

Appendix D
General Information and Economic Indicators

KITSAP COUNTY

GENERAL INFORMATION

The County, which was formed in 1857, is a political subdivision of the State operating under the general laws of the State. The County is located on the western side of the Puget Sound and includes the Kitsap Peninsula and Bainbridge Island. There are four incorporated cities in the County: Bremerton, Port Orchard (the County seat), Bainbridge Island and Poulsbo. The County can be reached from Seattle by ferry, and from Tacoma by automobile via State Highway 16 and the Tacoma Narrows Bridge. The County is served by the Burlington Northern Santa Fe Railroad.

The County is divided into two distinct sections. The mostly rural Kitsap Peninsula is home to several major naval installations and Hood Canal. Hood Canal is a major recreation area which attracts many seasonal residents who own homes along the shore. The region's natural resources include the Hood Canal's extensive shoreline, fish, shellfish, and timber. Bremerton is the largest municipality on the Peninsula. Bainbridge Island, the other distinct section of the County, is primarily a residential area. Many island residents commute by ferry to Seattle, or to the Bremerton area on the Peninsula.

GOVERNMENT

The County is governed by a three member Board of County Commissioners. Each member serves for a term of four years and is elected at large in a general election subsequent to three district-specific primaries. The County Commissioners meet every Monday in the Commissioners' Chambers at 614 Division Street, Port Orchard, Washington.

COMMISSIONERS

Chris Endresen, District No. 1, was first elected to the Board of Commissioners in November 1996, and re-elected in November 2000. She served on the Poulsbo City Council from 1985 through 1991 and from 1994 until elected as County Commissioner. She is a licensed real estate agent, formerly with John L. Scott. Chris opened her own business in 1982, representing Cloud Trading Company in the sale of supplies to the Alaska fishing fleet. Chris has attended the University of Washington. She has served as treasurer of Big Brothers/Big Sisters, foundation chair of the Poulsbo/North Kitsap Rotary, on the Poulsbo Planning Commission and on North Kitsap School District levy and bond committees. Chris also served as board member of the Kitsap County Land Trust, the Friends of Open Space, and the Poulsbo Growth Management Citizens Advisory Committee. She served on the 1986 Poulsbo Centennial Committee and received the Recognition Award from the Poulsbo Chamber of Commerce.

Jan Angel, District No. 2, was elected to the Board of Commissioners in November 2000. She has been in business 30 years, with 15 years in banking and finance, 8 years as a Kitsap and Pierce County business owner and 7 years in Kitsap County real estate. Most recently she was a mortgage banker/broker with Golf Savings Bank in Silverdale. She attended Colorado State University, Colorado State College and the University of Alaska with a major in business administration and a minor in accounting. Jan has spent 30+ years in community service including past-president of the Port Orchard Chamber of Commerce; member of the Bremerton, Silverdale and Bainbridge Island Chambers of Commerce; active member of the Port Orchard Rotary Club, the Regional Economic Development Council, the Bainbridge Island Economic Council, the Christian Women's Club, Beta Sigma Phi Sorority, League of Women Voters, and Kitsap County Republican Women's Club. She has received a variety of local, state and national awards and acknowledgements for community service and business.

Patty Lent, District No. 3, was elected to her first term on the Board of Commissioners in November 2002. She is currently vice chair of the Kitsap County Health District and vice chair of the Kitsap Transit Board. Patty has a broad business background, specializing in corporate travel and convention sales and has worked independently as a travel consultant and contractor. Her prior business experience includes work as a certified mortgage banker; a director of sales for the Holiday Inn corporation, and as public relations spokesperson for Western Airlines. She has also shared her business acumen with students as a part-time professor at Edmonds Community College and as a national travel industry lobbyist. Patty is board member of the Bremerton Central Lions, is past president of the Fred Hutchinson Cancer Research Center, Zumwalt Guild, and a former director of the Navy League of the United States, Bremerton-Olympic Peninsula Council.

ADMINISTRATION

Barbara Stephenson, Treasurer, was elected in November, 2002. For the past 25 years she has been very active in the community, both as a financial professional and a community leader. She worked in the private sector as a banker for 14 years, seven years as a Loan Officer and seven years as an Assistant Vice President and Branch Manager. In 1991 she was appointed the Executive Director for United Way of Kitsap County, where she served as the chief executive responsible for administering the organization's policies, programs and plans. Her educational background includes Pacific Coast Banking School – University of WA; Northwest Intermediate Banking School – University of OR; American Institute of Banking – Seattle University and Bellevue Community College – Business Administration. During the past 11 years she served three terms as president of the United Ways of Washington. She served on the Board of Trustees for Olympic College for eleven years. She is the immediate past president of the Poulsbo North Kitsap Rotary and a past president of the Greater Poulsbo Chamber of Commerce.

