

ECONOMIC DEVELOPMENT

PURPOSE: A strong and diversified economy provides a high quality of life for the citizens of Jefferson County and the region. This in turn generates the resources through which local governments provide for the health, safety, and welfare of its citizens. Therefore, as a local government entity, Jefferson County shall promote economic development, along with public health and safety, social services and environmental quality.

~~The Growth Management Act (GMA) supports economic development throughout the state that is consistent with adopted comprehensive plans. The goals and policies contained in this chapter encourage sustainable economic development activities that complement the rural nature of Jefferson County. The Economic Development Element promotes the development of new economic opportunities for citizens of Jefferson County and encourages growth within the capacity of the County's natural resources, and the public services and facilities to sustain it. This element summarizes economic patterns and needs, and suggests methods to strengthen the economic base of the County in an effort to provide family wage-paying employment opportunities.~~

RELATIONSHIP WITH OTHER ELEMENTS OF THE PLAN

~~The desired levels of job growth, commercial and industrial expansion, and supporting strategies are integrated with the other elements of the Comprehensive Plan. Consistency between policies contained in the Plan elements is essential to a successful economic development strategy.~~

Many issues addressed elsewhere in this Plan are important to Jefferson County's future economic development efforts. For example, water supply and quality are important issues throughout Jefferson County as a clean and adequate water supply is crucial to future land use decisions, especially those related to housing and commercial/industrial development. In addition to water, issues surrounding land-use, water, transportation, housing and capital facilities and infrastructure are important factors in Jefferson County's economic development ~~future equation.~~

~~The following table summarizes the economic development issues identified and addressed in other elements of the Plan:~~

Element	Discussion
1. Land Use/Rural	Jefferson County is predominantly forestland; 77% of Jefferson County exists in Olympic National Park, Olympic National Forest, and State forestland. Rural villages and rural crossroads serve the needs not only of the local population but also of visitors. Rural development must include people, prosperity, and preservation to support a shared rural vision. Jefferson County is a predominantly rural county. While the rural area is typified by low density rural residential land use, small "villages" and crossroads continue to serve the convenience needs of the local population. Rural Village Centers contain a variety of land uses including: residential, retail, commercial, service and professional. These areas have traditionally served the local population and traveling public. The Plan anticipates these areas will continue to exist in much the same

	<p>form as they are found today. Limited infill development will be allowed to occur in these defined areas, and uses will be allowed to change and expand. Once established, the boundaries around these Rural Village Centers will remain as defined in the plan.</p>
<p>2. Natural Resource Conservation</p>	<p>Maintain and enhance natural resource-based industry, such as timber, mining, agriculture, and fisheries. Encourage a value added strategy that will serve to enhance resource-based industry and accelerate Jefferson County's transition to a broader, more diverse, innovative, and competitive economy. Resource lands should be protected from incompatible development.</p> <p>The County's historic reliance on the natural resources inherent to the region's economic base can be maintained by their careful stewardship and by utilizing Best Management Practices (BMPs). Resource-based industrial activities can be permitted outside of UGAs if certain criteria are met. By adhering to the criteria, the County should be able to maintain and cultivate resource-based industrial activities over time.</p>
<p>3. Housing</p>	<p>Housing affordability is influenced by the local economic climate. In areas of economic growth, the private sector usually responds by building housing, adding to the supply, and increasing the available housing stock, which can drive housing costs downward. The available housing stock is often an important consideration in determining where a business chooses to locate. The housing element in this plan includes goals and policies which support diversifying the available housing stock to ensure that an appropriate mix of housing is available to support the County's economic objectives. <u>Urban Growth Areas (UGA) and Residential Areas of Intense Development (RAID) are designated under GMA to concentrate the majority of housing growth. Urban densities and infrastructure are provided within UGAs to create affordable housing opportunities and economic growth.</u></p>
<p>4. Open Space, Parks, Recreation, and Historic Preservation</p>	<p>Tourism and recreation-related activities provide substantial economic opportunities to County residents. The County's close proximity to the Olympic National Park, the newly designated National Marine Sanctuary, <u>and the many maritime activities on Puget Sound and the Strait of Juan de Fuca and the historic Victorian seaport of Port Townsend make the County a desirable tourist destination. The surrounding natural environment, historic towns and native villages, as well as agri-tourism can provide recreation activities as well as add to the local economy.</u></p>
<p>5. Transportation</p>	<p><u>Community prosperity depends on moving goods and people to markets. A strong local economy and multi-modal transportation system will benefit the entire region. Current transportation services such as roads, transit services, seaports, and Jefferson County Int'l Airport must be improved and maintained for a growing population.</u></p> <p>While traditional modes of transportation are less important to many modern firms, the location of an area and its proximity to transportation links, both local and regional, still play an important part in location decisions. The condition of the transportation network is also an important consideration as is the availability and efficiency of local public transit.</p>
<p>6. Capital Facilities</p>	<p><u>Jefferson County communities and governmental entities must work together to support infrastructure improvements that attract investment and</u></p>

	<p>sustain economic activity in Jefferson County. The provision of infrastructure is one of the most significant costs in providing for economic land use activities. The location and nature of infrastructure determines where and what type of economic activity chooses to locate in the area. The GMA is clear in its requirement that urban levels of development shall occur only within UGAs. Many economic land use activities take on an urban nature in terms of scale and required infrastructure and, therefore, are precluded from locating outside of UGAs unless the scale and/or nature of the industry requires a rural or resource lands location.</p>
<p>7. Environment</p>	<p>A healthy environment is necessary to have a physically and mentally healthy population. Government is ethically responsible to create a land use policy that protects natural resources and creates opportunity for private enterprises to generate profit and employment. The basic needs of people such as shelter, food, and clothing are essential for a healthy environment. Economic prosperity can occur in harmony with the natural environment. Protection of the natural environment has proven in many instances to be a catalyst for economic growth. The growing “eco-tourism” industry recognizes this fact and promotes the natural environment as a marketable resource.</p>
<p>8. Urban Growth Areas</p>	<p>Urban Growth Areas require provide the necessary infrastructure and zoning for economic development opportunities planned for the future needs of the community. The location and nature of infrastructure determines where and what type of economic activity chooses to may locate in the area. The GMA is clear in its requirement that urban levels of development shall occur only within UGAs. Many economic land use activities take on an urban nature in terms of scale and required infrastructure and, therefore, are precluded from locating outside of UGAs unless the scale and/or nature of the industry requires a rural or resource lands location.</p>

