community College provides training and certification in science, technology, engineering, and math needed for research, engineering, healthcare, information systems security, cyber-security, computer network security, secure software development and digital forensic activities. Nursing and applied health programs develop skills in a continuum of health care disciplines with nurses, physical therapist assistants, medical assistants, and massage therapy. In conjunction with the Northwest Innovation Resource Center and Western Washington University's Small Business Development Center business owners and entrepreneurs provide a strong base of quality individuals trained and prepared to provide expertise in a wide array of business needs.

Bellingham Technical College

Bellingham Technical College provides a wide variety of technical training and certifications that serves many industry needs including accounting, computer science, automotive technology, computer networking, electro mechanical technology, electronics engineering, heating, venting, air conditioning, and refrigeration, instrumentation and control, mechanical manufacturing and plastics engineering, and welding technologies. Whether employers are seeking new employees or need to train existing employees, Bellingham Technical College has expertise to serve Blaine business and industry.

Western Washington University

Western Washington University (WVU) is a fully accredited university, offering both bachelor and master degrees in an array of programs, and is located in Bellingham, Washington. Working closely with the Whatcom Community College and Bellingham Technical College, the University educates a wide variety of students each year with skills and training in areas that would serve those industries identified in this report.

Blaine School District

The Blaine School District serves nearly 2000 students overall, Pre School through 12th grade, with the four schools on the main campus in Blaine educating an average of 480 students, approximately 75 alternative program students being educated off site in Blaine, and 16 students being educated in a small, three room school in Point Roberts.

We indeed view the Blaine School District to be a uniquely positive and productive educational environment. We are privileged to employ one of the most skilled and dedicated group of professionals in the State of Washington. Teachers and support staff strongly desire to work in Blaine. Many staff members choose to spend their entire career in our District. We see this as a

clear tribute to the overall quality of the program, and the commitment that we make to supporting staff in their work with students.

Improving student learning at every level of the system remains at the heart of our vision. Our students consistently demonstrate outstanding academic performance, comparing favorably to other districts across the State. We are fortunate to have excellent K-12 administrators, teachers and support personnel, who demonstrate a consistent commitment to making a difference for young people at all levels of the program. Specifically, Blaine High School students are both performing academically and graduating on time at levels that exceed State averages.

These remain very challenging times for our public schools, as both student achievement challenges and revenue decline dominate the headlines virtually everywhere. With strong fiscal support from our community, we have been successful in retaining many programs and services that other districts have had to cut. With passage of an enhanced four-year Maintenance and Operations Levy in February of 2012, the future continues to look bright for academic programs in the Blaine School District. In February of 2012, voters in the Blaine School District also granted approval to a \$3,000,000 Capital Projects Bond Measure that has served to support the remodel of the Blaine High School Science building, as well as a number of additional, smaller scale facility projects. With this initial construction phase now complete, we are moving forward with considering options for securing the necessary funding to address the balance of the Blaine High School Facility needs. .

The students and staff of the Blaine School District recognize the extensive level of community ownership and involvement that is in place at all levels of the program, and remain greatly appreciative of this support. The communities of Blaine, Pt. Roberts and Birch Bay demonstrate great pride in the learning that takes place in their schools, and most importantly in the ongoing growth and success of all students.

Location Features

Among the potential commercial users the following table expresses key decision variables that were rated highly important in their new location decision.

Factors of Importance		
	% Giving High Rating	Mean Rating
Quality schools	61.9%	6.00
Proximity to Seattle and Vancouver	61.9%	5.81
Bellingham Intl. Airport	52.4%	5.43
Low cost of labor	52.4%	5.33
Available support services	52.4%	5.00
Proximity to I-5	50.0%	4.59
No B&O tax	47.4%	5.58
Free trade zone	45.0%	5.15
Access to ports of B.C. and Bellingham	42.9%	4.38

Border City Comparison

Based on an extensive analysis of several border cities, high levels of economic performance were found to be directly tied to an area’s ability to adequately serve multiple major economies. Adding to an area’s economic success include well-built infrastructure such as roads, highways, air, cargo (water and rail), and strong pro-international trade attitudes. This was found in several cross-border territories within and outside of the U.S. For example, light and advanced manufacturing industries in border areas between Scandinavian countries have seen large success in multiple regions. Clear examples of successful economic border cities were also reported throughout the secondary research. The City of Buffalo’s Niagara Medical campus was examined to present the potential benefits of building a medical facility in Blaine, Washington.