Karen Flynn, Auditor, was elected to office in 1986 and is the Northwest Regional President for the Washington State Association of County Auditors. She attended Olympic College, Mesa College, and the Institute of Financial Education. She has eight years of experience in banking with Washington Federal Savings and Loan Association, and more recently as Assistant Vice President of savings administration at Great Northwest Federal Savings and Loan. She serves on the legislative committee for the Washington State Association of County Auditors and was chairperson of the 1988 Washington Election Administrators Conference. Her present term expires in 2002.

James A. Avery, Assessor, was elected to his first term in November 1998. He graduated from the University of Idaho in 1969 with a degree in General Business and the University of Puget Sound in 1980 with a Masters Degree in Business Administration. He served as a Supply Officer in the U.S. Navy 1969-1990. From 1990-97 he worked in the Kitsap County real estate industry as a sales associate, associate broker, and managing broker with a large regional real estate firm. From 1997-98 he was the Northwest Regional Manager for a national government contracting company performing logistic services for the Department of Defense in Washington, Oregon, Alaska, Idaho and Montana. Mr. Avery was elected to a six-year term on the Manchester Water District commission in 1993.

Malcolm Fleming, County Administrator, graduated from Northern Arizona University with a bachelors degree and received a masters degree in public policy from Harvard University. He was formerly a program analyst for the California legislature and served as the first professional manager in Rostraver Township, Pennsylvania. Prior to joining Kitsap County in February 1998, Mr. Fleming was the Deputy County Administrator for Bernalillo County, New Mexico.

Ilene Frisch, Director, Administrative Services, was appointed to her position on September 1, 2002. She holds a Bachelor of Science, with honors, from Illinois State University and a Masters degree in Public Administration for state and local finance from the Maxwell School of Citizenship and Public Affairs at Syracuse University. Ms. Frisch has spent 25 years in government. She worked for the State of New York for nearly 20 years in two State governmental agencies in Albany, New York (State Budget Office and in Housing and Community Renewal) and as Finance Director and Community Development and Economic Development Director for Bullhead City, Arizona. She was formerly the Finance Director for the City of Bothell, Washington until she was selected as Interim Director for Kitsap County in June 2002.

STAFF

The County employs approximately 1,190 full-time regular employees, with approximately 691 represented by bargaining units. The County Director of Administrative Services states that employer-employee relations are good. There has never been a strike against the County by the bargaining units. All contracts that expired at the end of 2002 are in negotiation. All employees of these units are working without a contract. Negotiations have in the past extended into the year following contract expiration. The following table lists the bargaining units and contract status for the County.

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Table 1
BARGAINING UNITS AND CONTRACT STATUS

Collective Bargaining Unit	Number of Employees	Termination Date of Current Contract
WSCCE ¹ Local 1308 (Courthouse Employees)	255	12/31/03
WSCCE ¹ Local 1308 (Courthouse Supervisory Employees)	35	12/31/03
Council (Public Works Dept. Road Division Employees)	75	12/31/03
Kitsap County Deputy Sheriff Guild (Supervisory)	13	12/31/02
Kitsap County Deputy Sheriff Guild (Deputy Sheriffs)	97	12/31/02
Kitsap County Corrections Officers Guild	47	New Unit
WSCCE Local 1308 (Deputy Prosecutors)	21	12/31/03
WSCCE Local 1308 (Courthouse Security)	8	12/31/03
Sheriff Support Guild (Support Staff for Sheriff's Office)	26	12/31/04
O.P.E.I.U. ² Local 11 (Juvenile Detention Officers)	43	12/31/03
Teamsters, Local 589 (Wastewater Division Employees)	40	12/31/03
Teamsters, Local 589 (Parks & Recreation Employees)	21	12/31/03
Kitsap County Corrections Sergeants' Association	6	12/31/05
Kitsap County Lieutenants	4	12/31/04

¹ Washington State Council of County & City Employees

² Office & Professional Employees' International Union

Source: Kitsap County

ECONOMIC AND DEMOGRAPHIC INFORMATION

Kitsap County is located in western Washington on the western side of Puget Sound and covers 403 square miles of land, including the northern portion of Kitsap Peninsula and Bainbridge Island. The County has 228 miles of salt water frontage, on Hood Canal to the west, Admiralty Inlet to the north and Puget Sound to the east. The topography is mostly low, flat-topped rolling hills separated by valleys and bays, with altitudes from sea level to 600 feet above, except for Green and Gold mountains, which rise to 1,761 feet above sea level. The climate is moderate, with mild, wet winters and cool, dry summers. Mean annual precipitation ranges from 26 inches in the north to nearly 80 inches in the mountains.

