



CITY OF
BAINBRIDGE ISLAND

**CITY COUNCIL STUDY SESSION
TUESDAY, AUGUST 15, 2023**

COUNCIL CHAMBERS
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA

AND

ZOOM WEBINAR

PLEASE CLICK THE LINK BELOW TO JOIN THE WEBINAR:
[HTTPS://BAINBRIDGEWA.ZOOM.US/J/92947338351](https://bainbridgewa.zoom.us/j/92947338351)
OR TELEPHONE: US: +1 253 215 8782
WEBINAR ID: 929 4733 8351

AGENDA

1. **CALL TO ORDER / ROLL CALL - 6:00 PM**
2. **APPROVAL OF AGENDA / CONFLICT OF INTEREST DISCLOSURE - 6:05 PM**
3. **REGULAR BUSINESS**
 - 3.A **(6:10 PM) Receive Presentation from Kitsap Economic Development Alliance on One Kitsap**, 20 Minutes
[5 YEAR STRATEGIC PLAN ONE KITSAP AUG portrait.pdf](#)
[NCDS ONEkitsap EIA 06052023 1.pdf](#)
 - 3.B **(6:30 PM) Discuss Activities to Date of the Steering Committee Overseeing the Updates to the Winslow Subarea Plan and the Comprehensive Plan**, 20 Minutes
[Resolution No. 2023-04 Establishing and Appointing Members to a Steering Committee for the Winslow Subarea Plan and the Comprehensive Plan Periodic Review.docx](#)
 - 3.C **(6:50 PM) Receive Update and Discuss Next Steps for the Groundwater Management Plan**, 30 Minutes
[GWMP Council Slides 081523.pptx](#)
[Groundwater Model Fact Sheet.pdf](#)
4. **COMMITTEE REPORTS - 7:20 PM**

5. ADJOURNMENT - 7:30 PM

GUIDING PRINCIPLES

Guiding Principle #1 - Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.

Guiding Principle #2 - Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.

Guiding Principle #3 - Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.

Guiding Principle #4 - Consider the costs and benefits to Island residents and property owners in making land use decisions.

Guiding Principle #5 - The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

Guiding Principle #6 - Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Guiding Principle #7 - Reduce greenhouse gas emissions and increase the Island's climate resilience.

Guiding Principle #8 - Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.



City Council meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the City Clerk's Office at 206-780-8604 or cityclerk@bainbridgewa.gov by noon on the day preceding the meeting.



CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: August 15, 2023

ESTIMATED TIME: 20 Minutes

AGENDA ITEM: (6:10 PM) Receive Presentation from Kitsap Economic Development Alliance on One Kitsap,

SUMMARY: Kitsap Economic Development Alliance (KEDA) will present information on OneKitsap, a proposed five-year economic development plan and campaign. The plan is directed at five targeted industries to help create and retain 2,500 jobs. KEDA is seeking to build support for the plan's funding and implementation.

The City of Bainbridge Island is represented on the Kitsap Economic Development Alliance Board of Directors by Mayor Brenda Fantroy-Johnson and Councilmember Joe Deets.

AGENDA CATEGORY: Discussion

PROPOSED BY: Executive

RECOMMENDED MOTION: Presentation only.

COMMUNITY ENGAGEMENT AND OUTREACH:

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	

BACKGROUND:

ATTACHMENTS:

[5 YEAR STRATEGIC PLAN ONE KITSAP AUG portrait.pdf](#)

[NCDS ONEkitsap EIA 06052023 1.pdf](#)

FISCAL DETAILS: The City provides financial support to Kitsap Economic Development Alliance. The City's contribution for 2023 is \$10,000.

Fund Name(s):

Coding:



PROPOSED FIVE YEAR STRATEGIC PLAN

This “summary draft” is National Community Development Services’ attempt to capture key strategic, programmatic, and organizational direction provided by stakeholders during our confidential interview process in 2022 and from the “input” sessions facilitated during January 2023. This One Kitsap summary reflects what those stakeholders want from Kitsap County’s lead economic development organization and what they will support with additional financial resources.

The immediate next step is creation of the more comprehensive “case for support” that will serve as the source document for One Kitsap collateral to serve as a call to action for funding and executing this plan to ensure Kitsap’s future growth and prosperity and to elevate KEDA’s capacity for delivering tangible impacts and outcomes.

What is One Kitsap?

- A five-year strategic economic development initiative
- Public/Private Partnership
- Intentional
- Aligned with Kitsap’s economic development needs and opportunities
- Key characteristics:
 - Results-oriented
 - Long-term thinking with near-term and ongoing execution
 - Accountable to public and private stakeholders
 - Goals rooted in economic vitality, prosperity, and sustainability: Jobs, Incomes and GDP
 - Collaborative with relevant agencies, organizations, institutions, and comprehensive plans

Why do we need it and why now?

Economic growth that does not jeopardize Kitsap’s beauty, quality of place, and quality of life will require intentionality, leadership, and capacity.

Who?

- **Led by a re-focused, re-energized KEDA**
 - Targeted economic development orientation based on studies, analyses and plans
 - More private sector influence and direction
 - Focus and resources directed by strategic plan
 - Investor-led and directed
- **Partners & collaborators**
 - Private employers
 - County, municipalities, neighboring counties
 - Tribal Nations
 - Education (Olympic College campuses, university partners, K-12 system/districts, trade and technical schools)
 - Ports (Bremerton, etc) and other industrial parks
 - Real estate: Developers, builders, associations
 - Chambers of Commerce
 - Community nonprofits

Additional Notes About One Kitsap:

- Funded and delivered as a five-year initiative, but also intended to establish capacity for KEDA to deliver solutions, impact, and value for many years in the future. The first few years will focus on building new organizational capacity.
- Stakeholders, investors, and community leaders will be deployed through ad hoc and committee tasks as needed to supplement KEDA staff capacity and advance the collective agenda effectively.
- KEDA staff will be encouraged to pursue appropriate professional development opportunities.
- Implementation of One Kitsap requires investments in research capabilities and data acquisition & analysis. Research will include identification of best practices in other communities that can be emulated in Kitsap.

Five-Year Goals & Outcomes:

- Increase overall industrial and commercial inventory (**25 acres**), **2,500** direct (total 3,974) **new jobs**, **decreased vacancy rate** at major employers by **25%** from 2022 year-end highs, up to **3%** increase in Kitsap County **GDP**.
- Forecasted **\$838M** in new county output, **\$249M** in new consumer spending, **\$28M** in new local and state taxes with return on investment for ONE Kitsap public and private investors.



**Economic Impact Analysis
Returns on Investment
2024 - 2028**

June 5, 2023

Prepared by:



The research and analysis division of NCDS Inc.
12460 Crabapple Rd., Suite 202-638, Alpharetta, GA 30004
517 449.0900 * www.ncdsinc.net

Contents

Introduction		3
Executive Summary		4
Economic Impact Analysis		5
A. Kitsap County and the Metropolitan Area		5
B. The Input/Output Model		7
C. Planning for Success		9
D. Economic Impact of Jobs		10
E. Spending & Saving From Jobs		12
F. Output by Sector		13
G. Tax Impacts		14
Returns on Investment		16
Appendix I	Target Industries & Job Goals	19
Appendix II	Major Employers & Industry	21
Appendix III	Spending Patterns by Category	23
Appendix IV	Output by Sector	25
Appendix V	NCDS and the Economic Strategy Center	31

Notice: IMPLAN® and Other 2021 Data

2021 data from IMPLAN® is now available and used in this analysis. It is the latest data available because data collecting agencies, like the US Census, publish data that lag the calendar by one year. COVID-19 affected 2020 and 2021 data, and while many, including NCDS, used 2019 data instead of 2020, the new 2021 data should be used because it captures trade flows for a “new normal” economy, and includes other important: updates, estimates, and adjustments. During 2020 COVID-19 changed: income data, commuting patterns, rents, travel, entertainment, personal services and more. While some spending fell home building, groceries and non-store retail spending went up. International trade in exports and imports fell and the savings rate went way up. Now, many of these changes have reversed, but some are being accepted as a “new normal”. Non-store retailing is a great example of big increases due to COVID-19 that appear to be continuing as a “new normal”.

Introduction

This analysis computes the impacts of the Kitsap Economic Development Alliance’s new One Kitsap strategic plan to create and retain 2,500 jobs during the next 5 years. One Kitsap is a public/private partnership that will take on a number of economic and community development initiatives from 2024 through 2028. The plan includes marketing and recruiting, directed at 5 target industries that can benefit from Kitsap County’s advantages for companies in these industries.

Economic impacts were computed by an Input/Output, I/O model created for Kitsap County. The model is based on data from IMPLAN®, the most widely used system in the USA to compute impacts. The model is based on 2021 data (see notice on “Contents” page). IMPLAN® data has 546 possible sectors. The model created for Kitsap County has 279 sectors. After entering jobs by sector as inputs, 262 sectors were impacted. Data in this analysis was updated to latest available.

Economic impacts include “direct, indirect, and induced” impacts. The “direct” impact is the jobs created or retained. “Indirect” impacts come from the purchase of goods and services, business-to-business. As all those impacted from new and retained jobs spend their earnings, there are more “induced” impacts.

Economic impacts are measured by: jobs, income, value added, and output (total business activity). Impacts also include spending, savings, taxes, and return on investment for both public and private investors. **Table 1** summarizes projected total economic impacts in 2023 dollars from One Kitsap projects that will create and retain jobs.

**Table 1: One Kitsap
Total Economic Impact**

Impact Measure	Total Impact
Jobs	3,974
Income	\$303,259,041
Value Added	\$468,172,964
Output	\$838,110,242
Disposable Income	\$258,679,962
Consumer Spending	\$249,108,803
Savings Deposit Potential	\$9,571,159
Kitsap County Tax Revenue	\$3,419,481
Kitsap County - Municipalities Tax Revenue	\$2,225,152
Kitsap County - Special Taxing Districts Tax Revenue	\$5,812,156
State of Washington Tax Revenue	\$17,196,057
Kitsap County Return on Investment ROI	\$6.01 : \$1.00
Kitsap County Municipalities ROI	\$2.11: \$1.00
Private Sector ROI	\$40.07 : \$1.00

Source: NCDS, Economic Strategy Center I/O model for Kitsap County, Washington.

