

# KITSAP COUNTY

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# TRENDS

R E P O R T

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KITSAP COUNTY

# TRENDS

REPORT • FALL 2001 • VOLUME XIX

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**B** BUS SCHEDULES (KITSAP TRANSIT)  
[www.kitsaptransit.org/routeskd.html](http://www.kitsaptransit.org/routeskd.html)

**C** CHAMBERS OF COMMERCE  
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[www.bremertonchamber.org](http://www.bremertonchamber.org)  
KINGSTON CHAMBER OF COMMERCE  
[www.kitsap.net/chamber/kingston/kingston.html](http://www.kitsap.net/chamber/kingston/kingston.html)  
PORT ORCHARD CHAMBER OF COMMERCE  
[www.portorchard.com/chamber](http://www.portorchard.com/chamber)  
GREATER POULSBO CHAMBER OF COMMERCE  
[www.poulsbo.net/gpcc](http://www.poulsbo.net/gpcc)  
SILVERDALE CHAMBER OF COMMERCE  
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KINGSTON  
[www.kingstonwa.com](http://www.kingstonwa.com)  
PORT ORCHARD  
[www.portorchard.com](http://www.portorchard.com)  
POULSBO  
[www.cityofpoulsbo.com](http://www.cityofpoulsbo.com)  
SILVERDALE  
[www.silverdale.net](http://www.silverdale.net)

**F** FERRY SCHEDULES  
[www.wsdot.wa.gov/ferries](http://www.wsdot.wa.gov/ferries)

**H** HOME BUILDERS ASSOCIATION OF KITSAP COUNTY  
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**H** HOSPITALS  
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[http://nh\\_bremerton.med.navy.mil](http://nh_bremerton.med.navy.mil)

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[www.kitsapinfo.com](http://www.kitsapinfo.com)

**K** KITSAP PENINSULA VISITOR & CONVENTION BUREAU (VCB)  
[www.visitkitsap.com](http://www.visitkitsap.com)  
[www.golfkitsap.com](http://www.golfkitsap.com)

**K** KITSAP REGIONAL ECONOMIC DEVELOPMENT COUNCIL (EDC)  
[www.kitsapedc.org](http://www.kitsapedc.org)

**N** NAVY WEB SITES  
COMMANDER NAVY REGION NORTHWEST  
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[www.csg9.navh.mil/html/top.ssi](http://www.csg9.navh.mil/html/top.ssi)  
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**N** NEWSPAPERS  
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KITSAP NEWSPAPER GROUP  
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[www.bremertonpatriot.com](http://www.bremertonpatriot.com)  
[www.centalkitsapreporter.com](http://www.centalkitsapreporter.com)  
[www.northkitsapherald.com](http://www.northkitsapherald.com)  
[www.portorchardindependent.com](http://www.portorchardindependent.com)  
[www.pugetsoundnavynews.com](http://www.pugetsoundnavynews.com)  
THE SUN NEWSPAPER  
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OLYMPIC COLLEGE  
<http://oc.ctc.edu>



PORT OF BREMERTON  
[www.portofbremerton.org](http://www.portofbremerton.org)



### SCHOOL DISTRICTS

BAINBRIDGE ISLAND SCHOOL DISTRICT  
[www.bainbridge.wednet.edu/home](http://www.bainbridge.wednet.edu/home)

BREMERTON SCHOOL DISTRICT  
[www.bremertonwa.com/schools](http://www.bremertonwa.com/schools)

CENTRAL KITSAP SCHOOL DISTRICT  
[www.cksd.wednet.edu](http://www.cksd.wednet.edu)

NORTH KITSAP SCHOOL DISTRICT  
[www.poulsbo.net/schools](http://www.poulsbo.net/schools)

SOUTH KITSAP SCHOOL DISTRICT  
[www.skschools.org](http://www.skschools.org)



WASHINGTON STATE DEPARTMENT OF REVENUE  
[www.dor.wa.gov](http://www.dor.wa.gov)



WASHINGTON STATE EMPLOYMENT SECURITY  
LABOR MARKET & ECONOMIC ANALYSIS  
BRANCH  
[www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)



WASHINGTON STATE FERRIES (SCHEDULES &  
FARES)  
[www.wsdot.wa.gov/ferries](http://www.wsdot.wa.gov/ferries)



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[www.access.wa.gov](http://www.access.wa.gov)



WASHINGTON STATE OFFICE OF FINANCIAL  
MANAGEMENT  
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WASHINGTON STATE UNIVERSITY, WASHINGTON  
CENTER FOR REAL ESTATE RESEARCH  
[www.cbe.wsu.edu/~wcrer](http://www.cbe.wsu.edu/~wcrer)

## Effects of Recession & War on Kitsap County:

Economic conditions locally will inevitably be impacted by the substantial contraction in economic growth (probably resulting in a technical recession) and the war on terrorism. The latter, which may be prolonged and will clearly take an unprecedented form, can hardly be deemed "good for the County." On the other hand, the Kitsap County's significant role in the nation's defense has resulted in substantial increase in economic activity in prior wars. This war appears to be quite different and may not have the same effect on the local economy. Ironically, at the same time we have initiated a major military undertaking, the United States and Russia may come to an agreement to substantially reduce nuclear weapons levels (though, if this happens, some say there would be little impact on Bangor's role). In short, it is a difficult time to assess future economic conditions.

## Kitsap Economy Strong:

Looking at what we do know, the Kitsap economy has shown remarkable strength in recent months. As Zoltan Szigethy's wonderful lead article (see pgs. 4-6, "Business Climate") reports, the County continues to offer, and benefit from, fundamental strengths: skilled labor, available land, cooperative local government and telecommunications. Other articles in this edition of TRENDS show continued strength in housing. In the most recent reporting period, the rate of growth of single family home sales in the County (and the increase in the price of homes sold) substantially exceeded the Statewide averages.

## Commercial Real Estate Also Shows Strength:

Commercial real estate has also shown strength. Kitsap County apartment vacancies have dropped but average rents increased by 4%, roughly twice the rate of inflation. Office vacancy in October was lower than in April of this year, compared to higher office vacancies on the Seattle side of Puget Sound. This edition of TRENDS also shows virtually no industrial vacancy anywhere except in the southern part of the County.

## Employment Growth:

Data regarding recent local employment growth is somewhat anecdotal. The listing in TRENDS of major employers shows, for example, that from October 2000 to October 2001, Nextel, Fred Meyer and Wal★Mart alone added over 800 jobs in the County and the firms in the "major defense contractors" category increased employment by a net of 327. The timing of a job fair at the County Fairgrounds offering thousands of maritime and ship repair jobs (some 600 in the County) was moved up by three months due to an urgent need for employees.

## Uncertain Times:

Between now and the next edition of TRENDS, Kitsap County and the nation will unquestionably face many challenges, some of which could have a significant effect on the local economy. The County appears, however, to be well positioned to face these exceptionally uncertain times.

by  
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## Economic Opportunities Strong In Kitsap Region:

Economic opportunities remain strong in the Kitsap Region in spite of the national downturn. This is partly due to the significant presence of our defense industry, but it is also due to the geographic, demographic and institutional characteristics of our community. Available labor, business friendly governments, choices of building sites, clarity of land use laws, excellent telecommunications, and Puget Sound Regional economic pressures have set the stage for expanded economic activity in the West Sound.

## Labor Market Strength:

The availability of labor remains the region's strongest economic asset. While unemployment figures paint a picture similar to the rest of Puget Sound, the numbers are deceiving because of a large commuter work force. The access to East Sound jobs requires a significant enough commute that workers are often willing to accept local jobs at lower wages. The strong work ethic of a labor pool associated with military employment continues to attract attention from national employers. For example, the manager of a recently recruited, 500-job, primary employer has been able to process over 2,100 applicants without any special advertising. Over 1,600 of these applicants passed the basic tests. This employer stated, the Kitsap county area's "workforce is fabulous"!

Spouses of military personnel, newly discharged personnel, and retiring personnel are the highly qualified, highly trainable workforce needed by modern businesses. With the addition of well qualified students from Olympic College, private training institutes, and local high schools, the Kitsap Region is highly desirable at a time of labor shortages in virtually every other nearby job market.

## Governmental Cooperation:

County and local governments are committed to job expansion both in word and deed. Almost without exception, local officials understand the importance of diversification of the regional economy. The impact of previous defense downsizing is clear and the desirability of private industry widely acclaimed. Expanding and relocating employers have received firm commitments to shortened permitting timelines.

Agencies are working more closely in advance of submission of plans to reduce delays. Governments increasingly find creative ways to provide incentives and make the region more competitive with other locations. The concept of business-friendly government with a personal touch has real meaning in the Kitsap region.

## Land for Development:

There is substantial land ready for development, including Northwest Corporate Campus near Port Orchard, Day Road Industrial Park on Bainbridge Island, Olympic View Industrial Park and Olympic View Business Park at the Bremerton International Airport, the Olhava project in Poulsbo, the Twelve Trees project in north Kitsap County, the Olympic Resource Management's West Hills site in Bremerton, and a number of smaller industrial sites throughout the county.

An extensive listing of business parks and other primary job sites throughout Kitsap County is available at [www.kitsapedc.org](http://www.kitsapedc.org). At last count, approximately 1,300 acres of property zoned and available land are on the market, including about 800 acres for sale and 500 acres for long-term lease. Much of the leasable land is within a foreign trade zone that offers significant tax advantages to businesses.

Among the more notable recent land use actions that will bring even more prime industrial land on the market are:

- \* Port Blakely's West Kitsap Lake project's land use designation has been approved, a public-private agreement is in place, all legal challenges have been overcome, and it has been annexed to the City of Bremerton. It will provide 7,000 jobs and 1,200 homes surrounding a corporate campus. Construction is expected to begin within two years.
- \* South Kitsap Industrial Area (SKIA) will provide an additional 1,700 acres of flat, well buffered, and highly desirable industrial land within approximately the same time period as the above property. A master zone overlay that would enable industrial development throughout SKIA, plus a set of interlocal agreements for infrastructure services, is well advanced in negotiations facilitated by the Kitsap Regional Economic Development Council. These lands will augment the existing development opportunities of the Port of Bremerton at the Bremerton International Airport.

### **West Puget Sound has Benefits over East Puget Sound:**

Economic pressure throughout the eastern Puget Sound region continues to build. Land is becoming more scarce and more expensive. Qualified labor is becoming harder to attract and retain. The west Puget Sound/Kitsap region provides a welcome relief for businesses seeking to remain in the Northwest yet wanting to gain the advantages of quality labor and available land. As a general rule, we have far less congestion, lower cost housing, a well-educated labor force that is relatively inexpensive, and the advantage of being in proximity to the metropolitan center without being in it.

### **Telecommunications:**

Telecommunications provides one of the newest opportunities for business development. Basic infrastructure in the Kitsap region equals that available in the eastern Puget Sound region. SPRINT has installed a point-of-presence (POP) on the Internet in Poulsbo, making it competitive with major metropolitan areas. SPRINT has provided ISDN service at significantly reduced rates to businesses and residences in their greater Poulsbo region. Downtown Bremerton is heavily wired as a result of the Navy presence. Several Sonnet Rings already exist.

AT&T@Home has entered the market with some of the most advanced cable infrastructure in the region. Qwest is constructing a number of neighborhood-specific DSL nodes throughout the county. Century Tel is similarly providing DSL services in the northern and southern ends of the county, which will provide wholesale access to the Bonneville Power grid. This south-north backbone will be completed and be operational by March of 2002. Subsequent phases will branch out to the other communities within Kitsap county. In short, Kitsap is a great place to do E-commerce.

### **Shortage of Large Existing Buildings:**

The most serious regional shortage remains the inventory of large existing buildings. Several large Call Center companies have been pleased with the labor availability and returned looking for appropriate real estate to house their business. However, they find very limited choices of existing buildings, which leads them to consider new construction. In fact, one of them recently completed a new 60,000-square-foot regional center. Businesses with time to "build to suit" can get the best of both worlds: a good labor force and the perfect building for their business needs.

### **Ferry Service and Transportation:**

The Washington State legislature, in its last regular session, enabled continuing capital improvements and maintenance and operation of car and passenger ferries between Kitsap County and the east side of Puget Sound. We remain within 35 minutes of the major metropolitan center of Seattle, and within an hour of Sea-Tac Airport via the Tacoma Narrows Bridge. The Bremerton International Airport provides a convenient means for the shipment of goods; a convenience augmented by its adjacent rail line. Commuting internally within Kitsap County is swift and unimpaired, with a four-lane highway connecting most employment centers.

Although we have good sea, surface and rail access in and out of the county, the growing perception is that Kitsap's future lies with telecommunications and software, and so we continue to build a state-of-the-art "virtual highway" by means of our multiple and redundant broadband communication corridors.

### **Kitsap is Undiscovered Gem for Business Success:**

A national employer commented that their company had almost rejected the Puget Sound area to place their new Call Center because they were under the impression that the entire area had a labor shortage. They were persuaded to visit our Kitsap region and were both shocked and pleased to find our abundance of qualified labor so close to the economic heart of King County. Kitsap is an undiscovered gem for business success, but not for long!

by  
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## Need to Actively Pursue the Extension of E-Commerce Services:

When considering the impacts of technology on the economic development of a community, our thinking must extend well beyond the "Internet Presence" issues of e-commerce. In order to prosper, Kitsap County needs to actively pursue the means to extend service to commercial and non-commercial projects, both existing and planned. Community planners must include e-commerce infrastructure in their plans so both the business parks and our residential areas can enjoy the technology services our high-tech society now demands.

## Installation of High Bandwidth Communications:

The semi-rural nature of Kitsap County is an enticement to live here. This semi-rural nature has also hampered the installation of high bandwidth communications throughout the area. Thanks to several initiatives, high bandwidth connection (fiber optic cable) between Seattle and Kitsap County is becoming more diverse. Until now, a single carrier provided access to and throughout Kitsap County. This carrier transports the majority of all communication to and from the area. Other Kitsap County telecommunication providers lease services from that sole carrier to connect to Seattle and beyond. There are local telecommunication companies who control other available connections including older microwave links normally used for voice circuit connections to Seattle. With the extension of the NOANET through Shelton and into Kitsap County, as well as extension of Fiber from Tacoma, Kitsap County will have at least three fiber routes into the county, with more to follow. Finally, a true diversity of choices will be available in the county.

## Problems Distinct to Kitsap County:

Communications within the county are further complicated by the existence of four distinct service areas served by three telephone companies (Qwest, Sprint and CenturyTel). Establishing voice or data routes between these service areas inserts additional costs ranging as high as 40-60%, as well as creating management and maintenance problems that would otherwise not occur.

The transportation choke points at the Tacoma Narrows and Kitsap County ferry terminals parallel the problems of inadequate telecomm/data infrastructure. The inability to transport people and goods efficiently to and from the peninsula mandates that a method of relief be found. To fix the transportation issue without spending hundreds of millions of dollars is not possible. The only viable alternative, widely recognized as effective and immediately useful, is substantially upgrading the telecommunications and data delivery infrastructure.

Fiber cable infrastructure has, until now, not been built by large communication companies due to lower financial reward when compared to large business areas such as Seattle and Bellevue. There are additional regulatory restraints on the Incumbent Local Exchange Carrier (ILEC) (the telephone company) that has hampered infrastructure buildout. Other independent providers have reviewed the market area and have, until now, chosen not to build to the Kitsap County/West Sound area.

## Options Being Considered and Projects Underway:

There are several Projects in planning process or underway to improve Kitsap County's telecommunication services. AT&T acquired local cable companies and upgraded and continues to extend the cable infrastructure. Qwest continues to extend fiber through the county and onto the Olympic Peninsula.