The County is divided into two distinct sections. Much of this area is rural and includes the Hood Canal area. Hood Canal is a major recreation area and has attracted many part-time residents who own homes on the shore. The region's natural resources include the extensive shoreline, fish, shellfish, and timber. Bainbridge Island is primarily a residential area. Approximately 18,920 County residents commute daily by ferry to the Seattle area, according to the Puget Sound Regional Council.

The economy of the County is based primarily on the U.S. Naval installations, which employ over 14,880 civilians and 13,589 military personnel. Major employers, all holding support contracts with the Navy, include Johnson Controls, BAE Systems, AMSEC, Lockheed Martin and Raytheon Systems. In total, naval contractors employ about 2,388 personnel. Other major employers include agencies for the State of Washington, the County's five school districts, Olympic College, health care suppliers and retail outlets. The largest retail shopping area in the County is the unincorporated community of Silverdale, which is located between Bremerton and Poulsbo. The Kitsap Mall, the center of the activity, consists of 700,000 square feet of retail space, leased to capacity. Satellite shopping centers, in addition to office space, completely surround the mall. This area is known as the economic hub of the Olympic and Kitsap peninsulas.

POPULATION

Surprisingly, Kitsap County is the second highest of the 39 Washington counties in population density, with 585.8 people per square mile. During the period 1970 to 1990, Kitsap County's population grew from 101,732 to 189,731, an 87% increase. By comparison, the state population grew by 42.6% over the same 20-year period. Kitsap County ranked 17 out of 39 counties in the State as the fastest (percentage) growing county from 1990 to 2000, with an increase of 22%.

Of the four incorporated cities in Kitsap County, the largest city is Bremerton with 37,530 people. The 2002 population of Port Orchard is 7,900; Poulsbo 7,005; and Bainbridge Island 20,920. Port Orchard and Poulsbo both showed over 7% growth. Bremerton and Bainbridge Island each experienced approximately a 3% increase.

Some fluctuations in County population are due to changes in the number of ships and naval personnel at the Puget Sound Naval Shipyard in Bremerton. Currently, Navy personnel in the area number 12,742.

Table 2
POPULATION ESTIMATES¹

Year	Kitsap County	Percent Change (%)	Washington	Percent Change (%)
1993	210,000	2.1	5,240,900	2.4
1994	213,200	1.5	5,334,400	1.8
1995	220,600	3.5	5,429,900	1.8
1996	224,700	1.9	5,516,800	1.8
1997	229,400	2.1	5,606,800	1.6
1998	229,000	(0.2)	5,685,300	1.4
1999	229,700	0.3	5,757,400	1.3
2000	230,200	0.2	5,803,400	0.8
2001	233,400	0.62	5,947,900	0.9
2002	234,700	0.56	6,041,700	1.6

¹ Kitsap County population figures may vary yearly by several thousand as a result of the number of ships docked in the Puget Sound Naval Shipyard.
Source: Washington State Department of Employment Security and Office of Financial Management

EMPLOYMENT

Kitsap County is defined as the Bremerton Primary Metropolitan Statistical Area (PMSA) for employment and unemployment statistics. The 2001 figures estimate the resident civilian labor force in the County at 92,402. Average annual unemployment in 2001 was estimated at 6.0 percent in the County, compared with 6.4 percent in the State (Table 3).

Non-manufacturing employment in the County accounted for 83.3 percent of total wage and salary jobs in October 2002, an increase of 700 jobs since October 2001. Manufacturing accounted for 2.4 percent of employment in 2002, employing a total of 2,100 workers (Table 4).

Government. The largest employment sector in the County in October 2002 was government, with 30.1 percent of all jobs; in 2001 this section employed 29.9 percent; in 1990 this sector employed 45.2 percent of the total.

Wholesale and Retail Trade. Trade accounted for 19.8 percent of civilian jobs in 2002, increasing 0.6 percent from 2001.

Services. This is the second largest employment sector, with 22.0 percent of all jobs, increasing from 2.1 percent from 2001. The number of jobs increased from 19,200 to 19,600.

