

# City's urban village pioneers add residential

One challenge is the financial risk - normally a major tenant is signed on before a project starts



*PHILIP A. DWYER THE BELLINGHAM HERALD*

Stowe Talbot, executive vice president of Bellingham Cold Storage, stands on the dock of the Bellingham waterfront company his grandfather Archibald Talbot started in the mid 1940s.

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DAVE GALLAGHER  
THE BELLINGHAM HERALD

## STOWE TALBOT

**Business:** Vice president of Talbot Real Estate, executive vice president and vice chairman of Bellingham Cold Storage Company.

**Age:** 42

**Background:** Grew up in Seattle, graduated from Yale with degrees in history and Russian studies. Worked on Russian ships for five years, learning more about the language and culture. Moved to Bellingham in 1993 to help run the family business.

**Family:** Wife Nina, 4-year-old son Remy.

**Family history:** Stowe's grandfather Arch Talbot purchased what became Bellingham Shipyards in 1941, six months before the Japanese attack on Pearl Harbor. He started Bellingham Cold Storage in 1946. Stowe's father, Jim Talbot, was president of BCS from 1957 until 1980.

**Hobbies:** Biking, which includes regularly cycling to work; Russian studies.

**Community boards:** Stowe Talbot is currently on the board of directors for Junior Achievement of Whatcom County, Mount Baker Boy Scout Foundation, St. Paul Episcopal School and the Bellingham Bay Rotary Club.

**Good business book he's read recently:** "The Death and Life of Great American Cities," by Jane Jacobs. Talbot said it's a classic book about urban planning and what makes a city great.

Stowe Talbot thinks the real estate side of his family business is on a parallel course with the rest of Bellingham when it comes to growth.

Talbot Real Estate has spent decades developing a major part of the Barkley district into an urban village.

The company is about to take a crucial step this summer when it breaks ground on the Drake Building, the first of three mixed-use buildings to be constructed in the area. It is the first building that will have residential units to complement the more than 380,000 square feet of office, commercial and medical building space already in the area.

The urban village concept is something the city is currently grappling with as it works toward increasing density to prevent urban sprawl. It is also something that has been a challenge for Talbot and his family, who purchased the property more than 30 years ago.

"Adding the residential component has been a learning experience for us," Talbot said. "With these first few buildings, we won't make much money, but it's important for us to set the right standard for future projects. It's more important to us that this first residential project goes well, because having people live in the area is crucial to the success of the Barkley district."

One of the challenges to adding residential to an area comes down to financial risk. Talbot Real Estate traditionally hasn't started construction on a major building unless at least one major tenant was signed on, according to Talbot.

Matt Hammatt, vice president at the Barkley Co., a division of Talbot Real Estate, said they are confident they will be successful at filling the residential units. The company hasn't started a major marketing campaign but, he said, they hope to capitalize on the popularity of condominium living by offering a quality product.

"It is a new market for us, so it is our job to make sure we build something that meets and exceeds people's expectations," he said. "With the first building, we need to sell the vision, making sure people realize what Barkley will eventually look like." Still, the challenges the company currently faces, Talbot said, are minor compared to what city officials have to deal with when trying to stop urban sprawl.

"In Bellingham, you have people screaming at (local government officials) to keep the growth within the city limits so that there isn't urban sprawl, but then there is another group of people screaming at them if a neighborhood gets increased density," Talbot said. "For us, at least our tenants are on board with this project."

The reason Talbot thinks most of the tenants in the Barkley Village area are on board is because they see the value of creating a situation where residents are in the area 24-hours a day, taking advantage of the services that are already in place.

"The only concerns we've heard is making sure we make sure we address traffic and parking," Talbot said.

The Barkley Village area has been a work in progress since the Talbot family purchased the 200 acres in the mid-1970s. They originally bought the property with the goal of expanding Bellingham Cold Storage there. The city of Bellingham decided that area was not suited for industry, and BCS eventually expanded into the Orchard Street area.

Talbot said in the 1980s several different visions of what they wanted to do with the land didn't pan out, such as building a corporate business park and a light industrial center. In 1988 Britax (now known as Heath Techna) built a large facility on Talbot property. Talbot followed, building the Dorothy Hagen office building in 1993.

"We had a lot of ideas that didn't work out because the market demand just wasn't there," Talbot said. "We were developers by accident, but we're glad we hit on this urban village concept."

## **SEES BOTH SIDES**

As the Talbots began Barkley Village area development in the 1990s, there was criticism by some that the area was drawing businesses away from the downtown core. Talbot said they never thought they were taking the place of downtown, and it's been proven now as the downtown core is experiencing it's own revitalization.

"We have our own critical mass, but we'll never take the place of downtown," Talbot said. "Our goal has been to create something that prevents development from taking place outside the city limits."

Talbot isn't a fan of urban sprawl, but he has business reasons for opposing it: Bellingham Cold Storage relies heavily on the local agriculture for its business.

"By having both Bellingham Cold Storage and Talbot Real Estate, it certainly gives us some perspective on both sides when it comes to development," Talbot said. "What we see happening with our BCS customers has an impact on decisions we make on Barkley."

## **MANAGEMENT STYLE**

Talbot said an important factor in seeing both BCS and the Barkley district flourish is a lesson he learned early on from his father about leadership.

Doug Thomas is the president of BCS; Jeff Kochman is president of Barkley Company.

"My dad preferred to have better people around him running the companies, giving him a chance to look at the bigger picture," Talbot said. "This has worked for me as well, because having these companies operate through strong managers allows me to focus on the strategic planning."

## **'LEARNING AS WE GO'**

As construction begins on residential units and more than 50,000 square feet of new office and retail space in the area, Talbot said, Barkley is still a work in progress.

He feels there is still too much separation between the office buildings on the north portion of the land and the retail village to the south and that there is still too much surface parking. There is certainly has the room for future development: Talbot Real Estate owns about 220 acres in the area, only about 40 of which have been developed.

"It will eventually become a true mixed-use area that will incorporate all the good things of urbanization," Talbot said. "We still have a ways to go, and we're learning as we go along."