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Jefferson County Board of Commissioners

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Port Townsend, WA 98368

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DOCUMENT TITLE

Inter-Jurisdictional Coordination of Regional Economic Development Committee

REFERENCE NUMBER (S) OF RELATED DOCUMENTS

N/A

Additional Reference #'s on _____

GRANTOR (S) (Last, First and Middle Initial)

Jefferson County

Additional grantor on page _____

GRANTEE (S) (Last, First and Middle Initial)

City of Port Townsend

Additional grantee on _____

LEGAL DESCRIPTION (Abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

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STATE OF WASHINGTON

**County of Jefferson
City of Port Townsend
Port of Port Townsend**

Joint Resolution of the Jefferson)	
County Board of County Commissioners)	
the Port Townsend City Council, and the)	County Resolution No. <u>01-12</u>
Port of Port Townsend Port Commission)	City Resolution No. <u>12-002</u>
Approving a Process to Coordinate and)	Port Resolution No. 571-11
Promote Enhanced Inter-jurisdictional)	
Coordination in Regards to Regional)	
Economic Development Committee)	

The Board of County Commissioners (BoCC) of Jefferson County, Washington, the City Council of Port Townsend, Washington, and the Port Commission for the Port of Port Townsend, Washington, do hereby jointly resolve as follows:

WHEREAS, concern over the impacts of a weakened global, national and local economy on the local community and the ability of the County, City and Port to provide important services, has prompted the three jurisdictions to look for new ways to cooperate as local governments; and

WHEREAS, the three jurisdictions understand the urgent need to more effectively coordinate their activities and more efficiently deliver services to meet community needs; and

WHEREAS, in Fall 2009, the rezoning of rural light industrial land at the Jefferson County International Airport highlighted the need for the County, City and Port to improve their intergovernmental communication and better coordinate their economic development efforts; and

WHEREAS, in May of 2010 a "Joint Planning Agreement" was signed whereby the three jurisdictions committed to developing a coordinated strategy for sustainable economic development; the Agreement identified a three part process that included: the collection and analysis of economic data to provide an accurate "snapshot" of the current state of the local economy; the development of a shared economic vision that would provide guidance to the three jurisdictions in identifying priorities; and the development of complimentary policies and action steps that would help focus efforts in a coordinated manner; and

WHEREAS, an Inter-jurisdictional Elected Working Group (the Working Group) comprised of an elected official and staff from each jurisdiction and Team Jefferson has met monthly to implement the process and advance the development of a coordinated economic strategy; and

WHEREAS, baseline economic data was independently collected by E.D. Hovee & Company to allow informed choices regarding economic development policies and infrastructure priorities; and

WHEREAS, the Working Group has reviewed the baseline data and proceeded to develop a Draft Joint Economic Development Strategy; and

WHEREAS, it has become apparent that the forecast for economic recovery has dimmed since the joint economic development planning process was initiated in the spring of 2010, and most projections now suggest that the "recovery" is "L" shaped with substantial economic rebound occurring in an undefined, indefinite future; and

WHEREAS, the likelihood that State and Federal funding will return to levels resembling the period prior to the "great recession" has greatly diminished, and obtaining federal and state funding for significant new capital projects is more difficult; and

WHEREAS, as the ability of state and local government to fund new infrastructure and services has decreased, while many in the community are looking to government to help solve economic problems; and

WHEREAS, the Working Group has prepared a Draft Joint Economic Development Strategy (attached as Exhibit 1) that reflects the collaborative efforts of the three jurisdictions to date; and

WHEREAS, although the Draft Economic Development Strategy prepared to date is a good starting point, changed circumstances require careful refinement in light of the changing economic environment, and the Working Group recommends that the three jurisdictions continue working closely together to maximize the likelihood for success; and

WHEREAS, the Working Group has identified a process that will allow continued communication and coordination between the jurisdictions for future adoption of a Joint Economic Development Strategy setting forth objectives, strategies and a prioritized list of major regional capital projects and policy initiatives; and

WHEREAS, the Working Group has concluded that it is critical for the economic health of the County that the three jurisdictions and the Working Group continue to meet regularly, and communicate more frequently and effectively;

NOW THEREFORE BE IT RESOLVED AND HEREBY ORDERED THAT:

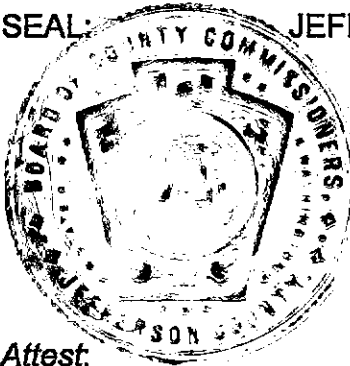
Section 1. Inter-jurisdictional Coordination to Continue. The Working Group, comprised of elected representatives of the City, County, Port, jurisdictional staff and Team Jefferson, will continue to meet to develop and refine the Joint Economic Development Strategy for consideration and possible adoption by the respective jurisdictions. It is anticipated that the Draft Joint Economic Development Strategy will be completed and suitable for formal public and jurisdictional review by the fall of 2012. It is further anticipated that the draft strategy will include a prioritized list of major regional capital projects and policy initiatives supported by all three jurisdictions.

Section 2. Direction to Inter-jurisdictional Staff. The City, County, Port and Team Jefferson direct their respective staffs to meet on monthly basis with Team Jefferson to monitor and discuss current development trends, the progress of pending projects and proposals that may have county-wide economic implications, and to refine and finalize the Draft Joint Economic Development Strategy.

This resolution shall become effective upon adoption by the Board of County Commissioners, the City of Port Townsend and the Port of Port Townsend.

