



NORTH OLYMPIC PENINSULA RESOURCE CONSERVATION & DEVELOPMENT COUNCIL

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY 2016 – 2020

2019 Annual Update

Clallam County WA, Jefferson County WA

September 30, 2019



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I. CEDS 2018 ANNUAL UPDATE: OVERVIEW – September 30, 2019

As the end of the fourth year of this five-year comprehensive economic development strategy (CEDS) approaches, the North Olympic Peninsula region has made substantial progress toward the goals and actions laid out at the end of the document, and yet the region remains economically distressed.



Local governments, tribal governments and community organizations have been working together to capitalize on programs like the new opportunity zones and continue to seek innovative solutions for the region’s problems. The guiding principle for this work remains the “connection to place” as stated in the CEDS:

Whether it’s the myriad natural resources or the scenic beauty or the sense of community, people and businesses are here because they want to be here, and that drives a particular kind of investment and engagement that goes beyond “keeping the lights on.” Businesses here are deeply invested in the workers and families they support, in helping their neighbors, in improving schools, in managing resources responsibly. This “*Connection to Place*” makes the region unique and can help tailor economic development efforts toward a collaborative, triple-bottom-line approach of economic, environmental and social prosperity.

Current Condition of the Region

Economic conditions in the region continue to improve over conditions at the time that the 2016 CEDS was written, but unemployment rates remain substantially higher than state and national levels and median income and average earnings per job remain lower. Unemployment in the region is susceptible to seasonal highs and lows, with unemployment generally highest in the winter months and lowest in the summer.

In 2019, the unemployment rate in January in both Clallam and Jefferson counties was the highest it has been since January of 2016, perhaps as a result of extreme winter weather. In addition, after unemployment rates fell in the spring, both counties experienced an unusual rise in unemployment to a mini-peak in the summer, when the region generally experiences its lowest unemployment rates of the year. It’s difficult to know what caused this rise in unemployment rates but anecdotally many businesses reported being negatively affected by tariffs, particularly in the forest products, shipping and marine manufacturing sectors. In September 2019 the unemployment rates dropped again to 6.3% in Clallam County and 5.5% in Jefferson County, compared to 4.6% for the state.





Per Capita Personal Income (PCPI) rose slightly in both counties from 2016 to 2017 (the most recent data available) to \$43,316 in Clallam vs. \$39,456 in 2017 and \$48,975 in Jefferson vs. \$48,625 in 2016. That compares to \$62,026 PCPI for the State of Washington. Similarly, median income was up slightly in both counties to \$49,070 in Clallam and \$53,364 in Jefferson, compared to \$72,713 statewide.

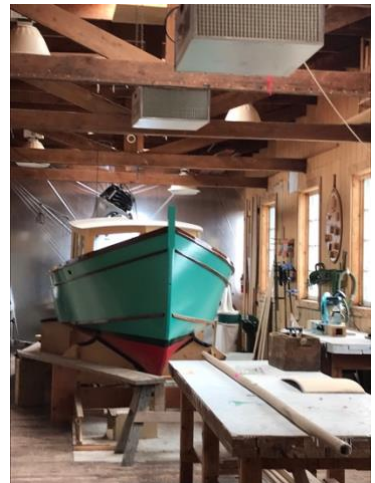
Further diversification of the region's economy away from seasonal jobs in tourism, natural resources and construction will likely be necessary in order to reduce the swings in unemployment rates.

Development Highlights

The region is making good progress on the action plan and project list from the 2016-2020 CEDS. The resulting new infrastructure, facilities and feasibility studies will facilitate and encourage growth in key sectors of the regional economy. Projects recently completed or underway include the following:

- The McKinley Paper Mill in Port Angeles which closed in 2017 is in the midst of a \$6.1 million retooling to shift to producing corrugated cardboard from recycled materials and expects to reopen by the end of 2019.

- The Lower Elwha Klallam Tribe has completed demolition of the existing buildings on the site of their future hotel in downtown Port Angeles and is beginning construction.
- Ground has been broken and work is underway on the Field Arts & Events Hall, a \$34 million, 41,000 square foot building that is the first step in the Port Angeles Waterfront Center that will also include a new building for the Feiro Marine Center and a Longhouse for the Lower Elwha Klallam Tribe.
- The Carbon Recycling Technology Center is creating 25 tiny homes made from cross laminated timber using thermally modified hemlock and a thin layer of recycled carbon fiber, a pilot project that will test the new material while providing homes for homeless veterans.
- The Emerald Coast Opportunity Zone, a collaboration of two counties, six tribes, four municipalities and more than a dozen nonprofit organizations, has received substantial attention from the media and investors and is working to capitalize on that interest through development of a prospectus and assistance to link potential project owners to potential investors.
- The Port of Port Angeles has completed and opened its Boat Wash Down Facility.
- Fort Worden in Port Townsend has two major projects underway, a Maker's Square for artisans and a 19 unit "glamping" (luxury camping) facility.
- The Northwest School of Wooden Boat Building is revitalizing historic Lowest Hadlock where the school is located by renovating the historic buildings.



These programs and projects, along with many others in development or underway, will help to strengthen and diversify the regional economy while maintaining *connection to place*.

Resiliency

Clallam and Jefferson counties experienced major winter storms in December 2018 and January and February 2019, resulting in widespread power outages and damage from high winds and record snowfall amounts. The storms had a substantial economic impact as people couldn't get to work, businesses couldn't open and consumers couldn't get to shops or businesses. A changing climate may bring more extreme storms so this winter was a taste of what may be to come and the challenges that could be created for economic resiliency.

In 2019, a group of local governments began working with the North Olympic Peninsula Resource Conservation & Development Council (NODC) to take the 2015 North Olympic Peninsula Climate Change Preparedness Report developed by the NODC and adapt its recommendations for local implementation. Currently participating are representatives from Jefferson County, Clallam County, Port Townsend, Port Angeles, Sequim, the Port of Port Angeles, the Jamestown S'Klallam Tribe, Olympic Climate Action and Local 20/20. In addition, several local governments are seeking funding for Hazard Mitigation planning.

In order to create an economy that is more resilient in the face of natural and economic disasters, local economic development organizations are working together to strengthen support systems for entrepreneurs and more flexible financing options.

II. CEDS 2018 ANNUAL UPDATE: OVERVIEW – August 31, 2018

The CEDS Strategy Committee of the North Olympic Peninsula Resource Conservation & Development Council (dba North Olympic Development Council or NODC) met in July 2018 to review the 2016-2020 CEDS for the North Olympic Peninsula and update as needed. The committee reviewed and updated the SWOT analysis, Strategic Direction and Action Plan and measured progress toward the goals laid out in the CEDS.