ECONOMIC CONDITIONS

~~The globalization of markets and jobs, constant and rapid changes in technology, and the loss of sales tax revenues have accentuated the economic disparities in Jefferson County. The County must develop an approach to create a climate for economic development that facilitates the recruitment of industry and the retention and strengthening of existing businesses.~~

~~The economic base of Jefferson County is presently in a state of transition. Historically, Jefferson County’s economic base was closely tied to resource-based extractive activities such as fishing and forestry. For a variety of reasons, Jefferson County’s economic base faces a major restructuring and the need for strategies to provide guidance cannot be overstated.~~

~~Jefferson County has always attracted people because of its natural environment, which greatly contributes to its quality of life. The County’s economic development strategy should help the County move away from dependence on traditional resource-based economic activities and begin to seek alternative economic opportunities for all of Jefferson County’s residents. To do this, the County must develop a balanced approach to create a climate for economic development that facilitates new business~~

start-ups, the recruitment of industry, retention and strengthening of existing businesses, and expansion of growing businesses.

Economic Development Organizations

Jefferson County should collaborate with local and regional leaders, economic development organizations, governments, communities and private sector businesses interested in forging a competitive economy.

Education

Jefferson County fosters a commitment to learning and entrepreneurship through learning centers such as public, private, technical schools and institutions, and civic organizations.

There are a number of organizations involved in the maintenance and expansion of the Jefferson County economy. Agencies operating within the County include:

- Economic Development Council of Jefferson County
- Port Townsend Main Street Project
- Port of Port Townsend
- Port Ludlow Chamber of Commerce
- Port Hadlock Chamber of Commerce
- Port Townsend Chamber of Commerce
- Quilcene/Brinnon Chamber of Commerce
- WSU Cooperative Extension

Additionally, there are economic development organizations that represent economic interests in multi-county regions that include Jefferson County. Among those organizations are:

- North Olympic Peninsula Visitors and Convention Bureau (Regional)
- Peninsula Development Association (Jefferson and Clallam Counties)

A comprehensive economic development strategy for Jefferson County requires the cooperation of the above organizations and a unified vision of Jefferson County's future economic landscape.

Economic Indicators and Trends

Employment

The Washington State Employment Security Department figures estimated County employment of 9,090 workers out of a total work force of 9,830 in October, 1996. This translates to an unemployment rate of 7.5 percent, well above the state rate of 5.4 percent and the national rate of 4.9 percent. Over the past two decades there has been a dramatic shift in the County's employment base. In 1970, manufacturing jobs comprised 35 percent of all jobs in the County. By 1990 this sector's share of total jobs fell to 13.9 percent. Concurrently, service and trade jobs have increased from 11.3 and 14.8 percent of the total, respectively, to 18.8 and 25.2 percent of the total. In addition, a two-tier work force has emerged: one for those who hold decent jobs, and the other for underemployed, poorly paid, often part-time workers. The two-tier workforce is consistent with national trends.

In 2004, Jefferson County had an unemployment rate of 4.0%. This rate falls below both the national and state levels of 5.4% and 6.2%, respectively. While maintaining a low unemployment rate is can be a positive economic indicator, it does not account for the number of workers that are underemployed or working on a part-time basis.

Personal Income/Level of Poverty

Real wages in Jefferson County have been falling over the past two decades. Although nominal wages have increased from \$7,175 to \$16,733 between 1969 and 1989,¹ real wages have fallen from \$24,933 to \$18,036 over that same time period—more than a 27 percent decrease in real wages over the 20-year period. This decline may reflect the relative increase in jobs in the retail and service sectors.

Table 7-1
Comparison of Wages by Industry in 1995

Industry	Average Wage Jefferson County	Average Wage Washington State	Number of Workers
Farming, Forestry & Fishing	\$21,107	\$14,530	140
Construction	21,245	29,564	356
Manufacturing	30,354	37,447	835
Wholesale Trade	17,700	33,125	1,672†
Retail Trade	11,864	15,546	—
Finance, Ins. & Real Estate*	16,948	32,141	211
Services	13,160	25,796	1,524
Government	24,342	30,844	1,751
Total/Avg. (all sectors)	19,034	27,446	6,779

* Finance, Insurance and Real Estate

† This figure represents the number of workers employed in both retail and wholesale trade

Unlike real wages, real per capita income has been increasing, albeit at a modest rate. Per capita income includes wages, salaries, transfer payments, retirement income, farm income, self-employed income, investment income and rents. The data show a consistent increase in real per capita income. This may be due to the large number of in-migrating retirement-aged residents, and can have a negative effect on housing affordability.

Statistics on Jefferson County residents living below the poverty line are mixed. The most recent statistics indicate that Jefferson County exceeds the state average for both individuals and families living below the poverty line.

Education and Job Skills

The educational statistics for Jefferson County appear to be fairly encouraging. The percentage of County residents that had attained a minimum of a high school diploma or GED rose from 76.9 percent in 1980 to 82.7 percent in 1990. During this same period, the percentage of County residents with a bachelor's degree or higher increased from 17.6 to 21.8 percent.

¹U.S. Census.

The percentage of County residents that are 25 years of age or older with a high school diploma or GED is 91.6 %. In addition, 28.4% of Jefferson County residents 25 years of age or older have a bachelors degree or higher. It is imperative to continue to offer educational and job training opportunities to assist in creating a more diverse and educated workforce.

Commercial Activity

The Washington State Department of Revenue maintains a listing of over 2,300 businesses located in Jefferson County and over 250 new firms have opened during the first five years of the 1990s. Jefferson County's rural character, in conjunction with its urban amenities and the high quality of life afforded by its proximity to both urban and natural areas, continues to attract a variety of professional and financial services as well as manufacturing businesses.