Executive Summary

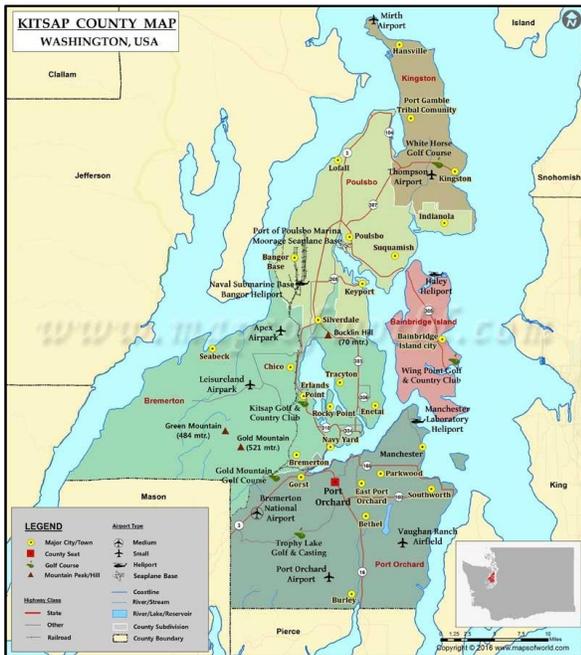
- Returns on investments in One Kitsap will be very positive. In 2023 dollars, 5 years of steady growth in jobs will return \$40.07 to the business community in average corporate profits for every \$1.00 invested. For every \$1.00 invested by Kitsap County, \$6.01 will be returned in the form of new tax revenue, and Kitsap County municipalities will receive \$2.11 for every \$1.00 invested.
- In 2023 dollars, Kitsap County will receive \$3,419,481 in taxes, while its' municipalities will receive \$2,225,152. Special tax districts will receive \$5,812,156. While Kitsap County and its' taxing units will receive a total of \$11,456,789 in taxes, the federal government will receive the most, with \$61,151,207 in taxes primarily from social security and income taxes.
- Kitsap County plays a significant role in the "South Sound" economy which is part of the Seattle-Tacoma-Bremerton Combined Statistical Area. Kitsap and the three adjacent counties of Pierce, Thurston and Mason define the "South Sound economy. Kitsap has 17.7% of the South Sound population and 14.7% of this region's employment. While direct impacts from jobs and spending will occur in Kitsap County, these direct impacts will create indirect and induced impacts in Pierce, Thurston, and Mason counties. The South Sound area is unique when considering impacts because ferry service to King, Snohomish and Island Counties, allows some small amounts of indirect and induced impacts to occur in these "non-adjacent" counties.
- The ripple effect of new jobs is computed based on multipliers. These multipliers show the impact of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors. The goal of 2,500 direct jobs will create income of \$223.0 million, value added of \$326.7 million and new output of \$589.0 million. These are the initial and "direct" impacts. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts will multiply to create 3,974 jobs, a multiplier of 1.59 and \$303.3 million of income, a multiplier of 1.36. Value added will multiply by 1.43 to total \$468.2 million, and output (total business) by 1.42 to total \$838.1 million.
- Total income of \$303,259,041 from jobs will create disposable income, spending and savings. In 2023 dollars, total income after taxes will create disposable income of \$258,679,962. Disposable income will create \$249,108,803 in consumer spending and \$9,571,159 in savings deposit potential.
- The projected impact of jobs will increase consumer expenditures in the Kitsap County area, a benefit to all businesses. Housing with \$87.7 million in spending leads the list of 10 major spending categories, followed by transportation and food. Personal insurance and pensions, health care, entertainment, and cash contributions are in the middle. Apparel and services, education and personal care complete the list of spending categories.
- One Kitsap projects will create \$838,110,242 in total output, which is "business activity". Real estate, with \$23.1 million in new output leads the list of the "Top 10" sectors with new output, followed by owner-occupied housing, with \$22.8 million in new output. Employment services, banks and credit unions, and the Kitsap Public Utility District (drinking water, wastewater, and fiber internet) round out the top 5. Full-service restaurants rank 6th in total output, followed by limited-service restaurants (fast food), accounting services, and architectural and engineering services. Hospitals round out the "Top 10". See **Appendix IV** for a complete list.

Economic Impact Analysis

A. Kitsap County and the Metropolitan Area

The Kitsap Economic Development Alliance is launching “One Kitsap”, a five-year strategic economic development initiative. It is a public/private partnership that includes private employers, the federal employer (Navy), the county and its’ municipalities, neighboring counties, Tribal Nations, Olympic College campuses, university partners, the K-12 system, Port of Bremerton, industrial parks, developers, builders, Chambers of Commerce, and Community nonprofits. This Economic Impact Analysis computes the projected impacts of One Kitsap.

Kitsap County



Kitsap County has a population of 277,673 as of 2022. Its’ county seat is Port Orchard, and its’ largest city is Bremerton. Kitsap residents and visitors enjoy 234 miles of scenic saltwater coastline, a diverse set of communities, access to transportation, and a county-wide, high-speed fiber optic network.

The United States Navy is by far the largest employer in the county with 36,978 civilian, active duty and contract employees. Installations are Puget Sound Naval Shipyard, Naval Undersea Warfare Center Keyport, and Naval Base Kitsap (below).



Kitsap County is connected to the eastern shore of Puget Sound by Washington State Ferry routes and Kitsap Transit. Kitsap Fast Ferries is a passenger ferry service operating between Seattle and Kitsap County, funded and operated by Kitsap Transit.

Kitsap Ferry

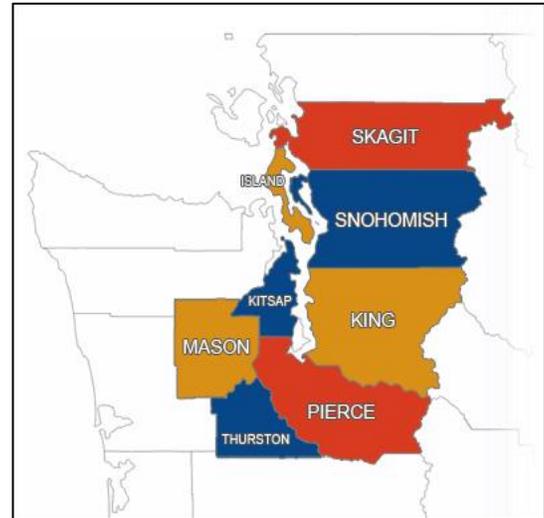


Employment increases in Kitsap County are the direct impacts that generate additional indirect (business to business) and induced employment, income and business activity. A central question is, *where will these impacts occur?* Neighboring counties will receive some indirect and induced impacts, and demographics are good indicators of how impacts will be distributed.

Seattle and King County is the population and commercial center of the 3-county Seattle-Tacoma-Bellevue MSA which, in addition to King County, includes the adjacent counties of Snohomish and Pierce. This MSA is part of a larger CMSA (see map).

Kitsap County plays a significant role in the “South Sound” economy. Based on commuting patterns, the metropolitan areas of Olympia, Bremerton and Mount Vernon, along with a few smaller urban areas are grouped together in a wider labor market region known as the Seattle-Tacoma-Bremerton Combined Statistical Area, which adds the Counties of: Pierce, Thurston, Mason, Kitsap and Skagit (see map).

Kitsap and the three adjacent counties of Pierce, Thurston and Mason define the “South Sound economy (see **Table 2**).



Seattle – Tacoma – Bremerton CMSA

Table 2: South Sound Area Counties Population & Employment

County	Population Estimates July 1, 2022	% of Population	Employment 2020	% of Employment
Kitsap	277,673	17.7%	63,101	14.7%
Mason	68,166	4.3%	9,589	2.2%
Pierce	927,380	59.0%	279,552	65.2%
Thurston	298,758	19.0%	76,890	17.9%
Total	1,571,977	100.0%	429,132	100.0%

Source: U.S. Census. Employment in 2020 does not include proprietors and partners of unincorporated businesses.

Concentrations of employment define commercial centers where there is relatively more consumer spending. Pierce County, including Tacoma, is the employment center of the South Sound with 59.0% of the population, and has an even greater share of employment which is 65.2% of the total. But, Kitsap has 17.7% of the South Sound population and 14.7% of this region’s employment.

While direct impacts from jobs and spending will occur in Kitsap County, these direct impacts will create indirect and induced impacts in Pierce, Thurston, and Mason counties.

The South Sound area is unique when considering impacts because ferry service to King, Snohomish and Island Counties, allows for some indirect and induced impacts to occur in these “non-adjacent” counties.

Within Kitsap County, indirect and induced impacts will tend to be clustered in the County's four cities: Bainbridge Island, Bremerton, Port Orchard, and Poulsbo. **Table 3** shows how these four cities rank by population and retail sales.

The City of Bremerton is a major commercial center that ranks 1st in both population and retail sales among the four cities. Bainbridge Island ranks 2nd in Population but 4th in retail sales, so this City is more residential than commercial. The City of Port Orchard, the County Seat, ranks 2nd in retail sales, but 3rd in population, so this city is relatively more commercial than residential. Finally, the City of Poulsbo also has relatively more commercial activity and ranks 3rd in retail sales. Poulsbo ranks 4th in population.

Other significant municipalities that are not cities include: Gorst, Kingston, Seabeck, Southworth, and Silverdale. These municipalities and the four cities are shown on the map to the right.

While indirect and induced impacts tend to occur in commercial areas, direct impacts from jobs are more likely to occur in one of the County's ten industrial parks. These industrial parks are also shown on the map to the right.



Table 3: Kitsap County Cities Population & Employment

City	Population Estimates July 1, 2021	Rank by Population	Retail Sales 2017 (\$1,000)	Rank by Retail Sales
Bainbridge Island*	24,546	2	\$193,870	4
Bremerton*	44,122	1	\$832,068	1
Port Orchard* (County Seat)	15,979	3	\$557,967	2
Poulsbo*	11,891	4	\$378,834	3

Source: U.S. Census.

B. The Input/Output Model

This analysis quantifies the projected economic impacts of One Kitsap. Work by the Kitsap Economic Development Alliance helps companies create and retain jobs. Employment increases in certain sectors are the direct impacts (inputs) that generate additional indirect and induced employment, income and output (business activity) in many other sectors.

An Input/Output model was created for Kitsap County that computes sector-to-sector trade flows. Socio-economic data was assembled to create the “*Kitsap County Input/Output Model*”, in other words, the “Input/Output” or I/O model summarized in **Table 4**. The model in **Table 4** is based on 2021 data for IMPLAN® released in December 2022. IMPLAN® is the most widely used system to compute impacts.

IMPLAN® is the most popular system to compute impacts because it has major advantages over the other two economic impact models, RIMS II and REMI. Compared to IMPLAN®, REMI is expensive and too complex for many applications, because it adds econometric modeling techniques and forecasting to basic Input/Output models. RIMS II compared to IMPLAN®, also has several disadvantages. RIMS II does not show a breakdown of impacts by industry, and it does not include information needed to estimate tax impacts on counties, municipalities, special tax districts, or state and federal government. In addition, RIMS II does not allow for multi-regional modeling.

This analysis incorporates revisions of IMPLAN® to increase industry details and incorporate newly released data. It also incorporates revisions to the National Income and Product Accounts, and new data from the Census Bureau. The IMPLAN® system has 546 sectors.

