Chapter 2 - Economic Development

Discussion

Kitsap County is an integral part of the Central Puget Sound Regional Economy (Region), one of the most diverse, innovative, and competitive regional economies in the world; known around the globe as The Greater Seattle Market.

The Region is comprised of four counties, (Snohomish, King, Pierce and Kitsap), surrounding the Central Puget Sound, and is charged by the Economic Development Agency of the U.S. Department of Commerce to jointly plan for transportation, land use, and economic development needs of the Region.

The region’s economy is highly diverse and home to 15 economic clusters (a geographic concentration of interconnected businesses and organizations), of which 11 are present in Kitsap County. Kitsap is home to approximately 7.4 percent of the Region’s population and 5.5 percent of its workforce. On a per capita basis Kitsap contributes above its size, and significantly to the overall competitiveness of the Region. Kitsap is a recognized leader in several key economic sectors: defense; advanced manufacturing (maritime and aerospace); technology (information and communication technology, e-commerce, cyber security and clean tech); health care; business services; specialty foods; and, tourism.

Kitsap is home to the second largest industrial complex in the Pacific Northwest – the Puget Sound Naval Shipyard and Intermediate Maintenance Facility – where over 20,000 employees, (the vast majority of which are civil servant employees of the US Department of Defense) repair, rebuild, and maintain the US Navy’s modern fleet. In addition, thousands of highly skilled enlisted personnel, civilian defense employees, and defense contractors support Naval Base Kitsap’s (NBK) other missions at NBK Bangor Submarine Base, NBK Keyport Undersea Warfare Center, Manchester Fuel Depot, and Naval Hospital Bremerton. Many major multi-national defense contractors (Northrup Grumman, Raytheon, Lockheed Martin, General Dynamics, SAIC, and BAE) maintain significant operations in Kitsap in support of Naval Base Kitsap’s large, diverse and complex mission through a substantial concentration of engineering and technical competencies.
Did You Know?

The defense industry encompasses technology, advanced manufacturing, engineering, ship building and repair, aerospace and more in Kitsap County.

Overall, the defense sector accounts for nearly 50 percent of Kitsap’s economic output and workforce. As a result of Naval Base Kitsap’s large, complex, and longstanding presence in Kitsap, as well as the diversification and leveraging of this defense legacy, our local economy ranks high within the Region in several essential economic development indicators: workforce educational attainment; engineering talent; development of intellectual property; per capita economic output; employment levels; and, median household incomes.

Kitsap’s economic vitality is also closely tied to its proximity and connectivity to the Greater Seattle market’s center of commerce and robust industry supply chain. Kitsap is well connected to the Region via four Washington State Ferry routes (transporting over ten million passengers, and 1.5 million vehicles annually), as well as State Route 305, 3 and 16 connecting Kitsap to the I-5 corridor via the eight-lane Tacoma Narrows Bridge. Travel times from most Kitsap communities to the centers of commerce in Everett, Seattle, Tacoma or SeaTac International Airport is accessed via highway and/or ferry boat. Kitsap’s strategic location in the heart of the Central Puget Sound also positions it to serve as the eastern flank of the West Sound Economy and the bridge between the more rural Olympic Peninsula and the more densely populated cosmopolitan market of Greater Seattle. Kitsap is home to a fulltime equivalent workforce of approximately 110,000 people. Approximately 45,000 Kitsap residents commute from Kitsap to other counties for work each day, mainly to King, Pierce and Snohomish counties, while approximately 20,000 workers commute into Kitsap from surrounding counties. However, a large portion of these Kitsap resident commuters enjoy substantial earnings that are spent locally, adding to the vibrancy of Kitsap’s economy.

In terms of comprehensive planning to retain, expand and strengthen Kitsap’s economic future, it is imperative that our community continue to provide strong support of Naval Base Kitsap and its diverse missions. To do so, we must continue to advance our strengths (and mitigate any weaknesses) in delivering top flight education and workforce training programs critical to developing and attracting the human capital essential to competing in the 21st Century’s knowledge based economy.