Qwest and Sprint have upgraded their interconnect in the county. Smaller companies are extending wireless and DSL services in several areas of the county. Cable modems are becoming widely available for home use. Qwest DSL is becoming more available, and Qwest has begun to undertake extending DSL to the F2 facilities, thereby extending the range of DSL availability. Once this process starts in Kitsap County, High Speed access will be widely available.

### Public Utility Districts In Process of Putting In Fiber Optic Backbone:

A recently passed Washington State bill permits Public Utility Districts to provide facilities in rural underserved areas that would not otherwise have options for high-speed telecommunications services. This situation is in a state of flux, with the start of the build-out of a new fiber optic backbone by Kitsap Public Utility District #1. Kitsap PUD #1 is working in conjunction with Mason County PUD #3 to bring fiber optic infrastructure through Belfair, along highway 303 to the Port of Bremerton, and then through Bremerton to the north end of the county. The first connection will be for a demonstration project at the Port of Bremerton in mid April 2001. Kitsap PUD#1 plans call for the first customer to be on-line early in the first quarter 2002.

### Private Network Linking Bremerton, Port Orchard and Silverdale:

In addition, smaller projects are underway including the beginning of a fiber-optic infrastructure "build" in downtown Bremerton by Convergence Technologies/NW Commnet that will quickly expand to cover locations in East Bremerton and Mannette. This network is connected via wireless, wired and fiber-optic systems and provides networking for Medical Facilities, Doctors offices, and multi-location businesses and agencies. Currently, a multi-office agency and a downtown call center are being serviced. This construction is in conjunction with projects in Silverdale and Port Orchard that will expand a private network between Silverdale, Bremerton, and Port Orchard. This network is now in service. Further expansion is scheduled for first quarter 2002.

### Carrier Grade Co-location Facility Planned for Bremerton:

A Carrier Grade Co-location facility is planned for Bremerton, to be available in November-December 2001. This facility will provide environmental and technical facilities for co-location and hand off ("meet-me") for high speed Telecommunications services between carriers. It will also provide equipment co-location space for internet access. Emergency generators, HVAC, fire protection and high security are planned for an initial 1100 sq. ft. which is expected to double in the first year. Up to 10,000 sq. ft. are available in the first year, if needed.

### Many Smaller ISPs Are Merging or Closing:

There is an ongoing shakeout in the high-tech telecommunications industry that is seeing small ISPs merge or close. Competitive local exchange carriers, especially those concentrating on DSL, are dropping service or closing entirely. Covad and Northpoint are two companies that are dropping service or have gone out of business and others are having financial difficulties. Despite this retrenchment, several companies continue to thrive and competitive options are becoming more available.

### Competition Effects Pricing:

Once high bandwidth communications infrastructure is built in Kitsap County, the area can experience similar service pricing as areas on the east side of Puget Sound. Seattle, Bellevue and Redmond markets have communication competition. This has helped to drive the end use costs lower. The existing TELCO pricing model used in the West Sound areas imposes the addition of expenses to be added when extending service from Seattle to Kitsap County.

When additional high bandwidth connections cross the sound and fiber cable is constructed throughout Kitsap County, service will be more widely available, the cost will be lower and the new connections will provide the same access to band width as the East Sound. The improvement in cost and availability will make Kitsap County as much a player in attracting business as any east side area. Other demographics will help boost the economic potential in Kitsap County once this project is in place.

**What Is High Bandwidth?:**

What is this “high bandwidth” we are so concerned about? It is simply “the size of the pipe”. The following chart gives you a reference for what it means to have at T-1 or a DS-3 or an OC-3 connection into a neighborhood, a business park, or a community. It is not trivial information.

BANDWIDTH CHART		
Connection	Bandwidth	Payload
DS-0 (POTS)*	64Kbps	1 DS-0
DS-1 (T-1)	1.544 Mbps	24 DS-0's
DS-3 (T-3)	44.7 Mbps	28 DS-1's (672 DS-0's)
STS-1/OC-1	51.84 Mbps	1 DS-3 (672 DS-0's)
STS-3/OC-3	155.520 Mbps	3 DS-3's (2016 DS-0's)
STS-12/OC12	622.08 Mbps	12 DS-3's (8064 DS-0's)
STS-48/OC48	2488.32 Mbps	48 DS-3's (32,256 DS-0's)
STS-96/OC96	4976.64 Mbps	96 DS-3's (64,512 DS-0's)
OC-192	9953.28 Mbps	192 DS-3's (129,024 DS-0's)
OC = Optical Carrier (fiber)	*POTS = Plain Old Telephone Service	STS = Electrical Radio

**The “Last Mile Link”:**

The key link to all the wonderful high speed “pipe” that makes it all work is what is known as the “last mile link”. This is the link that reaches the end user. With advances in technology, that last mile link will be delivered several ways, including wireless, fiber optic cable, and legacy copper. Wireless technologies have matured remarkably during the past two to three years and now offer a very competitive means to deliver volume voice circuits as well as data.

**Kitsap County Needs to Be On the Communications Super-Highway:**

With the extending of fiber optic networks, super high speed connections are potentially available. With the accelerating evolution of data technologies, existing copper is being used for higher and higher speed connections. Many of these elements are in place, in construction or in planning. Key will be the old mantra, “location, location, location”. Just as communities died when they were bypassed by the railroad, by highways and by the interstate, the health of communities will increasingly depend on not being bypassed by the “communications super-highway”. We need to make sure Kitsap County thrives in the continuing telecommunications revolution. As was stated at a recent EDC forum, Kitsap County has no other choice. If Kitsap County is to grow and prosper, high speed connections to Seattle and beyond is essential. Happily, that important evolutionary step is beginning to happen.

by  
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## Harrison Hospital Serves a Three-county area:

Harrison Hospital is a not-for-profit, acute-care community hospital. It's origins date to the turn of the century. Today it is one of the region's busiest medical centers, with three campuses serving Kitsap, Jefferson, and North Mason counties. At the main hospital in East Bremerton, and facilities in Silverdale and Port Orchard, Harrison Hospital offers a comprehensive range of services, including OB/GYN and pediatrics; cardiology; orthopedics; oncology; diagnostic imaging; laser, laparoscopic, and retinal surgery; rehabilitation; home health; mental health; emergency and urgent care. Plans to provide open-heart surgery — in partnership with the University of Washington — are also underway. Fully accredited by the Joint Commission on the Accreditation of Healthcare Organizations, Harrison Hospital is a Level III Trauma Center.

## Radiation Oncology Center:

Harrison Hospital's new Radiation Oncology Center, at the main hospital campus in East Bremerton, provides world-class cancer care. One step in development of a regional cancer program, the center is both high-tech and high touch — along with the latest linear accelerator and aggressive treatment options, there is also an emphasis on education, humor, comfort, family and friends.

## Harrison's Silverdale Healthcare Campus:

The centerpiece of Harrison Hospital's newest campus is an Outpatient Surgery Center and a Women's and Children's Center. The facility also hosts 24-hour emergency services and adult and pediatric outpatient rehabilitation services, including state-of-the-art aquatic therapy.

**The medical office building** — a cornerstone of the 32-acre campus is the Harlow Medical Building, which shares a common entryway with Harrison Silverdale. It houses local doctors and a variety of clinical offerings, including an open MRI, women's breast center, laboratory and conference center.

## Harrison Hospital's South Satellite:

Harrison Hospital's Port Orchard satellite provides South Kitsap residents with first-rate walk-in care seven days a week, plus an array of other services, including rehabilitation and home health. It provides an array of other services, including rehabilitation and home health. The facility also is home to physician's offices, a pharmacy and a kidney dialysis center.

## Doctors Clinic, Group Health Cooperative, KPS and Westsound Community Health Network:

The Doctors Clinic is a multi-specialty group practice with about fifty of the greater than three hundred civilian physicians who serve in Kitsap County. Group Health Cooperative is the largest Health Maintenance Organization (HMO) that serves the area, with approximately twenty-five physicians in Kitsap County. Kitsap Physicians Service (KPS) is the locally-based, health insurance provider for many of the residents of Kitsap and adjacent counties. Westsound Community Health Network is a Physician-Hospital Organization which includes over one-hundred physicians in Kitsap and Jefferson Counties.

**Naval Hospital Bremerton:**

Naval Hospital Bremerton, with its 67 licensed beds and extensive system of health services, provides care to approximately 56,000 military, family members and retirees who live within the hospital’s beneficiary base. The hospital runs three major branch medical clinics and two satellite clinics located on military bases in the West Sound area and Everett. Naval Hospital is also home to Fleet Hospital Five, the expeditionary arm of the military treatment facility and to the Puget Sound Family Medicine Residency Program.

The hospital opened its new 55,000-square-foot wing on August 20, 2001. This new three-story wing, the Family Care Center, is home to the Family Practice Clinic, Immunization Clinic, the new Pharmacy, Medical Records and the Health Education Department with it’s Wellness Center. It will soon house the TRICARE Service Center. Adjacent the new wing is a three-level parking garage, with two levels of covered parking.

Renovation has begun on the 7-story main building, expanding and updating many clinical and administrative spaces. This construction will continue in segments throughout 2002.

The hospital provides the following in-patient specialties: Medical/Surgical, Pediatrics, Labor/Delivery, Mother/Baby, Level II Nursery, ICU, as well as an Ambulatory Procedure Unit. Core outpatient services include: Family Practice, Pediatrics, Internal Medicine, Mental Health, OB/GYN, Physical Therapy, Orthopedics and Emergency.

**Naval Hospital Bremerton Emergency Department is Best in State:**

On October 20, 2000, Naval Hospital Bremerton was presented with an award recognizing their Emergency Department as the best in the state of Washington. The Emergency Nurse’s Association selected the Naval Hospital over all other Washington state hospitals for having the best customer service, most certifications and for their involvement in state and national nurse associations.

**A Healthy Community:**

Many indices reflecting the fact that Kitsap County residents experience a relatively high level of individual health can be found in “Health Status of Kitsap County”. This report was prepared by Bremerton-Kitsap County Health District, Harrison Memorial Hospital, Kitsap Physicians Service, and Group Health Cooperative of Puget Sound.

**Life Expectancy at Birth:**

Life expectancy at birth is generally regarded as a key indicator of overall community health status. As shown below, Kitsap County residents’ life expectancy is significantly higher than that of other residents of Washington or the United States. It compares favorably with Japan, which has the highest life expectancies of any country in the world.

	Kitsap	Washington	United States	Japan
Males	76.2 yrs	74.0 yrs	72.2 yrs	76.4 yrs
Females	81.1 yrs	80.0 yrs	78.8 yrs	82.8 yrs

### A Healthy Future:

Kitsap County has a relatively young and healthy population. The region has an environment that beckons with a myriad of recreational activities. The community has a track record of creative, collaborative, and successful efforts to improve residents' quality of life and provide quality, cost-effective healthcare. Vision and leadership continue to develop services and facilities to meet future health needs based on today's solid foundation.

by

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by

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## Comprehensive Land Use Plan:

Having a valid Comprehensive Land Use Plan returns a level of stability and predictability to land use planning and development throughout Kitsap County. On February 8, 1999, the Central Puget Sound Growth Management Hearings Board (CPSGMHB) issued an order rescinding its September 8, 1997 decision declaring the Kitsap County Comprehensive Plan invalid. The County had been operating under an Interim Zoning Ordinance since the original invalidation order on October 6, 1995. In addition, the Hearings Board order remanded a number of issues and directed the County to take action by no later than August 6, 1999.

## Two Remand Issues:

The Kitsap County Board of Commissioners (BCC) divided the remand issues into two separate packages for review. The first remand package included revisions to the Zoning Ordinance, joint planning policy language and corrections to the Transportation and Economic Development Appendix and the appropriate designation of the "Screen Property" which were addressed on May 10, 1999.

The second package of remand items included the appropriate designation for the Port Gamble area. It also included updates to the six-year financing plan in the Capital Facilities element of the plan (1998-2004) that the BCC addressed on July 21, 1999.

## Port Gamble Designated "Rural Historic Town":

On March 30, 2000, Kitsap County received a ruling from the CPSGMHB that upheld the county's designation of Port Gamble as a "Rural Historic Town" and brought its Comprehensive Plan into full compliance with goals and requirements of the Growth Management Act (GMA). The county developed the designation, along with special development regulations for the historic town, pursuant to language added to the GMA by the legislature in 1998. The county has successfully taken this planning approach with the Suquamish area, with the Port Gamble case being the first time the Hearings Board had considered the GMA requirements for these "limited areas".

The Hearings Board agreed with the county that areas with this designation are "not quite urban, but not quite rural." The decision speaks approvingly of the plan the county developed for Port Gamble and concludes that the mix of uses within the town and its physical form clearly qualify it as the type of "limited area of more intensive rural development" envisioned by the legislature. The Hearings Board upheld both the outer boundary of the town, which includes the area know as Gamble Village, and the range and intensity of uses allowed within the town. The challengers also failed to convince the Hearings Board that there was a problem with the capital facilities planning for the town or with the public process used to adopt the plan for Port Gamble.

This March 30, 2000 decision completed all the challenges and remand items issued on the county's 1998 Comprehensive Plan. The county commissioners expressed relief "to be out from under the cloud of non-compliance after such a long period of time". The full text from the Hearings Board's decision can be found on the county's web site at <http://www.kitsapgov.com>.

**Joint Planning Areas (JPAs):**

The Comprehensive Plan outlined a process for addressing the issues of Urban Joint Planning Areas through the development of Subarea Plans and Interlocal Agreements. These areas are contiguous to cities and are subject to coordinated city/county planning in an effort to resolve outstanding land use and capital facility issues.

**Five Joint Planning Areas (JPAs) in Process:**

There are currently five JPAs in process with Subarea Plans being prepared — the City of Poulsbo Urban Growth Area (UGA), the South Kitsap Industrial Area including the Bremerton National Airport and the Olympic View Industrial Park, the Anderson Hill and Berry Lake properties adjacent to the City of Port Orchard and the McCormick West property.

**Areas of More Intensive Rural Development (AMIRD):**

The Comprehensive Plan recognizes recent amendments to the Growth Management Act (GMA) which allows counties to define “Limited Areas of More Intensive Rural Development” subject to a number of guidelines and criteria (RCW 36.70A.070(5)(d)). These areas allow for the recognition and designation of existing areas with established development patterns.

**Two Demonstration Projects:**

Two demonstration projects were recommended — Suquamish and Manchester — to help develop and test criteria for defining a process that will be used to consider future designations. The “Suquamish Rural Village Subarea Plan” was developed and successfully adopted by the Board of County Commissioners on April 19, 1999. This process established additional guidelines for defining a “Rural Village” concept and is currently being used in the Manchester community planning efforts. It is anticipated that this process will conclude sometime in 2001.

**Population & Employment Projections Determines Land Needed:**

The Kitsap Regional Coordinating Council (KRCC) developed a recommendation for new population projections for Kitsap County through the year 2017. These projections are primarily used to determine the size of the Urban Growth Areas throughout the County. The revised recommendation that came from the Planning Directors work group stated that “All requests for 2017 population allocation, including Urban Growth Area boundary changes, will be submitted for review at or before the June 2001 meeting of the Kitsap Regional Coordinating Council Policy Board”.

**Comprehensive Plan Amendment Process:**

On April 16, 2001, the Board of County Commissioners adopted Resolution No. 060-2001 providing for the review and possible amendment of the Kitsap County Comprehensive Plan. The Washington State Growth Management Act requires that the County Land Use Plan be subject to review and evaluation no more than once a year and at least once every five years (RCW 36.70A.130). The goal of the review is to ensure that the Plan complies with new requirements and remains consistent with the County’s vision of future development. A complete listing of all information related to the 2001 annual review process can be located on the Kitsap County website: <http://www.wa.gov/Kitsap>.

by  
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## Best Homes, Best Community:

The “Poulsbo Place” development has transformed what used to be an eyesore of older WWII vintage multiple family housing into a cozy community of well-built homes. The development won “Best in Show”, “Best Home under \$170,000”, and “Best Home in the price range of \$170,000 to 225,000” in the 2001 Kitsap County Parade of Homes.