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Table 3
LABOR FORCE AND AVERAGE ANNUAL UNEMPLOYMENT¹

Year	Kitsap County			Unemployment As a Percent of Labor Force		
	Resident Civilian Labor Force	Average Annual Unemployment	Total Employment ²	Kitsap County (%)	Washington (%)	United States (%)
1996	93,900	6,300	87,000	6.8	6.5	5.4
1997	92,900	5,100	87,800	5.5	4.8	4.9
1998	91,300	4,800	86,500	5.2	4.8	4.5
1999	93,300	4,700	88,600	5.0	4.7	4.2
2000	94,000	5,300	88,800	5.6	5.2	4.0
2001	92,402	5,541	86,861	6.0	6.4	4.8

¹ Annual averages derived from monthly data.

² Includes nonagricultural wage and salary, self-employed unpaid family workers, domestics, agricultural workers, and labor disputants.
 Source: Washington State Department of Employment Security and Kitsap County Real Estate Trends Report

Table 4
NONAGRICULTURAL WAGE AND SALARY WORKERS EMPLOYED IN THE BREMERTON PMSA

	Oct 2001	Percent of Grand Total (%)	Oct 2002 ⁴	Percent of Grand Total (%)	2000-2001 Rate of Change (%)
Manufacturing Total	2,200	2.5%	2,100	2.4%	(4.5%)
Non-manufacturing					
Mining and Construction	5,400	6.0	5,300	6.0	(1.9)
T.C.P.U. ¹	2,100	2.4	2,200	2.5	4.8
Trade	17,500	19.6	17,600	19.8	0.6
F.I.R.E. ²	2,600	2.9	2,700	3.0	3.8
Services	19,200	21.5	19,600	22.0	2.1
Government	26,700	29.9	26,800	30.1	0.4
Total Civilian Employment	75,700	84.8	76,300	85.7	0.8
Military³	13,615	15.2	12,742	14.3	(6.4)
Grand Total Civilian & Military	89,315	100.0	89,042	100.0	(0.3)

¹ Transportation, Communications, and Public Utilities

² Finance, Insurance, and Real Estate

³ Includes Crews of Ships Homeported in Kitsap County

⁴ Preliminary, subject to change.

Source: Washington State Department of Employment Security and Kitsap County Real Estate Trends Report.

Table 5
MAJOR EMPLOYERS

Employer	Product/Business	October 2002 Employment¹
Puget Sound Naval Shipyard	Ship Servicing and Repair	8,096
Naval Submarine Base Bangor	Submarine Base	2,293
Harrison Memorial Hospital	Health Care	1,740
Central Kitsap School District	Education	1,353
Naval Undersea Warfare Center	Engineering Services (Government)	1,315
Olympic College	Education	1,153
Kitsap County	County Government	1,139
South Kitsap School District	Education	1,070
Johnson Controls World Services	Services Contractor (Military)	1,006
North Kitsap School District	Education	878
Naval Station Bremerton	Host & Tenant Commands	862
Bremerton School District	Education	766
TeleTech/Nextel Communications	Communications	630
Safeway	Retail – Grocery	556
Wal-Mart	Retail	554
Bainbridge Island School District	Education	476
Albertson's	Retail Grocery	463
Fred Meyer	Retail	441
Laurier Enterprises	McDonald's Restaurants	437
Group Health Cooperative	Health Care	432
Town & Country Markets	Retail Grocery	393
Washington State Dept of Transportation	Transportation	391
United State Postal Service	Government	385
BAE Systems	Services Contractor (Military)	372
AMSEC LLC	Services Contractor (Military)	301
Sound Publishing Inc.	Publishing	292
Doctor's Clinic	Health Care	290
Naval Hospital Bremerton	Military Health Care	287

¹ Does not include active military employees. See Table 6.
Source: Economic Development Council of Kitsap County

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NAVAL INSTALLATIONS

The naval and Department of Defense installations in the County have a significant impact on the County's economy. The Puget Sound region remains home to the third-largest concentration of U.S. naval bases in the nation. In spite of the overall fleet downsizing around the nation, the Navy's decision to make Bremerton-Everett the base for two carrier battle groups indicates the military will remain a large part of the area's economy. However, Navy civilian employment in the County has dropped from a high of 22,500 in the late 1980s to about 14,500 in 2000. In the same period, active duty military employment has increased by approximately 4,200.

Puget Sound Naval Shipyard (PSNS) is the oldest permanent naval installation on Puget Sound and has become the second-largest industrial employer in Washington. Its primary mission now is overhauling and deactivating nuclear naval vessels. It is the only West Coast yard capable of working on nuclear ships. The shipyard is also the only facility capable of decommissioning and recycling nuclear submarines which are being cut up in accordance with Strategic Arms Limitations Treaties.

