

A Number of Commercial/Mixed-Use Developments Underway:

In recent years, one of Kitsap County's impediments to growth has been the lack of commercial land and buildings. A number of developments are underway which could alleviate this problem:

1. **Olympic Resource Management's West Hills site** has infrastructure in place for development.
2. **The Northwest Corporate Campus**, a 188-acre business park in South Kitsap, plans to break ground this summer and expects completion of a 40,000-square-foot Class A office building by year end.
3. **The Port of Bremerton's Olympic View Business Park** adjacent to the Bremerton Airport will also begin development this summer.
4. **Port Blakely Communities** is making progress in its mixed-use development near Kitsap Lake, with groundbreaking expected in 2002 on approximately 2 million square feet of commercial space and 900 homes.
5. **The Olhava Master Plan Development** in the northern part of the county is expected to provide 840,000 square feet of commercial floor space and 490 housing units.

E-Commerce Capability is Important to Kitsap County's Economic Development:

James Kendall's section on telecommunications points out that Kitsap County currently has only one high bandwidth carrier and that there are four telephone service areas covered by three different telephone companies. The result is higher cost and the potential for telecommunication choke points.

Fortunately, efforts are underway to strengthen the county's ability to offer improved telecommunication infrastructure. AT&T has acquired local cable companies, telephone companies are upgrading their capability and the legislature has authorized the Kitsap Public Utility District to provide high bandwidth service. Mr. Kendall concludes with the warning that Kitsap County's economic development may suffer if it does not keep pace by providing a competitive communications superhighway.

Housing - A Tale of Two Markets:

Bainbridge Island not only has an area code different from the rest of Kitsap County, but is in another world with regard to its cost of housing. The Multiple Listing Service date for 1999 shows that the average Bainbridge home sold for \$382,000. This is 2.5 times the average sale price for the rest of Kitsap County and 1.6 times the median price of all homes sold in King County in the fourth quarter of last year!

Adjusting the fourth quarter median sales prices for the "Bainbridge factor", the median home sale price in the rest of the county was slightly over half of that in King County, 65% of the Snohomish median and 83% of the Pierce County median. This apparent price advantage has not created a new home construction boom in the county. In fact, last year only 361 new homes were sold in the county (excluding Bainbridge) or 11.8% of all home sales. Historically, slightly more than 25% of residential sales have been new homes.

Aftermath of Initiative-695:

On April 27, the State Legislature adopted a supplemental budget for the remainder of the fiscal period ending June 30, 2001. Though a Superior Court judge found I-695 unconstitutional on four counts, the State Legislature chose to implement the Initiative's principal fiscal measure (a reduction in the annual license tab fee to \$30). The State Legislature did not, however, fully restore the resulting revenue shortfalls, many of which have a disproportionate impact on the county because of its reliance on the Ferry System. The Ferry System's operating budget was cut by \$12 million. By drawing down reserves, ferry service reductions were less than originally feared. But, drawing on reserves this year may create a potential crisis in ferry services next year.

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