At the state level, the development was awarded the “Best Community Land Use”, “Best Community of the Year” and “Best Design for detached home under \$200,000”. The Poulsbo Place development also won the Residential Architect Design “Community of the Year Award” for 2001.

## Walking Distance to Downtown Poulsbo:

Poulsbo Place is a residential style neighborhood designed to capture the traditional historic charm of the downtown Poulsbo area. This unique development was specifically engineered to recreate a small-town traditional urban fabric. All homes are located within walking distance to the downtown Poulsbo shops, restaurants, banks, post office, waterfront and marina.

## Efficient Land Use:

The key to Poulsbo Place is the efficient use of land. By combining the New England Cape Cod style of homes and placing them around a common courtyard, Security Properties, Inc. has come up with a winning plan that provides homeowners with real value. The bright color palette helps differentiate the homes while the white trim and picket fences tie the community together. Old-fashioned street lamps with flower baskets dress up the sidewalks.

### **Contact Poulsbo Place at:**

(360) 697-0060

1-877-882-0060

web site: [www.poulsboplace.com](http://www.poulsboplace.com)

## Ground Breaking in Summer 2000:

Northwest Corporate Campus is a 188-acre high-tech business park, which broke ground during the summer of 2000. It will provide an environment where people can walk to work and where they will enjoy views of Sinclair Inlet, Puget Sound, and the Olympic and Cascade mountains. The business park is located on a hill above Sinclair Inlet in South Kitsap, between Highway 16 and Old Clifton Road.

## Local Jobs for Local People:

Northwest Corporate Campus hopes to attract businesses that will employ local residents who otherwise commute to jobs in Tacoma, Seattle, and elsewhere. Targeted properties include high-tech companies, research & development, biotech, corporate headquarters and call centers.

## Live Where you Work:

By bringing jobs to where people are living, the Northwest Corporate Campus will significantly improve the quality of life for Kitsap County residents. Fifty-six (56) acres of the property are set aside for residential development. In addition, it is located next to McCormick Woods, an upscale living and golf community.

## Five-Year Process Made for an Environmentally Sensitive Project:

The Northwest Corporate Campus has been designed to exist in harmony with environmental issues. During the past five years, the property has been rezoned. Engineering, wetlands, wildlife, geological, and wellhead protection studies have been completed to ensure compliance with environmental concerns. In addition, of the site's 377 total acres, half of the property has been set aside for open space.

## Building Scheduled to Open Fall of 2002:

The developer expects to complete a 139,000 square-foot Class A office building by the Fall of 2002. The building will be state-of-the-art, featuring fiber-optic cabling, and high-speed data and voice connections and networks. Prospective users will have the options to lease building space, built to suit their needs, and/or to purchase and develop property in the park to suit their needs.

by  
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## Mixed Use 215-acre Development:

The Olhava Master Plan Development (MPD) is a 215-acre mixed use project located within the city limits of Poulsbo, WA. It is located at the intersection of State Routes 3 and 305. The development's Master Plan and accompanying Environmental Impact Statement are approved to include commercial, business, residential, and a 20-acre Olympic College branch "campus in the woods". Primary infrastructure development is currently being engineered and is scheduled for construction to begin in the Spring 2002.

## Road Access and Utilities/Services:

Interchange improvements to State Routes 3 and 305 are designed to provide highway access to the Olhava project. Finn Hill Road links the development with historic downtown Poulsbo. Thompson Hill Road and Parnell Place join the project with several of North Kitsap's newer communities and schools. Recently renovated Viking Avenue enables additional access for a 41-acre residential cluster located southeast of the State Route 3/305 interchange. Water, sewer and public services are available from the City of Poulsbo. Other utilities and services include natural gas, public transit and high-speed communications lines.

## Integrated Land Use Mix:

### **Commercial and Business**

The master plan allows 840,000 square feet of commercial floor space. Commercial sites include a variety of locations and sizes within the project. The Olhava Business Park includes 325,000 square feet of business/office floor space. Business sites are centrally positioned between other commercial areas and the planned Olympic College campus. The development enjoys several viewpoints to Mount Rainier and Liberty Bay.

### **Residential and Recreation**

The plan allows 420 multi-family and 70 single-family homes. Residential clusters include perimeter privacy buffers and open space park and recreation sites. Bicycle paths and nature trails stimulate non-vehicular access within the development and to an 8-acre community park. Residents are presented with a rare opportunity to enjoy shopping, conduct business or attend college, without traveling outside the development.

### **Public Education (Olympic Community College)**

As of the first week of November 2001, the branch campus for Olympic Community College is back on tract. The \$13 million in state funds, which represent the backbone for the campus and which were on hold due to the downturn in the economy, are now safe and sound, according to the Office of Financial Management. It is hoped that the north campus of OC can break ground during 2002 on its twenty-acre site within the Olhava Master Plan. The proposal includes the construction of a 38,000-square-foot classroom and administration building. Associated parking for vehicles and bicycles will be provided. It will also include a bus stop for Kitsap Transit. And, the community will be able to enjoy an educational nature trail through the beautifully wooded site. The facility will provide extended education for up to 900 full-time-equivalent students.

**Development Standards:**

Development standards will guide the project to best assure a cohesive and professional appearance. Site standards include landscaping, lighting and signage. Building standards include harmonious building form, height, texture and color. Because of Poulsbo's prevalent Scandinavian culture, soft site and building details will be encouraged.

by  
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## Port Blakely Communities:

Port Blakely Communities is a division of Port Blakely Tree Farms, which is a family owned company that has operated tree farms in Kitsap County and throughout Washington state since the late 1800's. They hope to break ground in the Spring of 2004 on a mixed use project in Central Kitsap County, just west of Kitsap Lake.

## Planning and Zoning Process:

The 1998 Kitsap County Comprehensive Plan designated 440 acres of property owned by Port Blakely, located west of Kitsap Lake, as an Urban Joint Planning Area for Business and Light Industrial Land uses. The designation was made to achieve the County's goal of having land zoned and available for businesses to locate on and to help create jobs. A Subarea Plan was prepared by Bremerton and Kitsap County that identifies the zoning for the property and specifies the environmental protections that must be included for the project to be built. It was approved in September 2000.

## Projected Land Use Mix:

The land use being considered for the site, is a mixed use project that would include approximately 900 homes and 2,225,000 square feet of business uses such as offices, light assembly and manufacturing facilities and business park. In addition, a maximum of 100,000 square feet of retail and commercial services will be included in the project to serve the needs of the community. The project will also include public trails, a public park and a buffer adjacent to neighboring properties.

## Environmental Protection:

The project will only proceed if it is demonstrated that there will not be adverse impacts to the productive salmon resources of Chico Creek or to the water quality of Kitsap Lake. A master drainage plan will be prepared at the time there is a specific project that will include the best management procedures for protecting water quality and controlling water runoff. A monitoring plan that establishes construction and post-construction monitoring will also be developed. If it is found that mitigation measures are not achieving the desired results, mitigation will be adjusted.

## Annexation to the City of Bremerton:

The property was annexed to the City of Bremerton in December 2000. A Development Agreement that reiterates the goals and requirements contained in the subarea plan and establishes the zoning for the site was approved in the same time-frame. Master planning and environmental review is planned to take place in 2002 and 2003 with construction beginning in the Spring of 2004.

## Access and Services:

Access to the site will be from SR 3 to two new access roads to the project. A "traffic corridor study" will commence in late 2001. There are currently 12 potential corridors being looked at. The "traffic corridor study" will reduce this to 4 to 6 corridors, which will then be evaluated in an "Environmental Impact Statement". The project will be served with water and sewer by the City of Bremerton.

### Other Projects:

Issaquah Highlands is another planned community that the Port Blakely company is currently developing. This project includes 3,000 homes, parks, trails, recreation, a regional retail center and a business center. Port Blakely also developed Montrues, a residential community of 300 homes in the City of Issaquah and has recently started construction of McGarvey Park, a residential community of 500 homes in the Renton area.

*Port Blakely is dedicated to developing environmentally sensitive communities and growing sustainable forest to benefit current and future generations.*

by

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**Port Blakely Communities**

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## Vision:

The adopted vision of the Port of Bremerton is to build, operate and maintain world-class facilities providing recreation and economic development opportunities for aviation, marine and business facilities. The Port of Bremerton's jurisdiction covers portions of the west and south half of Kitsap County, Washington.

## Bremerton National Airport:

Serving corporate and general aviation, Bremerton National Airport is ideal for general aviation and corporate hangars, aviation business and maintenance operations. Adjacent to Olympic View Business and Industrial Park, Bremerton National's 6,200-ft runway is equipped with a state-of-the-art instrument landing system, pilot controlled approach lighting and a non-directional beacon, and is capable of accommodating most Boeing 727, 737 and 757 aircraft.

There are over 600 acres available for development of corporate maintenance operations. Amenities available include hangar space, Avgas (truck and 24-hour self-service) and Jet A fuel, a full-service restaurant, aircraft maintenance, pilot training services, air parcel service and other fixed-base aviation support services. Bremerton National is the regional hub for aircraft activities, is home to 140 aircraft, and is a major asset for the future economic development of the Puget Sound region. Bremerton National is only 10 minutes by air from SeaTac Airport and Boeing Field.

## The Olympic View Industrial Park:

The Port of Bremerton's Olympic View Business and Industrial Park, located west of Bremerton National Airport on State Highway 3, offers 560 acres of zoned industrial property. Rail frontage is available. The existing infrastructure will accommodate 30 more acres of development. Additional roads and utility systems will require significant funding in coming years to make the remaining acreage fully available. The industrial park and airport are located in an urban growth area and are zoned industrial. The park will act as a catalyst to the diversification of the economy by attracting new industries to Kitsap County. Thirty-three businesses occupying 75 acres and 300,000 sq. ft. of building space now call Olympic View Business and Industrial Park home. Competitive operating costs, combined with a supportive building permitting process, assistance with industrial development revenue bonds, developer services and aggressive lease practices are some of the economic development tools and benefits offered by the Port. Designated properties in the industrial park as well as the adjacent Bremerton National Airport, offer the benefits of a Foreign Trade Zone and are just 10 minutes by air to SeaTac International Airport and one hour by interstate highway and ferry systems to any of the deep-water ports at Seattle, Tacoma and Olympia.

## Olympic View Business Park:

Olympic View Business Park, with spectacular views of the Olympic Mountains, is an excellent setting for technology-oriented businesses. Adjacent to the Bremerton National Airport and the Industrial Park, development plans call for an infrastructure and roadway system to accommodate office and high-tech development, including extension of broadband fiber optics located at the entrance to Olympic View.

### Foreign Trade Zone Designation:

Over 500 acres of land at the Port's industrial park and airport are designated by the US Department of Commerce as a Foreign Trade Zone (FTZ). Users can benefit from delayed and reduced duty payments, and in some cases no payments, on a wide variety of import and export activity. Warehousing, repackaging, assembly and manufacturing activities can all benefit financially from use of the FTZ.

### Port Orchard and Bremerton Marinas:

The Port's award winning recreational marinas provide both permanent and guest moorage, offering state-of-the-art accommodations and utilities. Both the Port Orchard and the Bremerton Marinas draw high numbers of guest boaters every year and contribute approximately \$1.5-million to the local economies. The cities of Port Orchard and Bremerton offer community events on the waterfront such as concerts and farmer's markets, the annual Blackberry Festival in Bremerton, and the annual Cruz Classic Car Show & Street Fair in Port Orchard. There are many shopping and entertainment opportunities within walking distance of both marinas. The promotion of tourism is a major part of the Port's economic development plan.

*The Port of Bremerton has a strong relationship with its neighbors and local government. The Port plans projects and infrastructure that encourage today's businesses to flourish and future businesses to become established in Kitsap County.*

by  
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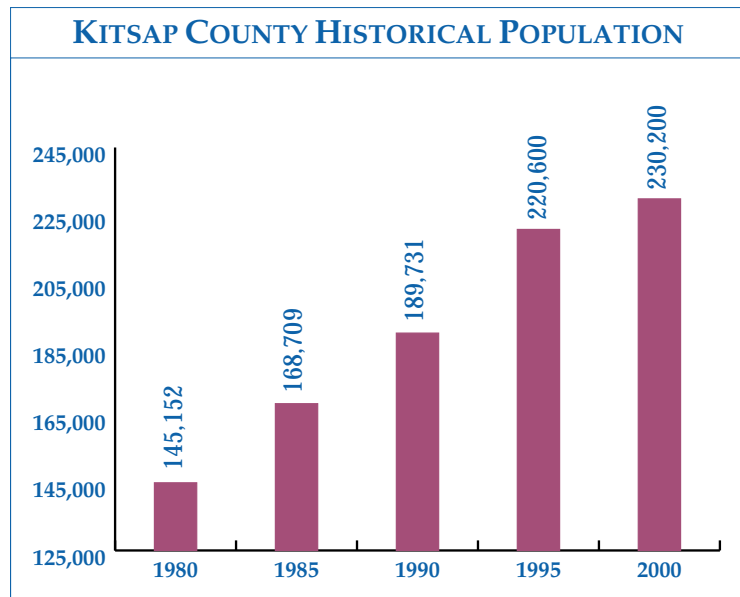
E-mail: [dickb@portofbremerton.org](mailto:dickb@portofbremerton.org)  
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**Kitsap County Population Gained 3,200 in 2001, so far:**

The (1.39%) population gain in Kitsap County was due largely to increases within the county’s cities. Of the 3,200 increase, 2,695 of these additional people settled within one of the four incorporated cities. Only 505 additional people settled into the unincorporated parts of the county. Port Orchard and Poulsbo both experienced growth over 7%. Bremer-ton and Bainbridge Island both experienced about a 3% increase in population.

Statistics gathered from the Washington State Office of Financial Management off their web site: [www.ofm.wa.gov/](http://www.ofm.wa.gov/), are summarized in the following charts and graphs.