APPROVED AND SIGNED THIS 3RD day of January 2012

SEAL: JEFFERSON COUNTY BOARD OF COMMISSIONERS



Attest:

Raina Randall
Raina Randall
Deputy Clerk of the Board

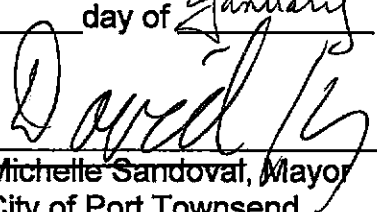
John Austin
John Austin, Chairman

Phil Johnson
Phil Johnson, Member

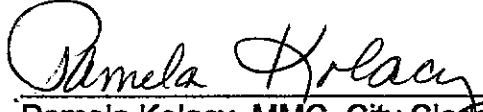
David Sullivan
David Sullivan, Member

APPROVED AND SIGNED THIS 19th day of January 2012

David King


Michelle Sandoval, Mayor
City of Port Townsend

Attest:

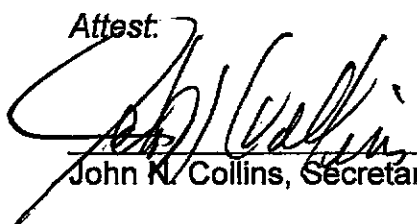

Pamela Kolacy, MMC, City Clerk

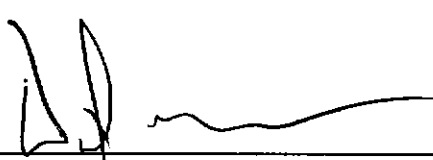
Approved as to form:

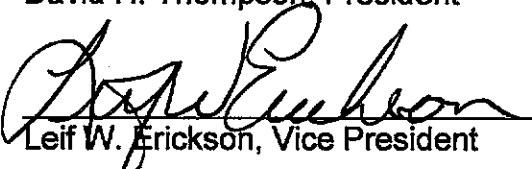

John P. Watts, City Attorney

APPROVED AND SIGNED THIS 28th day of December 2011

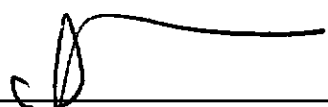
Attest:


John K. Collins, Secretary


David H. Thompson, President


Leif W. Erickson, Vice President

Approved as to form:


Carolyn A. Lake, Goodstein Law Group, PLLC
Port Attorney

WORKING DRAFT JOINT ECONOMIC DEVELOPMENT STRATEGY

**A Coordinated Effort of Jefferson County, the City of Port
Townsend, & the Port of Port Townsend**



**With Support & Assistance from:
The Economic Development Council of Jefferson County ("Team Jefferson")**



Working Draft Date: December 14, 2011

**This Draft Strategy was Collaboratively Prepared by an Inter-Jurisdictional Team of Staff and Elected
Officials from Jefferson County, the City of Port Townsend, and the Port of Port Townsend**

I. Project Background

"Sometimes we stare so long at a door that is closing that we see too late the one that is open." - Alexander Graham Bell -

In the autumn of 2009, the rezoning of rural light industrial land at the Jefferson County International Airport highlighted the need for the County, City and Port to improve their intergovernmental communication and better coordinate their economic development efforts. At the same time, the impacts of the 'Great Recession' – on our communities, families, and the ability of the County, City and Port to provide important services – underscored the need for local government to more efficiently deliver services to meet community needs.

Through a "Joint Planning Agreement" signed by the parties in May of 2010, the jurisdictions committed themselves to developing a coordinated strategy for sustainable economic development. It was agreed that the process should address three key areas:

- Data Collection & Analysis;
- Development of a Common Economic Development Vision; and
- Development of Complimentary Policies & Action Steps.

In response to this agreed upon framework, baseline economic data was independently collected by E.D. Hovee & Company to allow informed choices regarding economic development policies and infrastructure priorities (see Section II, "Current Economic Conditions"). Next, an economic development vision and goals were prepared as a critically important step prior to preparing policies and implementation actions (see Section III, "Our Shared Mission & Economic Vision"). Finally, specific Objectives and Strategies (see Section IV), as well as a list of potential Joint Regional Economic Development Projects, were developed to help guide intergovernmental decision-making into the future (see Section V).

This Joint Draft Economic Development Strategy is the product of considerable collaborative effort between the County, City, Port and Team Jefferson. However, it remains very much a working draft. In substantial part, this is due to the protracted nature of the current recession, and the implications it holds for the provision of local government services as we look ahead. Although economists tell us the recession technically ended two years ago, it's clear that the difficult times are far from over. For many local governments, operating revenues are down and reserve funds are being tapped. Even Moody's has called 2011 the *"toughest year for local governments since the economic downturn began."* Jefferson County, the City of Port Townsend, the Port of Port Townsend, and our community as a whole, is struggling to come to grips with this "new normal."

Tough the issues we face are easy to list, they are difficult to answer:

1. How do we support and assist the private sector during this period of economic restructuring, when nearly all available data suggest that the hoped for “recovery” still lies somewhere in the indefinite future?
2. If securing federal and state funding assistance for significant capital projects is greatly diminished, what should our focus be as local governments cooperating to identify and prioritize core services?
3. How do we effectively adjust expectations regarding the scope and quality of services provided through local taxes and fees (i.e., “less for less”)?

As we continue to work together to advance this important project, we will seek to provide workable answers to these questions, and echoing the words of Alexander Graham Bell, to focus our attention on the doors that are opening, rather than those that are closing.

II. Current Economic Conditions

Background

In the summer of 2010, E.D. Hovee & Company was hired to collect and analyze local economic data and prepare an "Economic Existing Conditions Report" to provide the factual basis for the joint planning effort. On October 28, 2010, Mr. Hovee presented his findings and written report at an inter-jurisdictional meeting of the County, City and Port. The text within this section is drawn substantially from the Executive Summary provided in the E.D. Hovee report; the full text of the report is included in Appendix "A."

A major part of the review was to summarize economic planning work already conducted for Jefferson County in recent years – followed by an updating the demographic and economic indicators as of 2009-2010.

