

MEMORANDUM

To: Joint Growth Management Steering Committee (JGMSC)

From: The Inter-Jurisdictional Staff Team (Al Scalf, Jefferson County; Rick Sepler, City of Port Townsend; Eric Toews, Port of Port Townsend; and Bill Wise, Team Jefferson)

Date: October 18, 2010

Re: Joint Economic Development Planning – Background, Process, Key Themes in the Economic Data, and Next Steps

Background

In February of this year, the County, City and Port began working together to develop a joint strategy for sustainable countywide economic development. The three jurisdictions recognize coordination and collaboration are necessary for our community to effectively compete in the broader regional, national and global economy. And, given the protracted and severe economic downturn affecting the nation and our area since late 2008, inter-jurisdictional cooperation is imperative.

The jurisdictions understand that our community's economic future is anything but certain. In the face of this uncertainty, our shared challenge as a community is to fairly assess available economic data, factor known constraints, and take specific actions that build upon our economic strengths and existing assets.

Purposes

Accordingly, the purposes of the Joint Economic Development Planning Process are as follows:

- To collect and evaluate the best available data concerning the Jefferson County economy and future prospects to enable us to make informed decisions about the future;
- To involve the public and key stakeholders in developing a common economic development vision that is based upon the data; and
- To develop coordinated and complimentary economic development policies, and most importantly – effective action steps – to ensure that the County, City and Port are working together to promote the economic health of our community.

Guiding Principles

With these purposes agreed upon, the County, City and Port jointly endorsed a process for the development and implementation of the Joint Economic Development Strategy in February of this year. The process is based upon three key principals:

1. **Have highly qualified independent experts review existing data, speak with key business leaders and assess the current state of the local economy.** Through the use of independent professionals, with demonstrated expertise in their field, we can identify a common set of facts to help inform the community discussion.
2. **Provide opportunities for meaningful community input to “truth” and understand the data, and identify potential economic development strategies.** No one knows this community as well as the people who live and work here. In some cases the data may be incomplete or more helpful information may be available. The agreed upon process provides a number of varied opportunities and settings that will foster substantial and important public dialogue critical to successful outcomes.
3. **Ensure that proposed process outcomes are reflective of available economic data, incorporate independent professional advice, and reflect the direction provided by the community and key business leaders.** In order for any proposed outcomes to succeed, the agreement and support of both private and the public sector leaders critical.

Obviously, no “magic bullet” will solve the economic challenges affecting our community. And, the capacity for County, City and Port governments to shape our economy can sometimes be overstated. Nevertheless, there are opportunities to improve our economic health if the three jurisdictions work together, instead of separately. The ultimate objective of this process then, is to identify the actions that will benefit the entire community, and effectively cooperate to implement them as quickly as possible.

Process Overview

The County, City and Port have agreed to a process that has three distinct phases (see Attachment D: *Process Flowchart*), as follows:

1. **Pre-Planning (COMPLETED).** This phase defined the process, resulted in the hiring of an independent economic consultant, and in the adoption of an Interlocal Agreement (ILA) between the jurisdictions to guide the economic development planning effort.
2. **Research and Analysis (IN PROGRESS).** The economic consultant hired for the planning effort (E.D. Hovee & Company) has made significant progress in reviewing and assessing available economic data for our community and has

prepared a summary “snap shot” of local economic activity that is provided in the attached *Existing Conditions Report* (see [Attachment F](#)). This material has been supplemented by a summary of the issues raised during the business sector interviews conducted and facilitated by Team Jefferson. Additionally, relevant information drawn from the on-going demographic work facilitated by the Jefferson County Health Department has also been provided (see [Attachment G](#)).

The “Elected Working Group” (described below) and staffs of the three jurisdictions have preliminarily identified several “key themes” from the data collected and assessed thus far. These themes are intended to serve as a starting point for community discussion, though it is expected that they will evolve and develop further based on community and key stakeholder input. Community involvement is critically important to the success of the project and a number of opportunities for meaningful public participation will be provided. Between now and Thanksgiving, Team Jefferson will be conducting Focus Group Sessions with key business and community leaders. Three community meetings have been scheduled in January - one each in Port Hadlock, Quilcene and Port Townsend. The Joint Growth Management Steering Committee (JGMSC) will also serve as a forum for receiving public comments during its meetings.

Once the Focus Group Sessions and community meetings have concluded, the County, City and Port staffs working in concert with the economic consultant and Team Jefferson will prepare a Draft Coordinated Economic Strategy. This draft strategy will be presented to the community at a meeting of the JGMSC.

- 3. Public Review, Adoption and Implementation.** The Draft Joint Economic Strategy will then be formally reviewed through joint workshops and hearings held before the County Commissioners, City Council and the Port Commission. Completion of the process contained in the Draft Joint Economic Development Planning Agreement will substantially improve our community’s prospects for shared economic success.

Partners in the Process

Elected Working Group. Comprised of the Chair of the Board of County Commissioners, the Mayor of Port Townsend, and the President of the Port Commission, the Elected Working Group is responsible for overseeing the process. This group will be reviewing and considering the work products prepared by the economic consultant, along with input received during Focus Group Sessions and community meetings, and provide direction to Team Jefferson in developing a Draft Economic Development Direction Statement.