The Strategy Committee reaffirmed “Connection to Place” as the heart of the economic strategy for the region, as stated in the 2016-2020 CEDS:

Whether it’s the myriad natural resources or the scenic beauty or the sense of community, people and businesses are here because they want to be here, and that drives a particular kind of investment and engagement that goes beyond “keeping the lights on.” Businesses here are deeply invested in the workers and families they support, in helping their neighbors, in improving schools, in managing resources responsibly. This “*Connection to Place*” makes the region unique and can help tailor economic development efforts toward a collaborative, triple-bottom-line approach of economic, environmental and social prosperity.

In particular, the world-class natural beauty and natural resources of the region underpin the current economy and present tremendous opportunity for sustainable economic development through the renewable resource of working agricultural lands and forests. Strategies that support value-adding enterprises to capture a greater share of the economic benefit of these resources are especially important to creating higher-wage jobs. The region’s ports and maritime sector, major economic drivers for the region, are poised for expansion with multiple infrastructure improvement projects in process.

Current Condition of the Region

The region’s economy has improved since the 5-year CEDS was written in September 2016, with unemployment falling steadily and both Per Capita Personal Income and Average Earnings Per Job rising faster than inflation. However, an aging population remains a concern.

- The unemployment rate in the region has fallen substantially, standing at 5.7% in Clallam County and 5.3% in Jefferson County in July 2018, down from 8% and 7.1% respectively in 2015. However, unemployment remains well above state and national levels.
- Per Capita Personal Income (PCPI) grew slightly from \$39,456 in Clallam and \$43,311 in Jefferson in 2014 to \$40,985 in Clallam and \$48,625 in Jefferson in 2016.
- Average Earnings Per Job also grew from \$39,280 in Clallam and \$32,186 in Jefferson to \$42,063 in Clallam and \$37,460 in Jefferson.
- The median age in both counties continued to rise, reaching 50.8 in Clallam County and 56.2 in Jefferson County. The percentage of the population between 18-64 also fell slightly to 54% in Clallam County and 55% in Jefferson County.

Development Highlights

The region is making good progress on the action plan and project list from the 2016-2020 CEDS. The resulting new infrastructure, facilities and feasibility studies will facilitate and encourage growth in key sectors of the regional economy. Projects include the following:

1. The build out of a building shell to be used to recycle carbon fiber in the Composite Manufacturing Campus in Port Angeles was completed and put into operation in August 2016. The non-profit created to manage the Composite Recycling Technology Center has developed and is marketing an innovative line of pickleball products and park benches. Peninsula College teaches advanced manufacturing courses at the facility.
2. The Port of Port Angeles also completed the Phase I Headline Dolphin of its Terminal 3 expansion on January 2018 and is continuing to make improvements to a multi-tenant industrial building and is in the process of constructing Phase 1 of its Marine Trades Industrial Park, which includes a marine wash-down facility.
3. The Port of Port Townsend's Point Hudson Development Strategy is nearly complete.
4. The City of Port Townsend completed its Howard Street Economic Development Corridor, with utility connections and new roads for new commercial space. Mt. Townsend Creamery and Port Townsend Vineyards are two anchor tenants who have purchased lots in the corridor and are currently building production facilities. This corridor also abuts the new drinking water treatment facility and connects city services via a roundabout to improve traffic flow.
5. The City of Port Townsend also completed the \$2.7 million Water Street Enhancement Project to replace aging infrastructure, improve drainage, add streetscape improvements and lay the groundwork for undergrounding utilities.
6. The Port Angeles Waterfront Redevelopment has completed two phases of construction improving stormwater management and walkability/ bike-ability in the downtown core. In addition, the community was gifted a parcel of land adjacent along the downtown waterfront and \$9M to build an arts center. The Lower Elwha Klallam Tribe is partnering on the arts center and has plans to build a waterfront hotel and conference center downtown.
7. Both Olympic Medical Center and Jefferson Healthcare, the two regional rural hospitals on the North Olympic Peninsula, have secured USDA funding to add on to existing facilities. Olympic Medical Center, in Port Angeles, added a 42,000 square foot medical office building. Jefferson Healthcare opened its new \$22M Emergency and Specialty Services building in October 2016.
8. The City of Sequim completed Phase I and Phase II of the rehab of its Guy Cole Convention Center.
9. In June 2018, Finnriver Farm and Cidery opened a shared-use commercial kitchen utilizing a combination of funding sources including a USDA Rural Business Enterprise Grant to the North Olympic Peninsula Resource Conservation & Development Council.
10. WSU Clallam County Extension is undertaking a feasibility study for an Agricultural Value adding/Food Hub project.

These projects will help to retain and create jobs, increase wages, diversify the economy and improve economic resiliency of the region.

Resiliency

The region is making good progress on emergency preparedness and mitigation strategies for natural disasters and climate change. In addition, the Strategy Committee recommended a regional focus on diversification within and across industry sectors to be better prepared for an economic downturn and deepening the entrepreneurial culture by promoting inclusion of entrepreneurial concepts in the K-12 curriculum and ensuring that entrepreneurship training is readily available across the region.

Karen Affeld
 Regional Director
 North Olympic Peninsula Resource Conservation & Development Council

Thank you to the following for participating in the 2018 annual update to the CEDS:

Bernard Bormann, Director, University of Washington Olympic Natural Resource Center
Ed Ebling, Administrator, Sequim Health and Rehabilitation
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Frank Hanson, Education and Outreach, University of Washington Olympic Natural Resource Center
Kyle Johnson, Executive Director, Jamestown S'Klallam Economic Development Authority
David King, Port Townsend Marine Trades Association
Erika Lindholm, Craft3
Ryan McCarthy, Dungeness Valley Creamery
Mark Ozias, Clallam County Commissioner

III. CEDS EXECUTIVE SUMMARY - September 30, 2016

The North Olympic Peninsula, comprised of Jefferson and Clallam Counties, contains over 4800 square miles of forests, mountains and shorelines of exceptional beauty. Most of the 104,000 residents live in municipalities along the coastline- Forks, Port Angeles, Sequim and Port Townsend, with working waterfronts and lively ports. The rural, resource-based history of the area is evident in farming communities and former lumber mill hamlets throughout. Olympic National Park, the 7th most visited in the US, comprises the geographic heart of the region and is surrounded by wide band of National Forest on all sides. To say this region is beautiful and rich in resources is an understatement.

Yet the natural abundance of the region has not translated into prosperity for its residents nor jurisdictions. As of 2016, both Counties are considered “distressed” by the Washington Department of Commerce due to persistently high unemployment. Average earnings per job continue to fall, despite major growth regionally and nationally. Population growth is well under 2% since 2010, with growth only in the retirement age brackets.

While these statistics are dire, throughout the process of writing this report we heard from diverse and numerous stakeholders how much they love living here, that they wouldn’t choose to do business anywhere else, that raising a family in a safe and beautiful environment is worth the lower wages they obtain by choosing to work here versus on the I-5 corridor.

This **Comprehensive Economic Development Strategy (CEDS)** seeks to reconcile the paradoxes of a landscape rich in resources but poor in monetary wealth, and communities with high unemployment who are deeply invested in the success of their future.