Prior Economic Assessments. Two major assessments have been conducted over the past decade:

- In 2002, a Jefferson County Economic Assessment was completed by the University of Washington School of Public Affairs (Paul Sommers). The report reviewed key trends at the time – noting that "Jefferson County's economy is transitioning from a reliance on forestry, wood products, fishing and other marine-related industries to one based on retirement, tourism, and linkages to the 'new economy' in the Seattle area." Stakeholder interviews and a business survey were conducted and a series of industry clusters recommended as a means to organize local economic development initiatives. The clusters recommended by Sommers in 2002 coincide well (albeit with some revision) with the business sectors recently profiled through updated 2010 analysis by Team Jefferson.
- In 2007, E.D. Hovee and company, LLC was retained to prepare a countywide industrial commercial land inventory, infrastructure assets and economic development analysis. A business needs questionnaire was distributed to 1,290 businesses throughout Jefferson County. Three alternative scenarios were prepared to illustrate potential employment and accompanying land needs for Jefferson County over a 20-year forecast horizon (2007-27) – including extrapolation of the exiting job trends, an alternative for jobs-housing balance, and a third scenario associated with a jobs premium for selected target industry sectors.

Updated Economic Indicators. As of 2010, Jefferson County has a population estimated at 29,300. As the county's only incorporated city, Port Townsend's 8,945 residents account for less than one-third (30.5%) of population countywide. In the past decade, population countywide has increased by about 11% (+3,000 residents), a rate of growth below the statewide increase of 14%. Other indicators of note include the following:

- Port Townsend and Jefferson County residents tend to have lower households incomes but higher housing prices and higher levels of education than is typical throughout the rest of the state.
- As of 2009, Jefferson County had an estimated 1,070 firms employing more than 8,200 workers. The average annual wage is just under \$31,700 per employee (33% below the statewide average of \$47,500).
- From 2002 to 2009, the number of firms in Jefferson County declined (by 0.8% annually), the total number of jobs have remained essentially flat (reflecting substantial job losses from 2008-09), but average wages have increased at a moderate pace (averaging 3.4% annual gains).
- When adjusted for inflation, median wages for workers in Jefferson County have increased at a much more modest rate averaging less than 1% per year since 1990 – with wages peaking in 2005, before the most recent economic downturn. Compared to the rest of the state, Jefferson County wage levels appear to be disproportionately and adversely affected during recessionary time periods – as in 2001 and again in 2007-08.
- When measured by number of employees, government represents the largest overall sector with over 2,100 employees, as is the case statewide. The only other sectors with more than 900 jobs in Jefferson County are accommodations/ food services, retail, and health care social assistance. Taken together, these four industry sectors account for nearly 5,050 jobs – more than 60% of total employment in Jefferson County.
- Over the last several years, unemployment rates have nearly doubled and have remained high – 8.6% for Jefferson County and 8.9% for the State of Washington as of August 2010, and 9.3% for both the County and State as of August 2011.
- Wage and salary sources account for a declining 30% share of total personal income in Jefferson County – a much lower proportion than statewide. Comparatively high proportions of personal income locally are investment and transfer payments.
- Taxable retail sales have increased in roughly similar fashion for the City and unincorporated County area over the last 15 years – but with much greater year-to-year variability for the County. This is due to greater reliance on construction activity outside the City – with a substantial downturn in activity experienced from 2008-09.
- Tourism is of considerable importance – accounting for about 18% of the job base countywide. On a per capita basis, visitor spending is better than 50%

above the statewide per capita average but appears to be increasing more slowly than statewide.

- Due to the county's small population base, Jefferson County appears to offer potential for added retail activity across virtually all business types except health and personal care. Retail sales volumes compared to resident generated needs currently appear strongest with retail categories for which visitor expenditures serve to offset at least a portion of the sales leakage than can occur when local residents travel outside the county to shop.

Regional & Local Position of County, City & Port

A second objective of the Existing Economic Conditions Report was to begin the discussion of how economic changes globally, nationally, statewide and/or regionally might affect earlier conclusions and recommendations of the 2002 and 2007 countywide economic analysis.

Patterns of Economic Change. This analysis distinguishes between patterns of change being experienced globally, nationally, statewide and regionally – with further distinction between unanticipated changes brought on by the current economic downturn and longer term changes that can be expected post-recover over the next 10-20 years, notably:

- A. With Economic Downturn (& Early Phase Recovery):
 - ✓ *Financial Market Retrenchment* – related to financial deleveraging, tightened consumer and business credit, and public sector intervention;
 - ✓ *Jobless Recovery?* – reflecting sectoral and location specific job loss with minimal expectations for substantial recovery now extending beyond 2011; and
 - ✓ *Stalled Development* – including construction shut-down, declining home and investment real estate values.
- B. Post-Economic Recovery (Over 10-20 Years)
 - ✓ *Financial Market Restructuring* – with more conservative underwriting and emerging public sector fiscal stress;
 - ✓ *Changing Competitive Advantage* – with competitive positioning favoring global pathways of economic opportunity;
 - ✓ *Emerging Economic & Demographic Drivers* – for targeted employment amid ongoing economic instability, aging demographics and urbanization;
 - ✓ *Environmental & Infrastructure Drivers* – including impetus for alternative energy, going green, and hard and soft infrastructure needs; and

- ✓ *Changing Development Paradigm* – affecting development feasibility, real estate churn, and residential and commercial development products.

For Jefferson County, the determination of which global patterns – including both challenges and opportunities – will be of greatest importance may represent a key topic of discussion as part of the strategic economic development planning and implementation process now underway. Two areas of added focus are highlighted in the Economic Existing Conditions Report – the changing face of American employment and aging demographics:

- With the exception of the five year period ending in 2015, when faster job growth nationally is forecast with economic recovery, at no other point through 2035 is employment growth domestically expected to again come close to the high growth experienced in the 1980s and 1990s. Since 1985, employment growth in the state of Washington has increased more rapidly than nationally, though the in-state advantage in performance has narrowed since 2000.
- A second emerging trend of note is demographic. For at least the next 15 years, persons 55 years of age and older will represent the bulk of net population and household growth in the state of Washington. This trend can be expected to affect the economy in ways ranging from housing demand to retail sales to labor force replacement and health care demand. A pivotal policy and marketing question for non-metro areas is over the ability to attract and retain a balanced mix of younger households versus potential service demands associated with an aging population.