Naval Station Bremerton is a new command created out of a portion of the shipyard in late 1998. It is home to five ships: the carrier USS Carl Vinson and four fast combat supply ships: USS Sacramento, USS Camden, USS Rainier and USS Bridge.

The Naval Submarine Base at Bangor serves as home base for Trident submarines and hosts 60 tenant commands, most of whom directly support the Trident program. Bangor has also been expanding its military role due to Navy realignment. Base Closure and Realignment (BRAC) actions in 1991 and 1993 have caused significant growth at Bangor. Six new commands or their detachments (totaling 500 personnel) have relocated to Bangor since 1995 and resulted in approximately \$26 million in new construction. In addition to the BRAC increases, the Navy has also constructed 520 family housing units and a rail transshipment facility totaling an additional \$49 million. Two other major construction projects were completed by 1999 bringing the total of all construction to approximately \$79 million. The last three years have seen the most significant buildup at Bangor since the base was designated the Trident Support Site in the mid-1970s.

The Naval Undersea Warfare Center at Keyport tests and maintains torpedoes, provides maintenance support for fire control equipment and mines, and provides other engineering-related services for undersea warfare. The station employs 1,315 civilian and 53 military personnel. Keyport is on the leading edge of the federal government's technology reinvestment project that has earmarked \$20 billion (nationally) over the next five years to invest in defense conversion. Keyport is already working with two private industries in defense conversion projects and is actively seeking more of this type of work.

The Fleet Industrial Supply Center, Puget Sound (FISC) was established in 1967 when the Naval Supply Depot, Seattle, the Naval Fuel Depot, Manchester and certain functions of the Supply Department at PSNS were consolidated. The Center stocks about 228,000 items of general stores, repair parts and provisions with an inventory value of approximately \$1.5 billion. FISC is staffed with 43 Navy personnel and 600 civilian employees.

The Naval Hospital Bremerton administers professional care to the approximately 56 thousand eligible military families residing within its area of responsibility. The Hospital is the parent command for three major branch medical clinics, located at PSNS, Submarine Base Bangor, and Naval Station Everett. The main hospital also provides an Occupational Health and Industrial Hygiene operation, Preventive Medicine, and the Alcohol Treatment Departments. In 2001, a three-story, 55,000 square foot ambulatory care wing was opened at the main hospital.

Congress recently approved more than \$75 million for military construction in Kitsap County for 2001. Projects include \$38 million (first installment on a total \$62 million project) for a new aircraft carrier pier at Naval Station Bremerton; \$10 million for an industrial skills center at PSNS to consolidate various training programs; \$9.4 million for a new chemical metallurgical lab at PSNS; \$6.6 million for a new facility at PSNS to collect oily wastewater from the bilges of ships; \$4.6 million for improvements to Bangor's Strategic Security Support Facility used by more than 400 Marines; \$1.93 million for a fleet recreation center near Pier D at Naval Station Bremerton; \$1.4 million for changes to Bangor's explosive handling wharf on Hood Canal to support the D-5 ballistic missile system; and \$4.34 million as another installment for a planned emergency services readiness center at Bremerton's National Guard Armory.

Table 6
ACTIVE DUTY MILITARY

Employer	Product/Business	Employment
Puget Sound Naval Shipyard	Ship Servicing & Repair	29
Naval Station Bremerton ¹	Host & Tenant Commands	6,198
Naval Submarine Base, Bangor	Submarine Base	5,821
Naval Hospital, Bremerton	Military Health Care	598
Naval Undersea Warfare Center Keyport	Engineering Services	53
Fleet Industrial Supply Center	Military Supply Center	43
Total		12,742

¹ Includes personnel assigned to ships in overhaul, and home-ported ships.
Source: Economic Development Council of Kitsap County

Table 7
RESIDENT ARMED FORCES PERSONNEL

Year	Personnel	Percent Change (%)
1993	11,817	(18.3)
1994	15,216	28.8
1995	15,712	3.3
1996	16,547	5.3
1997	13,714	(17.2)
1998	12,114	(11.7)
1999	13,980	15.4
2000	13,589	(2.8)
2001	13,615	0.2
2002	12,742	(6.4)

Note: Variations in the figures reflect changes in the number of ships and Naval personnel at the Naval Station Bremerton
Source: Kitsap County Real Estate Trends Report and Naval Station Public Affairs Office

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ECONOMIC DEVELOPMENT

New commercial building permits are measured in terms of numbers and dollars (the cost to build). In 2002, the dollar amount of commercial building permits in the unincorporated County was \$34,549,000. Residential construction totaled \$88,983,000. The following table shows details of building activity.