The perceived reasons for our “distressed” status are myriad and controversial: regulation prohibiting resource extraction, transportation challenges being on a remote peninsula, prevalence of drugs and alcohol abuse in the workforce, slow permitting processes, lack of access to capital, few post-secondary educational opportunities. This document seeks to address these challenges, which were communicated through diverse stakeholder input.

But this document also seeks to answer the questions, *“What is this region’s advantage? Why would someone choose to do business here? What is the value proposition that encourages an entrepreneur to expand their business or risk their investment here?”*

And the answer to those questions also came through loud and clear from partners:

Whether it’s the myriad natural resources or the scenic beauty or the sense of community, people and businesses are here because they want to be here, and that drives a particular kind of investment and engagement that goes beyond “keeping the lights on”. Businesses here are deeply invested in the workers and families they support, in helping their neighbors, in improving schools, in managing resources responsibly. This “*Connection to Place*” makes the region unique and can help tailor economic development efforts toward a collaborative, triple-bottom-line approach of economic, environmental and social prosperity.

Capitalizing on the region’s “*Connection to Place*” is at the heart of the region’s strategic direction.

The North Olympic Peninsula Resource Conservation & Development Council (NOP RC&D) is proud to present this region’s commitment to place and community prosperity through the goals and objectives set forth in this plan. The culture of partnership and collaboration in the region encourages exceptional projects, some of which are profiled as case studies herein.



While the North Olympic Peninsula was slow to recover from the Great Recession starting in 2008, this is an opportune time to define the future goals for the region. We ask that you read this report with an eye to the **incredible opportunity present in our region**:

- **While we lament the loss of timber cutting revenues, we now have the ability to re-think how to capture MORE value from our world-class forests, whether through cutting, recreation or carbon sequestration. Or perhaps a combination of all three.**
- **Where our demographics are shifting to more retirement aged residents, a concern in traditional workforce development, can we instead view retirees as a source of local investment and professional mentorship/ expertise?**
- **Can the quality of life we've retained here (unlike most of the Puget Sound region)- exceptional natural beauty, clean air, lack of traffic, a sense of community safety- attract creative and innovative entrepreneurs? How can we make the North Olympic Peninsula THE place to invest in businesses that are good for the economy, the environment and the people who live here?**

Our plan for increasing opportunity for this region is not a typical sector analysis or discussion of tax incentives or recruitment strategies. We live in an exceptional place and as such we have an exceptional plan: **invest in place-based initiatives that further our triple bottom line objectives of economic prosperity, environmental sustainability and social equity.**

As two mid-career professionals working in economic development as well as raising our young families here, we share the deep commitment to future prosperity in the region that we've heard repeatedly from stakeholders. No one person or organization will obtain the benchmarks contained in this strategy, but we welcome your participation- whether as engaged citizens, businesses, governments and non-profits- to help us all "pull in the same direction".

Kate Dean, Regional Director, NOP RC&D

Brian Kuh, Economic Development Consultant

Many Thanks to the following key partners who assisted with the 2016 CEDS:

Deborah Stinson, Mayor, City of Port Townsend

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Jennifer Linde, Clallam County Economic Development Council

Clea Rome, WSU Extension Clallam County

Economic Development Administration, US Department of Commerce, funder

IV. BACKGROUND

The North Olympic Peninsula is located in the northwest corner of Washington State, west of Seattle, across the waters of Puget Sound. The region is home to Olympic National Park, the United States' third most-visited of the western National Parks with nearly a million acres and over 900 miles of hiking trails. In the center of the peninsula are the Olympic Mountains, to the west are the dense rainforest valleys where rainfall can approach 200 inches a year, and 73 miles of Pacific coastline that is accessible by car in only a few places.

The area is bordered to the north by the Strait of Juan de Fuca with ferry boat access to Victoria, British Columbia, Canada, and to the east by the Hood Canal – a 60-mile long glacier-carved fjord. US Hwy 101 encircles the entire North Olympic Peninsula, providing the only roadway access to the area. The area has a rural nature, with around 104,000 residents in a 4,854 square mile region. The largest city is Port Angeles, also the Clallam County seat, with just under 20,000 residents.

A number of micro-climates exist on the Olympic Peninsula. Cool, moist air off the Pacific Ocean brings 10–12 feet of rain per year to the west side valleys, home to some of the of the very few temperate rainforests in the northern hemisphere. The communities on the north and east side of the peninsula enjoy some of the lowest rainfall averages in western Washington, from 12 to 25 inches per year. Temperatures are mild year round, with highs in the summer rarely over 80°F, and winter snows infrequent and short lived.



Current Condition of the Region

- Population grew in the region by 8.0% from 2004 to 2014 – lower than the statewide average of 14.3%, but in line with the national growth rate of 8.9% during the same period.
- Population growth was slower in comparative non-metropolitan (rural) areas across the state and country – 8.1% in rural Washington State and only 1.9% nationwide. These areas continue to be affected by the economic downturn and general trend of residents migrating to urban areas.
- Unemployment in the region is regularly above the state average. For the two counties, the average unemployment rate was 7.7% in 2015 – above the state average of 5.7% and national average of 5.3%
- The population continues to increase along with the Median Age, while the Workforce Age and Pre-Workforce Age segments decrease as a percentage of the total population.
- Median household income for both counties (~\$47,000) was 22% lower than the state average (\$60,294), and 12% lower than the national average of \$53,482.

County Demographics & Population (see also Appendix 3)



Attracting and retaining people to live, work, raise a family, and retire underlies the economic growth of any region. Population growth is both a cause, and a consequence, of economic growth. Patterns of population growth and change reflect differences among regions to attract and retain people both as producers and consumers in their economy.

As of 2014, Clallam County has a population of ~72,700. Port Angeles is the largest incorporated city, and with approximately 19,450 residents accounts for 26% of the total population. Combined, the incorporated cities of Sequim, at ~6,820 residents, and Forks, at ~3,750 residents, account for less than 15% of the countywide population. Since 2004, population countywide has increased by 7.9% (+5,300) residents – a rate of growth much lower than the statewide increase of 14.3% during the same period. In 1970, Clallam County's population consisted of 1.02% of the state's population; in 2014, it accounted for 1.03%.

Also as of 2014, Jefferson County has a population estimated ~30,220. As the county's only incorporated city, Port Townsend's ~9,330 residents account for less than one-third (30.6%) of the population countywide. Since 2004, countywide population has increased a little over 8.2% (+2,300) residents – a rate of growth slower than the statewide increase of 14.3% during the same period. In 1970, Jefferson County's population consisted of 0.31% of the state's population; in 2014, it accounted for 0.43%.

Combined, the region has enjoyed a population growth rate that is comparable to rural communities across Washington – 8.0 and 8.1%, respectively. Across the country, the average growth rate of non-metropolitan (rural) areas was much slower at only 1.9%. Starting in 2011, there has continued to be a decline in rural population numbers, supporting the anecdotal evidence of a “flight to urban” trend. Although rural Washington's growth rate since 2000 remains vibrant, it has waned since the economic downturn of 2008.