Washington State & the “Innovation Economy.” For the State of Washington, a major shift in economic development emphasis is indicated by the 2009 report of the Washington Economic Development Commission which advocates a shift from what has been described as a traditional approach to economic development to an innovation based economy. This approach suggests investing in talent and infrastructure rather than focusing primarily on attracting companies – and in quality of jobs and per capita incomes rather than simply increasing the number of jobs. For rural communities of the state, investing in internet broadband capability appears to be of increased importance for functions ranging from e-commerce to distance learning and telemedicine to telecommuting and business development.

While recognizing economic cluster analysis that has been conducted on a statewide level in the past, this new strategic approach focuses less on clusters and more outcomes – in terms of “high growth, high employment, traded sectors” offering realistic potential to bring new wealth into the state and its communities. However, the strategy does call out specific opportunities for job growth and improvement in sectors including tourism, aerospace and clean energy – together with possible new sectors such as life sciences, information technology, and electronic gaming.

Regional - Local Position of the County, City & Port. While the emphasis of the Economic Existing Conditions Report is on joint economic development planning, it is important to understand needs and opportunities distinctive to the individual jurisdictions of Jefferson County, the City of Port Townsend and the Port of Port Townsend – together with the role of the Jefferson County Economic Development Council/Team Jefferson as the countywide lead organization for economic development:

- **Jefferson County** has a population of approximately 30,000. One third lives in the City of Port Townsend, and two thirds is in unincorporated areas of the county. Population is concentrated in the northeast portion of the county – including the Tri-Area and the Master Planned Resort of Port Ludlow. Quilcene and Brinnon are the largest communities in the southern portion of the county. The West End is sparsely populated focusing on resources and tourism. The Irondale and Port Hadlock Urban Growth Area within the Tri-Area is the County's only UGA other than the City of Port Townsend, and is a primary regional growth center for the unincorporated portion of the county. Major County initiatives in economic development over the past 10 years have included establishing the Irondale and Port Hadlock UGA and planning its infrastructure, designating the Glen Cove Local Area of More Intense Rural Development (for light industrial and commercial activity), designating the Brinnon Master Planned Resort (MPR) (the resort is in environmental review, prior to permitting), revising the Port Ludlow MPR, and rezoning a site at the Jefferson County International Airport (allowing non-aviation related industrial and manufacturing uses).
- As the only incorporated city in Jefferson County, the **City of Port Townsend** has received widespread recognition as a good place to visit and live. While businesses locally have been affected by the economic downturn, the City has maintained revenues over the last three years from diverse sources including sales, lodging and business and occupation (B&O) tax sources. With its Capital Investment Strategy, the City of Port Townsend has prioritized maritime investment, Upper Sims Way and Howard Street improvements and the Fort Worden Life Long Learning Center as three "economic anchors" pivotal to continued community vitality in addition to its vibrant historic downtown core.
- The **Port of Port Townsend** serves all of Jefferson County – operating three marinas, a marine trades industrial area, the Jefferson County International Airport, an RV park, and boat launches at multiple sites. From 2000-08, Port revenue and expenses more than doubled (peaking in 2008) – though the recession has brought subsequent budget reductions in the last three years. Planned initiatives for the future have focused on two areas – harbor and airport improvements.
- The **Economic Development Council of Jefferson County** ("EDC/Team Jefferson") serves as the County-designated and Washington State Department of Commerce authorized Associated Development Organization (ADO) and lead economic development organization in Jefferson County. EDC/Team Jefferson

is focusing on four key local economic development initiatives – to energize entrepreneurs, attract 18-35 year-old emerging entrepreneurs, encourage community reinvestment, and developing community leadership. EDC/Team Jefferson has also recently conducted an analysis of key business clusters for priority emphasis in Jefferson County – including advanced technology and manufacturing, arts and culture, education, small business and entrepreneurship, food and farm, health care, maritime, real estate and construction, and tourism and retail activities.

Economic Data Assessment

The economic data presented with the Economic Existing Conditions Report (see Appendix “A,” attached), together with other immediately available resources provided a reasonable basis for proceeding with the joint economic development planning process. While there appears to be a good repository of existing data, additional economic data research and analysis could be considered to:

- Address specific questions or provide more in-depth information if requested during the planning process – with possible options including more detailed employment analysis (as for sub-county geographies and/or target business sectors), more detailed demographic and/or housing (including affordability) analysis, and/or benchmark comparison with similar rural amenity communities.
- Added update opportunities could encompass such items as incorporation of 2010 U.S. Census results, updated business survey, adjusted employment and associated land demand scenarios, GIS land inventory updating, and/or preparation of an economic development element in conjunction with the next update of County and City comprehensive plans under the Growth Management Act (GMA).

Assessment of Strengths, Weaknesses, Opportunities & Threats

A final objective of the Economic Existing Conditions Report was to provide a preliminary assessment of strengths, weaknesses, opportunities and threats (or SWOT) affecting the local economy. This preliminary assessment was based upon information compiled from the economic indicator, global to local and data gap assessments provided as part of the baseline report.

Strengths & Weaknesses. Economic strengths and weaknesses reflect existing conditions and trends. Countywide strengths include quality of life appeal, proximity to the Seattle metro area, being a recognized visitor destination and having a high proportion of non-locally generated income.

Countervailing weaknesses include relatively high and growing service sector needs, long travel times to Puget Sound urban centers, vulnerability to transportation disruptions, and a relatively low wage economy. More specific strengths and

weaknesses are noted for the County, City and Port in the full report (see Appendix "A," attached).

Opportunities & Threats. Identified opportunities and threats are forward looking, reflecting a combination of locally determined initiatives plus economic drivers external to Jefferson County. Opportunities of potential importance countywide include value-added visitor services, retirement-related services, advanced technology with broadband capability, and developing/expanding green industries that promote environmental quality and sustainability.