Our economic future is also dependent upon the availability and maintenance of strong infrastructure in transportation (roads, bridges, ferries, rail, and air) energy, communications, water and waste water; industrial and commercial land; as well as sustaining the incredible natural environment and balanced quality of life Kitsap citizens so enjoy.
Kitsap County also has abundant natural beauty, miles of shoreline and many acres of forest lands. These areas are valuable for the habitat they provide, for contributing to the scenic beauty of the area as well as an economic value as they attract tourists to the many nationally recognized parks and trails.

City, Special Purpose Districts, and County governments must collaborate to encourage sustainable economic development supporting family wage job opportunities and economic diversification and vitality that leverage the Region’s strengths and global brand, while ensuring the protection of our natural resources and environment and promoting a balanced and healthy quality of life.

**Did You Know?**

Kitsap is home to the headquarters of many businesses with global impact including; SAFE Boats, ATS and Watson Furniture. See a list of Kitsap County’s top employers at [http://kitsapeda.org/key-industries](http://kitsapeda.org/key-industries).
Economic Development Guiding Directives

Kitsap County recognizes that adequate land use planning, efficient regulatory processes, solid infrastructure, and environmental protections are key to a stable, prosperous and diversified economy that can provide a setting for Kitsap businesses to grow, living-wage jobs for residents and retain and encourage new businesses to locate in the County. At this time the following industry sectors highlight economic development, either for longevity or potential for growth. An important directive in this effort is the encouragement of expansion/recruitment of these recognized industries:

- **Advanced Manufacturing**
  - Aerospace
  - Maritime
  - Original Equipment Manufacturers (OEMs), e.g., office furniture and equipment, medical devices, fishing and sporting goods, and energy efficient products

- **Clean Technology**
  - Architectural and engineering services
  - Consulting
  - Research and Development
  - Energy distribution

- **Information Technology**
- **Healthcare**
- **Military (Defense)**
- **Regional Retail**
- **Construction**
- **Business Services**
  - Finance and Insurance
  - Advertising and Marketing
  - Legal Services
  - Property Management

- **Food Processing**
- **Tourism (including ecotourism and agritourism)**

The County continues to encourage economic development while at the same time avoiding concentrating industrial and commercial uses in environmentally sensitive areas and maintaining a high quality of life to attract desired businesses.
Economic growth is also supported in efforts to revitalize the county’s cities/urban cores by attracting commercial and housing development to generate additional demand for the services in urban areas. Recognition of economic development in rural villages and rural commercial and industrial areas continues to be vital to the area economy.

The policies in this section and related code assist in expanding the county’s business and jobs base to promote a healthy and diverse economy, while assuring an adequate mix and supply of land to facilitate employment growth within all business sectors.

Kitsap County also recognizes the importance of agricultural activities to the food system and local economy. As such, educational opportunities that support farming are crucial to strengthening the food system. Kitsap County is committed to promoting food security, food systems, food economy, and public health by encouraging locally based food production, distribution, and choice through urban agriculture, community gardens, farmers markets, and food access initiatives. Lack of food related processing and distribution has created many gaps in Kitsap County’s food system. In order to improve the food sectors economic viability Kitsap County will enhance local and regional aggregation and distribution by increasing, and where necessary, creating, food processing infrastructure.

Healthy partnerships and regular communication among government, private corporations, and nonprofit entities are also part of the broader County mission in order to implement economic development goals and to provide cost-effective capital improvements.
Economic Development Goals and Policies

**Economic Development Goal 1.** Promote a healthy and diverse economy that provides for a strong and diverse tax base, encourages business formation, retention, and expansion; creates industrial and professional business and employment opportunities to attract new business to the County.

Economic Development Policy 1. Kitsap County will work to invest adequate funding for long-term economic development. Seek a cooperative partnership among the County, cities, tribal governments, port and other local districts, the Kitsap Economic Development Alliance (KEDA), and the private sector, to share in the investments relating to industrial, commercial, and technology business retention, expansion, startup and recruitment activities. The partnership should encourage that each agency work to improve its business retention, expansion, startup and recruitment activities.

Economic Development Policy 2. Develop partnerships and cooperative efforts among government, private corporations, individual and nonprofit entities to plan, finance and implement economic development goals and to efficiently provide cost-effective capital improvements that are needed by commerce and industry.

Economic Development Policy 3. Provide a diverse mix and appropriate range of commercial, industrial and business land uses that will encourage economic activity capable of providing living-wage jobs and reasonably scaled to the needs of the community.