The Niagara Medical campus (*Figure 1*) is comprised of over 820 acres of land and employs more than 12,000 employees (as of 2012). This medical campus has an economic impact on the surrounding area of over 1.5 billion dollars. According to the Fraser Institute, there were more than 46,000 Canadians who obtained some form of medical care from this facility alone. The Fraser Institute also found that median wait times were particularly critical for those patients wanting to schedule elective services. Under the Canadian healthcare system, it takes on

average nineteen weeks for patients to receive elective services. However the most critical variable is the existence of a large demographic population that has both the ability (income) and the willingness to obtain medical services in order to receive immediate healthcare. Vancouver B.C., and the cities that make up the Fraser River Delta, has such a population.



Figure 1

Port of Bellingham

The Port of Bellingham (*Figure 2*) is located on Bellingham Bay, approximately 22 miles south of Blaine. The port's shipping terminal specializes in handling liquid-bulk and break-bulk cargo. There is a total of 1,360 feet of berthing space, with berths ranging from 32 feet to 557 feet. The shipping terminal also includes nearly 86,111 square feet of covered storage. The Port is actively engaged in marketing the shipping terminal for new break bulk cargoes. The Port recently upgraded the pier infrastructure to support diverse cargo and lay berth needs. The terminal is capable of meeting the needs of shippers, vessel operators and fabricators requiring channel depth of up to -35 MLLW. Companies wishing to export container products from Blaine via sea lanes would likely need to ship through either Seattle or Vancouver, BC.



Figure 2

Industry Use of Port of Bellingham

The Port of Bellingham oversees a number of facilities, including Blaine Harbor, the Bellingham Shipping Terminal and Bellingham International Airport. Bellingham International Airport provides access to a number of airports in the western United States and Canada. FedEx provides shipping services from the airport, using it as local area hub.

Port Metro Vancouver

Vancouver Harbor (*Figure 3*) is 32 miles north of Blaine. Port Metro Vancouver is the port authority in the region and was established in 2008 by the merger of the Port of Vancouver, the Fraser River Port, and the North Fraser Port Authority. The Port of Vancouver is the largest and most diversified port in Canada. It includes 5 terminals and 13 berths. With two of the continent's largest harbor cranes, it is a leader in heavy lift cargo. Port Metro Vancouver reported 2.7 million TEUs (20-foot equivalent units) of freight traffic in 2012, an all-time record and an 8% increase from 2011. Approximately \$75 billion of goods are traded at Port Metro Vancouver each year with 130 trading economies. For inbound cargo, the top five trading economies were China, the United States, South Korea, Japan, and Mexico in 2011. For outbound cargo, the top five trading economies were China, South Korea, Japan, the United States, and Brazil in 2011.



Figure 3

Seattle Vancouver Metro Trade Areas

Economic Profile: Seattle-Bellevue-Tacoma Metro Statistical Area

The Seattle-Bellevue-Tacoma metro statistical area (MSA) includes Snohomish, King, and Pierce counties. It's the 15th largest MSA in the United States with a population of 3.5 million people. The tables below describe the economic profile of the area.

The following tables display the number of jobs by industry in the Seattle-Bellevue-Tacoma MSA. The number of jobs is shown in thousands and represents data collected in December 2012. The industries that experienced the largest rates of job growth in 2012 were construction, manufacturing, and leisure & hospitality.

Economic Profile: Seattle-Bellevue-Tacoma Statistical Area	
Population	3.5 Million
Civilian Labor Force	1.9 Million
Employment	1.8 Million
Unemployment Rate	6.70%
GDP	239.7 Billion

Employment by Industry - 2012		
Industry	Employment (Thousands)	12 Month Change
Mining and Logging	0.9	0.00%
Construction	89	11.80%
Manufacturing	191	5.10%
Trade, Transportation, Utilities	326.5	2.90%
Information	87.2	-1.40%
Financial Activities	89.8	1.80%
Professional & Business Services	236.9	2.80%
Education and Health Services	222.5	1.70%
Leisure and Hospitality	168.4	4.90%
Other Services	63.5	0.30%
Government	261.6	1.00%
Total Nonfarm	1737.3	2.90%

(Source: Bureau of Labor Statistics)

Economic Profile: Mainland/Southwest Region of British Columbia

The Mainland/Southwest region of British Columbia includes the Greater Vancouver Area, Fraser Valley and the Sunshine Coast. Slightly more than 60% of British Columbia's population lives in this region. 2.3 million of the region's 2.6 million residents live in Greater Vancouver itself. The tables below describe the economic profile of the area and the number of jobs by industry in 2012.