Potential threats that could serve to undermine future opportunities include possible over-dependence on mature travelers, added retiree demands on public services, distance from markets and direct business-to-business client contacts affecting desirability of doing business in Jefferson County, and added costs or uncertainties associated with green development.

III. Our Shared Purpose, Values & Vision

The economic health of our community is most effectively pursued in partnership. This Strategy aims to clearly articulate our shared economic mission, and the values that guide us as we work to accomplish our mission.

Our Purpose

Our purpose is to support and promote a prosperous and sustainable economy, a vibrant business environment, and good job opportunities for the residents of our community.

Our Values

Shared by all three economic development partners, these values shape and guide us as we work together to serve the wider Jefferson County community:

Respect-*We respect each other as individuals, listen to understand, and seek to enrich the lives of those with whom we work.*

Integrity -*We never compromise our integrity. To be honest, sincere and reliable is the way we earn each other's trust and build long-term relationships to serve the community.*

Team - *We work together, inspire each other and praise each other's successes.*

Our Vision

In JeffersonCounty, our citizens, communities, neighborhoods, and businesses share a unique sense of local identity and purpose. We care about each other and this community, and recognize our responsibility for the long-term well-being of this place we call "home". As active participants in the life of our community, we are willing to make choices today that will help to shape our future, rather than merely allowing the future to shape us. We recognize that key public investments today will help us to improve and maintain our long-term economic health.

Our future economic vitality rests primarily with the private sector, not the County, City and Port governments. Still, our local governments can play an important role in contributing to a robust community. Government can provide the "necessities" that enable individuals and businesses achieve their potential – and they can also assist in preserving those aspects of our community's character and natural environment that make this place unique.

Through this Strategy, the County, City and Port are focusing their efforts on three keys for our economic future:

1. ***Developing infrastructure that overcomes our isolation.*** In part, our unique quality of life owes its existence to our remoteness. Local government works to develop critical pieces of infrastructure that enable our businesses and communities participate more fully in larger economic markets without compromising our special character.
2. ***Fostering educational excellence.*** Good communities depend on good schools for their long-term sustainability and prosperity. We actively collaborate with our schools to provide the highest quality educational programs and support student achievement. With community support, our school districts provide a gateway to vocational and life-long learning programs and choices that enrich lives and sustain our local economy.
3. ***Maintaining and enhancing our quality of life.*** Jefferson County is historic, diverse, and blessed with unparalleled natural beauty and rural and small town character. This unique character and setting is why many choose to live here. Our local governments actively work with citizens to preserve our natural environment, sense of rural character, and historic qualities, while helping the private sector to flourish.

IV. Objectives & Strategies

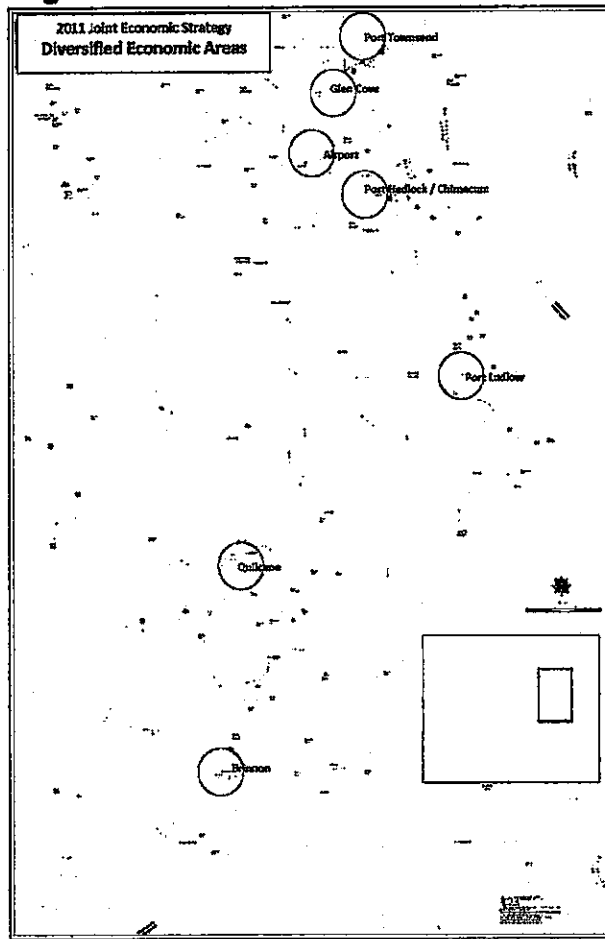
The Strategies & Objectives outlined in this section describe the immediate and longer term actions we intend to take to support existing businesses and cultivate an environment in which new enterprises may emerge.

Objective #1: Establish short-term strategies that define jurisdictional roles, enhance inter-jurisdictional coordination, and enhance the ability of the County, City and Port to be responsive to emerging economic opportunities.

Strategies:

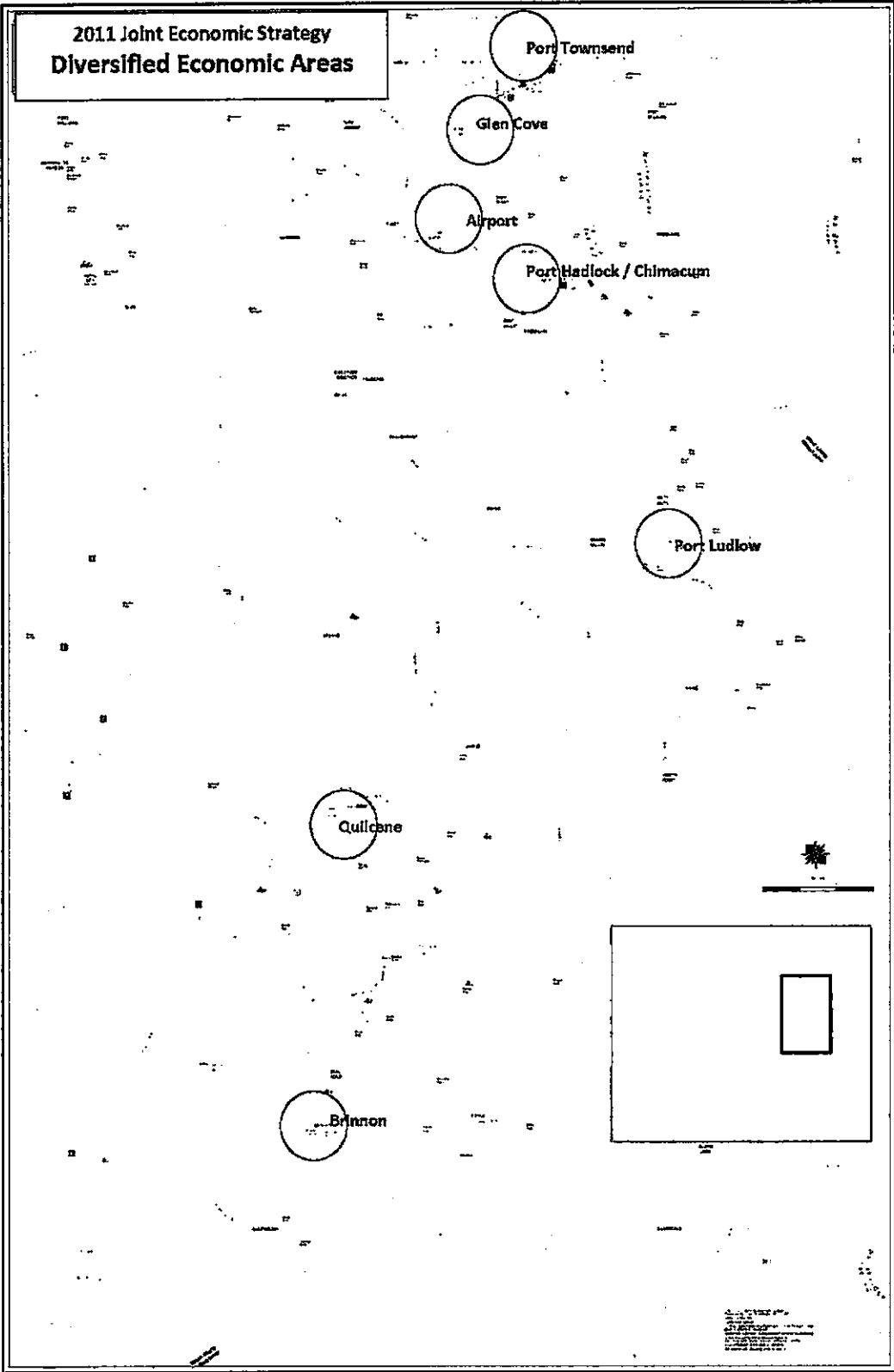
- 1.1:** Work collaboratively to support the prosperity of existing economic centers throughout the County.
 - 1.1.1** Acknowledge that the economies of our communities are interconnected, and that we all benefit from the economic health and prosperity of each community.
 - 1.1.2** Focus economic planning efforts and public investments in existing economic areas (see Figure #1: Diversified Economic Areas, on page 13):
 - Port Townsend;
 - Glen Cove;
 - the Jefferson County International Airport;
 - Port Hadlock - Chimacum;
 - Port Ludlow;
 - Quilcene; and
 - Brinnon.
- 1.2:** Agree upon a coordinated capital project scheme, and develop a funding strategy and schedule that minimizes inter-jurisdictional competition over limited resources.
 - 1.2.1** Develop and jointly implement a set of criteria to evaluate and rank major capital project priorities county-wide.
 - 1.2.2** Collaborate and support each other in obtaining funding for identified high priority projects.
- 1.3:** Evaluate permitting processes to identify and eliminate bottlenecks.
- 1.4:** Continue to work together as a team and seek to communicate more frequently and effectively. To this end:
 - 1.4.1** Our staffs will meet on a monthly basis to monitor progress in achieving these agreements; and
 - 1.4.2** Inter-jurisdictional staff will report on a quarterly basis to an "Elected Team" made up of representatives of all three local governments.

Figure #1: Diversified Economic Areas



- 1.5:** As governments that conduct open competitive procurement, our goal will be to advertise and "buy local" and "hire local" when possible.
- 1.6:** Adequately fund the designated Associate Development Organization (ADO), and establish specific responsibilities and performance measures for the ADO to ensure that taxpayers obtain good value for their investment.
- 1.7:** Focus economic development energies towards retaining existing businesses over the next five years, rather than recruiting new businesses.
- 1.8:** Inventory land available for different types of specific development and use and prepare a strategy to direct development to locations provided with the infrastructure appropriate to support the desired activity.
- 1.9:** Support the ADO in providing access to business management expertise for new and growing businesses.
- 1.10:** Work together to ensure that affordable, high bandwidth, internet-service is made available countywide.

Figure #1: Diversified Economic Areas



- 1.11:** Share business license data and maintain a shared database of businesses in our community.
- 1.12:** Invest in developing the talent in our local workforce.
 - 1.12.1** Participate in efforts to secure funding for additional workforce training programs.
 - 1.12.2** Develop and fund youth entrepreneur summer programs (e.g., summer internships and apprenticeships).
- 1.13:** Identify complimentary “quick start” projects for each jurisdiction to pursue. This will allow us to coordinate our capital projects in a manner that supports economic development countywide. Agree upon key infrastructure priorities in the north, central, and south county, which may include the following:
 - 1.13.1** The provision of water and fire flow to key areas of the south county (e.g., Quilcene);
 - 1.13.2** Establishment of a passenger only ferry (PoF) service to the Seattle area;
 - 1.13.3** Efforts of the Public Development Authority (PDA) to restore buildings at Fort Worden State Park; and
 - 1.13.4** The provision of industrial space throughout the county.
- 1.14** Build a long-term institutional culture of County, City and Port economic development and coordination. To this end, the parties agree to take the following actions that foster a long-term culture of inter-jurisdictional collaboration:
 - 1.14.1** Work with the ADO create a “rapid response and business retention team” to assist existing and prospective businesses identify potential site locations, available infrastructure, and permitting requirements.
 - 1.14.2** Jointly host annual “economic summits” to share ideas about how to improve and develop local business, infrastructure, the local workforce, and the health and well-being of the community.