Retail Sales

Retail sales figures suggest how well a local economy is doing in regard to capturing locally earned disposable income. Retail sales in Jefferson County have grown over the past decade. And between 1989 to 1992, Jefferson County's retail sales increased from \$99.6 million to \$178.7 million, an increase of nearly 80 percent. During the same period, per capita retail sales increased by over 44 percent, from \$5,504 to \$7,941. Retail sales growth has been propelled by the growth in population and an expanding tourism sector. While retail sales have increased locally, the level of expenditures is not at the expected level. Recent studies indicate that a substantial amount retail revenue "leaks" from the local economy into neighboring counties, suggesting a need to grow local businesses and attract new businesses to the county that will capture some of the dollars currently leaving the county's economy.

Building Construction

The value of new construction is another indicator of the economic health of an area. The total dollar value of new construction in Jefferson County increased from \$15.2 million in 1988 to nearly \$63.0 million in 1993. During this same period of time the City of Port Townsend also realized a significant increase in new construction from \$3.0 million to \$11.6 million. A dramatic decline in commercial building activity in 1991 and 1992 can be attributed, in part, to an enactment of a commercial and industrial building moratorium in the fall of 1991, and passage of an emergency commercial and industrial zoning ordinance in January, 1992.

Local Government Revenues

Financial resources of local governments also play an important role in local economic development efforts. Public sector investment in infrastructure and public facilities greatly affects an area's quality of life. Tax rates also affect economic development by influencing a business decision to locate in one area versus another. Jefferson County's property tax rates² have been at or below the State average for a number of years.

Economic Base and Inventory of Major Employers

Jefferson County's economic base is showing signs of diversification. While there are more employment opportunities today, many of these do not pay wages necessary to support a family. As the County's economy continues to diversify, a better balance will be struck between job opportunities and wages. A look at the list of

² *Economic Development Council of Jefferson County; Jefferson County Assessors Office*

primary employers in Jefferson County illustrates its broadening economic base. A partial inventory of the primary employers in Jefferson County follows: **Table 7-2**
Major Employers in Jefferson County, 1996

<i>Employer</i>	<i>Approximate Number of Employees</i>	
	<i>1996</i>	<i>2000</i>
Port Townsend Paper Corporation	420	313
Jefferson County	322	273
Jefferson General Hospital	294	217
Port Townsend School District #50	175	173
Chimacum School District #49	158	243
Quality Food Centers (2 stores)	140	75
City of Port Townsend	121	88
Safeway Stores, Inc.	107	135
Olympic Correction Center	100	101
Falcon Marine	90	
Kalaloch Lodge	75	70
U.S. Navy — Indian Island	65	132
Allen Logging Company	65	60
Port Ludlow Resort & Conference Center	50	
Quilcene School District	42	37
U.S. Post Office	39	34
The Inn at Ludlow Bay	35	
Port Townsend/Jefferson County Leader	34	34
Enclume Design Products	32	39
Seton Construction	30	25
Thermionics Northwest	29	37
Puget Power	26	18
Coyote Found Candles	26	20
Coast Seafoods	22	22
Port of Port Townsend	21	24
New Day Fisheries	20	15

Source: *Relocation and Investor's Guide, Jefferson County Washington, Economic Development Council of Jefferson County, 1996. Jefferson County Profile, Washington State Employment Security, June 1995.*

The County's major economic sectors include:

- *Marine trades*: The majority of marine trades are located on property in the City managed by the Port of Port Townsend.
- *Manufacturing* — The relatively low overhead costs and access to skilled and stable labor supports many small custom software and fabrication firms serving a variety of industries from aerospace to financial services.
- *Forest Products* — The largest employer in Jefferson County, the Port Townsend Paper Corporation, anchors the County's forest products industry. Allen Logging in western Jefferson County relies on the Olympic Peninsula's vast timber stands to produce dimensional lumber, chips, and other products for a world-wide market.

- *Fisheries and Aquaculture*—Areas of commercial shellfish production include operations in Quileene Bay, Dabob Bay, Kilsut Harbor, and Squamish Harbor (see map in Natural Resources Element). Sport fishing for salmon or steelhead represents a significant economic resource to the County, but has declined recently along with commercial fisheries as a result of harvest restrictions to protect the fish stocks.
- *Tourism*—The natural beauty of Jefferson County and Victorian Port Townsend attracts numerous tourists each year who contribute over \$18 million to the local economy. Annual hotel and motel tax receipts in Jefferson County and Port Townsend have risen from well under \$100,000 in 1986 and 1987 to over \$240,000 in 1996.⁴
- *Public Sector*—Public sector employment has been a relatively low growth sector of the economy, but still provides a large number and variety of employment opportunities. In Jefferson County over 25 percent of Jefferson County's employment is derived from the public sector, and government employees are among the better paid workers in the area.
- *Military*—The military presence in Jefferson County is not as noticeable as in neighboring Island or Kitsap Counties, however the U.S. Navy Small Ordnance Center on Indian Island provides some spin-off employment opportunities for county residents.
- *Services*—Between 1970 and 1980, service employment increased by more than 65 percent and is currently expanding at a rate above 6 percent. Wholesale and retail trade accounts for approximately 25 percent of Jefferson County's employment. The County's only hospital, Jefferson General, is located in Port Townsend and employs 240 people. The increase in the retirement population suggests that there will be an increase in health care related facilities and employment in health care in the future.

Industrial and Manufacturing Sites

Industrial sites in Jefferson County include the Port of Port Townsend, Port Townsend Industrial Park (which has become a commercial and business park), Glen Cove, Eastview, Quilcene Industrial Area, and the Irondale/Hadlock UGA.

Various public and privately held properties appropriate for economic development are identified below.