KITSAP COUNTY POPULATION									
	1980	1990	1995	1996	1997	1998	1999	2000	2001
<b>KITSAP COUNTY</b> <i>Annual Growth Rate</i>	147,152 -	189,731 2.89%	220,600 2.38%	224,700 1.86%	229,400 2.09%	229,000 -0.17%	229,700 0.31%	230,200 0.22%	233,400 +1.39%
<b>BREMERTON</b> <i>Annual Growth Rate</i>	36,208 -	38,142 0.53%	39,610 0.77%	38,370 -3.13%	38,600 0.60%	37,260 -3.47%	36,260 -2.68%	36,160 -0.30%	37,260 +3.04%
<b>PORT ORCHARD</b> <i>Annual Growth Rate</i>	4,787 -	4,984 0.41%	6,240 5.81%	6,610 5.93%	6,965 5.37%	6,945 -0.29%	7,255 4.46%	7,270 0.21%	7,810 +7.43%
<b>POULSBO</b> <i>Annual Growth Rate</i>	3,453 -	4,848 4.04%	5,765 3.00%	6,070 5.29%	6,175 1.73%	6,590 6.72%	6,445 -2.20%	6,500 0.85%	6,965 +7.15%
<b>BAINBRIDGE ISLAND</b> <i>Annual Growth Rate</i>	2,196 -	3,081 4.03%	17,910 *	18,530 3.46%	18,920 2.10%	19,080 0.85%	19,840 3.98%	20,150 1.56%	20,740 +2.93%
<i>*Incorporation of entire Island of Bainbridge Island (1991)</i>									



**Historical Population Trends:**

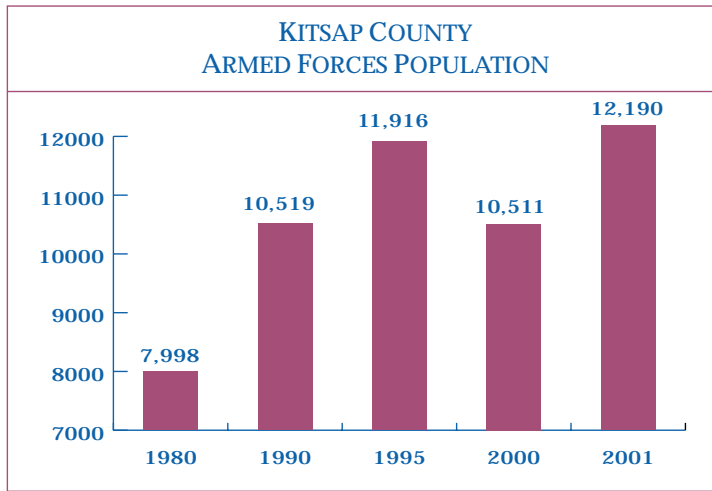
Kitsap County ranks 17th out of 39 counties in the State as the fastest (percentage) growing from 1990-2000. During the 20-year period of 1970 to 1990, Kitsap County’s population grew from 101,732 to 189,731, an increase of 87%, representing 88,000 people. By comparison, the state population grew by 42.6% over the same period. In the last ten years (1990 to 2000), Kitsap County grew by 22%. The state population grew by 21% during the same ten-year period.

**Older Population Percentage Same as Ten Years Ago:**

Kitsap population aged 65 and over was 10.6% in 1990 and it remains at 10.6% in 2001. This is less than the state average of 15%. Only eight of the 39 Washington State counties have smaller 65 and over populations than Kitsap County. Four Washington State counties register over 20% of their populations are 65 years old and over.

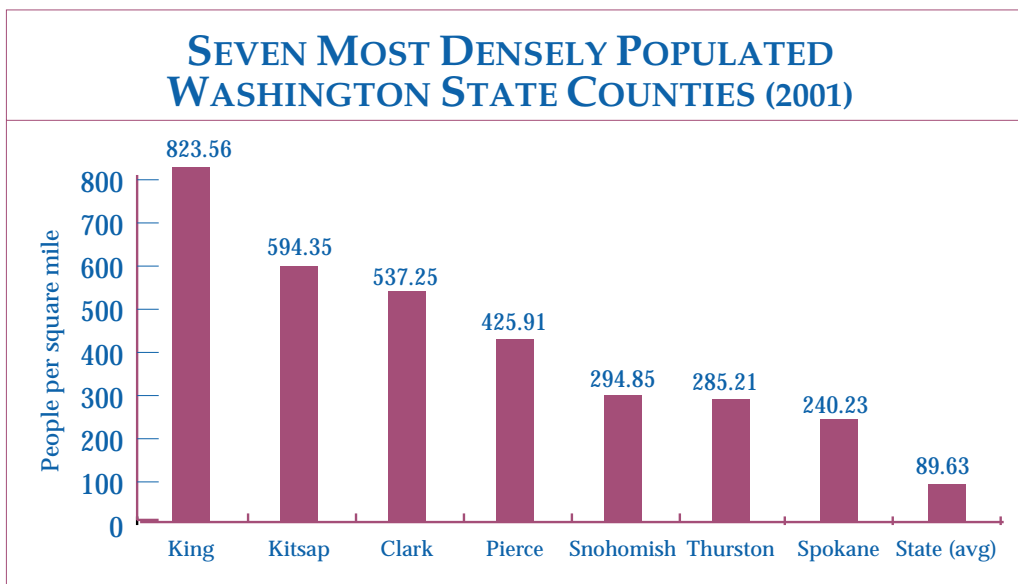
**Armed Forces Personnel in Kitsap County:**

Although Armed Forces personnel population has been reduced in other parts of Washington State, Kitsap County has maintained a fairly steady military population. In fact, this last year Kitsap County experienced a 16% increase in its military population.



**Kitsap County Population Density is 2nd Highest out of 39 Counties in the State:**

Although the general appearance of Kitsap County seems “rural” due to the vistas of water, mountains and trees, it is, in fact, the second most dense county in the state of Washington, second only to King County.



SEVEN MOST DENSELY POPULATED WASHINGTON STATE COUNTIES (2001)			
COUNTY	2001 People/Sq. Mi.	LAND AREA (Square Miles)	2001 POPULATION
King	823.56	2,135.001	1,758,300
Kitsap	594.35	392.70	233,400
Clark	537.25	656.30	352,600
Pierce	425.91	1,675.00	713,400
Snohomish	294.85	2,098.00	618,600
Thurston	285.21	737.00	210,200
Spokane	240.23	1,758.30	422,400
<i>State (avg.)</i>	89.63	66,662.10	5,974,900

**Kitsap County Median Household Income Ranked 6th out of 39 Counties in the State:**

Kitsap County enjoys a relative high Median Household Income compared to the majority of Washington state counties. It ranks 6th out of the 39 counties. King County enjoys the highest Median Household Income (\$62,735) and Okanogan has the lowest (\$23,634).

EIGHT HIGHEST MEDIAN INCOME WASHINGTON STATE COUNTIES (2001)	
COUNTY	Median Household Income
King	\$62,735
Snohomish	\$57,715
San Juan	\$53,418
Clark	\$49,811
Benton	\$49,265
Kitsap	\$48,847
Pierce	\$48,096
Thurston	\$47,867
<i>State (avg)</i>	\$50,689

by  
Washington State Office of Financial Management

Web site: [www.ofm.wa.gov](http://www.ofm.wa.gov)

Non-Agricultural Employment Increased by 1,400 from December 1999 to December 2000, an increase of 1.92%. Employment categories that experienced increases were: Mining/Construction, Wholesale/Retail Trade, Services and Government. Employment categories that experienced a reduction were: Manufacturing, Transportation & Public Utilities and Finance/ Insurance/ Real Estate.

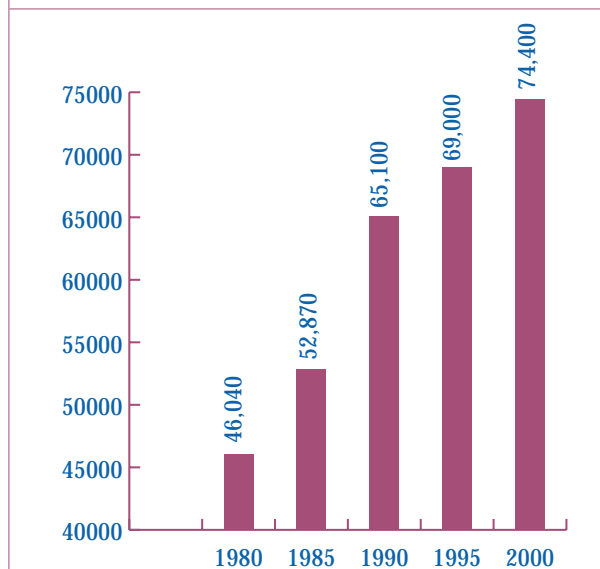
## BREMERTON-KITSAP COUNTY PRIMARY METROPOLITAN SERVICE AREA (PMSA) NON-AGRICULTURAL EMPLOYMENT LEVELS

Industry	Dec 1999	Dec 2000	% Change	Industry Share
Manufacturing	2,400	2,300	-4.17%	3.09%
Mining/Construction	4,600	4,800	+4.35%	6.45%
Trans & Public Utilities	2,000	1,900	-5.00%	2.55%
Wholesale/Retail Trade	16,500	16,800	+1.82%	22.58%
Finance, Ins/Real Estate	2,900	2,600	-10.34%	3.49%
Services	18,800	19,700	+4.79%	26.48%
Government	25,800	26,300	+1.94%	35.35%
<b>TOTAL</b>	<b>73,000</b>	<b>74,400</b>	<b>+1.92%</b>	<b>100.00%</b>

Source: Washington State Emp. Security Labor Market & Economic Analysis Branch  
[www.wa.gov/esd/lmea/currejmp/pmsa/kits9998.htm](http://www.wa.gov/esd/lmea/currejmp/pmsa/kits9998.htm)

**Slow but Steady Employment Growth:** The graph below illustrates annual Kitsap County non-agricultural employment levels from 1980 to 2000. Annual growth in non-agricultural employment has been gradual but steadily uphill.

## BREMERTON-KITSAP COUNTY PRIMARY METROPOLITAN SERVICE AREA (PMSA) NON-AGRICULTURAL EMPLOYMENT



Source: Washington State Emp. Security Labor Market & Economic Analysis Branch  
[www.wa.gov/esd/lmea/currejmp/pmsa/kits9998.htm](http://www.wa.gov/esd/lmea/currejmp/pmsa/kits9998.htm)

# TOP EMPLOYERS IN KITSAP COUNTY (AS OF OCTOBER 2001) 27

## Major Government Employers

Puget Sound Naval Shipyard	9,300
Naval Submarine Base Bangor	7,769
Naval Undersea Warfare Center	1,888
Naval Station Bremerton	1,168
Naval Hospital Bremerton	1,084
Fleet Industrial Supply Center	682

## Major Defense Contractors

	<u>FTE</u>
Johnson Controls World Services	800
BAE Systems (formerly Tracer)	350
American Systems Engineering Corp	268
Raytheon Systems	250
Lockheed Martin	220
Northrup Grumman Corp.	90
Tech Law, Inc.	13

## Major Public Agency Employers

Central Kitsap School District	1,140
Kitsap County	1,139
South Kitsap School District	1,022
North Kitsap School District	700
Bremerton School District	625
Washington State Ferries	410
Olympic College	375
Department of Social & Health Services	357
City of Bremerton	320
United States Postal Service	291
Veterans Home	288
Retsil Veterans Home	280
Kitsap Transit	222
Bainbridge Island School District	220
Olympic Educational Services District #114	200
Port Gamble S'klallam Tribe	140
City of Bainbridge	123
Frances Haddon Morgan Center	121
Kitsap County Special Health District	120
Kitsap Regional Library	105
Washington State Patrol	89
City of Poulsbo	79
City of Port Orchard	55
Wash. State Dept. of Transportation	51
Kitsap Co. Consolidated Housing Authority	50
Wash. State Department of Ecology	40
Wash. State Dept. of Employment Security	40
Wash. State Dept. of Labor & Industries	28

## Major Financial Institutions

	<u>FTE</u>
Kitsap Federal Credit Union	193
Kitsap Bank	166
American Marine Bank	88
Bank of America	70
Frontier Bank (formerly North Sound)	68
Wells Fargo Bank	23

## Major Retail & Service Employers

	<u>FTE</u>
Wal*Mart (2 locations)	555
Fred Meyer	451
Nextel Communications	333
Laurier Enterprises (McDonald's)	321
Albertsons (5 locations)	313
Town & Country Markets	311
Safeway	290
The Home Depot	176
Westbay Auto Parts	141
Courtesy Ford, Chevrolet, Mitsubishi, Suzuki	135
Ace Paving	130
Kitsap Community Resources	121
K-Mart	114
Waste Mgt. (Brem-Air, Oly. View Landfill)	111
The Bon Marche	107
Target Stores	105
Puget Sound Energy	105
COSTCO	100
JCPenney	100
General Construction Co.	100
Lowe's Home Improvement	92
Windermere Real Estate	92
Stirrett Johnsen, Inc.	85
Paratransit Services	78
Communitas Group	77
Land Title Co.	75
Liberty Shores/Harbor House	68
Christ Memorial Church & Schools	67
Olive Garden Restaurant	65
Fairbank Construction Co.	58
Bremerton Chrysler Plymouth Dodge	55
McCormick Woods Marriott	50
Jennings Corp.	

## Major Manufacturing Firms

	<u>FTE</u>
The SUN Newspaper	175
Seattle Orthopedic Group	150
Sound Publishing	147
Sage Manufacturing	130
EDS (Electric Data Systems) Corporation	130
Boxlight Corporation	103
Watson Furniture Systems	100
Fred Hill Materials	90
NetSystems, Inc.	85
Olympic Resource Management	82
Airbiquity (formerly Integrated Data Comm.)	60
Pacific Ship Repair & Fabrication	43
Safeboats, Inc.	42
SkiWarm	23
SquareRigger	11

# TOP EMPLOYERS IN KITSAP COUNTY (AS OF OCTOBER 2001) 28

<u>Major Health Care Employers</u>	<u>FTE</u>	<u>Major Private Sector Employers</u>	<u>FTE</u>
Harrison Hospital	1,275	Port Madison Enterprises (Suquamish Tribe)	261
Kitsap Mental Health	254	EDS Corporation	175
The Doctors Clinic	246	Port Gamble S'Klallam Tribe	150
Martha & Mary Nursing Home & Child Ctr	240	Ace Paving	150
Group Health Cooperative	210	Brem-Air Waste Management	130
Belmont Terrace/Ridgemont Terrace	188	Stirrett-Johnson	120
Messenger Health Care Center	126	Kitsap Community Services	102
KPS Health Plans	110	Chips Casino & Deli	95
Forest Ridge Health & Rehab. Center	70	Fred Hill Materials	94
Crista Shores	50	Paladin Data Systems	80
Olympic Medical Laboratories (PACKDSL)	10	Concurrent Technologies Corporation	75
		Olympic Resource Management	75

by  
Kitsap Regional Economic Development Council  
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## Puget Sound Naval Shipyard:

Puget Sound Naval Shipyard (PSNS) is comprised of 179 acres of property bordered on the south by Sinclair Inlet, on the west by Naval Station Bremerton, and on the north and east perimeters by the City of Bremerton. PSNS is the Pacific Northwest's largest Naval shore facility and one of Washington State's largest industrial installations. Puget Sound Naval Shipyard is focused on providing its customers with quality and cost efficient maintenance and technical/ logistical support.

Web Site: [www.psns.navy.mil](http://www.psns.navy.mil)

## Naval Submarine Base Bangor:

The Naval Submarine Base at Bangor, WA encompasses 7,201 acres. It serves the Navy as a home port for the TRIDENT Submarines. Industrial activities include incremental submarine overhauls, modernization and maintenance; assembly and processing missiles and components; and training military and civilian personnel on the latest military technologies.

Web Site: [www.bangor.navy.mil](http://www.bangor.navy.mil)

## Naval Undersea Warfare Center Division Keyport:

The Naval Undersea Warfare Center (NUWC) Division, Keyport, WA, is a shore Command under the Naval Sea Systems Command, Washington, D.C. It is one of two divisions of the Naval Undersea Warfare Center, which is headquartered at Division Newport, Rhode Island. NUWC's mission is to test torpedoes, provide training in the maintenance and repair of torpedoes and to evaluate the effectiveness of torpedoes.

Web Site: [www-keyport.kpt.nuwc.navy.mil](http://www-keyport.kpt.nuwc.navy.mil)

## Fleet and Industrial Supply Center (FISC) Puget Sound:

Fleet and Industrial Supply Center (FISC), located in Bremerton, WA is one of six FISCs supervised by the Naval Supply Systems Command. They provide a one-stop supply and logistics service delivery mechanism in which ships can obtain all logistics and port services. Their "Material Processing Center" provides custom sorting and delivery services.