Objective #2: Establish medium-term strategies that set the stage for future economic successes.

- 2.1:** Promote an economic future that lies in niche-based, high intellectual content manufacturing, services and innovation.
- 2.2:** Support educational excellence and workforce training as critically important to our economic future. To this end:
 - 2.2.1** Support adequate funding for our school districts and the provision of high quality educational programs that advance opportunities for student achievement; and
 - 2.2.2** Support vocational and life-long learning programs that enrich lives and sustain our local economy.

- 2.3:** Encourage the growth of the following “high priority” components of our local economy:
 - 2.3.1** High technology (i.e., innovation and knowledge based businesses);
 - 2.3.2** Amenity-based businesses (i.e., tourism, arts and culture);
 - 2.3.3** Small manufacturing (e.g., maritime-related) and
 - 2.3.4** Agriculture.
- 2.4:** Provide critical pieces of infrastructure that enable us to more fully participate in larger economic markets without compromising our special community character.
 - 2.4.1** Develop and maintain a short list of key infrastructure projects; and
 - 2.4.2** Actively collaborate to complete selected priority projects over the next five years.
- 2.5:** Jointly explore and support innovative ways to increase access to local capital (e.g., micro loans, bonding, tax incentives and grants).
- 2.6:** Coordinate marketing efforts and brand our community as great place for young families.

V. Potential Regional Economic Development Projects

PROJECT DESCRIPTIONS

Working together the County, City and Port have developed a list of Regional Economic Development Projects: 14 capital projects and 8 policy initiatives. Brief descriptions of these projects are provided below.

Potential Regional Capital Projects

Broadband - Install fiber and wireless high speed internet to 36 anchor institutions, then private ISP's.

Fort Worden Life Long Learning Center - Support the implementation of the adopted Fort Worden Master Plan that will transform the park into a Center for Life-long Learning. As a Life-long Learning Center, Fort Worden State Park would house a variety of tenants and groups that would offer residential programs and classes.

Boat Haven Marine Trades Building - Redevelop the prior Port Townsend Lumber site within the Port Townsend Boat Haven to accommodate a new purpose built, multiple tenant marine trades building.

Passenger Only Ferry Service (PoF) - Fund and establish a PoF service between Port Townsend and Seattle. Recently obtained federal funding enables vessel purchase, and Point Hudson terminal improvements. The project would establish a direct maritime transportation link between Jefferson County and the Seattle metro area, facilitating both business connections for Jefferson County residents and enhanced visitor access by Seattleites to Port Townsend.

Port Hadlock UGA Wastewater System - Final system design, land acquisition, and installation of wastewater collection and treatment facilities for the UGA. Upon completion, the project is expected to provide increased opportunities for affordable housing as well as commercial activity to help recapture retail sales leakage.

JCIA/EPF Eco-Industrial Park Permitting & Infrastructure - Final design, permitting and construction of up to 10 lease-able light industrial lots in a park-like setting, provided with all necessary rural infrastructure. At full build-out and occupancy, the new Eco-Industrial Park would provide the space for the private sector to create 50-100+ new manufacturing jobs in East Jefferson County.

Potential Regional Policy Initiatives

"Small Business Rapid Response Team" - Establishment of a team to help open doors for local businesses considering locating or expanding in the County or City; the team would provide assistance and support to businesses in securing regulatory approvals from the County or City. The team is intended to deliver the message that

Jefferson County, the City of Port Townsend, and the Port of Port Townsend are open and welcoming to new and expanding businesses.

Permit Streamlining Review & Assessment - Critical review and, if necessary, amendment to local permit processes and/or regulations to ensure that development applications are processed in the most fair, timely and predictable manner possible, and that delays and confusion of process do not act as a disincentive to business.

Business Leader “Blue Ribbon” Committee - Convene a “Blue Ribbon” Committee of local business leaders (with an emphasis on manufacturing) to study and provide non-binding recommendations to local government regarding the specific land use and infrastructure needs of businesses. The findings of the committee would be factored into the Glen Cove potential UGA expansion study (see below), as well as the ongoing periodic reviews and assessments of local plans and zoning codes, with a view towards streamlining and easing the development review and permitting process.

Glen Cove UGA Expansion Study - Establish the analytical and infrastructure planning foundation for expansion of the Port Townsend UGA into Glen Cove. The study would likely not be initiated for a period of years, pending a strengthening of the local economy. Making better use of available industrial land in Glen Cove through redevelopment and intensified use, as well as creating new fully served industrial land, is critical to our economic future; in time, the project could result in significant new opportunities for businesses, as well as expansion of existing enterprises.

Water Supply & Demand Study - Examine opportunities to address water supply/demand issues in WRIA 17. A reliable secure water supply is essential for residential, commercial and industrial activities including agricultural production.

Education Initiative - Working with local School Districts, private schools, the Jefferson Higher Education Committee and other local and state agencies, the City, County and Port participate as founding partners in the Jefferson County Educational Partnership (JCEP). The JCEP acknowledges that a strong educational system is directly linked to a healthy local economy. The JCEP seeks to inspire civic involvement by building partnerships and engaging in activities that benefit the community. The JCEP is committed to helping students become competent, creative and constructive citizens of our community. The JCEP believes that strong public sector and business support for education makes schools more effective and society more prosperous. The members of the JCEP shares resources with students and schools in the following ways:

- Providing real-world learning experiences;
- Supporting teachers;
- Offering opportunities for students and teachers to volunteer in support of non-profit institutions; and
- Preparing students for the workforce through internships, mentorships, and career education.

Healthcare Needs Assessment - The next few years will be times of considerable stress on health care in areas like Jefferson County, but also times of great opportunity, since across the country there are already impressive examples of high-quality care, tailored to the distinctive needs of the local exurban and rural communities. The City, County and Port will assist the Hospital District in assessing both medium and long term health care needs facing our community through coordinated demographic analysis and focused population forecasting.