Similar to the Seattle-Bellevue-Tacoma Statistical Area, this region has experienced significant job growth in manufacturing, with the number of manufacturing jobs in the Mainland/Southwest Region increasing by 16.7% in 2012. The only industries with higher rates of job growth were utilities and "other services", which is broadly defined by British Columbia's Statistics Agency.

Economic Profile: Mainland/Southwest Region	
Population	2.6 Million
Civilian Labor Force	1.4 Million
Employment	1.3 Million
Unemployment Rate	6.20%

Employment by Industry - 2012		
Industry	Employment (thousands)	12 Month Change
Agriculture	13.3	3.10%
Forestry, Fishing, Mining, Oil, & Gas	9	-17.40%
Utilities	10.6	35.90%
Construction	115.6	-8.00%
Manufacturing	120.2	16.70%
Trade	220.4	-0.50%
Transportation & Warehousing	88.9	8.20%
Finance, Insurance, & Real Estate	101.7	0.90%
Professional, Scientific, & Technical Services	118.9	-7.40%
Business, Building, & Other Support Services	64	4.90%
Educational Services	114	3.60%
Health Care and Social Assistance	155.2	5.50%
Information, Culture, & Recreation	81.7	8.50%
Accommodation & Food Services	104.9	-5.20%
Other Services	72.3	16.60%
Public Administration	56.6	-5.50%
Total Nonfarm	1447.3	2.00%

Potential Blaine Medical Facility

Based on both the target market involving both primary and secondary research, there is a strong niche market demand for a potential medical facility in Blaine. In an effort to qualify the potential opportunities, a random probability interactive telephone sample was conducted. The collected demographics of the Canadian respondents reflect the following:

Gender

The gender distribution was almost even, with 53.7% of respondents being female and only 46.3% being male.

Respondents Gender	
Male	46.3%
Female	53.7%

Age

Respondents varied in age from 14-88 years old, with the largest portion of the data coming from respondents between age 55 and 70. The median age of respondents was 64.

Respondents Age	
Age	Frequency
14-34	5.4%
35-54	22.1%
55-70	46.3%
71-88	21.5%

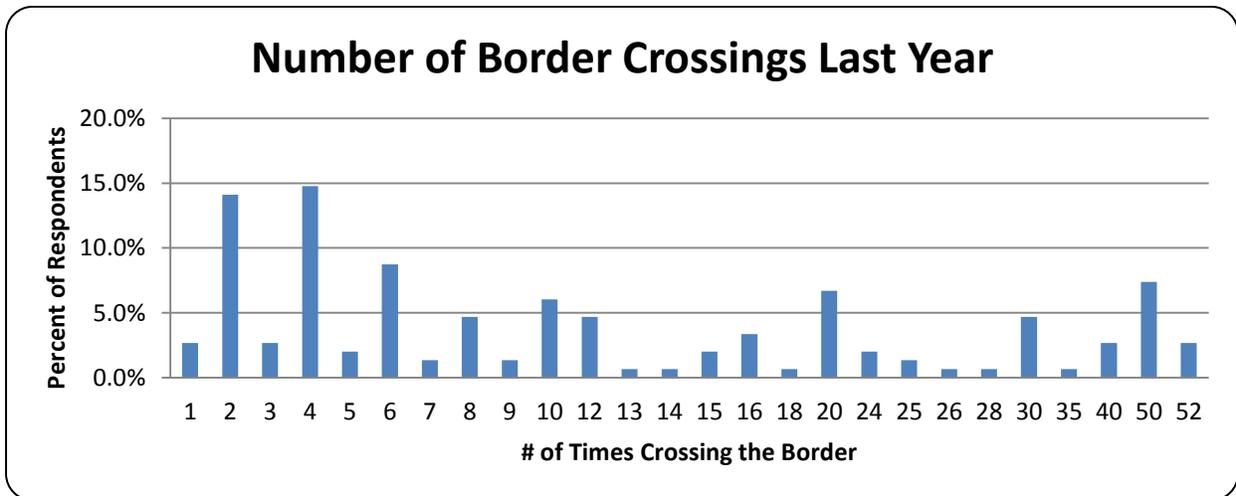
Income

The majority of respondents had a household income of greater than \$100,000 Canadian dollars annually. 32.2% of respondents reported having an income below \$100,000 Canadian.