- *Port of Port Townsend Properties*—The Port of Port Townsend manages three properties within Jefferson County, only one of which is zoned for industrial activity. The Port Townsend Industrial Park is located on Port Townsend Bay in the City of Port Townsend. Other Port property, including the Jefferson County International Airport and the Quilcene Marina, is not zoned for industrial development.
- *Port Townsend Business Park*—The Port Townsend Business Park is a new, fully permitted, 34-acre planned unit development located off SR 20 in the City of Port Townsend.
- *Glen Cove*—Adjacent to the southern city limits of Port Townsend, the Glen Cove industrial area consists of approximately 400 acres designated for light industrial uses. Because of the area's proximity to the City of Port Townsend, Glen Cove is being considered for designation in the county as an Urban Growth Area. To realize this goal, the City and the County are co-funding a study to

⁴ *Local Tax Distributions, Washington State Department of Revenue*

determine whether this area is suitable for UGA designation. If designation is recommended, the County and City will jointly develop a common land use/zoning plan within the expanded “community serving” UGA with the objective of supporting current commercial, industrial, and manufacturing activities.

Commercial Development Sites

The City of Port Townsend and the Irondale/Hadlock UGA can accommodate future commercial growth. Opportunities also exist in Rural Village Centers and Rural Crossroads.

While the City of Port Townsend and Irondale/Hadlock Urban Growth Area are the most likely location for the major share of future commercial and industrial development, opportunities for limited new commercial development have been included in the County Comprehensive Plan through the designation of Rural Village Centers, provided adequate infrastructure is available, and to a lesser degree, Rural Crossroads.

FUTURE ECONOMIC DEVELOPMENT PROSPECTS FOR JEFFERSON COUNTY

Through local sub-area planning and co-ordination with other agencies and organizations, Jefferson County should use zoning, incentives or other measures to ensure that an appropriate proportion of the land adjacent or near public infrastructure facilities is [utilized to its highest and best use](#). The surrounding land uses should be buffered or compatible with economic development.

Identifying and understanding future trends (such as the aging population in the county) is an essential first step to ensure Jefferson County’s prosperity. Jefferson County must always take the next step and prepare for both the anticipated and unexpected events. Addressing trends that are relevant to our county such as but not limited to marine trade, building industry, natural resources, fisheries/aquaculture, technology, agriculture, value-added products and tourism/agritourism/native tourism ensure that the economy is stable, diversified, and competitive.

While Jefferson County’s future economic climate remains undefined, it is clear that it will no longer be as reliant on natural resource-based activities. Jefferson County’s abundant natural resources and environment will play an increasingly important role in the emerging tourism and recreational sectors of the economy, but economic activities reliant on resource extraction may not experience growth in times of increasingly stringent environmental regulations.

Growth in service sector industries and retail and trade will continue along with national and regional trends. Cottage industries and home-based businesses will expand as Jefferson County’s population continues to increase and diversify. Further growth and expansion in high technology industries depends on the County’s success in encouraging appropriate infrastructure (particularly in the Glen Cove industrial park) and the availability of a well trained work force. The area should continue to be considered by businesses that are not reliant on traditional locational factors such as access to transportation networks.

Population and Labor Force

Although the County’s population is expected to continue to increase, future employment opportunities will increase if current population trends continue to move toward a population base characterized by a growing proportion of seniors and more people working for themselves. Population projections also forecast a diminishing number of individuals between the ages of 15 and 44, which traditionally has provided the largest number of entry level workers and mid-management workers in the County’s work force.

If recent trends continue, Jefferson County can expect to see an economy dominated by small businesses. The increasing diversity of Jefferson County's small business community may be one of the area's primary strengths and an advantage for the local economy to promote in the future.

Future Trends by Sector

Marine Trades

The Port of Port Townsend is making some major investments to provide infrastructure to attract new business. The addition of a new heavy haul-out facility capable of lifting boats up to 300 tons will greatly impact the Port's ability to attract future economic activities, which in time should generate economic spin-offs to existing businesses catering to marine related activities.

Manufacturing

Jefferson County, in cooperation with the City of Port Townsend, is moving forward on a special study to identify and inventory the County's commercial and industrial land base to determine options for future development in Glen Cove and the Irondale/Hadlock UGA. In light of the current economic climate and the trends affecting the various economic indicators discussed above, this strategy should focus on small manufacturers and high technologies. In addition to developing and maintaining the necessary infrastructure, a trained and skilled workforce is also essential to the growth of this sector. Education and training opportunities should be given high priority in the local economic development strategy.

Fisheries and Aquaculture

Fisheries and aquaculture harvests are likely to remain an important part of the local economy as domestic consumption of seafood continues to increase. Exporting seafood products will continue to provide the impetus for much of the growth in this industry. Environmental issues related to clean water and salmon habitat must be addressed to ensure the long term survival of these industries.

Forest Products/Paper

Employment in the forest products industry has declined dramatically over the past 10-15 years. This industry is dependent on a stable and predictable source of raw timber, which is not expected to increase during the 20 year planning period. New harvesting techniques and forest management practices are continuing to evolve. Manufacturing firms that specialize in value-added products such as Washington Doors and Edensaw Woods will help to soften the blow felt throughout this industry.

Public Sector

Employment levels in the public sector are projected to decline modestly as Federal, State and Local budget revenues continue to decline. But, because of the focus on basic services, this sector is expected to remain important to the local economy and employment should stabilize.

Services

Throughout the nation, and in Jefferson County, the service sector continues to grow. This includes both personal and business services with the former being especially high given the impact of tourism and retirement. Although a growing service sector has an impact on the number of jobs, it has less of an impact in terms of dollars since these jobs usually pay lower wages than other sectors of the economy.

Enhancement of telecommunications infrastructure throughout the County could promote the expansion of the professional service sector, and could aid in attracting small corporate headquarters into the region. Such improvements may include access to fiber optic transmission facilities and communications systems.

Tourism

While recent growth in tourism has been moderate, the future of this industry in Jefferson County is bright in light of the high rate of regional growth. A large volume of data suggests leisure travel is becoming big business. The North Olympic Peninsula should continue to be a widely known and desired travel destination. New opportunities related to tourism should be considered. The growing interest in “Eco-tourism” is one possible niche with great potential in Jefferson County.

SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY

A stable and diverse economy supporting family wage jobs is an important component of a high quality of life for County residents. At the same time, economic prosperity must not come at the detriment of the natural environment, which itself is an important asset to attract and retain businesses and skilled workers. The balance between the social needs, the environment, and the economy increasingly is called “sustainable economic development.” There are three main aspects of sustainability: Economic, Social, and Environmental. Basically, this means economic growth does not exceed the ability of the natural or built environments (including infrastructure) to sustain the growth over the long term.

Economic Sustainability Refers to the long-term economic vitality of the regional economy. A healthy economy creates opportunities for entrepreneurs to profit and provide living-wage employment opportunities for the community. A living-wage pays the area-specific cost of living for food, housing, clothing, health care, as well as the costs associated with raising a family.

Social Sustainability The quality of life and health of the community is a prime concern when considering economic development issues. Needs such as affordable housing, education, health, general safety, and equal rights under the law, ethics, community participation, intact civil society must be in place to sustain a vibrant community. Available employment opportunities, apprenticeships and mentorships, will help instill a culture of work for County residents.

Environmental Sustainability The natural environment provides many economic opportunities for County residents. Resource extraction, farming, and tourism and their value added opportunities all depend on a healthy environment for their continued success. The utilization of the natural environment should not jeopardize the availability of resources for future use over the long-term.

Any attempt at developing an economic development strategy for Jefferson County must consider not only local trends, but national trends and influences. A viable economic development strategy must take

into consideration the changing landscape of corporate America and seriously consider how global and national trends will impact the local economy. Some examples of the types of things that need to be considered as Jefferson County moves towards building an economic development strategy that will take the County into the 21st century include:

- The fact that women-owned businesses are becoming a dominant force in the economy and this force is no more evident than right here in Jefferson County;
- Businesses that rely on high technology continue expanding and infrastructure necessary to operate high tech equipment is of primary importance to firms specializing in providing access to the global market;
- Home-based businesses have moved beyond a fad and are starting to provide more and more people with independence, flexibility and control of their own life, and, in many cases, a higher than expected income;
- Leisure and recreation continue to provide a variety of economic activities and opportunities; and
- The “green revolution” is starting to provide viable economic activities related to scientific research, leisure, recreation and tourism.

Economic development strategies targeting the 21st century will largely be based on providing economic development opportunities through the provision of appropriate infrastructure, incentives and programs. Providing the local work force with opportunities and incentives to learn the necessary skills to compete for family wage paying jobs also constitutes an essential element of Jefferson County’s economic development strategy.

The purpose of the economic development goals and policies is to support Jefferson County’s long term commitment to sustainable economic development which should benefit all County residents by:

- retaining and creating family wage jobs;
- providing the foundation for an adequate and stable tax base for the efficient provision of high quality government services and facilities; and
- ensuring that economic activities are conducted in a responsible manner sensitive to the environment and civic concerns.

Economic growth with job creation, diversity, sustainability, and environmental protection constitute the policy focus of the following goals and policies:

GOALS AND POLICIES

Economic growth with job creation, diversity, sustainability, and environmental protection constitute the focus of the following goals and policies.

GOAL:

EDG 1.0 Make Jefferson County the best place to live, work, and conduct business by creating a diverse sustainable economy.
~~Promote economic opportunit for all citizens of the County, especially for teens and young adults, the unemployed, and for disadvantaged persons within the capacities of the County's natural resourcees, public services and public facilities.~~

POLICIES:

EDP 1.1 Support opportunities for retention, and expansion of existing local businesses, employment opportunities, and recruitment of new businesses that provide quality living-wage jobs, ~~and that~~ preserve and enhance Jefferson County's quality of life.

~~**EDP 1.2** Encourage the recruitment of new businesses, including firms that provide long term employment and/or provide family wage jobs.~~

~~**EDP 1.3** Sustain the economic utilization of Jefferson County's natural resourcees while attracting a more diversified base of non-resource industries that are consistent with local quality of life and the community's environmental values.~~

EDP 1.2 Encourage a range of opportunities, economic activities, and businesses that serve both the needs of local residents and visitors to Jefferson County.

GOAL:

EDG 2.0 Encourage programs aimed at providing **apprenticeships, mentorships**, education, job training and retraining, and skills enhancement that are responsive to the changing needs of local businesses and residents.

POLICIES:

EDP 2.1 Promote the full use (after hours) of schools, community centers, and other public facilities to expand education opportunities.

EDP 2.2 Encourage public and private agencies to expand existing programs and establish new occupational programs for high-school students to experience the culture of work.

EDP 2.3 Create a consortium of adult education providers to coordinate class offerings, facilities, and staff resources available to Jefferson County residents who seek high school degrees, G.E.D., remedial education, vocational training and retraining, skills or knowledge enhancement, professional certification, two-year degrees, four-year degrees, and advanced degrees.

EDP 2.4 Encourage programs aimed at providing education, job training and retraining, mentorships, apprenticeships and skills enhancement that are responsive to the changing needs of local businesses and residents.

GOAL:

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POLICIES:

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~~**EDP 2.2** Create a consortium of adult education providers to coordinate class offerings, facilities, and staff resources.~~

~~**EDP 2.3** Promote the full use (after hours) of schools, community centers, and other public facilities to expand adult education opportunities.~~

~~**EDP 2.4** Support and recognize efforts of the Higher Education Assessment Committee and other agencies to establish an institution of higher education.~~

~~**EDP 2.5** Utilize adult education providers, economic development agencies, and other Jefferson County residents to promote learning and mentoring opportunities and provide programs that are responsive to the changing needs of the workplace.~~

~~**EDP 2.6** Encourage public and private agencies to expand existing programs and establish new occupational programs that provide work experience for high school students.~~

GOAL:

EDG 3.0 Establish a Targeted Industry Program that promotes Jefferson County's strengths, and advantages, and potential in the following industries:

- Health Care;
- Gerontology/Retirement;
- Marine Trades;
- Natural Resources;
- High-Technology
- ~~Health care and retirement;~~
- ~~Marine trades;~~
- **Value-added wood products;**
- Agriculture/Aquaculture;

- **Telecommunications;**
- **Tourism (including Native, Cultural, and Agricultural) High Technology; and**
- **Local and Native Arts (including fine arts and crafts)**

POLICIES:

EDP 3.1 Support efforts of economic development agencies to:

- a. Establish criteria for a targeted industry program;
- b. Utilize the established criteria to prioritize economic development efforts; and
- c. Seek funding for the targeted industrial program.