**Table 4: Kitsap County Input/Output Model
- Data Summary -**

Model Year ¹	2021
Gross Regional Product ²	\$14,181,827,964
Total Output ³	\$20,931,424,165
Total Personal Income	\$18,144,716,334
Total Employment ⁴	125,692
Total Possible Sectors	546
Number of Sectors in Model	279
Number of Sectors with New Output	262
Land Area (square miles)	396
Population ⁵	274,314
Total Households	109,501

Source: NCDS, Economic Strategy Center. MIG, Inc., IMPLAN®.

- Note:
- 1) Data released December 2022 for model year 2021.
 - 2) Gross domestic product is the market value of the goods and services produced by labor and property located in the county.
 - 3) Output measures the value of all sales of goods and services, therefore it is the sum of final purchases and intermediate inputs, which results in the double counting of intermediate purchases. Output is the only way to measure impacts on all businesses, including suppliers to “original equipment makers” OEMs. Output is always larger than gross regional product.
 - 4) There are two reasons why IMPLAN® employment numbers are much higher than Census numbers (see Table 4): First, IMPLAN® employment numbers represent both wage and salary employees, and proprietors. Second, IMPLAN® employment is an annual roll-up of full-time, part-time, and temporary employees.
 - 5) Kitsap County has a population of 277,673 as of 2022.

Employment increases in certain sectors are the direct impacts (inputs) that generate additional indirect and induced employment, income and business activity in many other sectors. Economic impacts are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self-employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. **Output*** is the total of value added (e.g., labor) and the value of all goods used in production.

Output measures the value of all sales of goods and services at every level. Therefore it is the sum of final purchases and intermediate inputs. This results in the double counting of intermediate purchases, e.g. suppliers for “original equipment makers” OEMs, which is correct when describing every business transaction, but it is different than “Gross Regional Product”. **Gross Regional Product is the final market value of the goods and services produced by labor and property, without the intermediate sales. Output is always more than gross regional product (see **Table 4**).*

Impacts also include spending and savings from disposable income, and new federal, state and local taxes. The model computed total new output for 262 of 279 sectors in the model. Sectors in the model are defined by groups of NAICS codes, the *North American Industry Classification System*. The I/O model contains all the linkages (trade flows) in the economy.

C. Planning for Success

The Kitsap Economic Development Alliance is planning to help companies create and retain 2,500 jobs, and will concentrate marketing and recruiting on 5 “Target Industries” shown in **Table 5**.

Table 5: One Kitsap Target Industries & Jobs Goals

	Target Industry	Description	Job Goals	% of Total
1	<i>Marine/Boat Building</i>	Boat building and repair	440	15%
2	<i>Defense</i>	Search, detection, navigation instruments, aircraft, parts and equipment, and transportation equipment	560	25%
3	<i>Light Manufacturing</i>	Machine shops, metal coating, electronics	440	15%
4	<i>Technology</i>	Data processing, hosting, computer programing, scientific R&D	620	30%
5	<i>Construction/Project Management</i>	Management and technical consulting, managing companies, facilities management	440	15%
		Total	2,500	100%

Source: Kitsap Economic Development Alliance. IMPLAN® sector descriptions.

As shown in **Table 5**, the One Kitsap strategic plan includes 5 “Target Industries” to concentrate marketing and recruiting for new jobs: 1) *Marine/Boat Building*, 2) *Defense*, 3) *Light Manufacturing*, 4) *Technology*, and 5) *Construction/Project Management*. **Appendix I** shows how each target industry was defined by IMPLAN® sectors.

Target industries and job goals are based on industries already located in Kitsap County, and industries that are attracted to the advantages of locating in Kitsap County. **Appendix II** lists major employers in Kitsap County. These major employers include: an existing *boat builder*, 5 *defense* contractors, Navel Base Kitsap employing 36,978, and 3 companies doing *light manufacturing*.

In addition to major employers, other factors in the economy were used to identify target industries.

Marine and boat building are targets because Kitsap County is surrounded by 234 miles of saltwater shoreline and is part of one of the largest and most diverse maritime economies in the world. The County economy includes shipping, fishing, food processing, maritime logistics, naval architecture, and ship building, repair and maintenance.

Kitsap’s Bremerton-Silverdale metro area has the second-highest level of patent generation in the United States. Recruiting *technology* based companies will add to an existing group of companies that includes:

Applied Technical Systems	R&D for defense and specialized software
Critical Insight	Cybersecurity
Dude Solutions	Operations management solutions
HelpDesk Cavalry	Puget Sound IT service provider
Microsoft	Research Special Projects
Symphony Industrial	One of the world’s leading controls companies
Taqtile	Augmented reality platform specialist
Velosys	Data visualization and Geographical Information Systems

Technology companies are supported by college, university and K-12 programs. Olympic College offers a Bachelors of Applied Science in Information Systems. Olympic College also offer courses and Associate Degrees in specialized areas such as: technology security, networking, software development, IT support, and interactive web design. Western Washington University’s Poulsbo campus offers a program that awards a Bachelor’s of Science in Cybersecurity. The West Sound STEM Network is dedicated to engaging students from early-learning to K-12.

There are a number of companies in Kitsap County involved with *construction and project management*. These company’s products and services include: management and technical consulting, specialized design services, managing companies, facilities management, and other support services.

D. Economic Impact of Jobs

The economic impact of One Kitsap projects, where companies will create and retain jobs, is measured by additional jobs, income, value added and output. **Table 6** shows a summary of the impacts created by these jobs, including multipliers, in 2023 dollars.

Table 6: One Kitsap Impacts from Jobs

Impact Type	Jobs	Income ₄	Value Added ₅	Output ₆
Direct Impact₁	2,500	\$222,970,100	\$326,705,746	\$589,030,912
Indirect Impact₂	735	\$42,972,897	\$67,985,550	\$127,278,711
Induced Impact₃	739	\$37,316,044	\$73,481,667	\$121,800,619
Multiplier₇	1.59	1.36	1.43	1.42
Total Impact	3,974	\$303,259,041	\$468,172,964	\$838,110,242

Sources: NCDS, Economic Strategy Center I/O model for Kitsap County, WA. County data, IMPLAN®.

Notes:

1. **Direct Impact:** Impact generated directly from the jobs created.
2. **Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.^[1]
3. **Induced Impact:** The ripple effect of increased income as employees spend.
4. **Income:** Employee compensation + proprietor income (owner wages).
5. **Value Added:** Labor income + indirect business taxes + other property type income.
6. **Output:** Value Added + intermediate inputs (goods used in production) = total business.
7. **Multipliers:** Show the impacts of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors.

As previously shown in **Table 5**, the Kitsap Economic Development Alliance’s One Kitsap Strategic Plan includes a goal to create and retain 2,500 jobs. These jobs were allocated to 5 “Target Industries” and 21 IMPLAN® sectors. Half of the job goal was allocated equally among the targets and the other half was distributed to IMPLAN® sectors based on the actual number of jobs in the sectors.

The 21 IMPLAN® sectors and 2,500 jobs were then entered as inputs to the I/O model. IMPLAN® sectors include many NAICS codes. There are 546 IMPLAN® sectors and each of these sectors is defined by a group of NAICS codes that define hundreds of sub-industries. There are many more NAICS codes than IMPLAN® sectors.

Table 6 shows the “direct” job totals and the total of “direct, indirect, and induced” impacts. The direct impact is the 2,500-job goal from **Table 5**. Indirect impacts come from the purchases of goods and services, business-to-business. As all those impacted by jobs spend their earnings, there are “induced” impacts.

Direct, indirect, and induced impacts in **Table 6** are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self-employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is the total of value added (e.g. labor) and the value of all goods used in production.

The ripple effect of new jobs is computed based on multipliers. These multipliers show the impacts of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors. **Table 6**, above, shows that 2,500 direct jobs will create income of \$223.0 million, value added of \$326.7 million and new output of \$589.0 million.

These are the initial and “direct” impacts. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts will multiply to create 3,974 jobs, a multiplier of 1.59 and \$303.3 million of income, a multiplier of 1.36. Value added will multiply by 1.43 to total \$468.2 million, and output (total business) by 1.42 to total \$838.1 million.

E. Spending & Savings From Jobs

Total income of \$303,259,041 from jobs will create disposable income, spending and savings. **Table 7** shows that in 2023 dollars, total income after taxes, will create disposable income of \$258,679,962

Table 7 also shows that disposable income will create \$249,108,803 in consumer spending and \$9,571,159 in savings deposit potential.

Table 7: One Kitsap Jobs and Payrolls Generates Spending & Savings

Total New Income	\$303,259,041
Disposable Personal Income₁	\$258,679,962
Consumer Spending₂	\$249,108,803
Savings Deposit Potential₃	\$9,571,159

Sources: NCDS, Economic Strategy Center Input/Output model for Kitsap County, WA. County data, IMPLAN®, 2021. DPI, consumer spending, and savings deposit percent of income, Bureau of Economic Analysis, 2022.

Notes:

- 1. **Disposable Personal Income:** Personal income less taxes.
- 2. **Consumer Spending:** Disposable personal income less interest, personal transfer payments, and personal savings.
- 3. **Savings Deposit Potential:** Personal savings rate average annual percent of 3.7% x disposable personal income.

The projected impact of jobs is increasing consumer expenditures in the Kitsap County area, a benefit to all businesses. **Table 8**, which follows shows the “Top 10” spending categories, led by housing.

Table 8 shows that housing with \$87.7 million leads the list of 10 major spending categories, followed by transportation and food. Personal insurance and pensions, health care, entertainment, and cash contributions are in the middle. Apparel and services, education and personal care complete the list of spending categories. For detailed spending by category, see **Appendix III**.

**Table 8: One Kitsap
Created and Retained Jobs
Top 10 Spending Categories**

Rank	Spending Category	Spending in Millions
1	Housing	\$87.7
2	Transportation	\$40.6
3	Food	\$30.1
4	Personal insurance and pensions	\$28.6
5	Health care	\$18.4
6	Entertainment	\$14.4
7	Cash contributions	\$8.5
8	Apparel and services	\$6.7
9	Education	\$4.0
10	Personal care	\$3.0

Sources: NCDS, Economic Strategy Center Input/Output model for Kitsap County, WA. Bureau of Labor Statistics, Consumer Expenditure Survey, West, 2021. Data released September 2022. See **Appendix III**.

F. Output by Sector

One Kitsap projects are expected to create and retain 2,500 direct jobs, which will multiply to 3,974 total jobs. The projects will also create \$838,110,242 in total output, which is “business activity”.

Detailed outputs from jobs come from the I/O model built for Kitsap County. Output by sector differs from spending categories due to definitions and the way data is collected and structured. For example, housing is the largest spending category with \$87.7 million (**Table 8**) based on Bureau of Labor Statistics surveys. But owner-occupied housing ranks 2nd in output, with \$22.8 million (**Table 9**), based on the way the National Income and Product Accounts (NIPAs) are assembled and what is included in “housing”. The definitions of “housing spending” and “housing output” are much different.

Housing spending, as defined by the BLS, is much larger than output because it includes spending for utilities, operations, supplies, furnishings and equipment. The model computed total output for 262 business sectors adjusted to 2023 dollars. Sectors in the model are defined by groups of NAICS codes. **Table 9** shows the “Top 10” sectors impacted.

