



ST. MICHAEL MEDICAL CENTER, SILVERDALE, WA

CHAPTER 2

Economic Development

Chapter 2 / **Economic Development** **Element**

VISION

As part of the Greater Seattle market, Kitsap County has a place in one of the most diverse, innovative, and competitive regional economies in the world. While an integral part of the regional economy, Kitsap County also has a local economy all its own, especially given its natural separation from Seattle by water.

Kitsap County uses land use planning, efficient regulatory processes, solid infrastructure, and environmental protections to maintain a high quality of life that attracts desired businesses, providing for a prosperous and diversified economy with living-wage jobs for residents. Kitsap County takes advantage of its abundant natural beauty, miles of shoreline and many acres of forest lands as assets that contribute to the scenic beauty of the area and to its economic value as they attract tourists.

INTENT

The Economic Development element aims to encourage economic development in Kitsap County that considers the regional economic context and is suited to the unique conditions of the county. The element is designed to build capacity and guide the economic prosperity and resiliency of Kitsap County. The Economic Development goals, policies, and strategies provide the framework to improve and sustain Kitsap County's fiscal, economic, and social conditions utilizing local resources, partnerships, and economic opportunities.

GROWTH MANAGEMENT ACT AND REGIONAL COORDINATION

The Growth Management Act (GMA) sets forth planning goals to guide the development of comprehensive plans. The following GMA planning goal directly addresses economic development:

Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

In support of this planning goal, the GMA requires that a comprehensive plan have an economic development element. The economic development element is to include provisions for "economic growth and vitality and a high quality of life."



The central Puget Sound region is comprised of four counties: Snohomish, King, Pierce, and Kitsap. Collaboratively, these counties and entities within them are charged with jointly planning for the transportation, land use, and economic development needs of the region through the Puget Sound Regional Council. VISION 2050 is the region's current plan for growth.



VISION 2050 carries forward many of the economic policies from the prior plan (Vision 2040); however, the following economic policy areas were expanded or added to when it was updated in 2020:

- Retention and recruitment of locally, women-, and minority-owned small businesses and start-ups and established and emerging industries, technologies, and services that promote environmental sustainability
- Strategies to expand access to opportunity
- Strategies to address and prevent commercial displacement
- Promotion of environmental and socially responsible business practices that address climate change and improve health outcomes
- Recognition of the contributions of the region's culturally and ethnically diverse communities, institutions, and Native Tribes

The Kitsap Countywide Planning Polices, which inform the development of comprehensive plans for jurisdictions in the county, have been updated to be consistent with the GMA and VISION 2050.

RELATIONSHIP TO OTHER ELEMENTS

Economic Development goals, policies, and strategies in Kitsap County's Comprehensive Plan are interconnected to the strength, structure, and implementation of other comprehensive plan elements including Land Use, Housing, Transportation, Capital Facilities, Parks, Recreation and Open Space, Climate Change, and Environment. For example, the Land Use element ensures an adequate amount of land is appropriately zoned to accommodate a variety of employment opportunities. And the Housing element plans for affordable housing options for the workforce to live near employment centers.

BACKGROUND

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. Overall, the defense sector accounts for nearly half of Kitsap’s economic output and workforce. Kitsap provides strong support of Naval Base Kitsap and its diverse missions. As a result, 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.

The two strongest factors that impact Kitsap’s economy are regional effects from Greater Seattle and localized effects from Naval Base Kitsap. The former is one of the nation’s most vibrant economies. The latter has an annual economic impact in the region of more than \$4 billion, with billions more forecast for investment and modernization of installations through 2038.

Kitsap also has a “homegrown” private sector that headquarters a small set of firms here with a footprint beyond our borders: SAFE Boats International, Watson Furniture, Farbank, and Town and Country Markets are all examples of companies that either started in Kitsap or saw significant growth here. The largest private employer in the community is St. Michael Medical Center, while our community’s tribal corporations, Port Madison Enterprises and Noo-Kayet Investments, are also among the top private employers. For a more diverse economic future, private sector industries currently showing promise to mature into larger clusters include maritime, health care, and tourism.

Post-pandemic, the cost of living in Kitsap generally resembles the rest of Puget Sound. Our Bremerton-Silverdale-Port Orchard metro area costs are generally the same as Tacoma, Bellingham, and Olympia. In some cases, it is slightly more expensive here. All these cities remain more affordable than Seattle. Other data points to a rise in Kitsap’s income and costs, such as weekly wage growth (12.7% in Kitsap, second highest in the nation, from Q3 2021-2022) and median home prices (which increased by 38.1% from March 2020 to 2022).