Economic Development Policy 4. Cooperate and coordinate efforts of the local government staff and resources to ensure that plans are implemented in a timely manner.

Economic Development Policy 5. Work with the official county tourism agency, port districts, private sector, other qualified tourism related entities and user groups to identify current and potential visitor and event amenities and services.

Economic Development Policy 6. Develop partnerships to facilitate collaboration among government, private, nonprofit and individual entities to support tourism development, strategies and programs.

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Would you like to be more involved?

There are many active civic groups promoting businesses in the area including Chambers of Commerce and interest groups involving specific markets such as tourism and culinary specialists.
Economic Development Goal 2. Support and develop new methods of insuring sustainable business development that create living wage jobs and economic opportunities consistent with local and regional plans.

Economic Development Policy 7. Encourage full utilization and development of industrially and commercially zoned areas.

Economic Development Policy 8. Promote revitalization within existing developed industrial and commercial areas.

Economic Development Policy 9. Encourage mixed use developments within commercial districts that will enhance the visual, economic, and environmental quality of these areas and improve the transition between commercial and residential districts.

Economic Development Policy 10. Develop standards for industrial and commercial development that identify appropriate site size for different types of areas, appropriate types of uses, and standards for design that encourage attractive and efficiently functioning areas.

Economic Development Policy 11. Recognize a wide variety of cultural, tourism, and active recreational programs with regional and neighborhood facilities, providing well-rounded recreational and tourism opportunities.

Economic Development Policy 12. Continue to develop, revise and provide for periodic review of development standards, the zoning code and related ordinances to build a streamlined, understandable, consistent and predictable building, land use and development application procedure.

Economic Development Policy 13. Work with nonprofit groups that support industry sectors identified by the Kitsap Economic Development Alliance and the Puget Sound Regional Council.

Economic Development Policy 14. Recognize the importance of excellent schools as a method to attract and retain businesses and educate a skilled workforce.
Economic Development Goal 3. Provide for the location and design of targeted sector industry needs, transportation, port district activities as well as tourism and visitor amenities, commerce and other developments that are dependent upon a shoreline location and/or use, when the shoreline can accommodate such development.

Economic Development Policy 15. Support development of enterprise areas that stimulate economic development for investors who launch businesses in port and waterfront properties.

Economic Development Policy 16. Continue to work with port districts, and recognize their role as one of Kitsap’s important contributors to the County’s economic vitality.

Economic Development Policy 17. Develop a Memorandum of Understanding between the County and the Port Districts in Unincorporated Kitsap County to establish guidelines to promote cooperation in achieving the economic goals of the Ports and the County.

Economic Development Policy 18. Recognize the value of water-related activities as designated by the Shoreline Master Program.

Economic Development Policy 19. Support development of tourism related activities along the shoreline compatible with the Shoreline Master Program.

Economic Development Policy 20. Support growth in the maritime industry, one of the County’s important industry sectors.

Economic Development Policy 21. Consider and identify the vital connection between protection of Kitsap County’s rural character, environmental assets and environmental benefits and economic opportunities.

Economic Development Policy 22. Support tourism to enhance the local economy.

Economic Development Policy 23. Foster at local regional, state, and national levels, an environment in which Kitsap supports tourism activities.

Economic Development Goal 4. Support the further development of the Technology sector and business technology use in Kitsap County.
Economic Development Policy 24. Support plans that evaluate and recommend changes that accommodate technology infrastructure for business growth.

Economic Development Policy 25. Support the technology sector with workforce development programs and policies that meet the needs of technology and technology led businesses.

Economic Development Policy 26. Support growth of technology entrepreneurship through creative and collaborative efforts by individuals, business and organizations.

Economic Development Policy 27. The County recognizes Internet Service connectivity is a valuable utility for both the urban and rural residents.

Economic Development Policy 28. The County will continue to support and encourage private sector Internet Service Providers to offer service in urban areas while also establishing the authority for agencies like KPUD to provide retail broadband service to urban and rural “under-served” residents.

**Economic Development Goal 5. Support the local food economy.**

Economic Development Policy 29. Expand the county’s capacity to produce, process, distribute and access local foods.
Economic Development Policy 30. Support, including agro-tourism and value-added programs that will stimulate economic growth.

Economic Development Policy 31. Strengthen the rural and urban economies through organizational partnerships that support food system education.