Web Site: [www.puget.fisc.navy.mil](http://www.puget.fisc.navy.mil)

## Olympic College and the Navy Team up on Fire Fighting Training:

The Navy can now obtain Fire Fighting Training for its personnel locally. Olympic college spent \$400,000 and the Navy spent \$250,000 to equip a new "Emergency Readiness Center". Before, more than 700 Navy personnel annually had to travel to North Bend to attend the "Fire Training Academy" there. The new ERC located in Bremerton can also train Coast Guard, National Guard, ferry personnel, police and, of course, local firefighters. Olympic College hopes to make the Emergency Readiness Center a regional training ground for fire fighting training for the entire Olympic Peninsula. Even commercial fisherman and Holland America Cruise Lines have expressed interest.

## Olympic College Provides Culinary Arts and Barber Training for the Navy:

Olympic College now provides training to Navy personnel in Culinary Arts, Barbering and other skills. In the past, they used to travel to San Diego, CA for such training.

## PSNS Provides Welding Courses:

Instead of Navy personnel trekking off to Illinois for months of training, they now can attend 14-week welding courses locally. The courses are offered at the Puget Sound Naval Shipyard, Shop 36.

Local training saves the Navy money and it adds to the quality of life for Navy personnel. Married sailors do not have to have unneeded family separations and the Navy gets personnel back to their duty station in a timely manner.

by  
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**Kitsap County Building Permit Levels:**

Statistics for year end 2000 indicate that the Kitsap County residential market remains depressed. The residential market, as a whole, was relatively active in the years 1989 through 1994, with its peak year for new construction occurring in 1990. Since 1994, however, the market has slowed considerably, and new construction has been dramatically reduced. Moreover, much of this new construction involves custom homes, and the level of “spec” construction is severely limited. New home sales through the Multiple Listing service totaled only 543 for 2000, and nearly 50% of these were located in the North Kitsap and Bainbridge Island market areas.

Despite the decline in new construction, prices for both new and used homes throughout the County continue to rise. The average number of day (DOM) that it takes to sell these homes has also decreased from 145 days in 1996 to 84 days in 2000, and the inventory of unsold homes is declining slightly. As inventory continues to decline, pressure should mount for more new construction and lot development. Acquisition of land and platting of new lots, however, have also declined sharply in recent years, and reached a ten-year low in 2000. It is reasonable to predict that once a turnaround in the market occurs, the available competition should be limited.

**Building Permit Activity:**

The chart below summarizes the total residential building permit activity within Kitsap County for each year between 1984 and 2000, and breaks down new construction into three categories (i.e. Single-Family Homes, Multi-Family Units, and Mobile Homes).

<b>RESIDENTIAL BUILDING PERMITS BREMERTON/KITSAP COUNTY AREA</b>							
Year	Single-Family		Multi-Family		Mobile Home		Total #
	#	%	#	%	#	%	
1984	986	47.7%	462	22.4%	617	29.9%	2,065
1985	1,430	57.8%	454	18.3%	591	23.9%	2,475
1986	1,009	58.5%	140	8.1%	576	33.4%	1,725
1987	1,056	45.9%	705	30.7%	538	23.4%	2,299
1988	930	51.7%	384	21.3%	485	27.0%	1,799
1989	1,347	54.0%	526	21.1%	623	25.0%	2,496
1990	1,914	55.2%	718	2.07%	836	24.1%	3,468
1991	1,660	59.9%	839	30.3%	707	25.5%	3,206
1992	1,892	65.3%	290	10.0%	690	23.8%	2,872
1993	1,611	55.6%	667	23.0%	536	18.5%	2,814
1994	1,766	64.5%	573	20.9%	539	19.7%	2,739
1995	1,387	65.8%	274	13.0%	448	21.2%	2,109
1996	1,345	66.1%	250	12.3%	441	21.7%	2,036
1997	1,030	66.8%	65	4.2%	446	28.9%	1,541
1998	970	62.2%	175	11.2%	415	26.6%	1,560
1999	1,132	75.2%	20	1.3%	354	23.5%	1,506
2000	1,107	73.6%	83	5.5%	314	20.9%	1,504
Total	22,572	58.8%	6,631	17.3%	9,155	23.9%	38,358

*Source: HUD, Seattle Regional Office (1989-1996); Richards & Associates (1997-2000)*

The “Building Permit Activity” table indicates that of the 38,358 residential units permitted between 1984 and 2000, roughly 59% have been for Single-Family, 17% for Multi-Family, and 24% for Mobile Homes. Total activity peaked in 1990 when 3,468 units were issued permits, and the overall number of units permitted remained rather steady between 1991 and 1994 before beginning a substantial decline. Permits issued in 2000 were lower than any other time in more than fifteen years.

Single-Family homes with Kitsap County have historically been more affordable than neighboring King, Snohomish, and Pierce Counties, and for this reason many people have chosen to move to Kitsap County and endure the commuting distances to other employment markets. Following periods of high price appreciation in these adjacent areas, the local Kitsap market has historically experienced spikes in its development activity due to increased demand. Although the neighboring markets have experienced a period of strong price appreciation and demand over the past four years, only specific areas of the county — Bainbridge Island and parts of North Kitsap — have benefited from the “spill-over” effect.

**Mobile Home Units Up/ Single-Family and Muti-Family Units Are Down:**

The table below shows the distribution of types of housing units (i.e. Single-Family, Multi-Family and Mobile Home) in Kitsap County as derived from the U.S. Census data in the years 1980, 1990 and 1999. The 1999 figures are estimates made by the Washington State Office of Financial Management. The Year 2000 numbers were not available for the Spring 2001 edition of the Kitsap TRENDS .

KITSAP COUNTY HOUSING DISTRIBUTION								
Housing Type	1980		1990		1999		Change 1990-1999	
	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total
Single-Family	41,834	73.0%	51,170	69.1%	64,221	67.4%	13,051	61.4%
Multi-Family	11,728	20.5%	13,959	18.9%	17,326	18.2%	3,367	15.8%
Mobile Homes	3,765	6.6%	8,909	12.0%	13,758	14.4%	4,849	22.8%
<b>TOTAL</b>	<b>57,327</b>	<b>100%</b>	<b>74,038</b>	<b>100%</b>	<b>95,305</b>	<b>100%</b>	<b>21,267</b>	<b>100%</b>

As indicated, both the Single-Family and Multi-Family share, as a percent of total housing, declined from 1980 to 1990, while the percent of mobile homes increased. This trend continued in the period between 1990 and 1999. Mobile Homes now make up roughly 14.4% of all housing types, while Single-Family homes have decreased to 67.4% and Multi-Family units have decreased to 18.2%. Despite this trend toward the more affordable mobile homes, Single-Family housing is still Kitsap County’s predominant form of shelter, and represents nearly 2 out of every 3 housing units in the county. Based on the level of building permits issued over the past five years, the trend away from Multi-Family development is confirmed by the fact that 68.5% of the total permits were for Single-Family homes, 24.1% were for Mobile homes, and only 7.4% were for Multi-Family units.

**Average Home Prices Climbed 1.4%/ Days on Market (DOM) Declined:**

The following chart summarizes average home sales prices by area of the county, as indicated by the Computer Multiple Listing Service (CMLS) data and the Northwest Multiple Listing Service (NWMLS) data. These sources are not all-inclusive, since they cover only properties that were marketed by member real estate firms, but the data is considered to be a good indication of price and days-on-the-market trends.

The bottom two rows of the chart display the average home sale price with and without Bainbridge Island included, an area which is heavily influenced by ferry access to King County and historically has the highest priced homes in the county. As the chart indicates, average home prices have steadily increased over the past five years, both on and off Bainbridge Island, while the days on market (DOM) have declined.

MULTIPLE LISTING SERVICE AVERAGE PRICES (ALL HOMES BY AREA)										
CMLS Area	1996		1997		1998		1999		2000	
	Price	DOM	Price	DOM	Price	DOM	Price	DOM	Price	DOM
1 South Kitsap	\$130,849	156	\$131,875	146	\$147,924	94	\$149,754	90	\$149,594	82
2 West/Central	\$146,910	147	\$155,853	138	\$159,393	90	\$162,472	82	\$168,894	77
3 W. Bremerton	\$89,005	132	\$100,494	115	\$97,066	83	\$97,810	75	\$108,358	77
4 E. Bremerton	\$105,292	120	\$108,274	119	\$117,846	85	\$115,871	68	\$124,236	81
5 East/Central	\$119,234	135	\$126,502	127	\$132,374	93	\$138,806	65	\$140,272	72
6 North Kitsap	\$156,313	146	\$161,365	149	\$171,771	94	\$188,771	95	\$190,273	87
7 Bainbridge Isl.	\$291,739	153	\$300,480	142	\$339,973	97	\$382,044	93	\$416,975	112
CountyAverages	\$150,706	145	\$161,212	139	\$175,155	92	\$183,669	85	\$186,214	84
Less Bainbridge	\$131,414		\$138,171		\$146,791		\$153,070		\$154,285	

This data indicates a county-wide average home sales price of \$186,214 for 2000, which was a 1.4% increase from the \$183,669 average for 1999. Bainbridge Island always achieves the highest prices, while the remainder of the county brackets a substantially reduced price level that ranges from almost \$110,000 in West Bremerton to slightly more than \$190,000 in North Kitsap County. The county-wide average, excluding Bainbridge Island, now stands at \$154,285, which was up 0.8% from the prior year.

**Takes Fewer Days to Sell a Home:**

A somewhat positive sign indicated by the data is the general reduction in the average amount of time that it takes to sell a home, an indication that demand may be on the rise. County-wide, the number of Day-On-Market (DOM) had been steadily increasing, and had reached 145 days for year-end 1996. The 1998 - 2000 figures are dramatically lower, and the average ranges from 84 to 92 days over this three year period. This reduction may be due in part to record keeping associated with the change over of the CMLS to the NWMLS at the end of 1997, and it should be remembered that this data is utilized to demonstrate trends over time, and does not necessarily represent the amount of time that it might take to sell an individual home in today's market. These figures tend to be slightly understated since some homes do not sell within the time frame stipulated within the listing agreement and are re-entered into the computer system upon renewal of the listing, while others are transferred to alternative real estate firms at lower prices. These and other conditions tend to minimize the Days-On-Market reported by the MLS, but despite these limitations, as stated before, the data is considered to be an acceptable indicator of market trends and implies that demand is relatively steady.

**Appreciation Rates:**

As can be seen in the chart below, county-wide appreciation rates are lower than the prior four years. But, the West Bremerton, East Bremerton and Bainbridge Island markets substantially exceeded the average county-wide Appreciation Rate.

<b>MLS SINGLE-FAMILY APPRECIATION RATES (AVERAGE PRICES)</b>										
<i>MLS Area</i>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. South Kitsap	15.3%	16.0%	3.3%	1.9%	2.3%	3.3%	0.8%	12.2%	1.2%	-0.1%
2. West/Central	12.9%	0.3%	1.0%	1.9%	-6.1%	5.3%	6.1%	2.3%	1.9%	4.0%
3. W. Bremerton	11.3%	11.1%	7.6%	3.5%	-6.9%	7.0%	12.9%	-3.4%	0.8%	10.8%
4. E. Bremerton	13.6%	13.2%	2.4%	2.1%	-2.2%	5.9%	2.8%	8.8%	-1.7%	7.2%
5 East/Central	16.7%	7.5%	0.5%	3.5%	-0.7%	0.5%	6.1%	4.6%	4.9%	1.1%
6. North Kitsap	4.4%	8.9%	7.9%	2.3%	-0.2%	9.2%	3.2%	6.4%	9.9%	0.8%
7. Bainbridge Island	-2.5%	5.0%	4.4%	8.4%	8.5%	-1.3%	3.0%	13.1%	12.4%	9.1%
<b>County Totals</b>	<b>8.7%</b>	<b>8.5%</b>	<b>3.8%</b>	<b>5.3%</b>	<b>-0.3%</b>	<b>5.2%</b>	<b>7.0%</b>	<b>8.6%</b>	<b>4.9%</b>	<b>1.4%</b>
<b>Less Bainbridge</b>	<b>12.6%</b>	<b>9.8%</b>	<b>4.1%</b>	<b>2.6%</b>	<b>-1.4%</b>	<b>3.4%</b>	<b>5.1%</b>	<b>6.2%</b>	<b>4.3%</b>	<b>0.8%</b>

**East & West Bremerton Showed A “Turn Around” in 2000:**

The data in the prior chart indicates that West and East Bremerton market areas experienced a turn around from the previous stagnant appreciation rates. In fact, West Bremerton homes appreciated at a higher rate (10.8%) than even Bainbridge Island homes (9.1%).

**Bainbridge Island & North Kitsap Homes Appreciated the Most Over Five-Year Period:**

Over the past five years, the South Kitsap, Silverdale, and Central Kitsap market areas have posted the lowest price gain. The highest appreciation rates were experienced in the Bainbridge Island and North Kitsap areas. Again, proximity to ferry service is probably a major contributing factor in this trend.

**“New Home” Prices Continue to Increase:**

The *Digest* is a publication that formerly compiled data on “all” property sales that occurred within Kitsap County. This company terminated their services in Kitsap County in early 1997, so figures are only available through the end of 1996. The Northwest Multiple Listing Service, on the other hand, does track “new home” sales that occur through their member brokers, but their data is available only as of January 1998. Further complicating the matter is the fact that sales areas from each of these data sources are not identical. Despite these limitations, we have attempted to match sales areas as closely as possible and the data is summarized in the following chart.

AVERAGE "NEW HOME" PRICES BASED ON <u>THE DIGEST</u> AND NWMLS DATA									
<i>Digest Area</i>	1991	1992	1992	1994	1995	1996	1998	1999	2000
North Kitsap	\$115,006	\$132,431	\$130,859	\$139,562	\$145,562	\$163,076	\$182,576	\$202,517	\$214,040
Bainbridge Island	\$236,277	\$238,043	\$205,725	\$249,673	\$260,458	\$304,735	\$348,819	\$382,306	\$410,050
Central Kitsap	\$142,966	\$149,163	\$147,284	\$149,333	\$150,264	\$148,161	\$145,979	\$147,269	\$150,782
Bremerton	\$121,987	\$127,751	\$115,014	\$123,596	\$126,331	\$123,303	\$137,049	\$136,048	\$155,137
South Kitsap	\$126,531	\$137,399	\$144,870	\$140,896	\$145,001	\$148,424	\$160,975	\$175,148	\$178,600
<b>County Totals</b>	<b>\$138,463</b>	<b>\$143,776</b>	<b>\$143,078</b>	<b>\$148,880</b>	<b>\$153,131</b>	<b>\$162,651</b>	<b>\$195,219</b>	<b>\$226,200</b>	<b>\$232,136</b>
Less Bainbridge Isl.	\$129,666	\$115,054	\$139,674	\$141,826	\$146,819	\$150,911	\$165,298	\$178,201	\$182,202

**“New Home” Prices Increased the Most in North Kitsap & Bainbridge Island:**

The data indicates that, beginning in 1996, the North Kitsap market area generated the highest new home prices in the county, excluding Bainbridge Island. South Kitsap also surpassed the Central Kitsap area during this same year. Since 1990, new home prices have increased at an annual compound appreciation rate of 7.4% within the North Kitsap market area, which outpaces all other areas of the county, including Bainbridge Island, which increased at a rate of 7.3% per year. The South Kitsap area increased at a rate of 5.1% per year over this same time frame while the Central Kitsap and Bremerton areas have lagged, increasing 1.5% and 4.1% respectively. Again, the market appears to place greater emphasis on the North Kitsap and Bainbridge Island market areas as they have shorter commutes to the employment center of King County. A similar condition associated with commuting to the Pierce County area may also exist within the South Kitsap market area.