In line with national and statewide trends, the Median Age in the bi-county region also continues to increase. As of 2014, it was 49.8 in Clallam County (a 1.2% increase in the previous five years), and

55.0 in Jefferson County (5.8% increase in the same period). The Median Age in Washington (37.5) grew by 1.63% between 2009 – 2014, while nationally the 37.4 Median Age grew by 2.47% in the same period.

Not surprisingly, the Workforce Age of 20 – 65 years has continued to decrease as a percentage of the entire workforce in Clallam and Jefferson counties. This segment was 55.5% of the total population in Jefferson County in 2014, having reduced by 5.1% since 2009. In the same period, Clallam County's Workforce Age segment decreased by 2.68%, to 54.5% of the total population. In both counties, but especially Jefferson, the Pre-Workforce Age segment (under 20 years old) has continued to reduce, while the Retiree Age segment (65 years and older) has increased at a corresponding pace.

The regional population continues to be ~51% female and ~49% male – exactly in line with Washington State and the entire US.

Employment



Employment numbers remain the most popular and frequently cited statistics used for tracking local area economic conditions and trends. The Bureau of Economic Analysis employment estimates measure the number of full and part-time wage and salary employees, plus the number of proprietors of unincorporated businesses. People holding more than one job are counted in the employment estimates for each job they hold. This means BEA employment estimates represent a job count, not a people count. Also, BEA employment is by place-of-work, rather than by place-of-residence. As an example, jobs held by neighboring county residents

who commute to Clallam County to work are included in the employment count for Clallam County.

Since 1970, Clallam County's employment base increased from 13,923 jobs to 35,250 in 2014 – a net gain of 21,327 (153.2%). In the same time, Jefferson County's employment rose from 3,733 in 1970 to 14,069 in 2014 – an increase of 10,336 (276.9%).

The combined bi-county region's jobs growth rate of 179.3% matched the statewide average of 173.3%, but outpaced the average growth of rural Washington state regions (99.1%) during the same period. It far exceeded the average growth rate of rural communities through the country (59.8%), and strongly outpaced the national average of 103.6%

Clallam County's employment growth of 2.9% in the past decade was significantly below the 9.9% growth of employment nationally, but aligned with the slow jobs growth in rural communities around the country (3.1%). Washington increased its overall employment base by 13.8%, but also experienced slower growth throughout rural communities during the same period (5.8%).

In the past decade, from 2004 to 2014, Jefferson County's job growth was relatively flat at 0.2% – adding only 26 net jobs during that time. This was significantly influenced by the recent economic downturn, with over 560 jobs lost in 2009 alone. The job loss trend turned around in 2012, with 135 jobs gained in 2013, and 293 in 2014.

Unemployment has continued to decrease since 2011, with Clallam County reaching an 8.0% rate in 2015. Jefferson County unemployment was 7.1% in the same year, which resulted in a bi-county

regional rate of 7.7%. Comparatively, Washington State had an unemployment rate of 5.7% in 2015, reflected against a 5.3% rate nationwide.

Rural unemployment has consistently remained higher, with Washington rural areas averaging 7.1% in 2015, and rural communities nationwide averaging 5.6% in the same year.

The Government sector continues to be the largest employer by number of jobs – reflecting 32.9% of the Clallam County employment opportunities, and 28.2% in Jefferson County. For both counties, Retail Trades, Transportation and Utilities is the second largest sector (at 17.6% combined), and Leisure & Hospitality at third (12.5% of combined total jobs).

Total Personal Income



The annual Total Personal Income estimates compiled by the Bureau of Economic Analysis, (BEA) are among the most comprehensive, consistent, comparable and timely measures of economic activity available statewide and national levels. Personal income estimates are also the best available local level indicator of general purchasing power, and are therefore central to tracking and comparing county patterns of economic growth and change.

The following information highlights trends in the pattern of growth and change in the Total Personal Income of Clallam County and Jefferson County. The data used are those compiled by the Bureau of Economic Analysis, U.S. Department of Commerce. The 2015 constant dollar (real) estimates of Clallam County and Jefferson County's Total Personal Income reported are determined using Implicit Price Deflator for Personal Consumption.

Total Personal Income is defined as “*the sum of net earnings by all residents, rental incomes of persons, personal dividend payments, personal interest income, and transfer payments within a given year.*” Examples of transfer payments are Social Security payments, Medicare payments, unemployment insurance payments and veterans' pensions. Personal income is measured before the deduction of personal income taxes and other personal taxes.

In 2014, Clallam County had a total personal income (TPI) of \$2.87 billion – ranking 16th in the state and accounting for 0.82% of the state total (\$350.67B). In 2004, the TPI of Clallam was \$1.98 billion (in adjusted 2015 dollars), and ranked 15th in the state.

In 2014, Jefferson had a total personal income (TPI) of \$1.31B – ranking 27th in the state and accounting for 0.4% of the state total. In 2004, the TPI of Jefferson was \$937.7M and ranked 26th in the state.

Clallam County's TPI grew by 15.5% in the 10 years from 2004 to 2014, while Jefferson County TPI grew by 11.4%. The combined 14.1% growth rate for the region was consistent with the national rural TPI growth rate of 14.5%, but trailed Washington State's total and rural growth rates (22.9% and 19.8%, respectively) and the national TPI growth rate of 16.6%.

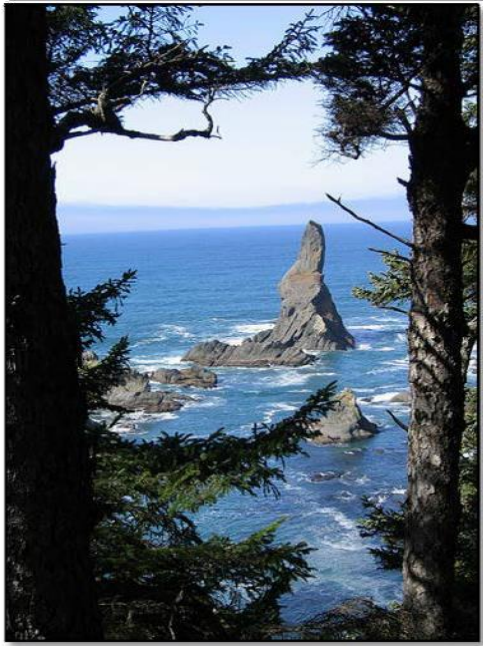
Clallam County's real total personal income climbed 252.4% since 1970, and trailed the gain by Jefferson County (424.9%). In that same time, Washington State TPI grew by 284.1%, while the entire United States grew by 181.7%. The TPI in rural communities in Washington and the United States grew at a slower pace – 194.4% and 137.3%, respectively.

In 1970, Clallam County accounted for 0.89% of the state's Total Personal Income; in 2014, it

constituted 0.82%. In turn, Jefferson County totaled 0.27% of the state's income; in 2013, it consisted of 0.37%.

