

Overview:

We have the labor, the land, free movement on our roads and a stable power supply. We have the beauty of our geography, easy freight access to the south and the east, proximity to Seattle's cultural hub and predictability in our land use plans and regulations. We have a hospitable business climate, a state-of-the-art telecommunications infrastructure and a community college that offers four-year degrees, a variety of skills and continuing education training facilities. We have much lower housing costs, good public and private K-12 schools, excellent medical services, and great recreational choices. Kitsap County offers the best of all possibilities: a great place to work, to prosper and to live.

Economic Opportunities Strong In Kitsap Region:

Economic opportunities remain strong in the Kitsap Region. Available labor, business friendly governments, competitive choices of building sites, enhanced telecommunications, and Puget Sound Regional economic pressures have set the stage for expanded economic activity in the West Sound. Puget Sound Energy remains a source of stable and relatively inexpensive power. And, neither the recent bursting of the dot.com bubble, nor Boeing's decision to move its corporate headquarters from Seattle has adversely affected our economy.

This is born out by a number of businesses choosing to relocate or expand in Kitsap during the last six months. They range from smaller information-based or manufacturing companies, to Nextel Communications, Inc., with its build-to-suit 60,000 square foot call center that will employ 500 workers. Most of the smaller corporate decisions are made on the basis of comparative advantages of Kitsap within the Puget Sound region, or due to the corporate leaders' appreciation of our lifestyle, but the Nextel decision is telling because it resulted from a sophisticated, national search that considered nearly one hundred alternative sites.

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.

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 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 Day Road Industrial Park on Bainbridge Island, Olympic View Industrial Park, Olympic View Business Park and West Puget Technology Park at the Bremerton International Airport, the Olhava project in Poulsbo, the Twelve Trees project in north Kitsap County, and several smaller industrial sites throughout the county. Both purchase and long-term lease of land is available. Four additional notable developments are well along the land designation process and are on the market:

- * Olympic Resource Management's West Hills site has progressed to creation of pads with roads, sewer and other infrastructure immediately accessible. The fully zoned area provides one of the most rapid opportunities to build.
- * Northwest Corporate Campus is now available for construction. Final infrastructure issues can be resolved within construction schedules. The campus provides spectacular views on gently sloping land.
- * The Port Blakely/ West Kitsap Lake project's land use designation has been approved, a public-private agreement is in place, and its annexation to the City of Bremerton is expected within a year. 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 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 properties. These lands will augment the existing development opportunities of the Port of Bremerton at the Bremerton International Airport.

In all, the Kitsap Regional Economic Development Council has identified approximately 1,254 acres of developable land available as of March 2001. This includes 774 acres available for sale throughout the county and 480 acres for lease adjacent to the Bremerton National Airport. The latter has the added advantages of being in a "foreign trade zone" and having proximity to both rail and air modes of freight transport.

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.

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-pressure (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. The Kitsap PUD is planning to lay a fiber optic backbone tied to Bonneville Power's excess broadband capacity. 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. 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. In this regard, Nextel Communications, Inc. is leading the way by building its own 60,000 square-foot facility in central Kitsap County. Other, smaller, businesses are either using renovated space in downtown Bremerton or are building new facilities throughout the county to accommodate their growing needs.

Ferry Service and Transportation:

The uncertainties generated in ferry service and transportation brought on by the approval of Initiative 695 and the lawsuit on fast ferry service in Rich Passage are being resolved. The Washington State legislature — in the midst of its biennial budget process at this writing — is reaching a consensus to maintain car and passenger ferry services, provide continued passenger-only ferry service, and even to create a fiscal and organizational basis to enhance services in future years. Coupled with some increased user fees, that are generally acceptable to public entities and ferry system users, public subsidies of capital and operating costs will remain in place. Courts have reinstated higher passenger-only ferry speeds between Bremerton and Seattle.

Second Span to Tacoma Narrows Bridge:

There is a collective will and legislative support to add a second span to the Tacoma Narrows Bridge. Kitsap already has good access by truck over this bridge to Seattle-Tacoma Airport and to the Ports of Tacoma and Seattle. But a second span would address peak hour delays. A contractor has been selected to build the second span to the bridge at a stipulated cost. The State legislature is now debating future toll rates and whether the State or a non-profit board will issue bonds to finance the construction.

Bremerton International Airport:

The Bremerton International Airport provides a convenient means for the shipment of goods. And, now this convenience is enhanced with its link to the adjacent rail line and the availability of regular service.

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 may have been an undiscovered gem for business success, but this is certainly changing!

by
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