**Table 9: One Kitsap
Jobs Create Annual Output
Top 10 Sectors**

Rank	Output Sector	Output in \$ Millions
1	Real estate	\$23.1
2	Housing - owner occupied	\$22.8
3	Employment services	\$12.1
4	Banks and CUs	\$7.6
5	Kitsap Public Utility District*	\$6.4
6	Full-service restaurants	\$5.6
7	Limited-service restaurants - fast food	\$5.4
8	Accounting services	\$4.9
9	Architectural, engineering	\$4.5
10	Hospitals	\$4.2

Sources: NCDS, Economic Strategy Center Input/Output model for Kitsap County, WA. See **Appendix IV**.

Note: * Kitsap Public Utility District provides drinking water, wastewater, and fiber internet infrastructure utilities to communities throughout Kitsap County, and maintains county-wide water resource monitoring.

One Kitsap projects will create \$838,110,242 in total output, which is “business activity”. Real estate, with \$23.1 million in new output leads the list of the “Top 10” sectors with new output, followed by owner-occupied housing, with \$22.8 million in new output. Employment services, banks and credit unions, and the Kitsap Public Utility District round out the top 5. Full-service restaurants ranks 6th in total output, followed by fast food, accounting services, and architectural and engineering services. Hospitals round out the “Top 10”.

G. Tax Impacts from Jobs

As jobs multiply through the economy, taxes are generated for: the federal government, Washington State, Kitsap County, Kitsap County municipalities, and Kitsap County special tax districts, like schools and fire.

Table 10 shows that in 2023 dollars, Kitsap County will be receiving \$3,419,481 in taxes each year, while its’ municipalities will receive \$2,225,152 each year. Special tax districts will receive \$5,812,156. While Kitsap County and its’ taxing units will receive a total of \$11,456,789 in new annual taxes, the State of Washington will be receiving \$17,196,057. The federal government will receive the most, with \$61,151,207 in taxes primarily from social security and income taxes.

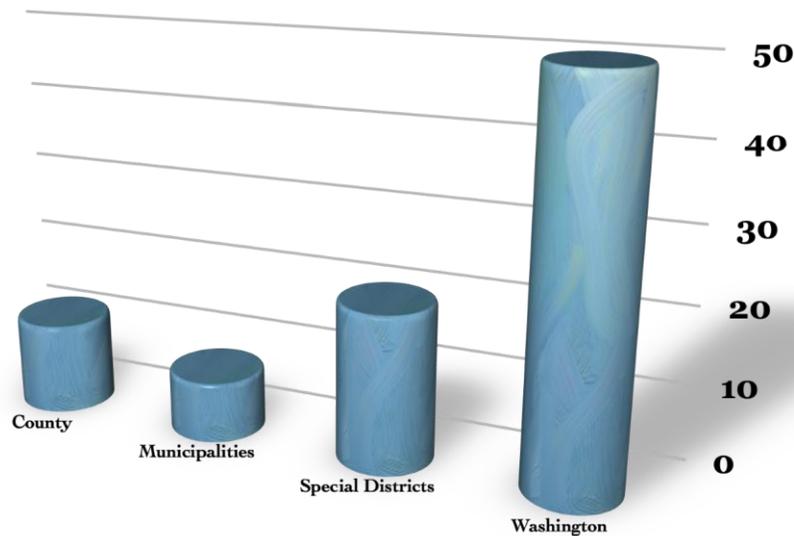
Excluding federal tax receipts, **Chart 1** shows how annual new taxes will be distributed among the State of Washington, Kitsap County, and Kitsap County taxing units. The State of Washington will receive 60.0% of these taxes, while Kitsap County will receive 11.9%. County municipalities can expect 7.8%, and County special taxing districts 20.3%.

**Table 10: One Kitsap
Projected Annual Taxes**

Governmental Unit	Total	Percent of Total (Not Federal)
Kitsap County	\$3,419,481	11.9%
Kitsap County municipalities	\$2,225,152	7.8%
Kitsap County special tax districts, e.g. schools	\$5,812,156	20.3%
Sub-Total	\$11,456,789	
State of Washington	\$17,196,057	60.0%
TOTAL	\$28,652,846	100.0%
Federal Government	\$61,151,207	

Source: NCDS, Economic Strategy Center I/O model for Kitsap County, WA.

**Chart 1: State of Washington
Kitsap County, Kitsap County
Taxing Units Share of New
Annual Taxes**



Source: Table 10

■ Percent of Taxes

Returns on Investment

Private Sector Return on Investment

One Kitsap projects will create and retain 2,500 direct jobs, which will multiply to 3,974 total jobs. The projects will also create \$838,110,242 in total output, which is “business activity”.

Table 11 shows that both public and private investors will make this possible with a combined, estimated 5-year investment goal of \$3,250,000, which is \$650,000 per year. The target combined public/private investment goal is split about 50/50. At 50% of the total, the private sector goal is \$1,625,000 and the public sector Kitsap County and its municipalities’ goal is also \$1,625,000. Kitsap County’s estimated goal is \$568,750 or 17.5% of the total goal, and the County’s municipalities’ goal is a combined and estimated \$1,056,250 which is 32.5% of the total.

**Table 11: ONE Kitsap Estimated Goals
Private and Public Sector Investments**

Investor	5-Year Total	Percent of Total
Kitsap County	\$568,750	17.5%
Kitsap County municipalities	\$1,056,250	32.5%
Sub-Total	\$1,625,000	
Private sector	\$1,625,000	50.0%
Total	\$3,250,000	100.0%

Source: Kitsap Economic Development Alliance. One Kitsap.

From a private sector point of view, return on investment ROI, is based on output (business activity) generated from jobs and the profits from that output. New output is \$838,110,242.

Net profits from output measure returns to the business community. Profit margins vary from one business sector to the other, so a good way to summarize ROI for investors is to use the average net profit among all firms in the U.S. securities markets today. This average was 7.77% (total market with financials) in January of 2023 according to NYU’s Stern School of Business. Several studies have confirmed a 25-year average rate of about 8%. Dividing net profits returned to the business community by the investment in economic development equals the return on this investment.

Table 12 shows the computations for a return on investment based on average net profits that will be returned to the community, divided by the 5-year \$1,625,000 amount of private investment.

**Table 12: One Kitsap
Public and Private Investments and Returns on
Investments ROI**

	Total Invested	Average Corporate Profit = Output x 7.71%	Taxes or Profits Returned	ROI
Kitsap County	\$568,750		\$3,419,481	\$6.01 : \$1.00
Kitsap County municipalities	\$1,056,250		\$2,225,152	\$2.11: \$1.00
Private sector	\$1,625,000	\$838,110,242 x 7.77%	\$65,121,166	\$40.07 : \$1.00

Source: NCDS, Economic Strategy Center ESC, ESC I/O model. ESC assumptions.

The return on private investment in One Kitsap is very positive. In 2023 dollars, 5 years of steady growth in jobs will return \$40.07 to the business community in average corporate profits for every \$1.00 invested.

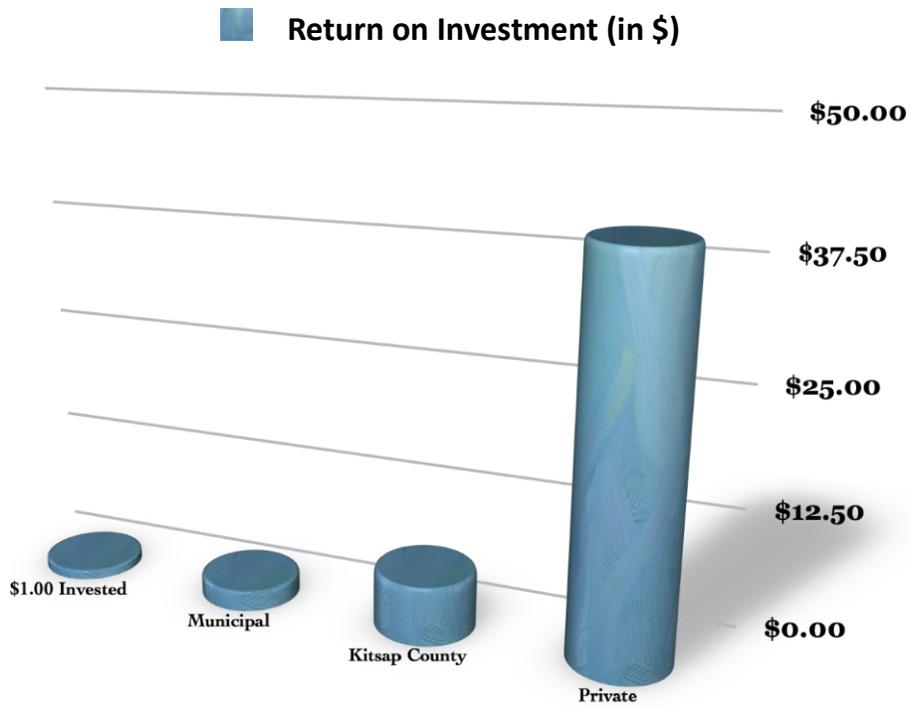
Public Sector Return on Investment

From the public sector’s perspective a return on investment can be measured by new taxes. **Table 12** shows how taxes returned to Kitsap County, and Kitsap County municipalities, can be divided by their amounts of investment from **Table 11** to compute returns on investment.

For every \$1.00 invested by Kitsap County, \$6.01 will return in new tax revenue. For every \$1.00 invested by Kitsap County municipalities, \$2.11 will be returned.

Chart 2 illustrates the private and public sector returns on investment.

**Chart 2: One Kitsap
Returns on Investment**



Source: Table 12

APPENDIX I

One Kitsap Target Industries & Jobs Goals by IMPLAN Sector

Target Industries	IMPLAN Sector	IMPLAN Sector Defined	Jobs Goal %	Jobs GOAL = 2,500
1. Marine/boat building			15%	440
	360	Ship building and repairing		
	361	Boat building*		
2. Defense			25%	560
	312	Search, detection, and navigation instruments manufacturing		
	354	Aircraft manufacturing		
	356	Other aircraft parts and auxiliary equipment manufacturing		
	361	Boat building*		
	460	Computer systems design services		
	463	Environmental and other technical consulting services		
3. Light Manufacturing:			15%	440
	247	Machine shops		
	250	Metal coating and nonprecious engraving		
	269	All other industrial machinery manufacturing		

	329	Power, distribution, and specialty transformer manufacturing		
	370	Wood office furniture manufacturing		
	377	Surgical appliance and supplies manufacturing		
	459	Custom computer programming services		
4. Technology			30%	620
	436	Data processing, hosting, and related services		
	464	Scientific research and development services		
	487	Medical and diagnostic laboratories		
5. Construction/Project Management			15%	440
	458	Specialized design services		
	461	Other computer related services, including facilities management		
	462	Management consulting services		
	469	Management of companies and enterprises		
	473	Business support services		
TOTAL			100%	2,500

Source: Kitsap Economic Development Alliance. IMPLAN® 546 sectors and definitions.