As previously noted, Total Personal Income consists of earnings from Labor, Dividends / Interest / Rent, Age-Related Transfer Payments, and Hardship-Related Transfer Payments. While both Clallam and Jefferson counties have seen an overall growth in TPI, the composition of the total income has changed materially since 2000. In both counties, Labor Earnings have decreased as a percentage of total TPI – from 47.1% to 43.4% in Clallam, and from 49.4% to 38.0% in Jefferson. Conversely, Age-Related Transfer Payments showed the largest increase over the same period – from 14.0% to 19.0% in Clallam, and from 11.7% to 19.7% in Jefferson.

Per Capita Personal Income



Per Capita Personal Income is one of the most widely used indicators for gauging the economic performance and changing fortunes of local economies. It is used as a yardstick to assess the economic well being of a region's residents and the quality of consumer markets. It serves as a barometer for calibrating the economic performance of a region over time and to judge differences in relative economic prosperity between regions. Shifting trends in local per capita income growth have important social and political ramifications and significant implications in formulating local economic development strategies and initiatives.

Definition: Per Capita Personal Income (PCPI) is the total personal income of an area divided by its resident population.

In 2014, Clallam had a per capita personal income (PCPI) of \$39,456. This PCPI ranked 20th in the state and was 79% of the state average, \$49,610, and 86% of the national average, \$46,049. The 2014 PCPI reflected an increase of 4.2% from 2013. The 2013-2014 state change was 4.5% and the national change was 3.6%. Ten years earlier, in 2004, the PCPI of Clallam was \$29,373 and ranked 14th in the state. The 2004-2014 compound annual growth rate of PCPI was 3.0%. The compound annual growth rate for the state was 3.0% and for the nation was 3.0%.

In 2014, Clallam County had a Per Capita Personal Income (PCPI) of \$39,456 – a 13.2% increase since 2000 (34,866). This PCPI ranked 11th in the state and was below both the state average of \$49,660 and the national average of \$46,095.

In the same year, Jefferson County had a per capita personal income (PCPI) of \$43,311. This PCPI ranked 8th in the state and was 87% of the state average (\$49,610), and 94% of the national average (\$46,049). The 2014 PCPI reflected an increase of 4.3% from 2013. The 2013-2014 state change was 4.5% and the national change was 3.6%. In 2004, the PCPI of Jefferson was \$33,549 and ranked 6th in the state. The 2004-2014 compound annual growth rate of PCPI was 2.6%. The compound annual growth rate for the state was 3.0% and for the nation was 3.0%.

The combined 2014 PCPI of \$40,601 reflected an increase of 32.6% from 2004 (\$33,597, in real dollars). During the same period, the state PCPI (\$49,610) grew by 34.9% while the national PCPI increased 34.2% to \$46,049.

When the same PCPI trends are analyzed using 2015 inflation-adjusted dollars, the growth is slower at 5.7% for the North Olympic region, and 7.6% and 7.0% for the state and entire country, respectively.

Industry Earnings

Industry earnings are the income received by people who are directly involved with producing goods and services, including the Government sector. Earnings, referred to also as labor and proprietors' income, include (1) wage and salary disbursements, (2) other labor income such as employer contributions to private retirement and medical insurance programs, and (3) the net incomes of proprietors (i.e., the owners of unincorporated enterprises).

In contrast to the more frequently cited employment data, earnings data more accurately reflect qualitative differences in labor's contributions toward the production of goods and services, namely the productivity differences reflected in variations in earnings per job. Earnings data, therefore, are better for comparing and tracking long-term trends and identifying short-run shifts in the level and composition of economic activity within and among counties.

Clallam County's 2014 real total industry earnings (\$1.38B) have remained relatively flat since 2004 – only gaining 2.2% overall. Jefferson County lost ground in the same period, falling 9.1% to \$452.8M. Washington State industry earnings climbed 18.2% to \$250B since 2004, while the entire country increased 9.7% to arrive at \$10.59 trillion in 2014.

In 2004, Clallam accounted for 0.64% of the state's industry earnings, while in 2014, it constituted 0.55%. Similarly, in 2004, Jefferson County totaled 0.24% of the state's industry earnings, and in 2014 consisted of 0.18%.

Average Earnings per Job



The United States Economy has generated an impressive number of jobs since the 1970s. The contrast between the nation's vigorous employment growth and the modest performance of other major industrial countries is striking. Despite this rosy track record, the real (inflation adjusted) **wages and salaries of many workers have stagnated or slipped in recent years**. This development has provoked concerns about the quality of new jobs. Structural shifts in the composition of employment, from high-wage goods-producing to low-wage services-related sectors, is most often cited as the reason for the deteriorating quality of jobs.

Average earnings per job is an indicator of the quality of local employment. A higher average earnings per job indicates that there are relatively more high-wage occupations. It can be useful to consider earnings against local cost of living indicators.

Clallam County's real average earnings per job reduced slightly (-0.7%) from 2004 – 2014. Jefferson County at a more pronounced reduction of 9.3% during the same period, while Washington's average earnings per job increased by 3.9%. Nationally, there was a 0.2% reduction in the average, although rural communities average grew by 3.6%. Rural Washington communities average earnings per job reduced slightly (-0.5%) during the 10-year period.

In 2014, Clallam County's average earnings per job (\$39,280) were 36.0% lower than the state

average of (\$61,321), while Jefferson average was even lower (-47.5%) at \$32,186. Compared to the national average earnings per job (\$57,022), Clallam was 5.8% lower while Jefferson was 22.8%.

There are a number of reasons why average earnings per job may decline, including more part-time and / or seasonal workers entering the workforce, and a rise in low-wage industries, such as tourism-related sectors. Both seem to hold true for Clallam and Jefferson counties, especially the continued growth in the Tourism sector. Because of the environmental qualities in the region, this sector will continue to grow, but **success in reversing the declining trend will be accomplished by enhancing other established and well-paying sectors**, such as Manufacturing, Professional Services / Information, and Healthcare.

Federal jobs in Clallam and Jefferson counties have the highest average annual wages (~\$64K / year), but the Manufacturing sector also shows a strong average annual wage of ~\$54K / year. State and Local Government jobs both support annual average wages between \$47K and \$49K. Washington State shows the highest average annual wages in the Information sector, at \$150K. Manufacturing also averages \$74K per year.