More than half of Kitsap County residents are cost-burdened, spending more than a third of their income on housing. Affordable housing is difficult to attain in the community. The median cost of a home in Kitsap, excluding Bainbridge Island, is more than \$500,000. Meanwhile, a new garden-style one-bedroom apartment in Kitsap, regardless of location, starts at around \$1,700 a month.

Kitsap is growing and on track to achieve or exceed its population targets. Drivers behind population increases are not only our community’s relative affordability to Seattle, but the changes in business and personal lives driven by the COVID pandemic, from the rise of remote work to the attractiveness of having a home in a more rural area or otherwise placing a greater value upon quality of life. Another contributing factor making Kitsap attractive to talent is the rise of Kitsap Transit’s fast ferry fleet.



KEY TERMS

BIPOC – Refers to Black, Indigenous, and People of Color. Often used to refer to members of nonwhite communities.

Displacement – Occurs when residents can no longer afford to remain in their homes due to rising housing costs. Causes can include limited availability of housing choices for low-income residents supports and services that low-income families rely on disappearing from their neighborhood, and eviction, acquisition, rehabilitation, or demolition of property.

Economic cluster – Local concentrations of similar or complementary industries.

Equity impact analyses – An examination of any disproportionate (positive or negative) impacts affecting a particular group when compared to other groups and addressing said disparities through targeted actions. Examples of impacts are opportunities, outcomes, and representation.

High potential sector – An area poised for growth and profitability. Examples are technology, healthcare, and energy.

LGBTQIA+ - An inclusive term that encompasses people of all genders and sexualities. The acronym stands for lesbian, gay, bisexual, transgender, queer, intersex, asexual and other identities.

Living wage job - An income level that allows individuals or families to afford adequate shelter, food, and other necessities.

Median wage – The income amount that is directly in the middle of the income range. Half the population earns less than the median wage and the other half earns more than the median wage.

Social Determinates of Health – Nonmedical factors that influence health outcomes. These are conditions in the environment in which people are born, grow, live, learn, work, play, worship, and age that shape health. Examples of nonmedical factors include physical environment, patterns of social engagement, and one’s sense of security and well-being.

Social Equity – Refers to impartiality, fairness, and justice for all people in social policy. Considers systemic inequities that affect different groups of people and works to eliminate them.

Socioeconomic demographic – Refers to the absolute or relative levels of economic resources, power, and prestige closely associated with wealth of an individual, specific population, or community. This is a multidimensional construct comprising of such factors as income, education, and employment status.

Shoreline Master Program (SMP) – [KCC Title 22](#) Guides the future development of the shorelines in Kitsap County in a manner consistent with the Shoreline Management Act of 1971, comprised of basic state and county law regulating use of shorelines in the county.

ECONOMIC DEVELOPMENT GOALS, POLICIES, AND STRATEGIES

Economic Development Goal 1. Promote economic Growth and Investments

Promote healthy economic growth and investments that support livable and resilient communities that are fueled by innovation and the diverse people and businesses of Kitsap County.

Economic Development Policy 1.1. Foster awareness of the economic development efforts in Kitsap County.

Economic Development Policy 1.2. Make necessary and encourage ambitious investments in workforce and education.

Economic Development Policy 1.3. Invest in efficient, cost-effective capital improvements and programs necessary for commerce and industry to thrive and increase the prevalence of living-wage jobs.

Economic Development Policy 1.4. Support funding as needed to maintain and grow programs that promote enhanced community economic outcomes.

Economic Development Policy 1.5. Promote the long-term strength of the local economy by retaining and further developing a skilled workforce, which attracts and retains businesses.

Economic Development Policy 1.6. Enhance economic outcomes for Kitsap's youth and families and increase participation of women in the workforce.

Economic Development Strategy 1.a. Collaborate with cities, tribal governments, Kitsap Economic Development Alliance (KEDA), ports and other local districts, and the private sector in pursuit of economic development.

Economic Development Strategy 1.b. Collectively execute effective economic development programs in business retention, expansion, and startup efforts with applicable agencies, organizations, and jurisdictions.

Economic Development Strategy 1.c. Support investments and offer incentives in the development and/or redevelopment of the Silverdale Regional Center.

Economic Development Strategy 1.d. Increase allowable density of housing within designated Urban Growth Areas (UGA) to allow for incoming growth, amplifying nearby commercial and retail environments, and improving access to services.

Economic Development Strategy 1.e. Support workforce development programs.

Economic Development Strategy 1.f. Promote access to and development of exceptional K-12, trade programs, and higher education opportunities that lead directly to career pathways (for example: apprenticeship, trade, and technical education).



Economic Development Strategy 1.g. Solicit employer feedback to determine what current and future careers are likely needed in the local workforce mix.