EDP 3.2 Encourage businesses that:

- a. ~~provide~~ Pay family living wages;
- b. ~~are low impact~~ Mitigate ~~for~~ their impacts ~~on~~ public infrastructure and ~~the~~ natural environment;
- e. ~~are resource based~~;
- c. Add value to natural resources;
- d. Are environmentally sound;
- e. Expand the County's tax base;
- e.f. Enrich the County's cultural and health care resources; and
- g. Address the needs of an aging population.

EDP 3.3 Encourage the expansion of employment opportunities in the economic sectors identified in the Targeted Industry Program.

GOAL:

EDG 4.0 Coordinate efforts with federal, state and accountable local economic development groups to promote a healthy and vibrant economic environment within Jefferson County.

POLICIES:

EDP 4.1 Encourage public-private cooperative partnerships to augment the County's economy, ~~provide increased~~ employment opportunities for to County residents, and that ~~are supportive of diverse businesses operations and investments, throughout the County.~~

EDP 4.2 Coordinate efforts with applicable federal, state and local agencies to provide facilities, attractions and support services for visitors.

EDP 4.3 Support efforts of the Economic Development Council, the Port of Port Townsend, the chambers of commerce and other agencies to attract new businesses that are compatible with Jefferson County's economic development strategy

EDP 4.4 Support the efforts of the Port of Port Townsend to identify the Jefferson County International Airport (JCIA) as a self-supporting essential public facility. This may include, but is not limited to, the siting of appropriately scaled aviation and non-aviation-

related industrial/manufacturing activities in the Airport Essential Public Facilities District.

EDP 4.5 In accordance with County-wide Planning Policy 7.5, recognize the legislative authority of the Port of Port Townsend as a valuable tool to implement industry, trade strategies and promote employment opportunities.

GOAL:

EDG 5.0 **Provide regulatory incentives to encourage and facilitate economic opportunities within the County.**

POLICIES:

EDP 5.1 Continue to work with state, federal and local agencies to coordinate and streamline environmental review procedures and processes.

EDP 5.2 Continue to work towards internal coordination and consistency in the application of development regulations and standards.

EDP 5.3 Periodically review and update, if necessary, land-use and permitting procedures to assure that regulatory processes are understandable, predictable and timely.

EDP 5.4 Develop planned actions under SEPA for geographic areas, such as master planned resorts, urban growth areas, and limited areas of more intensive rural development.

GOAL:

EDG 6.0 **Encourage and support ~~appropriate rural~~ economic development for rural and urban lands throughout Jefferson County.**

POLICIES:

EDP 6.1 Use land use designations such as Industrial Land Banks (ILBs), Major Industrial Developments (MID), Urban Growth Areas (UGAs), Limited Areas of More Intense Rural Development (LAMIRD), Rural Village Centers, Rural Crossroads, and the allowed uses specific to each designation to support regional alliances and economic clusters to attract investment and sustain economic activity. In conjunction with the City of Port Townsend, develop a process for authorizing the siting of new major industrial developments outside of designated Urban Growth Areas that is consistent with the provisions of RCW 36.70A.365 and pursuant to the County-wide Planning Policy.

~~**EDP 6.1.1** Any proposed major industrial development located outside of a designated UGA and which meets all the criteria set forth in RCW 36.70A.365 cannot be developed as a commercial shopping development or as multi-tenant office parks.~~

EDP 6.2 Encourage the establishment of new sustainable natural resource-based activities in rural areas to increase employment opportunities.

~~**EDP 5.2.1** Natural resource-based activities shall be located near the agriculture, mineral, aquaculture or forest resource upon which they are dependent.~~

- EDP 6.3** Allow for low-impact home-based businesses and cottage industries, agritourism including bed and breakfasts, small scaled tourist and recreational uses, and other uses that serve tourists and the traveling public, in rural residential areas, ~~subject to review procedures and permitting.~~
- EDP 6.4** Encourage the provision of technology that fosters home-based businesses, (i.e., telecommuting, fiber optics, etc.).
- ~~**EDP 6.5** Encourage senior living facilities that have multi-modal access to commercial districts and health care facilities.~~
- ~~**EDP 6.6** Encourage senior nursing facilities~~
- ~~**EDP 5.5** Develop criteria for the variety and siting of home-based businesses with low impacts on rural residential properties and amend the zoning code as necessary.~~
- EDP 6.6** Encourage ~~small-those~~ businesses and cottage industries that ~~manufacture-produce~~ value-added ~~wood-products and products using regional agricultural commodities.~~
- ~~**EDP 6.7** Encourage local recycling industries.~~
- ~~**EDP 6.8** Encourage businesses which focus on environmental management, research and restoration.~~
- EDP 6.7** Conserve and enhance existing agriculture and encourage future innovative agriculture ventures and technologies.
- EDP 6.8** Direct new industrial/associated commercial development in the Glen Cove area to areas within the logical boundaries established under the provisions of RCW 36.70A.070(5)(d) while continuing to work with the City of Port Townsend, Port of Port Townsend, PUD, economic stakeholders and committed, capable, supportive, and accountable economic development agencies regarding capital facility, ~~and land use and transformance of governance issues affecting potential future implementation of a UGA in the area.~~
- ~~**EDP 6.9** Protect the Port of Port Townsend's industrial properties, waterfront and all other public assets entrusted and managed by the Port and established by legislative mandate to enhance economic vitality and quality of life for the citizens of Jefferson County.~~

GOAL:

- EDG 7.0** ~~Support the full range of human and social services~~ **Support the full range of human and social services as necessary to encourage a strong local economy and support a healthy community.**

POLICIES:

- EDP 7.1** Support ~~development of social service agencies facilities and programs that~~ **support promote** employment and the culture of work, opportunities, meet address community needs, and help maintain a vibrant healthy working community. ~~Jefferson County's quality of life.~~

EDP 7.2 Support the location, development and maintenance of special needs, social service facilities within the boundaries of designated Rural Centers and Urban Growth Areas, including but not limited to job retraining, health care, day care, elder care, education, transportation, nutrition programs, and food banks.