Table 8
BUILDING ACTIVITY

Year	No. of Permits			Total Residential	Total Non-Residential
	Single Family	Multi-Family	Mobile Homes	Const. Value (in \$000)	Const. Value (in \$000)
1995	1,136	30	418	105,380	30,705
1996	1,048	9	418	111,664	57,603
1997	702	4	424	82,124	41,242
1998	665	5	385	80,709	68,915
1999	778	3	329	91,396	62,832
2000	712	1	292	80,065	57,546
2001	786	0	284	89,479	39,178
2002	856	2	235	88,983	34,549

Source: Kitsap County, Department of Community Development

A number of commercial and retail developments are planned or under way in the County. Among these are the following:

South Kitsap and Port Orchard:

- The Northwest Corporate Campus, a 188-acre high-tech business park site located between Highway 16 and Old Clifton Road in South Kitsap, broke ground during summer 2000. Fifty-six acres of the property are set aside for residential development. The developer expects to complete a 139,000 square foot Class A office building on the site by January 2003.
- O.B. Sports, a Portland based golf course development firm, has built and manages a new 18 hole “high end, resort style” golf course west of Lake Flora Road on Trophy Lake.
- McCormick Land Company has secured land use approval by the County for an inn and conference center adjacent to the McCormick Woods Golf Course. The inn will have 200 rooms and the conference center will include 18,000 square feet of meeting space, as well as swimming pool, restaurant and exercise room. Construction of the project will take 14 to 15 months.

Central Kitsap, Silverdale, and Bremerton:

- Harrison Memorial Hospital completed construction of a Silverdale campus, which opened for business in July of 2000. The completed facility is an Outpatient Surgery Center and a Women’s and Children’s Center. It hosts 24-hour emergency services and adult and pediatric outpatient rehabilitation services. The Harlow Medical Building on the same 32-acre campus houses local doctors and a variety of clinical offerings.
- Home Depot, North America’s largest home improvement retailer, completed construction of a 105,000 square-foot outlet in Silverdale and a separate 25,000 square foot garden center in 1999. This facility employs 176 people.
- Bremerton has received \$37.9 million from state and federal sources for the Bremerton Gateway project, which is a traffic improvement and beautification program designed to create a new first impression of Bremerton as well as focus on economic development.
- A Nextel Call Center is currently under construction near East Bremerton. The Center is expected to employ between 200 and 300 people.
- Port Blakely Communities hopes to break ground in the spring of 2004 on a mixed use project in Central Kitsap County just west of Kitsap Lake. A Subarea Plan prepared by Bremerton and Kitsap County that identifies the zoning

for the property and specifies environmental protections that must be included for the project to be built, was approved in September 2000. Plans include approximately 900 homes and 2,225,000 square feet of business uses such as offices,

light assembly and manufacturing facilities and business park, as well as a maximum of 100,000 square feet of retail and commercial services. Master planning and environmental review is planned to take place in 2002 and 2003 with construction beginning in the spring of 2004.

North Kitsap:

- The first phase of the Poulsbo Place redevelopment project is well underway. The project will completely revamp, over the next 10 to 20 years, the 35-acre area directly north of downtown Poulsbo. Poulsbo Place is a planned community of at least 164 homes, and 10.5 acres of commercial development, which has transformed an eyesore of older WWII vintage multiple family housing into a community of well-built homes. At the State level, the development was given the “Best Community Land Use” award as well as other awards.
- The “Olhava Project” master plan includes 420 multi-family and 70 single-family dwellings, 840,000 square feet of commercial floor space, 325,000 square feet of business park floor space, and a 20-acre Olympic College branch campus with 50,000 square feet of floor space. Thirteen million in state funds will be provided for the Olympic College campus. The City of Poulsbo has approved development of the college construction phase of the project. Groundbreaking for the 20-acre campus is tentatively planned for 2002.

Numerous other developments, both commercial and residential, were completed or are under way in the County.

Eleven port districts serve the County; the largest of these is the Port of Bremerton, which operates the 560-acre Olympic View Industrial Park. The park, which is close to Bremerton and Port Orchard, is adjacent to the port-operated Bremerton National Airport; the park and the airport are the location of 22 firms employing a total of approximately 500 people.

A \$1.9-million floating pier that is used as a fishing pier, marina and breakwater has been built by the Port of Bremerton as part of the redevelopment of the City of Bremerton waterfront. Included in the project was the decommissioned destroyer USS Turner Joy, which is being used as a floating museum.