Economic Development Strategy 1.h. Support investments in and growth of early childhood education and childcare centers.

Economic Development Goal 2. Government operations and regulations

Foster a business-friendly climate through county government operations and regulations.

Economic Development Policy 2.1. Enact employer, investor, worker, and business-friendly policies.

Economic Development Policy 2.2. Make necessary infrastructure investments including transportation, sewer, water, electricity and broadband to accommodate Kitsap's growth, maximize opportunity, and maintain a high quality of life.

Economic Development Policy 2.3. Establish a diverse mix of commercial, industrial, and retail land uses.

Economic Development Policy 2.4. Encourage full utilization and development of industrial and commercial zoned areas.

Economic Development Policy 2.5. Promote a balance between economic growth and protection of Kitsap County's environmental assets and rural character.

Economic Development Policy 2.6. Support efforts to enhance economic, visual, and environmental qualities of rural areas.

Economic Development Strategy 2.a. Promote positive relationships with economic development stakeholders as valued members of Kitsap County through collaborative discussions of redevelopment, regulations and incentives.

Economic Development Strategy 2.b. Provide timely customer service, permitting support and resources to businesses looking to establish roots, relocate, or expand in Kitsap County.

Economic Development Strategy 2.c. Identify, avoid, and mitigate potential negative impacts to the environment due to economic growth and development.

Economic Development Strategy 2.d. Prioritize new infrastructure investments and redevelopment of existing infrastructure that is underutilized in industrial and commercial areas.

Economic Development Strategy 2.e. Focus economic development efforts in Urban Growth Areas, Commercial Districts, and Limited Areas of More Intense Rural Development (LAMIRDs) where appropriate.

Economic Development Goal 3. Jobs and business

Prioritize living wage jobs, business formation, retention, and expansion efforts in Kitsap County.

Economic Development Policy 3.1. Support entrepreneurship and innovation.

Economic Development Policy 3.2. Promote increased broadband internet service as a necessary public utility.

Economic Development Policy 3.3. Support new business development.



Economic Development Strategy 3.a. Support programs that grow entrepreneurship through creative, programmatic, and collaborative efforts by individuals, business, and organizations.

Economic Development Strategy 3.b. Increase broadband offerings, particularly access and affordability for underserved residents.

Economic Development Strategy 3.c. Prioritize the recruitment of firms that are above median wage or that are associated with targeted economic cluster efforts.

Economic Development Strategy 3.d. Collaborate with public and private partners to accommodate the interests and needs of new businesses forming and/or that wish to locate here.

Economic Development Strategy 3.e. Seek funding for business recruitment and formation research.

Economic Development Strategy 3.f. Support educational and economic programs that prioritize and encourage the ability of our youth to maintain residency in Kitsap County.



Economic Development Goal 4. Sustainability

Focus on Kitsap's strengths in building our economy for a healthy and sustainable economic future.

Economic Development Policy 4.1. Support economic development for emerging and growing private sector industries.

Economic Development Policy 4.2. Support maritime industry growth.

Economic Development Policy 4.3. Foster economic diversification.

Economic Development Policy 4.4. Encourage appropriate economic opportunities in rural areas.

Economic Development Policy 4.5. Recognize that the health and preservation of Kitsap County's natural environment increases economic activity.



Economic Development Strategy 4.a. Provide adequate infrastructure and land for industrial uses.

Economic Development Strategy 4.b. Continue to support efforts to improve the Gorst corridor and alleviate persistent traffic congestion.

Economic Development Strategy 4.c. Bolster maritime and health care industries to become larger economic clusters.

Economic Development Strategy 4.d. Amplify strong subsectors of industry in Kitsap, including but not limited to engineering, architecture, construction, advanced manufacturing, aviation, and technology.

Economic Development Strategy 4.e. Consider climate change resiliency when supporting and investing in utilities, infrastructure, energy, and health systems.

Economic Development Strategy 4.f. Consider opportunities in new technology, talent/migration, businesses, and investment.

Economic Development Strategy 4.g. Consider opportunities for shoreline industrial uses consistent with the Shoreline Master Program (SMP).

Economic Development Goal 5. Social determinants of health and economic vitality

Acknowledge and address economic disparities experienced by residents of Kitsap County.

Economic Development Policy 5.1. Work to decrease costs of living in Kitsap County.

Economic Development Policy 5.2. Mitigate the challenges of homelessness and avoid displacement in the community.

Economic Development Policy 5.3. Encourage economic activity capable of providing living-wage jobs reasonably scaled to the needs of the community.

Economic Development Policy 5.4. Recognize that a healthy economy is a foundation of positive social, community, health, and other outcomes.

Economic Development Policy 5.5. Identify and confront barriers within the community of access to medical care.