**Total Home Sales Continue to Increase, While “New Home” Sales Remain Below Normal:**

An indication of the level of sales actively within each area of the County is obtained from Multiple Listing Service data and is summarized in the following chart. The data reflects the number of closed sales in each area, in addition to the total number of condominium sales county wide. Please also note that figures for 1997 have been annualized based on data for only 10 months of the year.

<b>NUMBER OF RESIDENTIAL SALES BY AREA</b>										
<b>MULTIPLE LISTING SERVICE DATA</b>										
<i>MLS Area</i>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1 South Kitsap	692	764	827	845	739	770	671	819	919	914
2 West/Central	412	551	541	580	512	396	382	477	465	480
3 W. Bremerton	233	256	232	237	216	243	240	304	321	359
4 E. Bremerton	133	144	142	155	136	143	131	182	215	232
5 East/Central	327	381	361	290	334	267	288	301	326	331
6 North Kitsap	521	630	622	646	639	581	589	712	814	705
7 Bainbridge Island	259	279	270	322	279	320	359	481	472	418
<b>Total Single Family</b>	<b>2,577</b>	<b>3,005</b>	<b>2,995</b>	<b>3,075</b>	<b>2,855</b>	<b>2,650</b>	<b>2,660</b>	<b>3,276</b>	<b>3,532</b>	<b>3,439</b>
<b>Condos</b>	<b>74</b>	<b>79</b>	<b>85</b>	<b>99</b>	<b>94</b>	<b>88</b>	<b>68</b>	<b>130</b>	<b>160</b>	<b>134</b>
<b>Total Residential</b>	<b>2,651</b>	<b>3,084</b>	<b>3,080</b>	<b>3,174</b>	<b>2,949</b>	<b>2,738</b>	<b>2,728</b>	<b>3,406</b>	<b>3,692</b>	<b>3,573</b>

**Single-Family Home Sales In Last Two Years Are Highest In Last Ten Years:**

The data indicates that Single-Family home sales have ranged from 2,577 to 3,692 units from 1991 to 2000, with the highest number of sales occurring in 1999. Sales for 2000 totaled 3,439 homes, and each of the past three years have generated more sales activity than at any other time during the past decade. A telling statistic not shown on the table, however, is that the number of new home sales over the past three years represent only a fraction of the total sales.

**New & Used Home Sales:**

The following table breaks down the total sales by location and by new and used home categories. New home sales have ranged from 8.42% to 15.79% of the total sales over the past three years.

<b>NUMBER OF NEW &amp; USED HOME SALES BY AREA</b>									
<b>MULTIPLE LISTING SERVICE DATA</b>									
<i>MLS Area</i>	1998			1999			2000		
	New	Used	Total	New	Used	Total	New	Used	Total
S. Kitsap	57	762	819	126	793	919	164	750	914
Silverdale	44	433	477	54	411	465	38	442	480
W. Bremerton	7	297	304	13	308	321	11	348	359
E. Bremerton	7	175	182	9	206	215	25	207	232
Central Kitsap	14	287	301	16	310	326	50	281	331
N. Kitsap	102	610	712	143	671	814	136	569	705
Bainbridge Island	45	436	481	111	361	472	119	299	418
<b>TOTALS</b>	<b>276</b> 8.42%	<b>3,000</b> 91.58%	<b>3,276</b> 100%	<b>472</b> 13.36%	<b>3,060</b> 86.64%	<b>3,532</b> 100%	<b>543</b> 15.79%	<b>2,896</b> 84.21%	<b>3,439</b> 100%

**MLS Single-Family Home Inventory Continues to Decline:**

The MLS tracks the number of Single-Family listings that are Active, Pending and Closed for each month. This information not only helps determine the current activity in the market, but it provides a window into what is likely to occur in the next few months. The following table summarizes the average number of active Single-Family home listings by area for the years 1995 through 2000. Active listings were on the increase in nearly every market area through 1997, but have since declined in all areas. This corresponds to the increase in residential sales during the same period. Although inventory fluctuations on their own do not necessarily indicate changes in the market, the fact that inventories are decreasing while sales activity is at the highest levels since 1990, suggests that existing supply is slowly being absorbed and that demand for new construction may be on the horizon.

MLS SINGLE-FAMILY RESIDENTIAL LISTINGS (MONTHLY AVERAGE)						
MLS Area	1995	1996	1997	1998	1999	2000
1 South Kitsap	586	623	636	532	531	504
2 Silverdale	327	327	336	276	233	205
3 W. Bremerton	179	162	231	176	163	155
4 E. Bremerton	90	123	130	98	93	93
5 Central Kitsap	183	220	230	162	137	131
6 North Kitsap	425	492	547	419	352	360
7 Bainbridge Isl.	269	213	278	227	202	204
<b>County Totals</b>	<b>2,059</b>	<b>2,160</b>	<b>2,388</b>	<b>1,890</b>	<b>1,711</b>	<b>1,652</b>

RESIDENTIAL LOTS CREATED		
Year	Plats Recorded	Lots Created
1994	24	723
1995	3	78
1996	25	825
1997	16	373
1998	16	445
1999	17	388
2000	7	196

**Residential Lot Development Also Declines:**

Given the limited level of new home sales, which has resulted in a substantially reduced level of new home construction, it is only logical that demand for new lots is also reduced. The following chart details the number of plats recorded throughout the county in the years 1994 - 2000, in addition to the total number of building sites that were created. As the chart indicates, plat recordings dropped substantially from the level of 1996 and reached a five-year low in 2000. The fact that new inventory is not being created suggests that plats with standing inventory will be best positioned to capitalize on market demand *once it materializes*. This appraiser's search of the market also indicates that a very limited number of acreage tracts have been acquired by developers in recent years and once the market turns, a substantial lag time for new plat construction is likely to occur. This also bodes well for existing or ongoing developments with a standing inventory of lots.

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## Lots Applied For/ Lots Created:

The following chart displays the number of lots applied for and created by area for Year-To-Date January 2001 through September 12, 2001.

SINGLE FAMILY LOTS (JAN-SEP 2001)	
Lot Location	# of Lots Created
Bainbridge Island	66
Bremerton	3
Port Orchard	58
Poulsbo	23
Kitsap County	178
<b>TOTALS</b>	<b>328</b>

## Number of Lots Created up 20.6% over same time period of 2000:

“Planned Communities” are responsible for adding most of the lots created in Kitsap County.

**Kingston:** The “Apple Cove” development, by Joe Beaulieu, created 10 new lots. The “Appletree Cove Meadows”, by Sound Investments, LLC, created 33 new lots.

**Bainbridge Island:** The “Hidden Cove” Division 3, by Jefferson Properties, created 20 new lots. The “Taurnic Place”, by Marcia BelForte, created 10 new lots.

**Poulsbo:** The project “Poulsbo Place” Phase 1, Division 2E, by Security Properties, created 3 additional lots and continues to be the main stream on lots created in the city of Poulsbo. The Poulsbo “Knutson Place” development, by Jim Laughlin, created 18 new lots.

**Kitsap County:** Recent plats created in un-incorporated Kitsap County are “Woods & Meadows” Division 4, by Chaffey/Madison Park Partnership, creating 38 new lots. The “Sydney Manor”, by North Pacific Development, created 18 new lots.

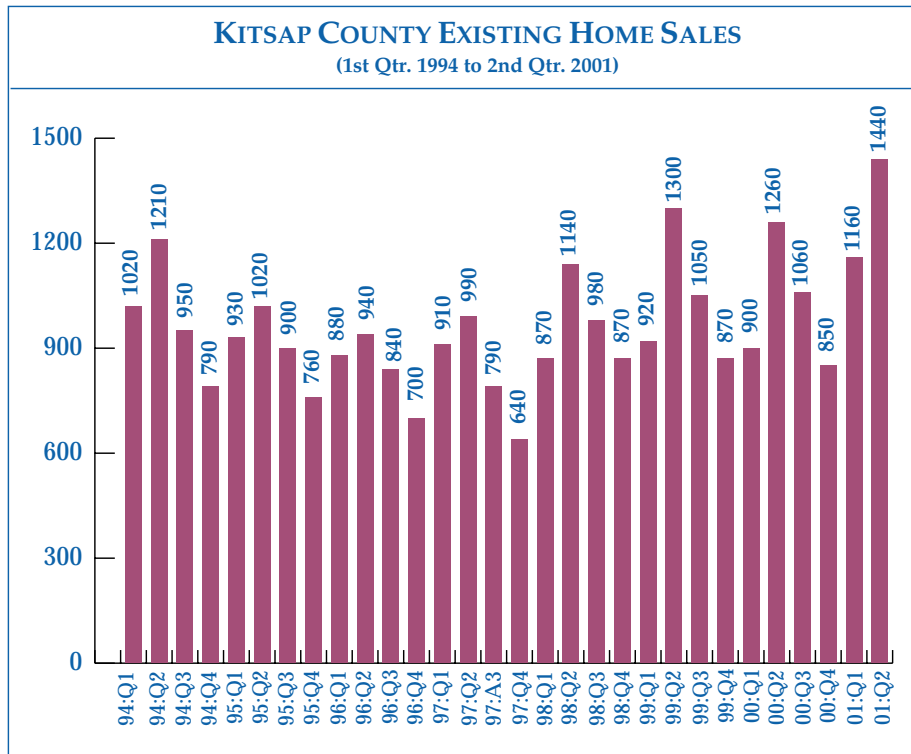
by  
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## Housing Market and Housing Affordability Data Sources:

This analysis of housing markets and housing affordability in Washington was prepared for the Kitsap County TRENDS publication by the Washington Center for Real Estate Research at Washington State University. It is based on a quarterly report published by the Center which examines county-by-county housing markets across the state. Data estimates are based on data from the U.S. Department of Commerce, multiple listing services, local REALTOR associations and private data vendors.

## First Half of 2001 Home Sales Activity 20% Higher than 2000:

Housing markets in Washington State during the first half of 2001 responded favorably to the repeated interest rate cuts by the Federal Reserve Board. This strength in housing was recorded nationally, in the state of Washington generally, and in Kitsap County. The state-wide home resale market surged to record levels, with sales totaling 63,360. Similarly, sales jumped in Kitsap County, totaling 2,600 units in the first half, an increase of 20% compared to the first half of 2000



## Washington Center For Real Estate Research:

The Washington Center for Real Estate Research uses data from multiple listing systems and other groups that monitor housing market activity throughout the state to compute measures of existing home sales (housing resales, excluding new homes sold). Since many sales take place outside of multiple listing systems, the data is linked to sales reported in the most recent Census (they are still using 1990). Accordingly, the sales activity reported by the Center will be higher than other measures, but should be generally consistent in terms of percentage changes.

**Statewide Home Sales Up By 8.8%/ Kitsap County Sales Up By 20.4%:**

All nine markets compared for this report experienced higher levels of home sales during the first half of 2001 than they reported during the same period in 2000. Those increases ranged from 3.8% in King County to 20.4% in Kitsap County. Statewide resale housing activity during the first half was 8.8% ahead of a year earlier.

RESALE HOUSING ACTIVITY - 1996-2001								
FIRST HALF TOTALS								
County	1996	1997	1998	1999	2000	2001	Percent Change 99-00	Percent Change 00-01
Benton/ Franklin	1,270	1,170	1,300	1,370	1,380	1,640	+0.7%	+18.8%
Clark	1,090	2,010	2,470	2,450	2,390	2,640	-2.4%	+10.5%
King	15,060	16,690	16,810	17,750	16,340	16,960	-7.9%	+3.8%
Kitsap	1,820	1,980	2,010	2,220	2,160	2,600	-2.7%	+20.4%
Pierce	6,270	8,090	8,810	11,680	12,920	12,920	-1.2%	+12.0%
Snohomish	4,890	5,220	6,310	6,290	6,790	6,790	-5.6%	+14.3%
Spokane	2,790	2,660	3,030	3,100	3,370	3,370	+1.0%	+7.7%
Thurston	1,450	1,510	1,620	1,820	1,920	1,920	-3.3%	+9.1%
Whatcom	1,140	1,220	1,530	1,580	1,660	1,660	-4.4%	+9.9%
Statewide	47,140	50,830	54,810	58,280	63,390	63,390	-0.5%	+8.8%

**Home Prices:**

Sales competition and potential marketing time for homes is of interest primarily to those who are actively in the housing market as either buyers or sellers. General business analysts also find the resale housing activity statistics useful. Far greater interest is expressed over the data on median home prices. Part of this interest is from individuals who want to own a home, but who have found the Puget Sound region's rapidly escalating housing costs diminishing their ownership potential. Others find their homes are a considerable element in their financial portfolio, and monitor housing prices like they would stock prices. Certainly the state of housing prices is a frequent topic of conversation throughout Washington.

Median sale prices were generally above a year earlier, but by a small margin. Statewide, the median price was 1.3% higher than the second quarter a year ago. While buyers are paying slightly more for a home, they are finding their dollar goes a bit further. They can afford a home with more features than they would have expected last year due to the lower interest rates.

**Kitsap County Median Price (\$157.5K) is almost \$100K Less Than King County:**

Kitsap County home prices are noticeably lower than the prevailing price in neighboring King County. For the Second Quarter 2001, the median price of a home in Kitsap County was \$157,500 compared to the median price of a home in King County of \$265,000. Coupled with a very strong home sales activity, it comes as no surprise that Kitsap County median prices are now 7.5% higher than a year ago. King County had a more typical increase in home median price of 3.9%.

A quick note about median prices is needed. Half the homes sell for prices above the median, half below. Both buyers and sellers are sometimes confused by these prices. Suburban sellers often forget that there are many less expensive homes in less desirable (by their standards) neighborhoods which help keep the medians down. Meanwhile, prospective buyers may be frightened out of the market by the unfounded belief they can't buy a home for less than the median.

MEDIAN HOME PRICES - 1997-2001							
SECOND QUARTERS							
County	2nd Qtr 1997	2nd Qtr 1998	2nd Qtr 1999	2nd Qtr 2000	2nd Qtr 2001	Percent Change 99-00	Percent Change 00-01
Benton/ Franklin	\$101,300	\$105,500	\$108,300	\$111,700	\$124,500	+8.1%	+6.3%
Clark	\$130,000	\$138,500	\$140,000	\$147,200	\$152,500	+5.1%	+4.3%
King	\$186,100	\$192,000	\$229,500	\$255,000	\$265,000	+11.1%	+3.9%
Kitsap	\$133,500	\$137,500	\$142,000	\$146,500	\$157,500	+3.2%	+7.5%
Pierce	\$127,800	\$137,000	\$143,000	\$155,000	\$159,000	+8.4%	+2.6%
Snohomish	\$163,600	\$170,000	\$184,600	\$195,000	\$211,000	+5.6%	+8.2%
Spokane	\$103,300	\$103,600	\$103,800	\$103,700	\$106,100	-2.5%	+2.3%
Thurston	\$125,000	\$129,000	\$130,000	\$136,000	\$145,000	+4.6%	+6.6%
Whatcom	\$133,400	\$137,200	\$144,600	\$149,600	\$155,200	+3.5%	+3.7%
Statewide	\$149,800	\$158,900	\$168,800	\$178,000	\$180,400	+5.5%	+1.3%

### All-Buyer Affordability Index:

Affordability is calculated two ways. The "All-Buyer Affordability Index" assumes a purchaser selects the area's median price home, makes a 20% down payment, and takes out a 30-year mortgage at prevailing interest rates. This buyer is assumed to earn a typical or median income for a family (no one-person house-holds) in the area. The question then arises, could this typical family afford the monthly payments on a typical home? During the second quarter of 2001, the answer remained "Yes", and much more emphatically than in recent quarters.