TRANSPORTATION

The peninsula is accessible by land from highways around the southern end of Puget Sound. Interstate 5 and US Highway 101 are connected by a six-mile leg near Olympia, and State Highway 3 branches off Highway 101 and heads north to Bremerton. The Tacoma Narrows Bridge across the Sound at Tacoma carries State Highway 16 to the County.

Washington State Ferries connect with the County at four points. Regular ferry service carries vehicles, foot passengers and cargo between Edmonds and Kingston, between Seattle and Bainbridge Island, Seattle and Bremerton, and between Fauntleroy and Southworth. In the first three quarters of 2002 over 5.2 million vehicles and passengers were carried between Seattle and Bainbridge Island. Overall, the Bainbridge, Bremerton, Kingston, and Southworth ferries carried over 10.9 million vehicles and passengers in the same period. Effective June 3, 2001, the State Transportation Commission approved a 20 percent general fare increase. Higher ticket prices are designed to make a \$30 million dent in the Washington State Ferries’ projected \$84 million operating deficit over the next two years.

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Table 9
KITSAP COUNTY KEY FERRY TRAFFIC STATISTICS

	Seattle-Bainbridge Island Ferry		Seattle-Bremerton Ferry		Edmonds -Kingston Ferry	
	Number of Vehicles	Number of Passengers	Number of Vehicles	Number of Passengers	Number of Vehicles	Number of Passengers
1996	2,226,335	4,512,489	731,926	1,863,596	2,042,460	2,021,513
1997	2,275,101	4,605,763	756,796	2,047,014	2,120,475	2,149,764
1998	2,319,045	4,737,196	714,903	2,211,641	2,228,920	2,199,225
1999	2,407,431	4,854,990	731,969	2,488,466	2,373,543	2,285,686
2000	2,339,212	4,862,932	780,400	2,484,610	2,465,429	2,290,689
2001	2,261,437	4,651,846	747,342	2,424,226	2,410,329	2,295,756
2002	2,191,986	4,535,664	715,386	2,178,594	2,340,373	2,154,287

Source: Washington State Ferries

The Kitsap County Public Transportation Benefit Area Authority was established by the voters in 1982 to provide public transportation in the most heavily populated portions of the County. The system, called Kitsap Transit, provides four kinds of service: regular public transit, commuter bus transit, transportation of the elderly or handicapped, and carpool and vanpool services. The system is financed by grants and fares and a local-option sales tax, which will increase from 0.5 percent to 0.8 percent beginning October 1, 2001, as approved by voters.

Bremerton National Airport, located on State Highway 3, is the largest airport in the County, with a 6,200-foot runway and full instrumentation and lighting systems and is capable of accommodating most Boeing 727, 737 and 757 aircraft. The airport can handle all general aviation aircraft and most transport and military planes. Bremerton National is only 10 minutes by air from SeaTac International Airport and Boeing Field in the Seattle area. Charter passenger and air freight services are available to SeaTac Airport.

Burlington Northern Santa Fe Railroad provides freight service to the area, connecting with Centralia to the south.

UTILITIES

Telephone service in the County is provided primarily by Qwest Communications, natural gas is supplied by Cascade Natural Gas, and electricity is provided by Puget Sound Energy Services.

PUBLIC FACILITIES

Sewer

The City of Bremerton has its own sewage system, as does the City of Port Orchard. Three sewer districts serve parts of the County. Sewer District 5 joined with Port Orchard to build a sewage treatment plant.

The County owns and operates four sewage collection and treatment facilities, serving Kingston, Suquamish, Manchester and Central Kitsap. The largest of these is the 4.8-million-gallon-per-day Central Kitsap Treatment Facility, which treats sewage from Poulsbo, Keyport and the Bangor Naval base, as well as from the Central Kitsap area. Operations and maintenance are funded by user charges.

Water

Wells supply water for the water systems throughout the County. The cities have their own water systems, and 16 water districts serve unincorporated areas. The largest water districts are Silverdale, North Perry and Annapolis. In addition, the Kitsap County Public Utility District owns and operates 11 rural water supply systems, mostly in the northern portion of the County.

Fire Protection

Fire protection is provided in unincorporated areas by eight fire districts. These districts also provide fire protection within the incorporated cities of Bainbridge Island, Poulsbo and Port Orchard. Bremerton has its own fire department.

Police

The cities within the County provide police services within their boundaries. The County Sheriff's Office provides police services in the unincorporated areas of the County. Emergency dispatch services are provided by Kitsap County Central Communications under a joint service agreement. The dispatch office is located in Bremerton.

Education

Five local public school districts in the County provide education for over 40,000 students. Public schools are funded primarily by State revenues, and all districts also receive federal impact funds due to the location of Naval installations in the County.