Economic Development Policy 5.6. Expand access to affordable healthy food and the community's capacity to produce, process, and distribute local foods.

Economic Development Policy 5.7. Support food-oriented programs that will stimulate economic growth, such as agritourism, food-oriented businesses, manufacturers, and distributors.

Economic Development Strategy 5.a. Incentivize mixed-use developments, multifamily housing, and other strategies to ensure affordability in Kitsap County.

Economic Development Strategy 5.b. Support community gardens, school gardens, farm-to-school programs, farmers or public markets, and other small-scale collaborative initiatives.

Economic Development Strategy 5.c. Consider alternative food retail models including pop-ups, mobile markets, and food trucks in collaboration with local businesses and the Kitsap Public Health District.

Economic Development Strategy 5.d. Support equitable and affordable access to medical care and health care support services.

Economic Development Goal 6. Full and equal access

Provide opportunities for all people in Kitsap County to benefit equitably from economic development services, processes, and investments, regardless of identity, community, or socioeconomic circumstances.

Economic Development Policy 6.1. Foster a climate of equity, inclusivity, and belonging in economic development processes.

Economic Development Policy 6.2. Work towards ensuring all socioeconomic demographics have access to housing in Kitsap.

Economic Development Policy 6.3. Increase opportunities for public participation and community engagement regarding Kitsap County's economic development priorities.

Economic Development Policy 6.4. Analyze social equity impacts in local economic development strategic plans, policies, programs, and budgets.



Economic Development Policy 6.5. Support tailored economic development efforts and investments for historically marginalized communities.

Economic Development Strategy 6.a. Meaningfully engage historically underrepresented populations in economic development processes, including BIPOC, immigrant and low-income communities, LGBTQIA+, individuals with disabilities, and unhoused people.

Economic Development Strategy 6.b. Explore using an equity impact analyses to encourage and support a diverse representation in economic development discussions.

Economic Development Strategy 6.c. Develop partnerships with historically marginalized groups and communities to support the economic vitality of Kitsap County.

Economic Development Goal 7. Tourism

Support tourism development, strategies, and programs.

Economic Development Policy 7.1. Collaborate with tourism organizations, port districts, the private sector, entities providing visitor services, and user groups to enhance outcomes in the tourism sector.

Economic Development Policy 7.2. Support a wide variety of cultural, tourism, and active recreational programs within regional and neighborhood facilities.

Economic Development Policy 7.3. Encourage efforts to preserve scenic open space, historic and native lands, and local cultural resources that are attractive to both residents and visitors.

Economic Development Policy 7.4. Coordinate with cities and local tourism organizations on active participation in large regional sports and tourism events (e.g. FIFA World Cup, All-Star Games).

Economic Development Strategy 7.a. Identify and support current and potential visitor and event amenities and services.

Economic Development Strategy 7.b. Support development of ecotourism and agritourism, services, cultural attractions, and special events that capture and support tourism.

Economic Development Strategy 7.c. Promote public access to water bodies via the Kitsap Peninsula National Water Trails, the Maritime Washington National Heritage Area, and scenic drives through signage, maps, scenic pull-offs, and public information.

Economic Development Goal 8. Department of Defense operations

Accommodate growth in the defense industry including U.S. Naval operations and related supportive business.



Economic Development Policy 8.1.

Coordinate with the Department of the Navy, government contractors, and associated stakeholders, as appropriate, to improve the economic development environment in Kitsap County.

Economic Development Policy 8.2. Prioritize growth and retention of Kitsap’s defense industry.

Economic Development Policy 8.3. Increase opportunities for local business to obtain government contracts, as allowed by law.

Economic Development Strategy 8.a. Leverage anticipated U.S. Navy investment via the Shipyard Infrastructure Optimization Program, and the homeporting of the Columbia class submarines at Naval Base Kitsap.

Economic Development Strategy 8.b. Support intergovernmental cooperative agreements promoting coordination and involvement in economic development activities that are of mutual interest.

Economic Development Goal 9. Health care

Accommodate growth in health care access, services and employment.



Economic Development Policy 9.1. Coordinate with medical centers and health care providers in meeting workforce and facility needs.

Economic Development Policy 9.2. Prioritize medical services in urban areas near transit and support services.

Economic Development Policy 9.3. Expand options for health care access to build local employment base and existing and future population.

Economic Development Strategy 9.a. Invest in expansion of health care education and training including the Olympic College Allied Health Campus.

Economic Development Strategy 9.b. Invest in transportation infrastructure around existing facilities, particularly those with expansion opportunities in Regional Growth Centers.



REFERENCES

- ONE Kitsap ([kitsapeda.org](https://www.kitsapeda.org))