Income in Canadian Dollars	
Above \$100,000	54.4%
Below \$100,000	32.2%

Canadian Patient Border Crossings

Registered Canadian patients frequently cross the border into the US, with a mean of 14.83 crossings annually. This does not necessarily mean the crossings are for medical purposes. The Tulalip Mall and nearby Costco warehouses attract many individuals over the border. This is based on Hebert Research's findings for the Tulalip Tribe and new Costco warehouse locations in Whatcom and Snohomish Counties. What is important is that the physical border between British Columbia and Blaine should not pose as a barrier for the development of the medical facility.



Variables of Importance

In order to assess the needs and wants of potential patients, respondents were asked to rate the variables in which they placed the greatest importance. Coverage of treatment (8.75) and availability of treatment (9.14) received the highest mean rating scores. These two ratings help strengthen the argument for a Blaine medical facility due to its open treatment for those from Canada and the timely availability of the treatment.

Variables of Importance		
	Given High Rating	Mean
Coverage of Treatment	85.0%	8.75
Availability of treatment	95.3%	9.14
Time required for treatment	87.5%	8.52
Satisfaction with Canadian Healthcare System	72.5%	7.49
Satisfaction wait time on elective procedures	45.5%	6.00
Satisfaction with standard care in Canada	86.2%	7.94
Interest in outpatient care	42.0%	4.17
Interest in inpatient care	46.7%	4.76
Interest in Long term care	40.9%	4.44
Interest in utilizing medical facility	55.0%	6.09

Source: Hebert Research 2013 Canadian Healthcare Research

Medical Services Demanded

The following section of the research focuses on what services would be demanded by the proposed medical facility in Blaine. The following is a list of procedures or branches of care offered by St. Joseph Peace Health in Bellingham, a known competitor of the proposed Blaine medical facility. By examining the medical services of St. Joseph Health, we asked respondents to rate the importance of each service to be located in the potential Blaine facility.

Interest in Medical Services	
Medical Service	Percentage of those Interested
Cardiology	54.4%
Imaging Services	54.4%
Cancer Care	53.0%
Surgical Services	51.0%
Joint Replacement	47.7%
Stroke Program	44.9%
Spine Care	42.9%
Orthopedics	36.6%
Neurosurgery	33.6%

Source: Hebert Research 2013 Canadian Healthcare Research

Economic Impact

The economic impact is based on the construction and the ongoing annual operation of a medical center and a light/advanced manufacturing center. The medical facility was studied with the assumption that it would be 25,000 square feet and the manufacturing center was assumed to encompass 50,000 square feet. It includes direct, indirect, and induced effects on employment and new economic activity. This is an economic model based on the input of employment, wages, construction costs, the physical size of proposed facilities, and the local economic variables. The output of the model is the economic impact using IMPLAN. The below four tables represent this output by IMPLAN to show the economic impact gained from construction of a medical facility in Blaine.

The value of this input/output model is for determining the new business as a basis for strategic planning including required infrastructure support. The sources for the model are based on surveys of similar medical and manufacturing facilities within 2013, The US Bureau of Labor Statistics, and statistically derived multipliers which function as part of the socio-economic construct in the IMPLAN software. These have been adjusted for the local market area of Blaine. It is important to note that in the US, fractals were used but not within Canada. This was intentional due to the fact that the initial investment is focused on the US impact which has been funded publically and privately.

Medical facility 25,000 sq. feet			
	Direct	Indirect/Induced	Total
Construction Cost	\$13,750,000	\$14,575,00	\$28,325,000
Annual Operating	\$12,661,000	\$13,505,056	\$26,166,065

Manufacturing 50,000 sq. feet			
	Direct	Indirect/Induced	Total
Construction Cost	\$14,250,000	\$17,689,655	\$31,939,665
Annual Operating	\$3,120,475	\$3,826,133	\$6,946,608

Total Economic Impact for Manufacturing plus Medical	
	Total
Construction	\$107,635,000
Annual Operating	87,498,195

Annualized Full Time Employment		
	Industry	Full Time Employee
Medical	Construction	189*
	Operating	330
Commercial	Construction	213*
	Operating	99

**only during the construction period*

Commercial and Medical Facility Schedule

The table below illustrates a likely schedule for constructing a medical or commercial facility in Blaine. This schedule includes the time it will take for both construction of the facility and foundational research. This schedule is an estimate, and is in no way a promissory guideline.