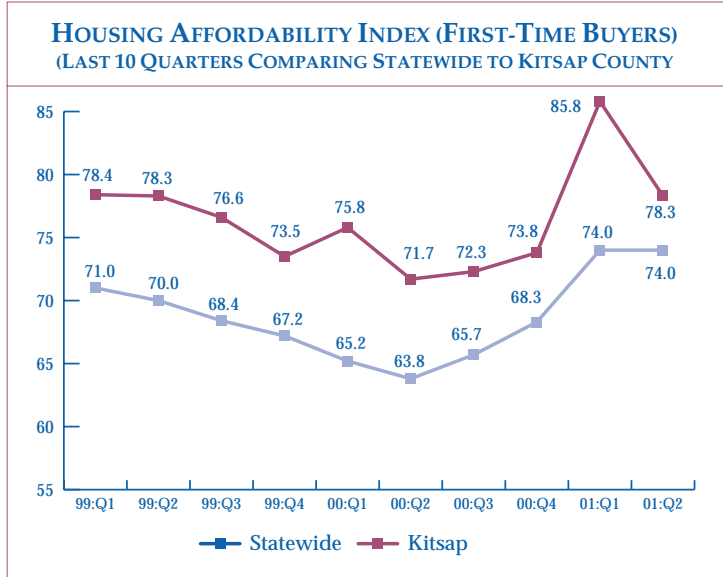
The statewide "All-Buyer Affordability Index" jumped to 124.0, meaning the typical family had 24.0% more income than the bare minimum required to qualify for the home. This is less than half the "cushion" reported a year ago. Housing affordability in Kitsap county remained somewhat better than in most areas of the state, recording an index of 127.2. Urban areas ranged from a low of 114.7 in Snohomish County, to a high of 177.1 in Spokane County.

### First-Time Buyer Index:

The real issue of affordability, however, is the ability of a household to purchase their first home. The calculation of the "First-time Buyer Index" begins with a less expensive home (85% of median), a 10% down payment, and a 30-year loan with private mortgage insurance. To account for the fact that most higher-income households are already home owners, the comparative income level is 70% of the median household income (single-persons are more likely to be first-time buyers). The resulting picture of Washington is a place where it is difficult to buy your first home. The typical renter who might want to own a home has only 74.0% of the income required to qualify for a mortgage on the typical starter home.

## Home Affordability Attracts New Businesses

Kitsap county's first-time buyer affordability in the second quarter 2001 stood at 78.3. This relative affordability for first-time buyers in the county may be the key in attracting new businesses to the community.



## All-Buyer Index and First-Time Buyer Index Both Show Kitsap is Affordable:

The Chart below illustrates the relative affordability of Single-Family homes in Kitsap County utilizing both ways of calculating affordability (All-buyer Index and First-time Buyer Index).

HOUSING AFFORDABILITY CONDITIONS - LAST FIVE QUARTERS ENDING 2ND QTR 01										
County	All-Buyer Affordability Index					First-Time Buyer Index				
	00:Q2	00:Q3	00:Q4	01:Q1	01:Q2	00:Q2	00:Q3	00:Q4	01:Q1	01:Q2
Benton/ Franklin	159.8	154.0	157.8	171.6	171.8	96.0	92.6	95.0	103.4	103.0
	110.3	105.6	107.4	115.9	119.8	67.4	64.5	65.6	70.8	73.1
Clark	131.2	132.7	141.1	156.5	119.8	81.0	82.2	87.7	97.4	91.4
King	104.1	110.3	115.8	125.4	120.3	59.5	63.1	66.2	71.6	68.9
Kitsap	116.4	117.6	120.3	140.2	127.2	71.7	72.3	73.8	85.8	78.3
Pierce	116.8	119.2	125.5	133.7	133.5	70.0	71.6	75.5	80.6	80.5
Snohomish	105.0	106.1	110.8	116.1	114.7	65.7	66.2	69.0	72.1	71.5
Spokane	158.5	158.2	166.6	184.2	177.1	88.9	88.7	93.4	103.2	99.7
Thurston	130.7	130.0	132.3	143.0	141.3	77.7	77.5	79.0	85.4	84.5
Whatcom	117.5	121.7	128.2	138.0	130.7	66.7	69.1	72.8	78.3	73.8
Stavewide	107.3	110.4	114.8	124.3	124.0	63.8	65.7	68.3	74.0	74.0

**Month's Supply of Housing/ Appreciation Potential:**

The newest housing market measure introduced by WCRER is the comparison between sales during Second Quarter 2001 to the inventory of homes available for sale in selected price ranges in each market. If it is assumed that a "normal" market provides roughly a 5-month supply of homes, values significantly lower than five indicate the market is primed for rapid price increases in that market segment, while values significantly higher than five imply the owners of properties may need to be flexible in their pricing in order to sell the property in a reasonable time. Based on these statistics, the market in Kitsap county is currently well balanced, with a slight shortage of lower-priced homes and only a moderate oversupply of homes priced above \$500,000. This means the local market would be expected to see strong price performance for a home priced under \$160,000, and some softness of prices above half a million dollars.

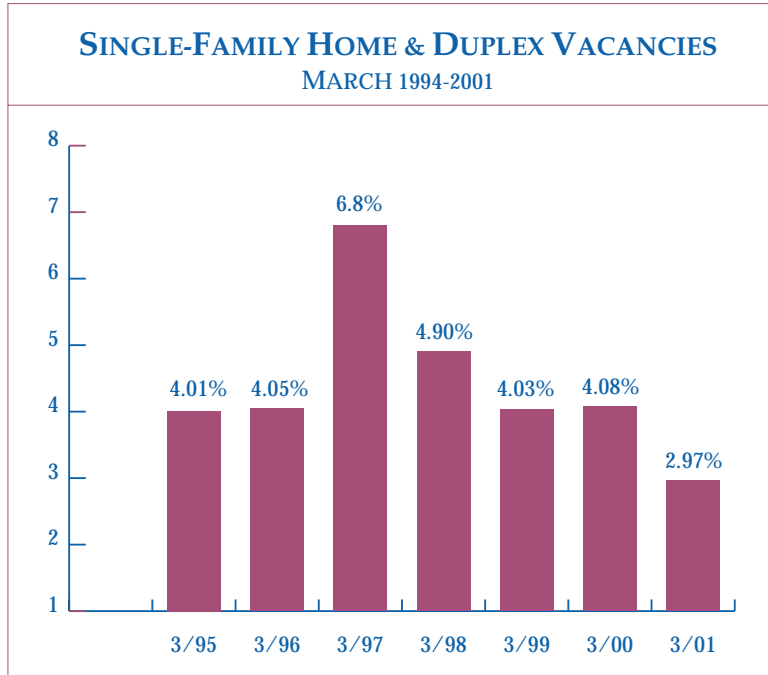
MONTH'S SUPPLY OF HOMES BY PRICE RANGE - JUNE 2001						
County	Under \$80,000	\$80,000-\$159,000	\$160,000-\$249,999	\$250,000-\$499,999	\$500,000 and above	Total Market
Benton/Franklin	7.2	4.1	7.1	10.5	N/A	5.8
King	6.5	3.2	4.2	7.0	9.9	4.2
Kitsap	2.0	2.6	3.1	4.4	11.6	4.8
Pierce	3.9	3.6	4.9	9.5	15.8	5.3
Snohomish	4.0	3.3	5.5	9.5	18.1	5.0
Spokane	4.9	4.1	3.7	5.8	23.4	4.6
Whatcom	9.8	9.2	10.3	16.2	20.4	9.9
	15.8	10.0	8.8	15.7	45.1	11.2
Statewide	8.9	5.7	5.0	6.5	14.0	6.2

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**Vacancies Low:**

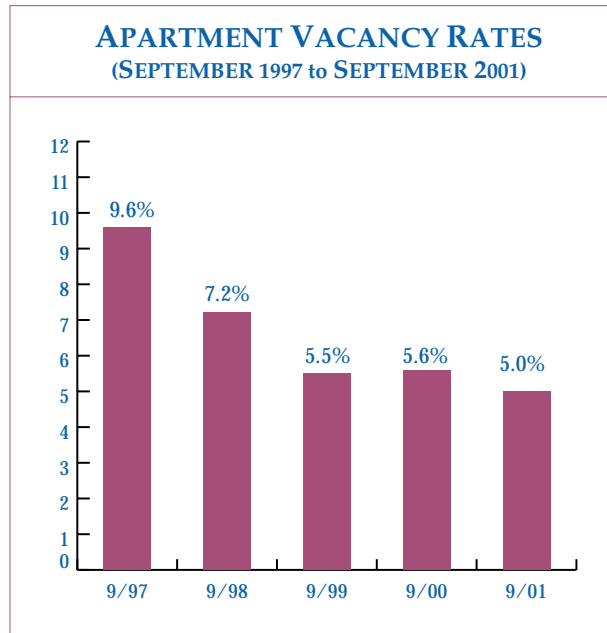
The Naval Housing Office conducted a survey of over 14,000 single-family homes and duplexes in Kitsap County in March of 2001 and found a vacancy rate of 2.97%. Single-Family vacancy rates tend to be lower in the Fall months than in the Spring months, historically. So, this low vacancy rate is very good news for local landlords. As recently as March 1997, the vacancy rate was 6.8%.



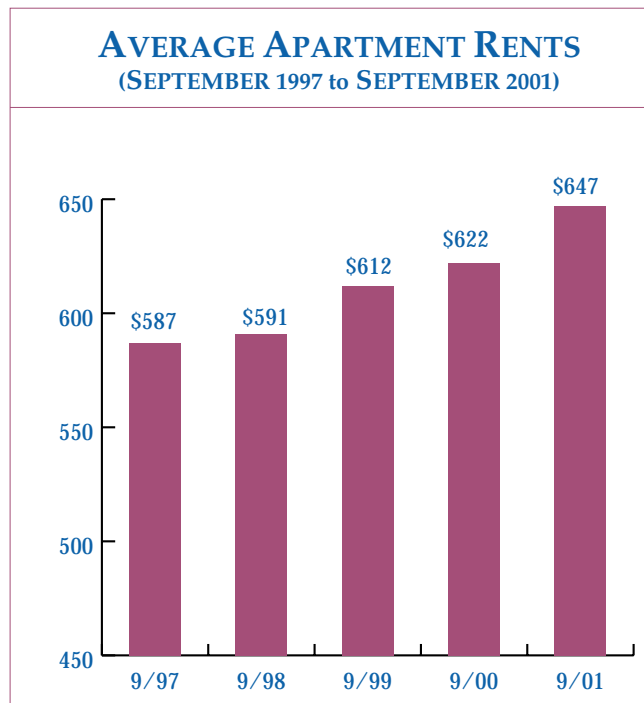
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## Vacancies Decreased/ Rents Are Up:

As of September 2001, only 5.0% of all available apartments in Kitsap County were vacant. This is a very low vacancy rate. Only three and a half years ago (March 1998), the vacancy rate was 11.9%.



As of September 2001, the average apartment in Kitsap County rented for \$647/month. Studio apartments rented for an average of \$461/month, 1-bedroom apartments rented for an average of \$555/month, 2-bedroom apartments rented for an average of \$607/month, 2-bedroom apartments that had two bathrooms rented for an average of \$725/month and 3-bedroom apartments that had two bathrooms rented for an average of \$807/month



**AVERAGE RENTS/VACANCY RATES BY AREA (MAR 2001)**

Bremerton	\$599/mo	(5.5% vacancy rate)
Port Orchard	\$612/mo	(5.9% vacancy rate)
Poulsbo	\$751/mo	(3.4% vacancy rate)
Silverdale	\$704/mo	(4.1% vacancy rate)

The vacancy and rental rate surveys were supplied by Dupre + Scott Apartment Advisors, Inc. of Seattle, Washington. Contact Dupre + Scott for more detailed information like Average Days Vacant and % Turnover.

by  
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**Office Vacancy Rates Decreased & Retail Vacancy Rates Increased:**

The Bradley Scott, Inc. "Office, Retail and Industrial Vacancy Survey" shows a small decrease in office vacancy and a substantial increase in retail vacancy over the last six months. Office vacancies decreased by 0.66% and retail vacancies increased 2.2%. The biggest change was in Silverdale where the retail vacancy increased by over 123,000 square feet. Over the last year, the retail vacancy rate in Silverdale has increased from 1.82% to 8.75%. Most of the increase is the result of one large box store going dark.

**Office Vacancy Rate:**

The Bradley Scott, Inc. survey of over 2.4 Million square feet of office space indicates vacancies decreased to 11.42%. Most of the increase in office space surveyed is the result of improved identification of existing buildings and new construction, primarily in Poulsbo. There were substantial differences within the County. While Bainbridge Island and Port Orchard decreased their office vacancy by close to 4% and Silverdale vacancy rates decreased by almost 2%, East Bremerton saw an increase in vacancy rates of over 2%. The increase in East Bremerton was mainly due to medical users moving to the area around the new Harrison Silverdale Campus. The vacancy rate in Silverdale should continue to decrease because there has not been any new construction in the last few years other than medical office space.

<b>KITSAP COUNTY OFFICE VACANCY SURVEY AS OF SEPTEMBER 2001</b>			
<i>Area</i>	<i>Office Space (sq. ft.)</i>		<i>Percent Vacant</i>
	<i>Surveyed</i>	<i>Vacant</i>	
Bainbridge Island	218,258	18,769	8.60%
Downtown Bremerton*	470,461	100,846	21.44%
East Bremerton	311,651	34,106	10.94%
West Bremerton	242,588	23,873	9.84%
Poulsbo	496,593	28,870	5.81%
Port Orchard	186,887	31,586	16.90%
Silverdale	541,951	43,749	8.07%
<b>Total</b>	<b>2,468,389</b>	<b>281,799</b>	<b>11.42%</b>
<i>Source: Bradley Scott, Inc.</i>			

KITSAP COUNTY OFFICE VACANCY RATES			
Office Space Location	Sep 00	April 01	Sep 01
Bainbridge Island	2.22%	12.84%	8.60%
Downtown Bremerton	25.99%	20.38%	21.44%
East Bremerton	7.91%	8.49%	10.94%
West Bremerton	12.09%	11.31%	9.84%
Poulsbo	4.36%	5.72%	5.81%
Port Orchard	13.24%	20.75%	16.90%
Silverdale	14.45%	9.83%	8.07%
<b>Kitsap County</b>	<b>12.70%</b>	<b>12.07%</b>	<b>11.42%</b>

**Retail Vacancy Rate:**

The Bradley Scott, Inc. survey of over 5.4 million square feet of retail space indicates the amount of vacant space increased by 117,915 square feet. Almost all of this is attributed to the closing of the 100,000-square-foot Home Base Store.