EDP 7.3 Create facilities to meet the needs of an aging population; health care, recreation, housing, and social services must be accessible and able to adapt as the population ages.

EDP 7.4 In cooperation with local jurisdictions and appropriate state and federal agencies, encourage improved access to social services at locations proximate to populations being served (i.e., the Rural Village Centers and Urban Growth Areas) and to adequate transportation services including public transit.

GOAL:

EDG 8.0 **Promote the development of tourist and tourist-related activities as a provider of employment and business opportunities in Jefferson County.**

POLICIES:

~~**EDP 8.1** Build on the County’s comparative advantages and natural attractions for visitor services by encouraging lodging, retail and transportation services to be located in those Rural Centers that have the necessary infrastructure.~~

EDP 8.1 Provide infrastructure for tourist services and promote agricultural tourism, eco-tourism, and native and cultural tourism with revenue generated from the lodging tax. Encourage local efforts to improve and market visitor services. Promote the North Olympic Peninsula Visitor and Convention Bureau in its efforts to market the region.

EDP 8.2 Encourage efforts to ~~develop, refurbish and maintain~~preserve scenic open space, cultural, historic and native villages and local heritage-cultural resources that are attractive to both local residents and visitors.

EDP 8.3 Encourage the development of small businesses, services, cultural attractions and special events that capture and support tourism. ~~Within Jefferson County’s isolated West End~~ allow-Identify wider uses for these small businesses to also furnish goods and services to the traveling public and local population.

EDP 8.4 Encourage public access to waterbodies and scenic drives through signage, maps, scenic pull-offs, public information programs and other means of identifying areas and features of interest.

~~**EDP 7.6** Develop, enhance and promote Jefferson County’s visitor, cultural, historical, entertainment, and recreational facilities and attractions to foster tourism.~~

~~**EDP 7.7** Support Jefferson County as a visitor destination by preserving and enhancing the County’s unique qualities.~~

GOAL:

EDG 9.0 Encourage economic development that ~~conserves~~ sustains natural resources and open spaces, protects environmental quality and enhances Jefferson County's overall quality of life.

POLICIES:

~~EDP 9.1~~ Promote economic development that does not adversely impact the natural or built environment.

EDP 9.2~~1~~ Support and protect the economic value and long-term sustainability of Jefferson County's environmental resources.

EDP 9.3~~2~~ Develop and update land use policies that conserve resource lands and provide sustainable employment opportunities.

GOAL:

EDG 10.0 Provide, maintain and encourage phased infrastructure development that is adequate to attract and accommodate desired economic growth in ~~appropriate~~ areas of Jefferson County consistent with the requirements of the Growth Management Act.

POLICIES:

EDP 10.1 Support and coordinate efforts with the City of Port Townsend, Port of Port Townsend, PUD, Port Ludlow MPR, infrastructure service providers, and/or other stakeholders to conduct special studies that identify and evaluate infrastructure needs in areas targeted for future commercial and industrial development.

EDP 10.2 Ensure that proposed infrastructure and levels of service create opportunity and are able ~~adequate~~ to support current and projected needs.

EDP 10.3 Investigate new and/or innovative infrastructure, such as wireless or fiber-optic telecommunications technology, to link Jefferson County with other areas.

EDP 10.4 Support efforts to establish public transit service linking Jefferson County with ~~ferry service at Kingston,~~ surrounding areas.

~~EDP 10.6~~ Protect the Port of Port Townsends industrial properties, waterfront and all other public assets entrusted and managed by the Port and was established by legislative mandate to enhance economic vitality and quality of life for the citizens of Jefferson County.

STRATEGIES

A. ADEQUATE LAND AND INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT

Jefferson County's economic development strategy includes ensuring that land use and planning decisions provide for an adequate supply of ~~appropriately~~ appropriate zoned land, appropriate public services and infrastructure, and an efficient and timely permitting process to facilitate the development of future industrial, commercial, and manufacturing activities.

Action Items

~~1. When reviewing development applications for commercial and industrial projects, ensure that the proposed project includes measures to minimize environmental impacts, harmonize and/or complement the immediate natural and/or built environment, while not impacting in a significant way the economic viability of the project. (Corresponding Goal: 5.0)~~

~~2.1. Establish an Industrial Land Bank in close proximity to a UGA for the siting of major industrial developments outside designated Urban Growth Areas that is consistent with RCW 36.70A.365 and 36.70A.367 (Corresponding Goal 6.0) Actively participate in recycling programs. (Corresponding Goal: 6.0)~~

~~3. Require home-based businesses to renew all applicable permits every three (3) years. (Corresponding Goal: 6.0)~~

~~3.2. In cooperation with the City of Port Townsend, the Port of Port Townsend, private enterprises, and committed, capable, supportive, and accountable Economic Development organizations, pursue a study of industrial and commercial lands County-wide to determine whether there is an adequate land base to support future economic development activities. Among other things, this study should identify suitable land in urban, rural and resource settings. (Corresponding Goal: 5.0)~~

~~3. Provide opportunities and infrastructure for senior living inside or in close proximity to commercial centers and recreation centers
Provide opportunities and infrastructure for nursing facilities~~

~~1. Based upon the results of the Glen Cove/Tri Area Study, develop policies to address development patterns, and infrastructure and service provisions in the study area as needed.
(Corresponding Goals: 6.0, 10.0)~~

~~7. If merited, in conjunction with the Glen Cove/Tri Area Study results and in cooperation with the City of Port Townsend, develop a scope of work to support the development of a Master Plan for the Glen Cove industrial/associated commercial area. The Master Plan shall specify the types of uses targeted, overall building and site design, operations and management, and necessary improvements including open space, water, sanitary sewer, storm water facilities, landscaping, and traffic circulation and control. (Corresponding Goal: 6.0)~~

