

EXECUTIVE SUMMARY

by
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Kitsap County's Unemployment Rate is Lower Than Other Puget Sound Counties:

In the "Business Climate" section on page four, Zoltan Szigethy's article points out that Kitsap County's unemployment rate of 6% is lower than other Puget Sound counties. The county's 6% rate also compares favorably to the Washington State unemployment rate of 6.7% for October and 6.6% for November. Armed Forces activity in the county is clearly a factor — the number of military personnel stationed in Kitsap County in 2002 has increased approximately 1,000 since 2001 and is roughly 2,800 (26%) higher than in 2000.

Housing Statistics Show Strength:

Multi-family housing has shown considerable strength over the last year. The average apartment vacancy rate in September 2002 was only 2.7% (vs. 5.0% in September 2002) and average apartment rents were up 9% over that period. In the first half of 2002 single-family home resale activity in Kitsap County was 6.9% lower than the same period in 2001. Though Snohomish County saw a decline in resale activity of 8%, most Puget Sound counties experienced increases and, in the State as a whole, home resales increased 2.8%. Despite this decline in resale activity, in the second quarter of 2002, median home sale prices in the county increased by 3.4%. This was higher than the inflation rate and in line with Snohomish County and the statewide average, though about half the rate of increase seen in King and Pierce Counties.

Telecommunications Development Should Help Spur Growth:

There will soon be three separate fiber optic cable routes into Kitsap County and more are likely to follow. This is strategically important to the county's economic vitality since, without significant competition, internet users will not obtain the same lower prices available in Seattle and on the east side of Lake Washington. High-speed access is now available in most of the county through at least one provider. Important developments include the establishment of a "POP" in Poulsbo and the extension of DSL into many new areas.

Higher Education:

This fall, Olympic College began construction of its branch campus on a 20-acre site near Poulsbo. Classes are expected to begin in the Winter Quarter of 2004. Olympic College will eventually serve 900 full-time-equivalent student on the new campus.

Bremerton's Revitalization:

One of the most exciting addition to this volume of "Kitsap TRENDS" is the article by Gary Sexton, Economic Development Director for the City of Bremerton.. He reports on a variety of development efforts that have a total cost of around \$250 million. Voters approved a public safety bond issue this fall and the city of Bremerton subsequently obtain \$13 million in financing for new law enforcement facilities and equipment. Federal funding has been committed for a \$25 million tunnel that will improve traffic flow from the Bremerton ferry terminal and the \$40 million Bremerton Convention Center is well underway with a completion schedules for 2004.