APPENDIX II

Kitsap County Major Employers & Industry

Major Employers	Employees	Industry
U.S. Government/Department of Defense		
Navel Base Kitsap*	36,978	
Private Sector Employers		
St. Michael Medical Center & Franciscan Medical Group	1,901	Healthcare
Port Madison Enterprises	628	Tourism
Haselwood Auto Group	556	Vehicle Dealer
Noo-Kayet Gaming Corporation (Port Gamble S'Klallam Tribe)	511	Tourism
YMCA of Pierce & Kitsap County	497	Youth Organization
Lowe"s	466	Retail
Town & Country Markets (corporate office and 2 stores)	450	Retail
Fred Meyer (2 locations)	432	Retail
McDonald's (Peninsula Office)	431	Retail
Kitsap Mental Health Services	427	Healthcare
Macy's West Stores, Inc	400	Retail
Starbucks	395	Retail
Peninsula Community Health	384	Healthcare
The Doctors Clinic	381	Healthcare
Skookum Contract Services	360	Light Manufacturing/Project Management
Martha & Mary	349	Healthcare

Stafford Healthcare (combined)	330	Healthcare
Watson Furniture Company	190	Light Manufacturing
Sage / Redington Inc / Far Bank	160	Light Manufacturing
Major Employers	Employees	Industry
Defense Contractors		
Skookum Contract Services	360	Defense
Jacobs Engineering	253	Defense
SAFE Boats International	250	Defense & Marine/Boat Building
Delphinus Engineering	249	Defense
Huntington Ingalls AMSEC	212	Defense
State & Other Public Sector Employers		
Kitsap County	1,307	Government
Central Kitsap School District	1,582	Education
South Kitsap School District	1,150	Education
North Kitsap School District	944	Education
Bremerton School District	751	Education

Source: Kitsap Economic Development Alliance.

Note: * Employees = Civilian 19,922, Active Duty 11,220, Contract 313. Naval Base Kitsap is the third largest naval base in the nation and Kitsap's largest employer, as well as one of the largest employers in the Puget Sound region.

APPENDIX III

One Kitsap Distribution of Total Spending by Category

Categories	Share of Total* (%)	Expenditure Total = \$249,108,803
FOOD	12.1%	\$30,142,165
Food at home	7.7%	\$19,181,378
Food away from home	4.4%	\$10,960,787
ALCOHOLIC BEVERAGES	.9%	\$2,241,979
HOUSING	35.2%	\$87,686,299
Shelter	21.6%	\$53,807,501
Owned dwellings	11.2%	\$27,900,186
Mortgage interest and charges	4.9%	\$12,206,331
Rented dwellings	9.3%	\$23,167,119
Other lodging	1.4%	\$3,487,523
Utilities, fuels and public services	5.6%	\$13,950,093
Natural gas	.5%	\$1,245,544
Electricity	1.9%	\$4,733,067
Fuel oil and other fuels	.1%	\$249,109
Telephone services	1.8%	\$4,483,958
Cellular phone service	1.7%	\$4,234,850
Water and other public services	1.2%	\$2,989,306
Household operations	2.4%	\$5,978,611
Housekeeping supplies	1.2%	\$2,989,306
Household furnishings and equipment	4.2%	\$10,462,570
APPAREL AND SERVICES	2.7%	\$6,725,938
TRANSPORTATION	16.3%	\$40,604,735
Vehicle purchases	7.1%	\$17,686,725
Cars and trucks, new	3.0%	\$7,473,264
Cars and trucks, used	4.0%	\$9,964,352
Gasoline and motor oil	3.3%	\$8,220,590
Other vehicle expenses	5.2%	\$12,953,658

Vehicle finance charges	.4%	\$996,435
Maintenance and repairs	1.5%	\$3,736,632
Vehicle insurance	2.2%	\$5,480,394
Vehicle rental and leases	1.1%	\$2,740,197
Public transportation	.7%	\$1,743,762
HEALTH CARE	7.4%	\$18,434,051
Health insurance	4.8%	\$11,957,223
Medical services	1.6%	\$3,985,741
Drugs	.7%	\$1,743,762
Medical supplies	.3%	\$747,326
ENTERTAINMENT	5.8%	\$14,448,311
PERSONAL CARE PRODUCTS/SERVICES	1.2%	\$2,989,306
EDUCATION	1.6%	\$3,985,741
CASH CONTRIBUTIONS	3.4%	\$8,469,699
PERSONAL INSURANCE AND PENSIONS	11.5%	\$28,647,512
Life and other personal insurance	.6%	\$1,494,653
Pensions and Social Security	11.0%	\$27,401,968
OTHER (reading, tobacco & miscellaneous)	1.9%	\$4,733,067

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2021, Region of Residence, West. BLS data released September, 2022.

Note: * All shares are % of total. **Shaded**, major categories total 100%.

APPENDIX IV

One Kitsap Total Output by Sector¹ And Top 10 Sectors for Business-to-Business Impacts (Sectors used for 21 direct job impacts are shaded)

Rank	Industry Display	Output
	Total	\$838,110,242
	464 - Scientific research and development services	\$165,057,684
	360 - Ship building and repairing	\$130,280,611
	361 - Boat building	\$59,617,630
	460 - Computer systems design services	\$37,624,023
	469 - Management of companies and enterprises	\$37,545,230
	459 - Custom computer programming services	\$30,708,288
	462 - Management consulting services	\$25,919,346
1	447 - Real estate establishments: Lessors of industrial commercial and residential real estate, agents & brokers (commissions), REITs, managers' offices, listing services, appraisal services, escrow agencies	\$23,115,443
	436 - Data processing, hosting, and related services	\$23,012,047
2	449² - Imputed rental activity for owner-occupied dwellings = HOUSING + includes mortgage payments	\$22,758,616
	463 - Environmental and other technical consulting services	\$21,236,187
	329 - Power, distribution, and specialty transformer manufacturing	\$17,905,472
	354 - Aircraft manufacturing	\$12,250,359
3	472 - Employment services	\$12,066,834
	370 - Wood office furniture manufacturing	\$12,021,777
	377 - Surgical appliance and supplies manufacturing	\$11,930,251
	455 - Legal services	\$7,954,042
4	441 - Monetary authorities and depository credit intermediation activities = Banks and Credit Unions. Output of commercial banks, savings institutions, and credit unions which includes: 1) funds, trusts, and other financial vehicles, 2) administrative expenses of pension funds, 3) service charges on deposit accounts and cash management, 4) service charges and fees on credit card accounts, 5) loan origination on all other consumer loans, 6) other products supporting financial services, and 7) ATM and other electronic transaction fees.441 - Monetary authorities and depository credit intermediation	\$7,612,100

5	534 - Kitsap Public Utility District₃	\$6,448,650
	461 - Other computer related services, including facilities management	\$5,583,875

Rank	Industry Display	Output
6	509 - Full-service restaurants	\$5,561,093
7	510 - Limited-service restaurants	\$5,403,616
	473 - Business support services	\$5,256,688
8	456 - Accounting, tax preparation, bookkeeping, and payroll services	\$4,946,161
9	457 - Architectural, engineering, and related services	\$4,550,098
10	490 - Hospitals	\$4,248,982
	47 - Electric power transmission and distribution	\$4,119,269
	483 - Offices of physicians	\$3,989,780
	438 - Internet publishing and broadcasting and web search portals	\$3,953,419
	487 - Medical and diagnostic laboratories	\$3,765,163
	247 - Machine shops	\$3,533,533
	396 - Wholesale - Other durable goods merchant wholesalers	\$3,437,235
	269 - All other industrial machinery manufacturing	\$3,053,332
	448 - Tenant-occupied housing	\$2,899,855
	411 - Retail - General merchandise stores	\$2,860,004
	395 - Wholesale - Machinery, equipment, and supplies	\$2,831,663
	440 - Securities and commodity contracts intermediation and brokerage	\$2,829,691
	511 - All other food and drinking places	\$2,658,131
	402 - Retail - Motor vehicle and parts dealers	\$2,493,689
	413 - Retail - Nonstore retailers	\$2,490,908
	512 - Automotive repair and maintenance, except car washes	\$2,478,700
	468 - Marketing research and all other miscellaneous professional, scientific, and technical services	\$2,411,738
	406 - Retail - Food and beverage stores	\$2,339,106

458 - Specialized design services	\$2,297,435
476 - Services to buildings	\$2,281,512
444 - Insurance carriers, except direct life	\$2,251,727
475 - Investigation and security services	\$2,183,237
465 - Advertising, public relations, and related services	\$2,083,035
521 - Religious organizations	\$2,031,887
442 - Other financial investment activities	\$1,952,634
60 - Maintenance and repair construction of nonresidential structures	\$1,901,944

Rank	Industry Display	Output
	486 - Outpatient care centers	\$1,889,599
	445 - Insurance agencies, brokerages, and related activities	\$1,856,934
	421 - Couriers and messengers	\$1,807,229
	439 - Nondepository credit intermediation and related activities	\$1,719,983
	417 - Truck transportation	\$1,718,376
	400 - Wholesale - Other nondurable goods merchant wholesalers	\$1,687,438
	393 - Wholesale - Professional and commercial equipment and supplies	\$1,687,084
	477 - Landscape and horticultural services	\$1,672,765
	394 - Wholesale - Household appliances and electrical and electronic goods	\$1,632,006
	491 - Nursing and community care facilities	\$1,551,299
	493 - Individual and family services	\$1,518,173
	484 - Offices of dentists	\$1,489,890
	356 - Other aircraft parts and auxiliary equipment manufacturing	\$1,460,887
	250 - Metal coating and nonprecious engraving	\$1,379,876
	478 - Other support services	\$1,375,949

405 - Retail - Building material and garden equipment and supplies stores	\$1,355,210
513 - Car washes	\$1,299,160
453 - Commercial and industrial machinery and equipment rental and leasing	\$1,260,237
446 - Funds, trusts, and other financial vehicles	\$1,238,720
401 - Wholesale - Wholesale electronic markets and agents and brokers	\$1,184,137
479 - Waste management and remediation services	\$1,129,184
471 - Facilities support services	\$1,128,648
412 - Retail - Miscellaneous store retailers	\$1,123,439
450 - Automotive equipment rental and leasing	\$1,113,247
433 - Wired telecommunications carriers	\$1,042,894
485 - Offices of other health practitioners	\$1,036,288
522 - Grantmaking, giving, and social advocacy organizations	\$1,031,474
470 - Office administrative services	\$945,570
48 - Natural gas distribution	\$887,712
526 - Postal service	\$855,265
407 - Retail - Health and personal care stores	\$832,520