- ~~8.4.~~ Support farming as an essential part of local and regional economy and support food and farm product supplyuses that add value to agricultural products and sustain agriculture in rural lands. (Corresponding Goals: 1.0, 6.0)
- 4.5. Work with educational professionals and economic development authorities to obtain additional funding to support existing educational programs such as those operated by the Jefferson Educational Foundation. (Corresponding Goals: 1.0, 2.0)
- ~~7.6.~~ Aid local efforts, ~~such as the Higher Education Needs Assessment Committee,~~ to secure an expanded Peninsula College Branch Campus. (Corresponding Goals: ~~1.0,~~ 2.0)
- ~~8.7.~~ Actively promote mentorships, apprenticeships, vocational training and educational opportunities that strengthen and increase the skills available in the local workforce. (Corresponding Goals: 1.0, 2.0)
- ~~12.8.~~ Encourage educational outreach programs (such as WSU, Peninsula College, Northwest School of Wooden Boatbuilding, and private programs) designed to train people in recreational and tourist related activities, small scale entrepreneurship, and marine trades. (Corresponding Goal: 2.0)
- ~~13.9.~~ Request quarterly visits to distressed areas by State Job Training Office employees to ~~discuss~~ encourage incentives to work, educate the population about the culture and ethics of work, and look for job opportunities and training programs with-for unemployed adults and teens. (Corresponding Goal: 2.0)
- ~~14.10.~~ Actively engage Community Trade and Economic Development's (CTED) Tourism ~~Program Office and Lodging Tax Advisory Committee (LTAC)~~ in promoting distressed areas of Jefferson County as tourist destinations. (Corresponding Goal: 8.0)
- ~~15.11.~~ In cooperation with pertinent State and Federal agencies, the County should work towards developing a plan to ensure the delivery of appropriate services (i.e., education, transportation, etc.) to the special needs populations. ~~Sites for future facilities to serve the special needs population should be concentrated in the City of Port Townsend and the Rural Centers to take advantage of existing services in these areas.~~ (Corresponding Goal: 4.0)
- ~~16.12.~~ When rewriting the land use codes, efforts should be directed towards: ~~County staff will work towards:~~
- Integrating and simplifying land use regulations;
 - Ensuring current procedures provide efficient and effective processing, monitoring and decision making;
 - Developing multiple permitting process tracks to allow increased flexibility and rapid processing of development applications that conform to a prescribed set of regulations. (Corresponding Goal: 5.0)
- ~~17.13.~~ Review the County's permit review process to ensure current procedures provide efficient, timely and effective processing, monitoring and decision-making. (Corresponding Goal: 5.0)
14. Facilitate the construction of a sewer system for the Irondale/Hadlock UGA to provide greater opportunities for residential, industrial and commercial uses. (Corresponding Goal: 10.0)

B. INITIATIVE TO ATTRACT NEW ECONOMIC DEVELOPMENT

Jefferson County's strategy for economic development incorporates partnerships with agencies, organizations, educational institutions, and local government to foster and attract new economic development activities which are consistent with the County's resources, vision, and rural character.

Action Items

~~1. Initiate a cooperative effort between the City, County, Port of Port Townsend, Economic Development Council (EDC) and local Chambers of Commerce to develop a program to assist existing businesses expansion and to encourage new businesses to consider locating in areas which are appropriate to the County's resources and overall economic development vision. (Corresponding Goal: 4.0)~~

~~Encourage the development of incentives to encourage and maintain local recycling based (Corresponding Goal: 6.0)~~

~~1. Create opportunities for Private Senior Housing development from independent living to nursing facilities (Corresponding Goal: 6.0)~~

~~1. Investigate incentives, tax breaks, or direct subsidies to encourage the development of ecosystem rehabilitation industries. (Corresponding Goal: 6.0)~~

~~4.2. In cooperation with other economic development entities, develop a process to identify the availability of financial assistance to support the production of value-added ~~wood~~ products for resources such as timber~~wood~~, agriculture, and native art and provide incentives for ~~small~~ businesses and cottage industries. This process should also identify the availability of incentives, ~~tax breaks, or direct subsidies~~ to encourage ecosystem rehabilitative industries. (Corresponding Goal: 3.0)~~

~~5.3. Maintain, enhance and C~~onserve agricultural lands for production through the following means:

- Continue to provide tax incentives (Open Space or Current Use assessments);
- Support opportunities for value-added agricultural products;
- Continue to provide technical assistance, such as resource conservation plans prepared by the Jefferson County Conservation District or Natural Resources Conservation Service and programs developed by Washington State University Cooperative Extension;
- ~~Allow and encourage small scale agricultural uses within both rural and urban areas; and~~
- Discourage incompatible uses on adjacent lands, through increased setbacks, limits on utility extensions in agricultural areas, right-to-practice agriculture ordinances, and notification to residential landowners of potential incompatible uses. (Corresponding Goal: 9.0)

~~6.4. Ensure the County's implementation regulations maintain access for the public to the County's various waterbodies, both fresh and salt water, and encourage the creation of tourism related facilities throughout the County including, but not limited to, convention facilities, hotels, bed and breakfast facilities, public and private parks, campgrounds, recreational facilities, and other facilities which will attract and cater to tourists. (Corresponding Goals: 5.0, 8.0)~~

5. In cooperation with utility providers, develop a co-location utility siting agreement to encourage co-use of utility corridors. (Corresponding Goal: 4.0)
6. Support opportunities for alternative energy and alternative fuel plants such as bio-diesel or wind generation.
- ~~8.7.~~ Work with the City of Port Townsend and telecommunications utility providers in an effort to identify ways by which high capacity fiber optic cables and wireless technologies can be best sited to serve the County. (Corresponding Goal: 4.0)
8. Streamline development review processes and regulations to ensure that permitting is timely and effective and does not impose unnecessary cost to the applicant. (Corresponding Goals: 1.0, 4.0)