Source: US Dept. of Commerce, Bureau of Economic Analysis. www.bea.gov/regional/bearfacts



V. SWOT ANALYSIS

SWOT Analysis Update, August 31, 2018

In July 2018, the CEDS Strategy Committee met and updated the analysis of Strengths, Weaknesses, Opportunities and Threats that was done in 2016.

| <i>Strengths</i> | <i>Weaknesses</i> |
|---|---|
| <p>World-class Natural Resources</p> <ul style="list-style-type: none"> • Forests • Agricultural land • Deep water ports • Mountains, lakes, rivers • Carbon sequestration <p>Olympic National Park Mild climate Multiple tribal nations and communities Innovative partnerships (nonprofits, land trusts, agriculture, etc.) Maritime heritage and industry Artisan base Culture of volunteerism Ecotourism/agritourism Entrepreneurship Vibrant tourism sector Access to hospitals and critical care Local college and trade school (Peninsula College, Northwest School of Wooden Boat Building)</p> | <p>Decaying essential infrastructure Infrastructure gaps (i.e. broadband, storm water, sewer) Housing shortage</p> <ul style="list-style-type: none"> • Lack of affordable housing • Lack of housing for workers/professionals • Shortage of developers/contractors/tradespeople <p>Limited access to capital Shortage of primary care providers Lack of access to childcare Aging population Lack of ethnic/racial diversity Lack of skilled workforce Geographic isolation/limited transportation options Raw materials/commodity driven economy as opposed to value-adding</p> |

| <i>Opportunities</i> | <i>Threats</i> |
|---|--|
| <p>Emerald Coast Opportunity Zone Building regulations for Cross Laminated Timber will lead to increased demand Consumer trend toward products/experiences with a local story – regional branding, buy local Development of food hub, agricultural value-adding, regional branding Opportunity to get USFS to revise forest management plan Development of value-added products from local timber and non-timber forest products Coordination on legislative agenda</p> | <p>Loss of workforce to nearby urban areas Competition from e-commerce Unpredictability of state/federal grant programs needed to fund infrastructure Potential for decline in forest health and forest fires Potential for earthquake/tsunami (not unique to the region – shared with entire west coast) Vulnerability to loss of major employers</p> |

| | |
|--|--|
| Public/private partnerships Advanced manufacturing Redevelopment of vacant commercial properties and brownfields Working waterfront Film and entertainment | |
|--|--|

SWOT Analysis, September 30, 2016

In 2016 business leaders, economic development professionals, business associations, local government and community development leaders gathered to discuss the **Strengths, Weaknesses, Opportunities and Threats facing the North Olympic Peninsula**. The sessions generated lively discussion, debate, networking and brainstorming about the future of the region. A list of participants is below.

Thank you to organizations who participated in the SWOT analyses:

| | |
|---|--|
| <i>Bella Italia Restaurant</i> | <i>Olympic Culinary Loop</i> |
| <i>Jefferson County Chamber of Commerce</i> | <i>Olympic Workforce Development Council</i> |
| <i>Chimacum Corner Farmstand</i> | <i>Port Angeles Chamber of Commerce</i> |
| <i>City of Port Angeles</i> | <i>Peninsula Building Association</i> |
| <i>City of Port Townsend</i> | <i>Peninsula College</i> |
| <i>City of Sequim</i> | <i>Port of Port Angeles</i> |
| <i>Clallam Economic Development Council</i> | <i>Port of Port Townsend</i> |
| <i>Green Crow Timber</i> | <i>Port Townsend Foundry</i> |
| <i>Congressman Kilmer's office</i> | <i>Port Townsend School District</i> |
| <i>Discovery Bay Village Store</i> | <i>PT Shipwright's Co-op</i> |
| <i>Finnriver Farm</i> | <i>Quilcene Converstations</i> |
| <i>Hadlock Computer Services</i> | <i>Sequim Gazette</i> |
| <i>Jefferson County</i> | <i>Sequim School District</i> |
| <i>Jefferson County Homebuilder Assoc.</i> | <i>Senator Maria Cantwell's office</i> |
| <i>Jefferson County Planning Commission</i> | <i>Senator Patty Murray's office</i> |
| <i>Jefferson Healthcare</i> | <i>EDC Team Jefferson</i> |
| <i>Lower Elwha Klallam Tribe</i> | <i>WSU Clallam Co Extension</i> |
| <i>Northwest Maritime Center</i> | <i>Young Professionals Networks</i> |

A SWOT analysis answers the question, “**Where are we now?**” by using the relevant data and background information to help identify the critical internal and external factors that speak to the region’s unique assets and competitive positioning. A SWOT analysis identifies the region’s competitive advantages, the indigenous assets that make the region special or competitive in the national and global economies, contrasted against the internal or external factors that can keep a region from realizing its potential. The following charts and analysis represent input and discussion received from participants.

Strengths

The **geographic qualities and natural surroundings** continue to be a primary strength of the region. The unifying sense of place and perception of a high quality of life is frequently cited by residents as the main key strategic advantage when compared to urban areas and other rural communities. A lack of population density (crowding), traffic congestion, and close access to waterways and pristine mountainous wilderness are features that residents enjoy on the North Olympic Peninsula. As a result, there is **strong connection to place** among residents here, which drives many of the other strengths of the area. The tourism sector is a result of these natural amenities.



A **vibrant retiree community** is evident throughout the region, with higher concentration found in East Clallam County and North Jefferson County. The majority of these residents moved to the area later in their careers or after retirement, and are a key driver behind strong volunteerism and the support of a robust non-profit sector. The **growth of non-wage income** is also a result of the expanding retiree / senior population, which creates both opportunities and challenges.

The retiree segment of the population has also been the driving force behind **local private investment** into local businesses. Jefferson County has long benefited from the Local Opportunity Investment Network (LION) resource – an informal group of investors who consider private, one-on-one lending opportunities that come forward with the assistance of EDC Team Jefferson. In early 2016, Clallam rolled out their own local investment, the Clallam Opportunity Investment Network (COIN), with the assistance of the Clallam WSU Extension office.

In addition to investment capital, retirees also enhance the local “brain trust” given the many former business and industry leaders located within the community. There are retired CEO’s, astronauts, scientists, authors, artists and the like who find the mild climate of the North Olympic Peninsula attractive for their post-career lifestyles. With an abundance of discretionary time, a sense of place, and the opportunity to share their skills – the opportunity is well poised for continued development of mentorship programs for the youth and local businesses.

Another unique characteristic of the region, and noted strength, are the many **Native American tribes** who are indigenous to the North Olympic Peninsula. These ancient communities enhance the ethnic diversity of the region, and demonstrate a rich cultural history that has sustained for thousands of years. In total, there are six independent tribes who are either located in or accessing treaty rights within the region, including the Hoh (Chalá·at), Quileute (Kwo'liyot), Makah (Qʷidiččaʔa-t̓x̌), and the three S'klallam tribes (Nəxʷsʰ áyəm) – Lower Elwha Klallam, Jamestown S'klallam, and Port Gamble S'klallam. Partnerships with and among tribal nations are a beneficial and critical component towards economic development, education, business, and cultural preservation efforts.