Team Jefferson. Team Jefferson will support the Joint Planning Process by working with both the Elected Working Group and inter-jurisdictional staff team to define and facilitate the involvement of the local business community in the process and moderate

the Economic Development Focus Group Sessions. Team Jefferson will also take the lead in crafting the draft Economic Development Vision based upon feedback received during the Focus Group Sessions.

Joint Growth Management Steering Committee (JGMSC) - The JGMSC will serve as a public forum in which to present and provide information to the public regarding key deliverables prepared during the economic development planning process, and to accept informal public comment. Later in the process, the JGMSC will be reviewing and commenting on the draft Joint Economic Development Strategy and providing recommendations regarding the draft to the County, City and Port. Following adoption of the joint strategy by the County, City and Port, the JGMSC will also be involved in a consultative and advisory capacity in periodic amendments of County and City comprehensive plans.

Economic Consultant (E.D. Hovee & Company (EDH)) - The economic consultant will provide independent professional expertise developing the economic data, assessing the implications of the data, and recommending approaches for the community to build upon its strengths and seize economic opportunities. EDH has been selected to fulfill this important role. Since 1984, EDH has conducted market and feasibility assessments, economic development planning analyses and targeted business development strategies for public agency, private and non-profit organizations – focused primarily in the Pacific Northwest states of Washington and Oregon.

Inter-Jurisdictional Staff Team. The staff team (comprised of County, City and Port staff representatives) will work to facilitate and summarize the results of the public process. Additionally, staff will support the Elected Working Group, the JGMSC and their respective elected officials.

The Community. The residents and business owners of Jefferson County are key participants in this process. A number of opportunities and venues have been provided for the public to meaningfully assist and shape the outcome of this process.

Themes from the Economic Data

Based on EDH's *Existing Conditions Report* (see [Attachment F](#)) and relevant information drawn from the ongoing demographic work facilitated by the Jefferson County Health Department (see [Attachment G](#)), the Elected Working Group and Inter-Jurisdictional Staff Team have identified several recurring themes. The themes are arranged under two organizing questions:

- How can we build upon our existing strengths?
- How can we overcome our weaknesses?

These themes are not intended to be the complete listing of the many needs of our community. Instead, they are presented as a starting point for discussion, and are merely intended to suggest pathways for further exploration. We will be enlisting the business community and wider public to assist in framing the correct issues, identifying the right action steps to best support our businesses and the health of our economy.

Building on Our Strengths

Our community enjoys a high quality of life, relative proximity to the Seattle metro area, and has a high proportion of non-local based income (i.e., retirement income). We're internationally recognized as a visitor destination. Additionally, boldness, passion, and a willingness to take risks characterize the entrepreneurial spirit of Jefferson County. We are blessed with superb craftspeople, artisans, professionals, innovators and entrepreneurs that have "can do" attitudes.

How can we build upon these existing strengths? Three key themes are suggested:

- 1. Maintain Our Environment and Unique Natural Setting.** Our spectacular natural setting and natural environment is central to our quality of life, and is an attraction for prospective businesses, visitors and new residents. We should recognize its importance to our local economy and preserve it.
- 2. Support Innovation.** Our community needs to retain and grow jobs – and our entrepreneurs and innovators deliver this energy. We can support an innovation-based economy by nurturing our talent through investments in education and key infrastructure improvements, like broadband capability. Broadband capacity is important for applications ranging from distance learning to telemedicine to telecommuting and e-commerce. Advancing these efforts is vital to our long-term success and our ability to attract and keep younger working families.
- 3. Promote Jefferson County as a Visitor Destination.** Continue to strengthen Jefferson County's position as a highly desirable destination for visitors.

Overcoming Our Weaknesses

Jefferson County and the City of Port Townsend are separated by significant travel times to major markets. This geographic separation and the intervening bridge and ferry connections, makes our community particularly vulnerable to transportation disruptions. We also have high, and increasing, service sector needs – an indication of our rapidly aging demographic. Perhaps most strikingly, our community's average and median wages are comparatively low, while our housing costs are quite high. How can we overcome these weaknesses? Two themes are suggested:

- 4. Enhance Regional Connectivity.** Overcome location and transportation disadvantages through enhanced infrastructure, including improved communications and transportation linkages.
- 5. Help Families Flourish Through Innovation, Education and Key Infrastructure.** Attract and retain younger working families by fostering an innovative economy, strengthening existing educational assets and providing key needed infrastructure.

Next Steps

On October 28th, the JGMSC will meet to review and discuss the data and analyses attached to this memo, the key themes identified in this memo, and to receive initial public comment on the purposes and process for formulating the Joint Economic Development Strategy. Between now and Thanksgiving, Team Jefferson will be conducting a series of Focus Group Sessions with community business leaders and key stakeholders to learn what they think our community's economic vision for the future should be. From the feedback provided in these sessions, Team Jefferson will prepare a draft Economic Development Vision.

During the last three weeks in January, a series of three Community Workshop meetings will be held throughout the County to present the economic data, "key themes", Focus Group Session feedback, and the Draft Economic Development Vision. These workshops will also provide an opportunity to solicit critical feedback, listen to community concerns, and hear proposed solutions. In February of 2011, the JGMSC will meet again to review the Draft Economic Development Vision and consider the feedback received during the community workshops.