Non-Profit Shared Operations Initiative - Acknowledging the importance of educational not-for-profit's (i.e. Centrum, School of Wooden Boat Building, Jefferson County Historical Society, etc.) to both the quality of life and economic vitality of the County and to enhance their continued economic viability, the City, County and Port agree to encourage and assist in the development of a shared services model of operations. Shared services are defined as physical resources, staff, and programs which are governed and allocated across traditional organizational boundaries.

POTENTIAL PROJECT EVALUATION CRITERIA

Projects will be added to or deleted from the list to reflect changing opportunities and economic circumstances. Potential project evaluation criteria may include, but are not necessarily limited to the following:

1. **Quick Action** – with preference for projects that would have an immediate or near term impact over those with longer term or less certain timelines for implementation.
2. **Direct Impact** – with projects creating long-term jobs or tax base directly in proximity to the location of the planned project favored over alternatives where impacts are indirect (or cannot be as clearly tied to the public project investment).
3. **Jobs** – with emphasis on projects that create net added permanent employment or are deemed critically important to retain existing jobs.
4. **Priority Target** – meaning investments that can leverage high priority economic sectors, high wages and /or added taxable property valuation. [Note: High priority economic sectors have been defined by the draft Joint Economic Development Strategy to include high technology (innovation and knowledge based businesses); amenity based businesses (i.e., tourism arts and culture); small manufacturing (e.g., maritime related); and agriculture.]
5. **Private Interest** – indicated by projects with demonstrated capacity to leverage private investment and/or have clear expressions of business community support.
6. **Community Support** – indicated through adoption or official endorsement of the project by elected representatives of the County, City and/or Port, or as

demonstrated via clear community support through a public planning hearing process.

The projects might then be evaluated and scored on a three level rating system, as follows:

- = Definite / Very Likely
- = Possible / Uncertain
- X = Not Likely / Tangential

A more detailed description of how the evaluation criteria and rating system might be applied is provided in Figure #2, below. The table on page 20 depicts the matrix whereby the Joint Regional Projects could be evaluated and ranked.

Figure #2

ECONOMIC DEVELOPMENT PROJECTS: POTENTIAL RATING SYSTEM

Rating Scheme	Quick Action	Direct Impact	Jobs	Priority Target	Private Interest	Community Support
● = Definite / Very Likely	Ready for immediate project implementation	Direct (at the site or in immediate proximity to the investment)	Definite new or retained permanent jobs	Definite targeted sector or high wage and property value	Definitely leverages private investment or with clear source of public support noted	Adopted by elected body or with clear source of public support noted
○ = Possible / Uncertain	Long-term implementation	Indirect (located away from the investment as spillover benefit)	Job likelihood uncertain or of temporary duration	Possible targeted sector or high wage and property value	Possibly leverages private investment or supported by business community	Possible public support and/or inclusion in plan document
X = Not Likely / Tangential	As yet uncertain	Tangential or no apparent linkage	Unlikely new or retained permanent jobs	Unlikely target or high wage/valuation	Neither leverages private investment nor engenders business community support	Definite lack of public support or clear opposition from affected public

Figure #3: Potential Project Evaluation & Ranking Matrix - RESERVED

JOINT REGIONAL PROJECT LISTING	EVALUATION CRITERIA						COMMENTS (including needs for additional information)
	● = Definite / Very Likely ○ = Possible / Uncertain X = Not Likely / Tangential	Quick Action	Direct Impact	Jobs	Priority Target	Private Interest	
Potential Capital Projects							
Broadband							Question of implementation timeframe
Fort Worden Life-Long Learning Center							\$1 million in public & private funding with adopted master plan
Boat Haven Marine Trades Building							Supported by local marine trades
Passenger Only Ferry Service (PoF)							\$1.304 million in federal funding secured; noted in City/County Comp Plans & Port Strategic Plan
Port Hadlock UGA Wastewater System							Potential for added commercial to reduce retail sales leakage
JCIA/EPF Eco-Industrial Park Permitting & Infrastructure							May need to be scaled or phased to the pace of anticipated or demonstrated business demand
Potential Policy Initiatives							
"Small Business Rapid Response Team"							Prior community input, potential for quick implementation
Permit Streamlining Review & Assessment							Economic Development Forums suggest community support
Business Leader "Blue Ribbon" Committee							Policy rationale w/Port Strategic Plan; could be used to verify or prioritize proposed projects, possibly expanded to City/County
Glen Cove UGA Expansion Study							Need for a coordinated public process to determine support
"Incubator" Space Identification Study							Facilitates entrepreneurship; public support not yet determined
Water Supply & Demand Study							Nature of project/program uncertain from current description
Education Initiative							
Healthcare Needs Assessment							
Non-Profit Shared Operations Initiative							

V. Implementation

The success of this strategy requires alignment of goals and funding priorities between the three partner jurisdictions. The County, City and Port will collaborate with the designated Associate Development Organization (ADO) and private sector partners throughout the community to implement this Strategy. Oversight and implementation of the Strategy will be managed by a Working Group of Elected officials, comprised of one elected official from each of the three partner jurisdictions, in consultation with the ADO, as described below.

Elected Officials Working Group - Made of up one elected official from the Board of County Commissioners, City Council and Port Commission, the Working Group will oversee the implementation of the Strategy and assess the collective progress of the three jurisdictions in meeting the objectives of the Strategy.

Inter-Jurisdictional Staff Team – Comprised of the County Administrator, City Manager, the Port Executive Director, the Executive Director of the ADO and their respective staffs, the Inter-Jurisdictional Staff Team will meet monthly to inform each other of significant issues that may affect the other jurisdictions, and to work to implement the objectives and high priority projects outlined in this Strategy.

Associate Development Organization (ADO) – the ADO will attend and participate in all Elected Officials Working Group and Inter-Jurisdictional Staff Team meetings, ensuring that local business community interests are represented, and providing facilitation support and meeting moderation, as may be appropriate.

REMAINDER OF CHAPTER RESERVED