KITSAP COUNTY RETAIL VACANCY SURVEY AS OF SEPTEMBER 2001			
Area	Office Space (sq. ft.)		Percent Vacant
	Surveyed	Vacant	
Bainbridge Island	153,195	3,220	2.10%
Downtown Bremerton*	208,693	29,250	14.02%
East Bremerton	1,005,355	57,706	5.74%
West Bremerton	183,515	8,827	4.81%
Poulsbo	304,463	3,853	1.27%
Port Orchard	1,175,607	80,164	6.82%
Silverdale	2,394,455	206,550	8.75%
<b>Total</b>	<b>5,425,283</b>	<b>392,570</b>	<b>7.24%</b>
<p><i>*Does not include Penneys, Payless &amp; Sears Buildings (197,102 sf)</i>                      Source: Bradley Scott, Inc.</p>			

**Silverdale Vacancy Rate More Than Doubled:**

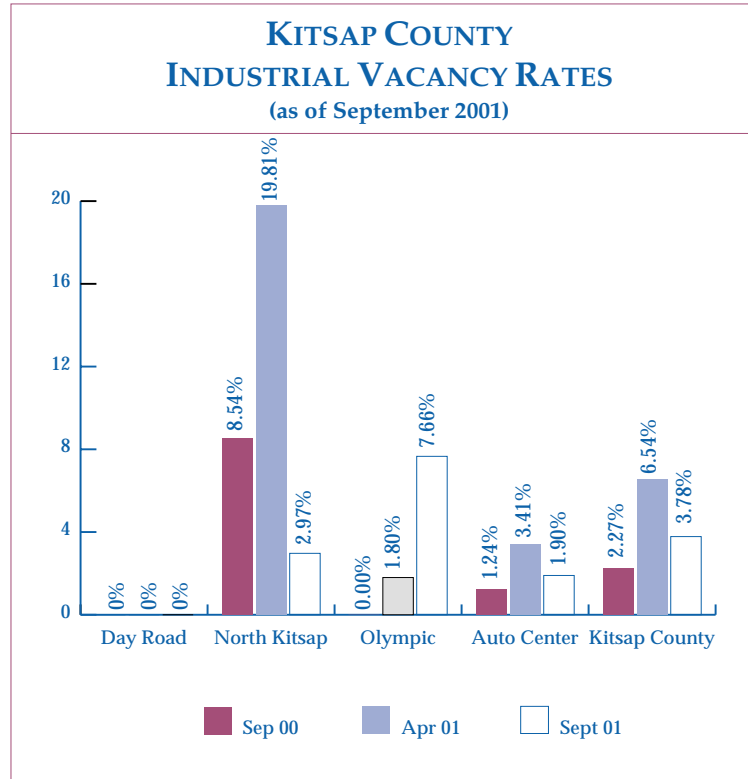
The biggest increase was again in Silverdale where the vacancy rate more than doubled. As noted above, most of the increase was due to one large vacancy. Port Orchard is the only area in the County that had a decrease in vacancy rate. Poulsbo has surpassed Bainbridge Island and now has the lowest retail vacancy rate in the County, only 1.27%. Downtown Bremerton continues to have the highest vacancy rate in the County, 14.02%.

<b>KITSAP COUNTY RETAIL VACANCY RATES (AS OF SEPTEMBER 2001)</b>			
<b>Office Space Location</b>	<b>Sep 00</b>	<b>Apr 01</b>	<b>Sep 01</b>
Bainbridge Island	2.69%	1.83%	2.01%
Downtown Bremerton	11.91%	13.30%	14.02%
East Bremerton	4.13%	5.40%	5.74%
West Bremerton	3.22%	4.81%	4.81%
Poulsbo	3.35%	0.90%	1.27%
Port Orchard	12.72%	7.80%	6.82%
Silverdale	1.82%	3.61%	8.75%
<b>Kitsap County</b>	<b>5.38%</b>	<b>5.08%</b>	<b>7.24%</b>

**Industrial/ Warehouse Vacancy Rates:**

The Bradley Scott, Inc. survey of almost 1.2 million square feet of industrial space indicates the vacancy rate has decreased to 3.78%. This is a decrease over the last six months of 2.76%. This decrease is in part due primarily to the absorption of over 35,000 square feet in North Kitsap. Over 100,000 square feet of new industrial space has been added to the survey. Most of the new space is in North Kitsap and South Kitsap. Several new industrial areas are being planned for the County.

<b>KITSAP COUNTY INDUSTRIAL VACANCY SURVEY AS OF SEPTEMBER 2001</b>				
		<b>Industrial Space (Sq. ft.)</b>		<i>Percent Vacant</i>
<i>Industrial Park</i>	<i>Area</i>	<i>Surveyed</i>	<i>Vacant</i>	
Day Road	Bainbridge	109,000	0	0.00%
North Kitsap	Poulsbo	329,538	9,800	2.97%
Olympic View	Port Orchard	357,384	27,384	7.66%
Auto Center Area	Bremerton	378,255	7,200	1.90%
<b>Total</b>		<b>1,174,177</b>	<b>44,384</b>	<b>3.78%</b>
<i>Source: Bradley Scott, Inc.</i>				



by  
**Tim Arnold, President**  
**Gary Gartin and Marion Brouillard**  
 Bradley Scott, Inc. Commercial Real Estate  
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**Kitsap County School Enrollment Up 3.4% for 2000/2001 School Year:**

The enrollment of the five school districts of Kitsap County is summarized in the table below. Enrollment increased in all but the North Kitsap School District (-2.7%). Bremerton experienced the greatest school enrollment increase (+21.8%).

KITSAP COUNTY SCHOOL DISTRICT HEADCOUNT ENROLLMENT						
<i>District</i>	1996	1997	1998	1999	2000	2001
<b>Bremerton</b>	<b>5,979</b>	<b>6,157</b>	<b>5,991</b>	<b>4,862</b>	<b>5,922</b>	<b>6,450</b>
<i>% Change</i>	+1.9%	+3.0%	-2.7%	-18.8%	+21.8%	+8.9%
<b>Central Kitsap</b>	<b>13,547</b>	<b>13,643</b>	<b>13,606</b>	<b>12,841</b>	<b>12,872</b>	<b>12,546</b>
<i>% Change</i>	+3.0%	+0.7%	-0.3%	-5.6%	+0.2%	-2.5%
<b>North Kitsap</b>	<b>6,861</b>	<b>6,922</b>	<b>7,007</b>	<b>6,840</b>	<b>6,657</b>	<b>6,657</b>
<i>% Change</i>	+0.7%	+0.9%	+1.2%	-2.4%	-2.7%	-2.7%
<b>South Kitsap</b>	<b>11,421</b>	<b>11,671</b>	<b>11,533</b>	<b>10,998</b>	<b>11,317</b>	<b>10,693</b>
<i>% Change</i>	+2.6%	+2.2%	-1.2%	-4.6%	+2.9%	-5.5%
<b>Bainbridge Island</b>	<b>3,407</b>	<b>3,544</b>	<b>3,664</b>	<b>3,763</b>	<b>3,859</b>	<b>3,862</b>
<i>% Change</i>	+6.2%	+4.0%	+3.4%	+2.7%	+2.6%	0.0%
<b>Kitsap County</b>	<b>41,215</b>	<b>41,937</b>	<b>41,801</b>	<b>39,304</b>	<b>40,627</b>	<b>40,627</b>
<i>% Change</i>	+2.6%	+1.8%	-0.3%	-6.0%	+3.4%	+3.4%

by  
**Robin Waldroop**  
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**Gasoline Prices push Consumer Price Index (CPI) Up:**

The Labor Department's index for tracking inflation, the consumer-price index (CPI), was 186.8 in August 2001 for the Seattle-Tacoma area. This is 5.2% more than the average CPI (inflation) for all U.S. Cities.

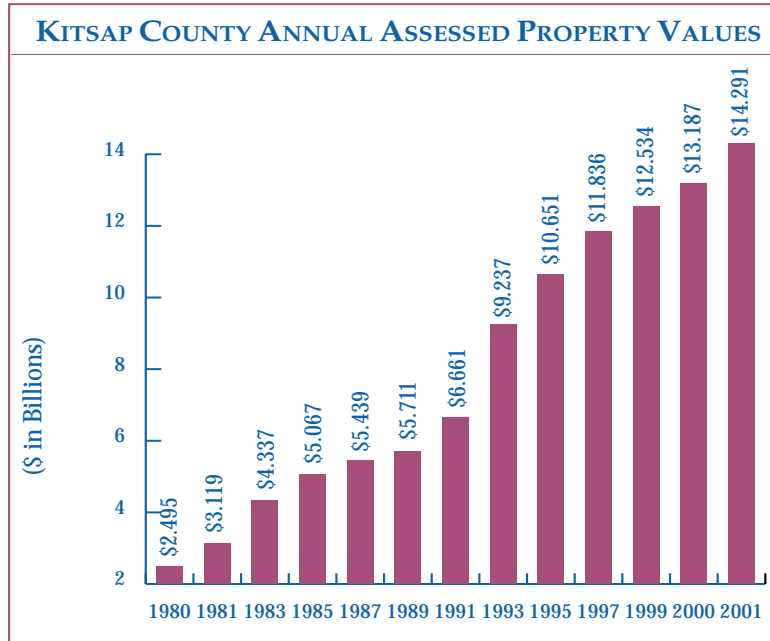
CONSUMER PRICE INDEX ALL URBAN CONSUMERS					
U.S. City Average			Seattle-Tacoma		
Year	CPI	Annual Change %	Year	CPI	Annual Change %
1980	82.4	13.5%	1980	82.7	16.6%
1981	90.9	10.3%	1981	91.8	11.0%
1982	97.6	7.4%	1982	97.7	6.4%
1983	101.3	3.8%	1983	99.3	1.6%
1984	105.3	3.9%	1984	103.0	3.7%
1985	109.3	3.8%	1985	105.6	2.5%
1986	110.5	1.1%	1986	106.7	1.0%
1987	115.4	4.4%	1987	109.2	2.3%
1988	120.5	4.4%	1988	112.9	3.4%
1989	126.1	4.6%	1989	118.2	4.7%
1990	133.8	6.1%	1990	126.8	7.3%
1991	137.9	3.1%	1991	134.1	5.8%
1992	141.9	2.9%	1992	139.0	3.7%
1993	145.8	2.7%	1993	142.9	2.8%
1994	149.7	2.7%	1994	147.8	3.4%
1995	153.5	2.5%	1995	152.3	3.0%
1996	158.6	3.3%	1996	157.5	3.4%
1997	161.3	1.7%	1997	163.0	3.5%
1998	163.9	1.6%	1998	167.8	6.5%
1999	168.3	2.7%	1999	174.4	3.9%
2000	174.0	3.4%	2000	181.5	4.1%
Aug 2001	177.5		Aug 2001	186.8	

*Source: U.S. Bureau of Labor Statistics*

A wealth of statistics can be obtained by going to the web site for the U.S. Bureau of Labor Statistics. That web site is: <http://stats.bls.gov/>.

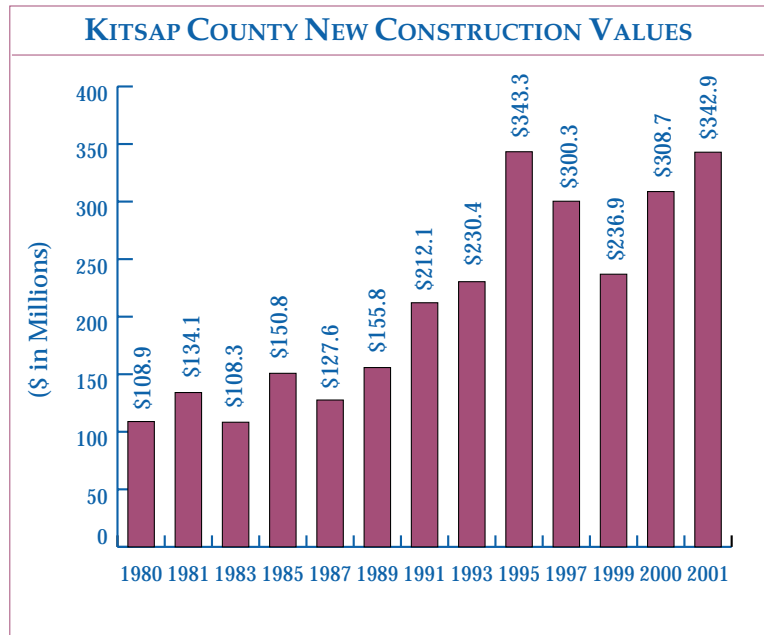
## Assessed Property Values Continue to Grow:

The total assessed value of all properties in Kitsap County for the first quarter of 2001 was \$14.291 billion. This is an increase of 8.4% over the same time in 2000.



## New Construction Property Values Continued the Turn Around:

The property values of New Construction in Kitsap County had been decreasing since peaking in 1994 and 1995. Kitsap County experienced a lot of new construction in 2000 and the first quarter of 2001 and this trend is expected to continue for the remainder of the year..



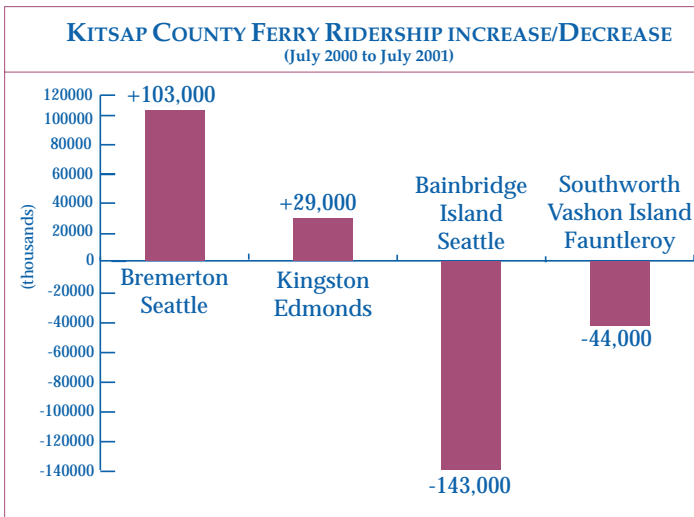
by  
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**Bremerton & Kingston Up/ Bainbridge Island & Port Orchard Down:**

Bremerton-Seattle (passenger-only and auto) ferry ridership is up 3.1% from July 2000 to July 2001. Kingston-Edmonds ferry ridership is up 0.6% from July 2000 to July 2001. Bainbridge Island-Seattle ferry ridership is down 2.0% from July 2000 to July 2001. Southworth (Port Orchard)-Vashon Island-Fauntleroy (West Seattle) is down 19.0% from July 2000 to July 2001.

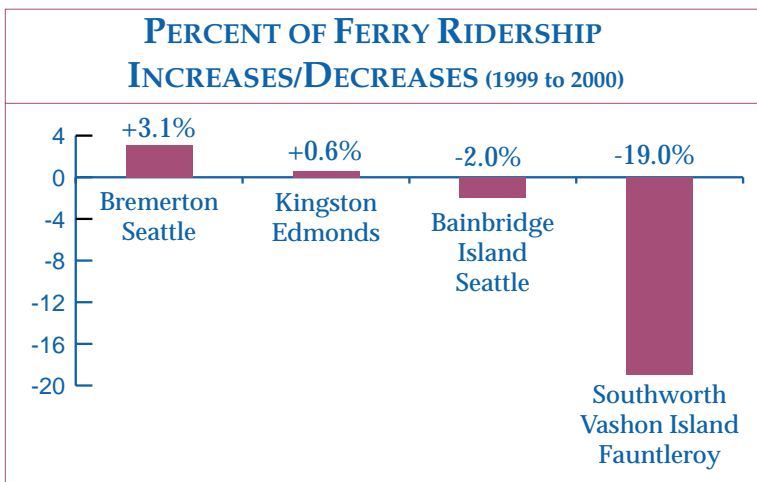
**July 2000 to July 2001, 15.5 million rode Washington State Ferries to and from Kitsap County/ Bainbridge Island Route is Most Used:**

The Bainbridge Island-Seattle route remained the most used route with 7.1 million riders. The Kingston-Edmonds route had 4.8 million riders. The Bremerton-Seattle route had 3.3 million riders from July 2000 to July 2001. And, the Southworth-Seattle run dropped to only 232,000 riders during this period.



**Ferry Ridership in the 1990s Showed an Increase of 34% Over the 1980s:**

For the decade as a whole, ferry ridership in the 1990s surpassed 214 million riders in the Puget Sound area. This is a 34% increase over ferry ridership in the 1980s. Two major cross-Sound routes, Bainbridge Island-Seattle (72% increase) and Kingston-Edmonds (33% increase), experienced the greatest increases during the decade.



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# MAP