| Regional Strengths | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Overall quality of life. <input type="checkbox"/> Access to natural resources (trees, geography, deep-water port) <input type="checkbox"/> Geographic isolation. <input type="checkbox"/> Multiple tribal nations & communities. <input type="checkbox"/> Strong non-profits and volunteerism <input type="checkbox"/> Agricultural base. <input type="checkbox"/> Innovation educational collaboration. <input type="checkbox"/> Innovative partnerships (local investors, land trusts, farmers, etc.) <input type="checkbox"/> Legacy businesses / owners. <input type="checkbox"/> Access to quality healthcare (Olympic Medical Center, Jefferson Health, etc.) | <ul style="list-style-type: none"> <input type="checkbox"/> Geographic diversity (mountains, waterfronts, etc.) <input type="checkbox"/> Outdoor recreation activities <input type="checkbox"/> Eco and Agro-Tourism <input type="checkbox"/> Retiree / Senior Citizen sector, with wealth to support local programs. <input type="checkbox"/> Local college (Peninsula College) <input type="checkbox"/> Vibrant tourism sector. <input type="checkbox"/> Entrepreneurism <input type="checkbox"/> Water / shoreline access. <input type="checkbox"/> International reputation. |
| Clallam County | Jefferson County |
| <ul style="list-style-type: none"> <input type="checkbox"/> Low cost of living (relative to nearby urban areas). <input type="checkbox"/> National research facilities (Battelle / PNNL). | <ul style="list-style-type: none"> <input type="checkbox"/> Local investment network (LION). <input type="checkbox"/> "Buy Local" culture. <input type="checkbox"/> Maritime heritage / economy. <input type="checkbox"/> Artisan base with reputation for quality craftsmanship |



Weaknesses

Despite the strong qualities of the North Olympic Peninsula, there are weaknesses that continue to present challenges towards building regional resilience. Not surprisingly, the **geographic isolation** that is the hallmark of the rural experience is also one of the key weaknesses. There are limited transportation options in and off the NOP, and the **primary roadways are occasionally obstructed** – bringing traffic to a complete stop. Residents on the West end of Clallam and Jefferson counties experience this more often than most, but it remains a common challenge.

Similarly, the **cost to transports larger goods is higher** than neighboring urban areas, which is a prohibitive barrier for some manufacturing companies. This disadvantage doesn't affect manufacturers who have smaller, lighter goods, as those can be shipped in bulk with only a nominal relative increase per item.

Another challenge in the region, juxtaposed against the lack of overcrowding, is the ability for many employers to readily find a **trained and accessible workforce**. As economic development efforts continue to expand the advanced manufacturing, maritime trades, and professional services sectors, there is a perception among many employers that they have a difficult time finding skilled labor to match their needs. Workforce development partners, such as Peninsula College, WorkSource, and the local school districts continue to address these concerns through customized training programs; however, attaining critical mass to bring new training programs is often difficult, and government subsidy funding can be unpredictable.

A similar challenge exists when employers seek to recruit talent into the area, only to face the reality of **limited employment opportunities for the accompanying “trailing” spouse**. Very often, the spouses of the professionals being recruited to the area are also skilled, well-educated, and seeking higher-paying opportunities than entry level jobs provide.



| Regional Weaknesses | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Transportation. Limited road access. No rail. Disrupted air service. <input type="checkbox"/> Access to capital to improve / expand businesses, compared to urban areas. <input type="checkbox"/> Infrastructure gaps (sewer, storm water.). <input type="checkbox"/> Substance abuse of potential employees. <input type="checkbox"/> Limited opportunities for “trailing spouse” of recruited professionals. <input type="checkbox"/> Limited opportunities for career advancement. <input type="checkbox"/> High dependency / utilization of Medicare / Medicaid. <input type="checkbox"/> Difficulty accessing natural resources. <input type="checkbox"/> Loss of workforce (kids coming back home). <input type="checkbox"/> Broadband availability (“last mile”). <input type="checkbox"/> Gap between innovative ideas and enabling legislation / policies. | <ul style="list-style-type: none"> <input type="checkbox"/> Geographic isolation, both from I5 corridor and also North / South region access <input type="checkbox"/> Retention of local banking. <input type="checkbox"/> Lack of access to skilled, mid-level workforce. <input type="checkbox"/> Lack of racial and ethnic diversity. <input type="checkbox"/> Shrinkage of middle class. <input type="checkbox"/> Business / industry succession planning. <input type="checkbox"/> Perception of poor schools (primary education). <input type="checkbox"/> General knowledge of business resources available / where to find help. <input type="checkbox"/> Aging infrastructure w/o replacement / funding. <input type="checkbox"/> Dominance of commodity goods, versus value-add. |
| Clallam County | Jefferson County |
| <ul style="list-style-type: none"> <input type="checkbox"/> Small businesses not staying open late / closed on odd days. <input type="checkbox"/> School infrastructure. <input type="checkbox"/> Lack of employer diversification. Pooling around large employees (mills, etc.). | <ul style="list-style-type: none"> <input type="checkbox"/> Lack of affordable / available housing. <input type="checkbox"/> Generational wealth disparity. <input type="checkbox"/> Public / general transportation infrastructure. <input type="checkbox"/> No summer youth employment programs <input type="checkbox"/> Small tax base, shortage of taxable land. <input type="checkbox"/> Easily-overwhelmed emergency response resources. |

Opportunities

Both counties are quick to recognize opportunities for improvement, with many of them based on the Weaknesses previously noted.

With the continued shift in education funding and control, an opportunity exists for greater engagement at a state and local level. The recent “McCleary decision” in WA has established that the state is not meeting its mandate to properly fund basic education, so there continues to be discussion in the legislature regarding what that entails and where the funds will come from. Meanwhile, communities across the state are also recognizing the need to replace deteriorating facilities that provide students with modern learning environments and **greater opportunities for vocational (CTE) skills development**. Port Townsend has been a recent success story in passing a school bond that will build a new elementary school, while the communities of Chimacum, Sequim, and Port Angeles have continued to struggle to do the same. With the trend of fewer federal education mandates continuing, these communities have the opportunity to turn the tide of voters to achieve success.

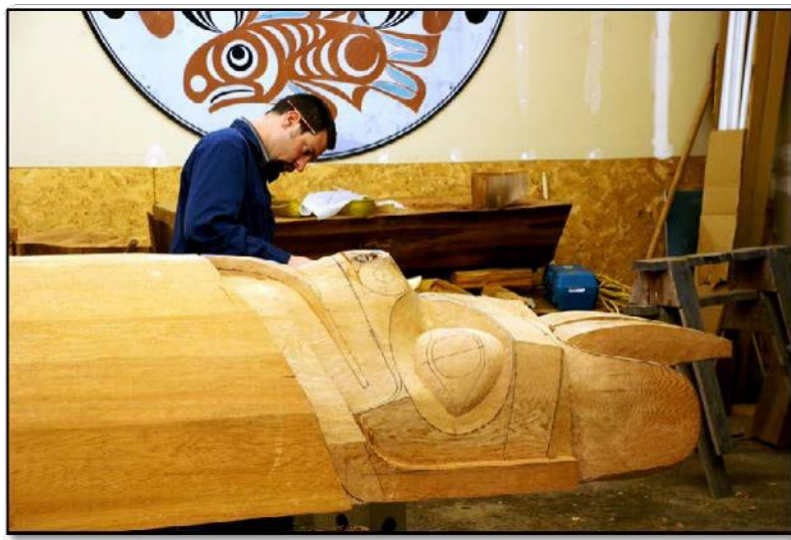


Another key opportunity on the horizon is for a collaborative, representative, and broad legislative agenda to be developed for the purpose of informing lawmakers of the economic priorities in the region. A recent initiative, the North Olympic Legislative Alliance, has been proposed to house that effort. The North Olympic Peninsula region is fortunate to have influential representatives in the State House and Senate, and also the Congressional House of Representatives via

Congressman Derek Kilmer – a Port Angeles native. Greater traction can be gained by presenting these lawmakers with a **comprehensive agenda that accurately reflects the prioritized needs throughout the region**.