Table 5
KITSAP COUNTY SCHOOL DISTRICT ENROLLMENT

	Bremerton	Central Kitsap	North Kitsap	South Kitsap	Bainbridge Island	Total
1997	6,157	13,643	6,922	11,671	3,544	41,937
1998	5,991	13,606	7,007	11,533	3,664	41,801
1999	4,862	12,841	6,840	10,998	3,763	39,304
2000	5,922	12,872	6,657	11,317	3,859	40,627
2001	6,450	12,546	6,657	10,693	3,862	40,208
2002	5,807	12,733	6,803	10,587	3,921	39,851

Source: Kitsap County Trends Report, Fall 2002

Olympic College is a two-year public community college located in Bremerton, with an enrollment of approximately 3,900 (full-time equivalents). This college offers associate of arts degrees in four fields, as well as adult education and non-credit courses, and began a four year degree program (called 2-Plus-2) in 1994. The 2-Plus-2 degree program is associated with the University of Washington, Tacoma branch. The Olympic College campus will be expanding in the years ahead, thanks to a donation by the Olhava family of 20 acres of land for that purpose near Poulsbo. In 1995, the Washington State Legislature awarded funding to implement the first phase of building on the Poulsbo campus. Classes at the new campus are expected to begin by Winter Quarter 2004. Currently, Olympic College Poulsbo extension courses are held at the North Kitsap High School.

Numerous State and private four-year colleges and universities are located in the Seattle and Tacoma areas, with commuting times of from thirty minutes to two hours.

HOUSING

Kitsap County single-family homes have, over the years, been more affordable than homes in Pierce, Snohomish and King Counties. Many people are willing to commute to employment in those counties while residing in affordable Kitsap County. Single-family homes represent almost two of every three housing units in the County. In December 2002, the average home price in the County was \$197,479 which is an increase of 3.5% from the December 2001 average of \$190,724. Bainbridge Island prices average much higher than the rest of the County. The Bainbridge Island average home price for December 2002 was \$426,135. The median home price was \$164,800 in December 2002, up 3% from the December 2002 figure of \$160,000.

ECONOMIC AND DEMOGRAPHIC TABLES

The tables that follow provide further economic and demographic information on the County.

Appendix D
General Information and Economic Indicators

Table 10
TAXABLE RETAIL SALES
(\$000)

Year	Kitsap County	State of Washington
1996	1,836,394	63,810,713
1997	1,958,355	69,349,635
1998	2,063,972	73,865,218
1999	2,310,598	79,784,252
2000	2,397,676	85,147,427
2001	2,492,858	84,356,940
2002 ¹	1,900,087	62,331,732

¹ January through September 2002

Source: Washington State Department of Revenue and Office of the Forecast Council

Table 11
REAL ESTATE EXCISE TAX FUND
TAXES COLLECTED

Year	Tax Collected
1996	2,031,768
1997	2,325,751
1998	2,837,661
1999	3,511,161
2000	2,911,556
2001	3,667,557
2002	4,016,133

Source: Kitsap County

Table 12
INCOME ESTIMATES

Year	Total County Personal Income¹ (in \$000)	Per Capita Income¹			Median Household Income²	
		Kitsap County	Washington	USA	Kitsap County	State of Washington
1996	4,755,715	20,597	25,277	24,436	38,053	40,838
1997	5,053,352	21,580	26,451	25,288	39,769	42,280
1998	5,347,000	22,957	28,719	27,203	40,988	45,786
1999	5,654,335	23,902	30,380	28,518	43,158	47,897
2000	Not available	Not available	31,129	29,451	45,401	50,152
2001	Not available	Not available	Not available	Not available	48,847	50,689
2002	Not available	Not available	Not available	Not available	46,452	49,898

Sources:

¹ Washington State Department of Employment Security

² Washington State Office of Financial Management

Table 13
COUNTY-OWNED INSURED FACILITIES

Facility	2003 Insured Replacement Value
Treatment Plants	\$ 26,609,664
Detention and Correction Facilities (including Work Release) *	39,290,380
Youth Services Center	13,309,169
Courthouse Complex and Annexes	9,651,954
County Fairgrounds (All Buildings)	9,232,015
Lift Stations (52)/Chlorination Station (1)/Aerator (3)	6,868,144
Kitsap Mental Health Services	4,937,516
Public Works Building	3,967,752
Givens Community Center	3,286,896
Recovery Center	2,241,301
Billie Eder Community Center	1,435,785
Central Road Shed (Including Out Buildings)	1,212,261

* Includes Builders Risk for facilities under construction.
Source: Kitsap County