Economic Development Policy 32. Promote inter-agency and intergovernmental cooperation to expand community gardening opportunities.

Economic Development Policy 33. Strengthen the food value chain by supporting new congregation and distribution opportunities such as farm stands, farmer’s markets, and food hubs.
Economic Development Policy 34. Support retail sales and local food economy by encouraging locally based food production, distribution, and choice through the support of community gardens, school gardens, farm-to-school programs, farmers or public markets, and other small-scale, collaborative initiatives.

Economic Development Policy 35. Support economic development opportunities related to local urban and rural agriculture. Assess and plan for community-supported agriculture programs, local food processing, wholesaling, and distribution facilities to connect local agriculture to markets such as retailers, restaurants, schools, hospitals, and other institutions.

Economic Development Policy 36. Foster urban agriculture opportunities by promoting flexibility in development regulations.

Economic Development Policy 37. Review and revise conditional use regulations to create a more agriculture-supportive climate.

Economic Development Policy 38. Assess whether publicly owned properties/facilities that may be currently underutilized could be made available for one or more facets of the food system loop.

Learn More

Defined as the path that food travels from field to fork or from farm to table, a food system is a network, typically comprising food production, processing, distribution, access and waste management. These integrated elements enhance the community’s livability. Regional food networks can increase access to healthy and nutritious foods. As seen in the circular figure left, a functioning food system provides the education necessary to create supportive policies. A coordinated food system supports the three tiers of sustainability: a healthy environment, equitable access, and economic viability. This path will increase Kitsap County’s self-sufficiency now and into the future.
Economic Development Strategies

Strategy 1 – Business Climate
Supports policies 1-30

- Partnerships: In partnership with other jurisdictions, ports and agencies, review Buildable Lands Report in terms of targeted industry sector growth and utilize land use map for future growth, development and re-development.
- Partnerships: Continue to strengthen partnerships to improve and expand healthy local food access.
- Finance and Budget: Continue multi-agency and jurisdiction with private sector funding of designated ADO (Associate Development Organization), i.e. Kitsap Economic Development Alliance (KEDA) that is the economic development agency for all jurisdictions, with planned increases as deemed necessary to maintain and/or create programs for business growth in the county.
- Program and Projects: Utilizing the ADO and other partner agencies and organizations, update, revise or create policies and programs as warranted to support target industry sectors.

Strategy 2 – Food Policy Council
Supports policies 31-40

- Work cooperatively to encourage affordable land for farmers through a range of potential innovations and new business models.
- Foster consistency of food policy across jurisdictions.
- Promote marketing opportunities across the food system.
- Raise the level of county-wide public awareness and understanding of Kitsap County agriculture, including its ecological, economic, open space and cultural value, and its importance to local food security.
- Assess opportunities to reduce regulatory burdens and related expenses through means, such as, streamlining of taxation exemption processes.
- Develop and adopt a Right-to-Farm ordinance.
- Encourage locally based food production, distribution, and choice through the support of community gardens, school gardens, farm-to-school programs, farmers or public markets, and other small-scale, collaborative initiatives.
- Educate the agricultural community of the importance of business and succession planning.
and provide resource assistance.

- Promote youth engagement in agricultural activities.
- Foster, at the local, regional and federal level, a culture in which Kitsap supports food system activities.
- Engage decision makers, agencies, tribal governments and the public through collaboration with agricultural associations, producers, processors and distributors to promote the food system.
- Consider allowing alternative retail models including pop-ups and mobile markets.
- Increase market opportunities for producers including the use of community gathering places as venues for local food sales.
- Encourage establishment of sustainable community processing centers.
- Expand distribution to retail and wholesale buyers to improve consistency in food quantity, quality and availability (e.g., food hubs).
- Encourage partnerships that support opportunities for local and regional marketing, distribution and sales.
- Promote institutional procurement that favors local and regional food sourcing by county, school and other governmental agencies and local employers.
- Create and update a county-wide food assessment.
- Work with nonprofit partners and local food system members to support processing both on and off farms.

References

- KEDA Work Plan
- PSRC Industry Clusters
  http://www.psrc.org/econdev/res/industry-clusters/
- Olympic Consortium Workforce Development
  http://www.kitsapgov.com/hs/olympdev/jtWorkSource.htm