

by
Zoltan Szigethy, Executive Director
Kitsap Regional Economic Development Council
4312 Kitsap Way, Suite 103
Bremerton, WA 98312-2446
(360) 377-9599/ fax (360) 479-4653
E-mail: edckc@kitsapedc.org
Web Site: www.kitsapedc.org

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 business 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.

Variety of Businesses:

We have many great businesses in Kitsap County — from manufacturers, technology companies, defense contractors, to service providers of many kinds. We also have great public service employers — including federal, state and local agencies that safeguard our nation and the welfare of our residents. (See the section entitled, “The Top Employers of Kitsap County”, which immediately follows this “Business Climate” section. This survey, completed by the staff of the Kitsap Regional Economic Development Council, was completed in October 2002 and provides a partial economic snapshot.) Our quarter-million population assures the variety and richness of economic, social and cultural activities that most desire, yet within the framework of a series of small-town settings that provide comfort and familiarity.

Labor Market Strength:

The availability of labor remains the region’s strongest economic asset — though our dependable electric power, natural beauty and proximity to Seattle’s metropolitan center are also formidable attributes. Our unemployment figures are smaller than for counties fronting on the east side of Puget Sound, partly due to our stable defense sector. However, Kitsap County’s unemployment figure of 6% provides an ample labor pool for businesses wishing to locate in our county. Furthermore, our large commuter work force — estimated to be as high as 20% of the employed labor force — could be tapped by new businesses. The access to East Sound jobs requires a significant enough commute that workers are often willing to accept local jobs at lower wages.

Strong Work Ethic:

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, 600-job, primary employer has been able to recruit from our pool of resident workers without any special advertising. They raved that our “workforce is fabulous”! Moreover, while other parts of this national chain closed, the Kitsap office is expanding because its labor force is talented, flexible and motivated.

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 from the perspective of employers.

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. Kitsap County has a proven fast-track permitting system in place. 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, such as the Powder Hill Business Park in Poulsbo.

An extensive listing of business parks and other primary job sites throughout Kitsap County is available at the Economic Development Council's web site: www.kitsapedc.org. At last count, approximately 1,300 acres of properly 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 has been recommended for approval by the Kitsap County Planning Commission as an Urban Growth Area adjoining the Bremerton National Airport. It 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. A master zone overlay will enable industrial development throughout SKIA in a series of business parks served by interlocal agreements regarding needed infrastructure. 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 scarcer and more expensive. Qualified labor is becoming harder to attract and retain. The west Puget Sound/Kitsap region provides a welcome relief for businesses seek-

ing 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-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 Broadband Internet 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.

Fiber Optic Backbone:

Of particular importance is the Kitsap Public Utility District's creation of a fiber optic backbone throughout the county. This now provides wholesale access to the Bonneville Power grid. In the language of telecommunications, this is a 144-strand fiber optic network that brings an additional OC-48 worth of connection from outside and will deliver it through an OC-48 Sonet and Gigabit Ethernet. The backbone is operational now throughout the major population centers and is being expanded to Bainbridge Island and, subsequently, to Port Orchard. This high-capacity, redundant fiber optic telecommunications system offers competitively priced and qualitatively outstanding service to institutions and businesses throughout 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 Washington State legislature recently approved and has issued bonds to construct a second span of the Tacoma Narrows Bridge. This will further ease access to and from the Kitsap Peninsula. The Bremerton International Airport provides a convenient means for the shipment of goods; a convenience augmented by its adjacent rail line. Indeed, this operating freight connection to Grays Harbor near Aberdeen cuts at least one day off the time of shipping large goods to Asia, as compared to shipment from ports inside Puget Sound. 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 an Undiscovered Gem for Business Success:

A national employer, who had almost rejected the Puget Sound area to locate their new Call Center, was persuaded to visit Kitsap. They were both shocked and pleased to find our abundance of qualified labor so close to the Seattle/King County metropolitan center. Kitsap is an undiscovered gem for business success, but not for long!

Now that we have the necessary assets for primary jobs, more and more business leaders are discovering "Kitsap County, Washington — The Ultimate Business Park ... Naturally!" If you would like to be among them, go to the KREDC's website for all of the insight needed to make an informed decision about your future. Go to www.kitsapedc.org. This website provides in-depth information about doing business in Kitsap County and about our quality of life. It outlines how the Kitsap Regional Economic Development Council stands ready to help businesses choose Kitsap County to locate their new offices.