Rank	Industry Display	Output
61	Maintenance and repair construction of residential structures	\$794,853
398	Wholesale - Grocery and related product wholesalers	\$794,144
528	Other federal government enterprises	\$787,259
531	Other state government enterprises	\$772,656
392	Wholesale - Motor vehicle and motor vehicle parts and supplies	\$749,895
409	Retail - Clothing and clothing accessories stores	\$747,556
428	Software publishers	\$734,884

495 - Community food, housing, and other relief services, including rehabilitation services	\$713,847
410 - Retail - Sporting goods, hobby, musical instrument and book stores	\$710,657
532 - Local government passenger transit	\$661,927
431 - Radio and television broadcasting	\$629,354
499 - Independent artists, writers, and performers	\$610,340
408 - Retail - Gasoline stores	\$607,857
482 - Other educational services	\$591,324
403 - Retail - Furniture and home furnishings stores	\$585,083
434 - Wireless telecommunications carriers (except satellite)	\$584,009
454 - Lessors of nonfinancial intangible assets	\$554,550
515 - Commercial and industrial machinery and equipment repair and maintenance	\$541,830
451 - General and consumer goods rental except video tapes and discs	\$536,870
474 - Travel arrangement and reservation services	\$536,841
517 - Personal care services	\$535,071
399 - Wholesale - Petroleum and petroleum products	\$514,184
432 - Cable and other subscription programming	\$512,849
420 - Scenic and sightseeing transportation and support activities for transportation	\$498,795
492 - Residential mental retardation, mental health, substance abuse and other facilities	\$487,285
520 - Other personal services	\$478,728
524 - Labor and civic organizations	\$465,984
424 - Periodical publishers	\$453,355
467 - Veterinary services	\$433,276
514 - Electronic and precision equipment repair and maintenance	\$432,493

Rank	Industry Display	Output
	154 - Petroleum refineries	\$431,024
	500 - Promoters of performing arts and sports and agents for public figures	\$418,897
	504 - Other amusement and recreation industries	\$418,240
	429 - Motion picture and video industries	\$414,669
	494 - Child day care services	\$391,708
	496 - Performing arts companies	\$355,851
	466 - Photographic services	\$318,575
	516 - Personal and household goods repair and maintenance	\$313,616
	418 - Transit and ground passenger transportation	\$297,328
	404 - Retail - Electronics and appliance stores	\$265,212
	525 - Private households	\$261,726
	505 - Fitness and recreational sports centers	\$260,197
	204 - Ready-mix concrete manufacturing	\$230,361
	503 - Gambling industries (except casino hotels)	\$200,315
	523 - Business and professional associations	\$192,798
	488 - Home health care services	\$185,223
	480 - Elementary and secondary schools	\$182,205
	397 - Wholesale - Drugs and druggists' sundries	\$181,136
	489 - Other ambulatory health care services	\$174,886
	423 - Newspaper publishers	\$166,521
	527 - Federal electric utilities	\$163,455
	215 - Iron and steel mills and ferroalloy manufacturing	\$158,384
	49 - Water, sewage and other systems	\$142,708

	383 - Doll, toy, and game manufacturing	\$140,717
	481 - Junior colleges, colleges, universities, and professional schools	\$125,909
	452 - Video tape and disc rental	\$117,080
	501 - Museums, historical sites, zoos, and parks	\$116,921
	430 - Sound recording industries	\$109,656
	14 - Animal production, except cattle and poultry and eggs	\$109,576
	262 sectors with new output. Please contact NCDS ESC for output in sectors with less than \$100,000.	

Source: NCDS, Economic Strategy Center Input/Output model for Kitsap County, WA. County data IMPLAN®, 2021, data released December, 2022.

Notes: 1) 21 sectors used to define inputs are shaded and not used in the “top 10 impacts” because these inputs are the direct impacts that create outputs from indirect and induced impacts, the very important business-to-business impacts.

- 2) Sector 449 treats homeownership and maintenance like a rental industry and includes purchases made by homeowners for the upkeep of residences and payments on mortgages. This approach was created by the Bureau of Economic Analysis, BEA, to manage home ownership spending in the National Income and Product Accounts, NIPAs.
- 3) Kitsap Public Utility District provides drinking water, wastewater, and fiber internet infrastructure utilities to communities throughout Kitsap County, and maintains a county-wide water resource monitoring program.

APPENDIX V

ABOUT NCDS AND THE ECONOMIC STRATEGY CENTER

National Community Development Services, Inc. (NCDS) is a pioneer in nonprofit, community-based fundraising. Since 1977, NCDS has raised over \$1.7 billion for more than 700 organizations, in 44 states across the U.S.



The Economic Strategy Center is the economic research and analysis division of NCDS. The ESC applies research tools and techniques to evaluate the economic impacts of development programs. It conducts in depth research using local, state and national sources. Over 20 years ago, NCDS pioneered the use of economic impact analyses in fundraising

campaigns to convey the Return on Investment, ROI of our clients' programs, based on projected outcomes of new jobs, capital investment, industry sector growth, and other client goals. The ESC helps clients address three types of issues:

- **Market Analysis** - How will my organization be affected by changes in the economy? What should I do to respond to them?
- **Cost/Benefit Analysis** - What will be the economic impact/benefits and costs of my project/program? What should I do to maximize net value? What is the return on investment?
- **Economic Development Strategy** - How can my project/program affect business growth and attraction? How can I best target my efforts?

The ESC creates:

- **Economic Impact Analysis** - The direct, indirect and induced impacts that multiply to create more jobs, income, value added and output. Impacts of new spending and new output include computations of potential new bank deposits and new local tax revenue. Return on investment ROIs are calculated for both private and public sector investments.
- **Scorecard** - The Economic Impact Analysis of success with job creation and new investment to show impacts and return on investment.
- **Info-graphic** - Summary graphics to illustrate impacts and returns on investment.

The ESC uses the latest data and techniques available. We are members of *C2ER - The Council for Community and Economic Research* (formerly ACCRA), *The International Economic Development Council*, and *The Association of Public Data Users*.

For more information visit: <https://www.ncdsinc.net/economic-impact-analysis>



CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: August 15, 2023

ESTIMATED TIME: 20 Minutes

AGENDA ITEM: (6:30 PM) Discuss Activities to Date of the Steering Committee Overseeing the Updates to the Winslow Subarea Plan and the Comprehensive Plan,

SUMMARY: The Council wishes to periodically receive updates on the Steering Committee that was composed to oversee the updates to the Winslow Subarea Plan and the Comprehensive Plan; this is the first of those periodic updates.

AGENDA CATEGORY: Discussion

PROPOSED BY: Planning & Community Development

RECOMMENDED MOTION: Discussion only

COMMUNITY ENGAGEMENT AND OUTREACH: Project websites for both projects, a dedicated website for Steering Committee meetings and videos, published agendas and links for viewing meetings

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	No

BACKGROUND: BACKGROUND: Resolution No. 2023-03 (attached to this agenda bill) established a Steering Committee and appointed its members to include Councilmembers Leslie Schneider, Jon Quitslund, Deputy Mayor Kirsten Hytopoulos, Planning Commission Chair Ashley Mathews, Planning Commission Vice Chair Sarah Blossom and Planning Commissioner Sean Sullivan. The Steering Committee, formed after initiation of the Winslow Subarea Plan update and before the Comprehensive Plan periodic review and update, has a primary focus on the community engagement activities of both projects.

On a monthly basis, leadership and staff from the Department of Planning and Community Development and project consultants work alongside Steering Committee members to discuss progress, exchange ideas on project next steps and refine community engagement activities to achieve the best possible engagement for outcomes for both projects given time and budget constraints.

Achievements from the Steering Committee to date include:

- Review and affirmation of Winslow Subarea Plan workshops and engagement activities as published in the project Community Engagement Plan
- Feedback and suggestions on wording for the Winslow Subarea Plan Emerging Vision
- Feedback and timing modifications for the Comprehensive Plan Work Plan and Community Engagement Plan
- Considerations of different groups and modes of outreach and engagement at various points for each project's timeline

Anticipated Steering Committee Work In the Near Future:

- Discussing best ways to apply a race equity and diversity lens, a climate lens, and other suggested lenses to both the Winslow Subarea Plan and Comprehensive Plan update
- Discussion of best ways and practices to communicate and provide outreach on the Winslow Subarea Plan Alternatives and considerations on best methods to develop and communicate a Preferred Alternative
- Review of outreach results during and after kickoff activities for the Comprehensive Plan update
- Communicating how Winslow Subarea Plan informs and shapes all elements of the Comprehensive Plan

ATTACHMENTS:

[Resolution No. 2023-04 Establishing and Appointing Members to a Steering Committee for the Winslow Subarea Plan and the Comprehensive Plan Periodic Review.docx](#)

FISCAL DETAILS: The staff participation, assistance and administrative oversight (including agenda publication, managing meeting videos, meeting summaries, etc.) was not included in either project budget or departmental work program. Both projects will submit scope and budget amendment requests.

Fund Name(s):

Coding:

RESOLUTION NO. 2023-03

A RESOLUTION of the City Council of Bainbridge Island, Washington, establishing a Steering Committee for the City of Bainbridge Island’s Winslow Subarea Plan update and the Comprehensive Plan periodic review

WHEREAS, the City of Bainbridge Island is currently undertaking a project to update its Winslow Subarea Plan and is in the beginning stages of the project to complete a state-mandated periodic review of its Comprehensive Plan; and

WHEREAS, the City Council moved on February 8, 2022, to amend Chapter 2.16 of the Bainbridge Island Municipal Code such that the subarea planning process laid out therein would apply to small, designated centers but not to Winslow; and

WHEREAS, the Planning Commission considered draft Ordinance No. 2023-04 on January 26, 2023, that was prepared in accordance with the Council’s February 8, 2022, motion, and unanimously approved a motion to add language to BIMC 2.16.210 to include the update to the Winslow Subarea Plan, establish a steering committee comprised of city council, planning commission and selected advisory board members, but differentiate its review from the smaller designated centers; and

WHEREAS, after timely notice and public hearing, the Planning Commission approved a motion to recommend the amended version of Ordinance No. 2023-04 to the City Council; and

WHEREAS, on March 28, 2023, City Council considered the Planning Commission recommendation and directed staff to return with the original Ordinance No. 2023-04 drafted in accordance with Council’s February 8, 2022, motion; and

WHEREAS, on April 11, 2023, City Council adopted Ordinance No. 2023-04 and directed the City Manager to draft a resolution establishing a committee consisting of three members of the City Council and three members of the Planning Commission to serve for the duration of the work on updating the Winslow Subarea Plan and the Comprehensive Plan; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:

Section 1. There is established a Steering Committee made up of three City Council members and three members of the Planning Commission to provide oversight on the Winslow Subarea Plan update and on the Comprehensive Plan periodic review. Members of the Steering Committee shall be appointed by the City Council.