Medical Facility Phase Schedule	
Feasibility Phase	1-2 Years
Marketing Phase	2 Years
Planning & Building out of facility	3-5 Years

Key Findings and Conclusions

1. Two major potential uses of the commercial properties within the City of Blaine emerged from the final research. It is possible for each major use to be developed independently of one another or as a single commercial planned mixed use development. Both the medical center and light and/or advanced manufacturing are viable. This will include both the initial impact from construction and ongoing operations. The financial model must be based on income, risk and control, whether this is a private or a public/private venture.
2. The long term success of the new commercial center must be based on the theory of convergence that relies upon the synergies of both the greater Vancouver and Seattle markets. As regions develop there are new points of economic convergence. Bellevue, Kent, Redmond, and Issaquah are clear proofs of these unique economic engines.
3. Similar cross border trade economic engines do not occur because of inherent assumptions that a market exists, is mature, or has no capacity for expansion. Each of the cross border markets was based on creating demand. This was discovered and proved throughout the research. This means several critical conditions are required--a clear vision, leadership, a data based long-term strategy and significant investment both for development and building out the properties. It is important to note, the potential exists given the underutilization of a major west American and Canadian location.
4. Blaine is located on one of the primary American and Canadian north-south transportation corridors. Labor costs at this point are significantly lower than both major employment centers in Vancouver and the Seattle Metros. Bellingham Technical College, Whatcom Community College, and Western Washington University have strong reputations for work force development and are strategically located near the commercial site. The absence of a B & O tax is a significant differentiation to other competitive markets.
5. The basic infrastructure exists initially. However, based on the specific uses, further capacity to facilitate growth will need to be conducted. The pro-business attitude of the community and Foreign Trade Zone will contribute to establishing both developers and commercial users' interest. Unsolicited responses by these major developers have been expressed and further confirm this finding.
6. The primary research among potential new commercial users found the quality of schools in Blaine is highly important for retaining and attracting young families. The amazing growth of the Greater Seattle Eastside economies to a large extent attracted important human capital to which quality education is a necessary and valued lifestyle component.

7. It will be essential to enhance the benefit for potential Canadian commercial users (whether perceived or actual cross border) regarding the efficiencies and flows of the supply chain between the US and Canadian markets.
8. Medical procedure delays within the Canadian healthcare system were found to have wait periods as long as 120 days. The research found this is the strongest variable in the patient demand equation. There are three inherent variables that will deter demand from Canadian patients: (1) ability to afford medical care not reimbursed by the national healthcare system; (2) willingness to utilize Blaine medical procedures, treatments, and diagnostics that are more advanced and higher quality than provided in Canada; (3) the effectiveness of cross border marketing to create awareness, ability, and performance.
9. British Columbians are satisfied overall with the Canadian healthcare system. In a sense, the use of a new medical facility in Blaine would be out of network for Canadian Citizens. The standard that will drive demand is whether it provides the best health care available in the region, and not just comparable to their current options.
10. Those medical institutions which focused on specializing on Canadian patients have realized strong demand for inpatient and outpatient care as a destination. As the US moves toward a similar national healthcare system and the increasing dissatisfaction of physicians and medical staff, small communities which offer a high quality of life and access to major entertainment and shopping experiences become more attractive for these professionals. There is a clear trend among highly skilled professionals in the medical community who are searching for fewer regulations and restrictions as an alternative to major market compensation. This segment of personal medical care is an increasing trend in both Canada and the US.
11. The Canadian medical market that has and will continue to seek treatment in the US is without a doubt a niche. The types of medical procedures that are offered by the Blaine medical facility are critical. This well-defined segment will be driven by its affordability to more upscale Canadian patients, on the availability of on-demand medical services, and the willingness to utilize the Blaine medical facility as a category of one. A collaboration policy with St. Joseph Peace Health in Bellingham would help to increase quality of services offered in the region.