Section 2. The Steering Committee shall have the following purposes and roles:

- Review and provide feedback on public engagement plans
- Provide recommendations on planned public outreach and community engagement events
- Provide recommendations concerning deliverables, work plan, and schedule
- Assist staff and consultant team in maintaining community perspective and identify priority issues and outcomes
- Assist staff with monitoring budget and cost containment
- Report meeting summaries and project activities to respective council or commission, including periodically to advisory boards and committees
- Provide periodic reports to the broader community on steering committee work
- Apply an equity lens consistent with the Government Alliance for Race Equity’s racial equity assessment as well as a climate lens to all project work, activities, and outcomes

Section 3. This steering committee will dissolve immediately after adoption of the Winslow Subarea Plan update and the Comprehensive Plan periodic review, whichever comes last.

Section 4. If any one or more sections, subsections, or sentences of this resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this resolution and the same shall remain in full force and effect.

Section 5. This resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council this ___ day of April, 2023.

APPROVED by the Mayor this ___ day of April, 2023.

Brenda Fantroy-Johnson, Mayor

ATTEST/AUTHENTICATE:

By: _____
Christine Brown, MMC, City Clerk

FILED WITH THE CITY CLERK: April 21, 2023

PASSED BY THE CITY COUNCIL:
RESOLUTION NO.

April ____, 2023
2023-03



CITY OF
BAINBRIDGE ISLAND

City Council Study Session Agenda Bill

MEETING DATE: August 15, 2023

ESTIMATED TIME: 30 Minutes

AGENDA ITEM: (6:50 PM) Receive Update and Discuss Next Steps for the Groundwater Management Plan,

SUMMARY: City staff will provide a brief update on the Groundwater Management Plan, and will seek input from the Council on development and schedule for the remainder of the plan development process.

AGENDA CATEGORY: Discussion

PROPOSED BY: Public Works

RECOMMENDED MOTION: Information only.

COMMUNITY ENGAGEMENT AND OUTREACH: The Groundwater Management Plan hosted a virtual open house in 2021. There will be future opportunities for public engagement in the early part of 2024.

FISCAL IMPACT:

Amount:	N/A
Ongoing Cost:	N/A
One-Time Cost:	N/A
Included in Current Budget?	No

BACKGROUND: The City started developing a Groundwater Management Plan in the summer of 2021 with an on-staff hydrogeologist. The staff person leading the Plan left the organization in the fall of 2022. At the June 13, 2023 City Council meeting, the Council authorized a contract with the consulting firm EA to complete the Plan. Staff are presently engaging the consultant on getting up to speed on existing conditions and past work, and developing a schedule for next steps. The Plan is anticipated to be complete in approximately mid-2024.

This agenda item is a follow-up to the June 27, 2023 City Council meeting, when the Council passed a motion to schedule a discussion regarding regular check-ins, a deadline, and other decision points related to the Groundwater Management Plan. As a part of this discussion, city staff will present the previously approved Goals and Objectives for the Groundwater Management Plan, and will also provide a brief update on the analysis that has been performed to date.

It has been suggested that the Council establish a deadline date of December 31, 2023 for the Groundwater Management Plan. However, the approved contract and scope of work established the completion date for some time in mid 2024. How these dates may be harmonized should be discussed.

ATTACHMENTS:

[GWMP Council Slides 081523.pptx](#)

[Groundwater Model Fact Sheet.pdf](#)

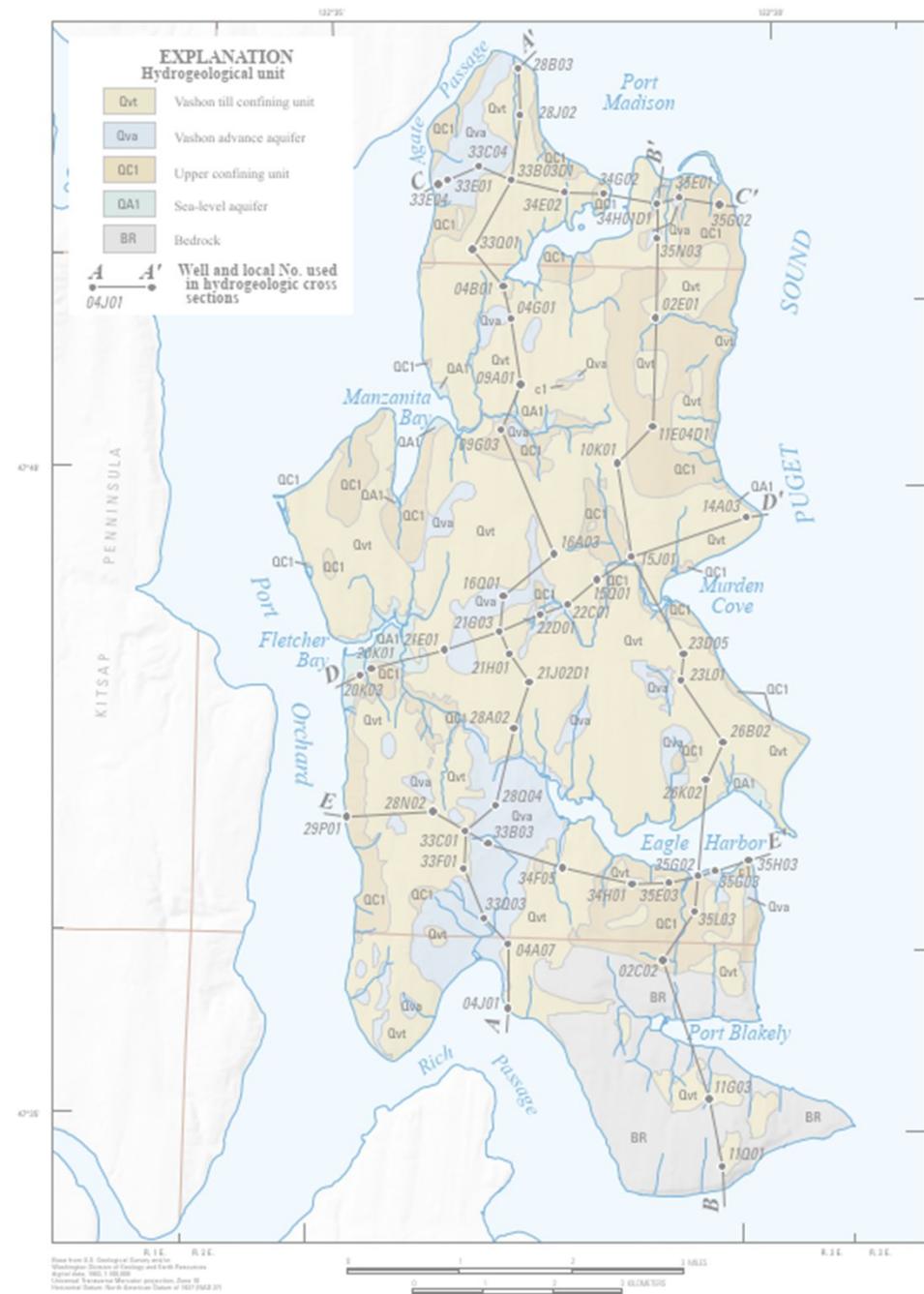
FISCAL DETAILS: N/A

Fund Name(s):

Coding: N/A

Groundwater Management Plan Update

August 15, 2023



Agenda

- Background and plan outline
- Current schedule
- Findings to date
- Discussion / Q&A

Background

- This presentation responds to Council direction from June 27, 2023 regarding the desire for more regular updates on the Groundwater Management Plan

Background

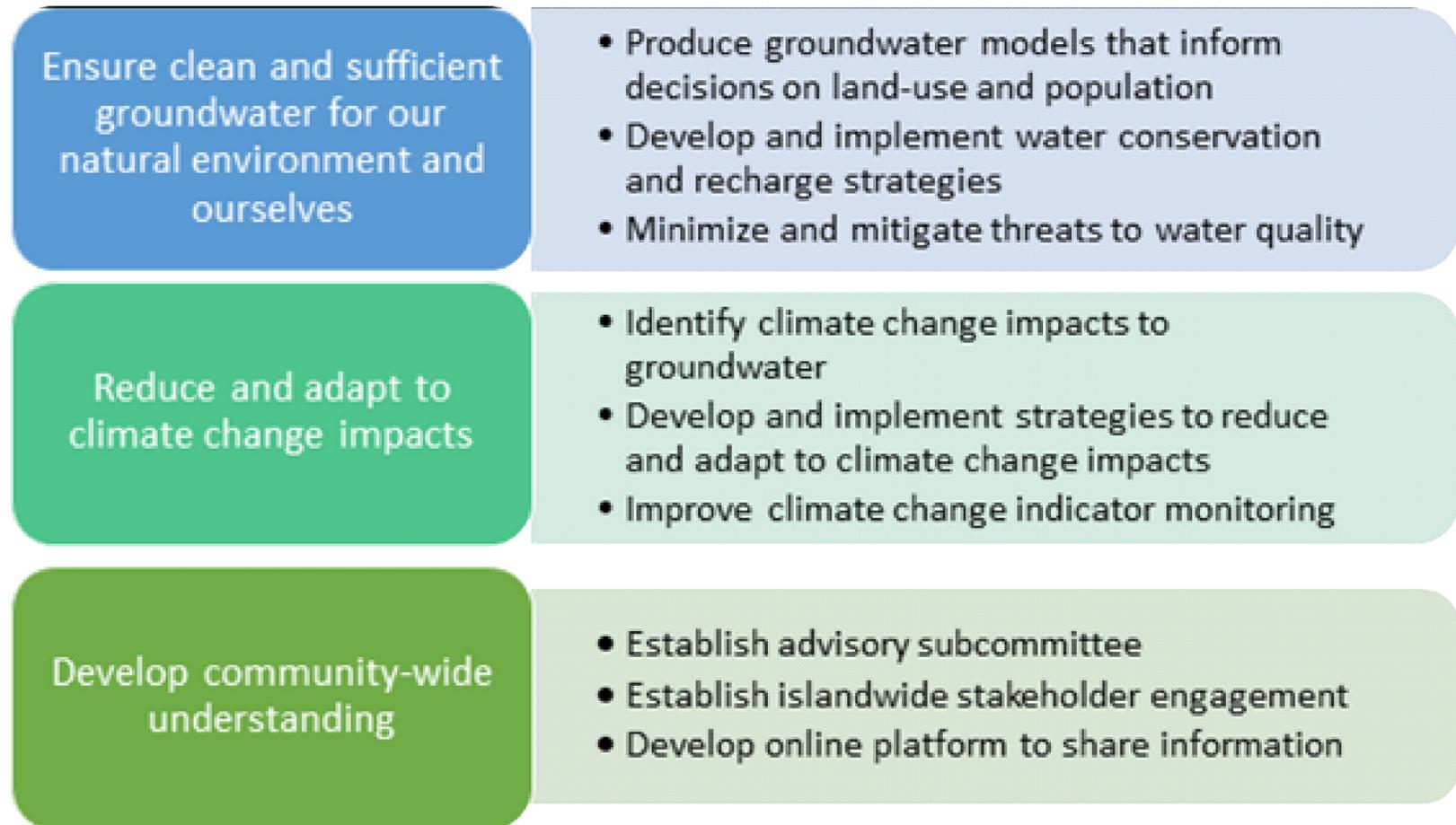
- Work on the plan started in summer 2021
- Hydrogeologist on staff for 15-months
- Sub-committee formed (Environmental Technical Advisory Committee; Utility Advisory Committee; Climate Change Advisory Committee)
- Transition to consultant June 2023
- About 50% of plan complete

Plan Outline

In simple terms, the Plan consists of three (3) phases of work:

1. Research - Document existing conditions and data (complete)
2. Modeling - Process data and define problems (partially complete)
3. Planning - Develop and adopt strategies/actions to address problems (not started)

Plan Outline – Council-Adopted Goals and Objectives



Current Schedule

- Q2: Consultant engaged
- Q3: Input from City Council (today)
- Q3-4: Complete modeling scenarios
- Q4 – Q1 2024: Integration with planning processes; Engagement
- Q2 2024: Develop strategies, actions
- Q3 2024: Plan completed

Findings to Date – Assumptions

First groundwater model scenario is complete.
Assumptions include the following:

- 100-year evaluation
- Increase groundwater pumping by 50% due to population increase
- Reduce recharge by 20% due to climate change
- 4ft increase in sea-level rise due to climate change

Findings to Date – High-Level Results

- No seawater intrusion
- Average rates of groundwater decreases were less than “early warning levels” (criteria that would result in the need for a management response)
- Overall, this is good news

Findings to Date – Winslow Sub-Area Considerations

- Majority of model data is focused on City water system in Winslow
- More data means more confident results
- Model results plus recent staff evaluation of infrastructure provides high level of confidence in groundwater availability for current growth plans

Findings to Date – Comp Plan Considerations

- Less data available in areas outside Winslow, which means less confident results
- However, data available outside Winslow does not indicate systemic problems in those areas
- Less population planned in areas outside of Winslow

Findings to Date – Comp Plan Considerations

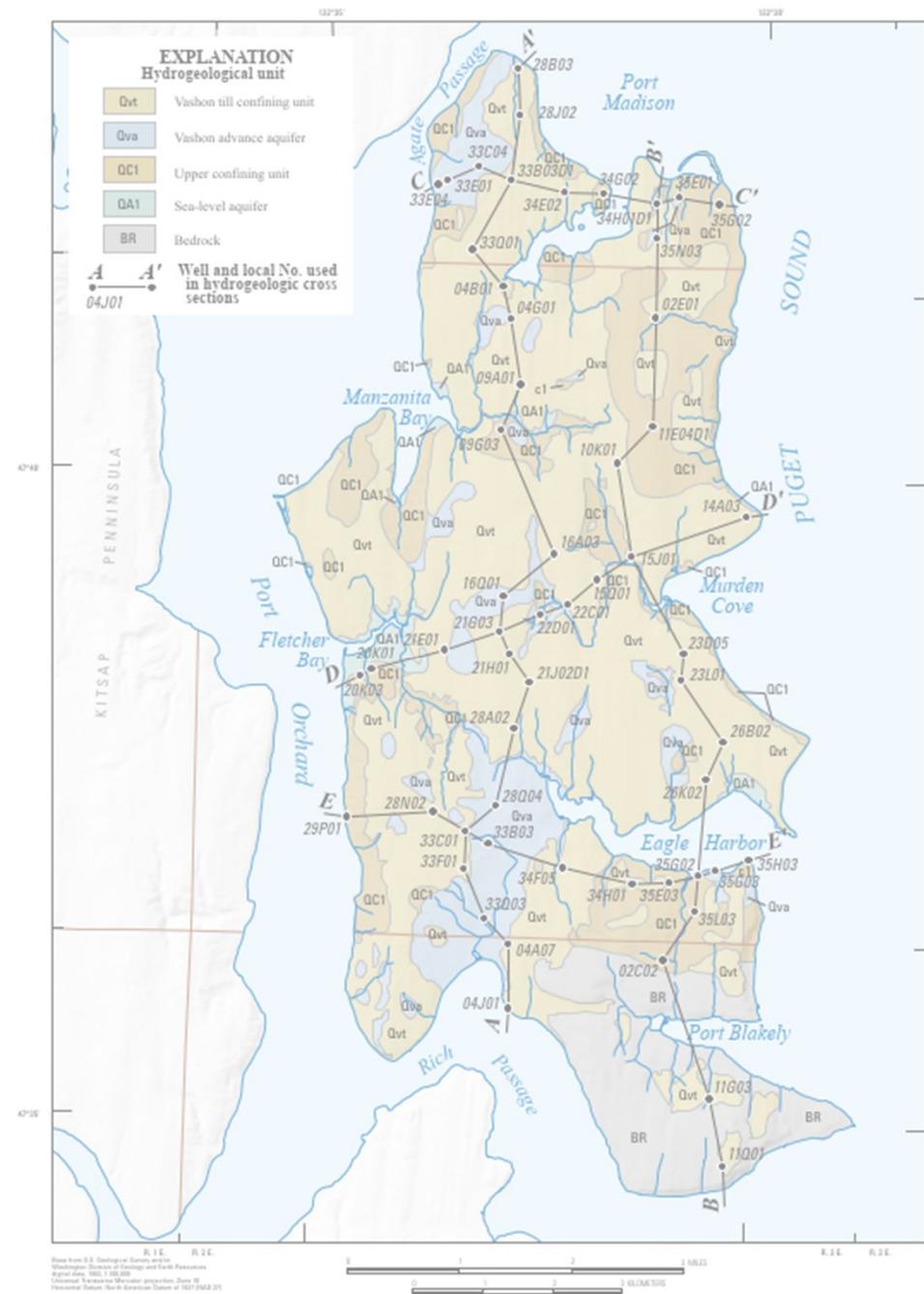
Next model scenarios could focus on the following:

- Impacts on stream flow
- Increasing withdrawals from areas outside Winslow
- Increasing withdrawals from Winslow to serve outside areas
- South-end growth scenarios
- Results available prior to Comp Plan decision-making

Findings to Date – General Considerations

- The Plan will not result in specific recommendations on land-use or “hard” numbers on carrying capacity
- The Plan will:
 - Evaluate “early warning levels”
 - Recommend acquiring more data
 - Prioritize areas for future study
 - Recommend strategies for priority areas
 - Provide broad guidance on land-use policy

Groundwater Management Plan Update Discussion



We depend on groundwater for all our water-supply needs on Bainbridge Island. Groundwater also supports our streams and wetlands. In order to protect our high-quality water supply, the City of Bainbridge Island has been working with the Groundwater Management Subcommittee to develop a Groundwater Management Plan (GWMP) for Bainbridge Island. The GWMP will provide the necessary framework to responsibly manage this precious resource today and into the future. Work completed to date includes revisions to the Bainbridge Island Groundwater Model and use of the model to assess the long-term carrying capacity of the aquifer system to provide a sustainable water supply for the City's projected population growth and increased groundwater withdrawals.

Simulating Future Stress on the Aquifer

Modeling the long-term carrying capacity involved simulating three new stresses on the aquifer system. These include:

- Increasing the City's groundwater pumping by 50% above the current withdrawal rate.
- Reducing groundwater recharge to the aquifer system due to climate change by 20% below current estimates.
- Raising Mean Sea Level by 4 feet to assess the potential for seawater intrusion into the aquifer.

Results of the Completed Modeling Simulations

Modeling results indicate that the aquifer system tapped by the City's wells is likely to be a sustainable long-term water supply, even with increased withdrawals, decreased recharge and rising sea level. Specific results include:

- Seawater intrusion into the primary aquifers is predicted to remain offshore and not impact water quality in City water supply wells.
- Groundwater levels are predicted to decline between 0.02 to 0.15 feet per year, with shallow perched aquifers having greater declines resulting from decreased recharge.

Additional Groundwater Modeling Simulations

Although the model results indicate that the aquifer system is capable of providing high quality groundwater for projected growth within the City's water system service area, there are several other group water systems and private wells on the island, as well as streams and wetlands that depend on groundwater. The City will continue to refine and use the groundwater model during the development of the GWMP to assess several other groundwater management issues on the island. These include:

- Evaluating impacts from increasing withdrawals resulting from growth outside of the City's water service area, particularly areas on the island where private wells depend on shallower perched aquifers.
- Assessing groundwater withdrawal impacts to baseflow discharge to streams and wetlands on the island in order to identify appropriate management actions that will protect and maintain aquatic habitat and streamflow.
- Assessing the potential for increased groundwater withdrawals in the southeastern part of the island where bedrock occurs that is far less productive than the glacial aquifers present in other parts of the island.
- The model will also be used to assess criteria that could be used to revise the Groundwater Management Early Warning Levels that will be incorporated into the GWMP.

Throughout the development of the GWMP the City will continue to work closely with several City Sub-Committees work groups, and other agencies to insure that all interested parties have ample opportunity for input into the GWMP and review of recommendations, reports and final products. Our goal is to use the groundwater model to help inform management decisions that will be built into the GWMP in order to protect groundwater for all uses on the island into the future.

References:

- Frans, L.M., Bachmann, M.P., Sumioka, S.S., and Olsen, T.D., 2011, Conceptual model and numerical simulation of the groundwater-flow system of Bainbridge Island, Washington: USGS Scientific Investigations Report 2011-5021, 96 p., www.doi.org/10.3133/sir20115021

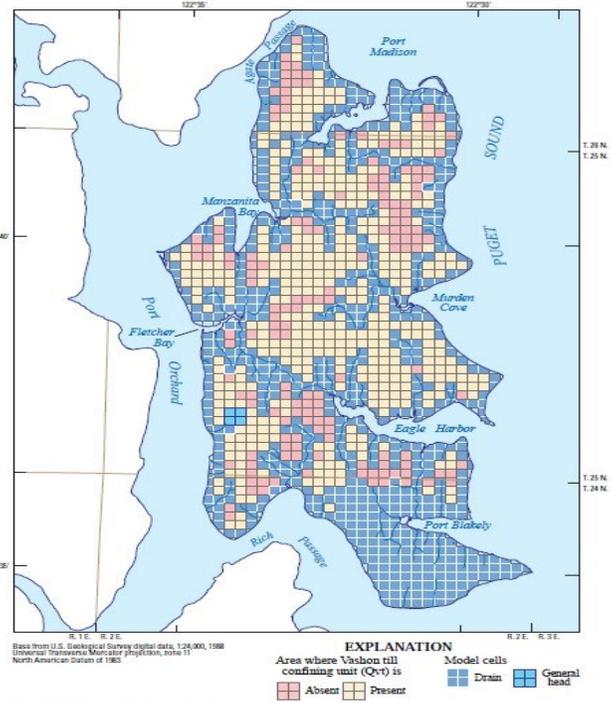


Figure 1. Groundwater model Grid (from: Frans and others, 2011)