Finally, opportunity also lies with the **continued expansion of key industry sectors** (maritime trades, forestry, composite recycling, construction), while also cultivating an environment for entrepreneurs and risk-takers. There are a variety of often-underutilized resources for small businesses, therefore increased awareness will certainly enhance the efficacy of those tools. A more vibrant, and entrepreneurial ecosystem will also encourage more local investment from private individuals. These investments are often more patiently-structured than established financing outlets prefer, and also help address the higher-risk sectors such as business start ups.

| Regional Opportunities | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Coordination of legislative agenda for elected officials / government agencies. <input type="checkbox"/> Public / private partnerships (manufacturing, etc.) <input type="checkbox"/> Building of infrastructure for mixed use economic development. <input type="checkbox"/> Reutilization of vacant commercial properties (affordable housing, etc.). <input type="checkbox"/> K-12 infrastructure improvements. <input type="checkbox"/> Working waterfront opportunities. <input type="checkbox"/> State support in helping with educational funding - government divesting from education. Giving resources back to States, which will trickle down to local control. <input type="checkbox"/> Remote workforce, seasonal workforce, trailing spouse <input type="checkbox"/> Remediation of environmentally-damaged properties (Rayonier Property, Chimacum Crossroads, etc.). | <ul style="list-style-type: none"> <input type="checkbox"/> Expanding external (out of region) customer base, via e-commerce, marketing, etc. <input type="checkbox"/> Expanded partnerships with local tribes. <input type="checkbox"/> Workforce training partnerships with college. <input type="checkbox"/> New banks, local investment. <input type="checkbox"/> Improvements for physical infrastructure (sidewalks, pipes, etc.). <input type="checkbox"/> Advanced manufacturing opportunities. <input type="checkbox"/> Greater outside investment. <input type="checkbox"/> Creative approaches to climate change (alternative energy). <input type="checkbox"/> Destination for climate refugees. <input type="checkbox"/> Diversification of age in community leadership. <input type="checkbox"/> Public infrastructure for emergency prep. <input type="checkbox"/> Recruitment of maritime from elsewhere. |
| Clallam County | Jefferson County |
| <ul style="list-style-type: none"> <input type="checkbox"/> Businesses supporting schools. <input type="checkbox"/> Great utilization of deepwater harbor (barge transportation, etc.). | <ul style="list-style-type: none"> <input type="checkbox"/> Becoming a model of innovation for triple bottom line. <input type="checkbox"/> Expansion of trade schools. <input type="checkbox"/> Creative solutions for affordable housing, land use, rural development. <input type="checkbox"/> Food hub – storage and distribution. <input type="checkbox"/> Fairgrounds utilization / redevelopment. |



Threats

As in any economy, there remain threats from outside the region and the NOP has a unique set of challenges to continue to address.

With the increased population of retirees, the **percentage of workforce-age residents continues to decline** (in comparison to total population). A large wave of older workers continue to age and will exit the workforce in the near future. As a result, workforce succession efforts will need to be expanded to ensure that there are new and diversely-skilled workers to address the vacancies. This will need to include quality education opportunities at the primary level and also after graduation. Peninsula College, among others, is well-poised to meet the demands of necessary workforce training.

The younger workforce sector will also need **attainable and affordable housing opportunities**, which can often be scarce in the region. While the construction sector has experienced a rebound from the recent economic downturn, the bulk of their activity is currently focused on higher-end homes for retirees moving into the area. So long as that economic opportunity continues for builders, the availability of workers and willingness of contractors to engage in a lower-cost housing strategy will be strained. Local incentives, and revised zoning allowances could be considered to help address this growing problem and encourage developers to engage towards a solution.

A competitive threat to the NOP region is the relative abundance of **higher-paying jobs closer to the urban Seattle / Tacoma area**. Despite increasing congestion and a higher cost of living, many of the younger workers will continue to migrate outside of the area with no plan to ever return. Increased opportunities resulting from the expansion of key industries will help to offset the relative imbalance, as will the continued cultural shift towards allowing workers to telecommute and work where they want to live. The NOP region has a loop of fiber optic telecom infrastructure in place, but will help address this key threat by building out the “last mile” connectivity so more residents have access to high-speed internet bandwidth.

The capability to address this and other **infrastructure needs (sewer, water, etc.)** is largely dependent upon outside grant funding. As the nation and state both continue to address significant budget challenges, the availability of these grants remains unpredictable and fragile.

Perhaps the greatest threat facing the region is that of **climate change and natural disasters**. Many communities in the area are located along waterfronts and close to sea level; therefore, the likelihood of devastation caused by earthquakes, tsunamis, flooding, and landslides is considerable. As climate change continues to increase temperatures, sea level rise will also drive the movement of key assets to higher ground. Many coastal tribal communities are in the process of relocating their core villages as a necessary precautionary measure to address this reality.

Regional Threats

- Loss of workforce to nearby urban areas.
- Aging demographics and subsequent workforce depletion.
- Growth of outside online retail threats.
- Accommodating sustainable, deliberate growth.
- Increasing regulatory mandates (storm water, clean water rule, medical insurance mandates).
- Infrastructure needs are dependent upon outside grants funds.
- Federal and State budget limitations (threat to infrastructure, mental health, etc.).
- "Flat org charts" – results in lack of upward mobility and business / leadership succession capabilities. Post recession survival has reduced mid-manager positions. Business owners have operated lean.
- Declining average wages (relative to costs).
- Water quantity disruption (i.e. low snow pack) due to climate change.
- Another recession
- Loss of major employers.
- Climate change (sea level rise).
- Vulnerability to natural disaster (earthquake, tsunami, wildfire, etc.).
- Demographic shift (aging demographic, shrinkage of workforce age)
- Marine transportation dependence on fossil fuels.
- Disruption of ferry service & bridge access.
- Timber industry restrictions.
- Inaction on housing availability / affordability.
- "Wealth bubble" fragility (influences philanthropy base, non-profit resiliency).
- Water quality mandates.
- Urban flight to rural because of affordability.
- Non-predictability of State and Federal funding opportunities.
- Civic chaos / disarray, enhanced by lack of awareness and access to information.
- Acidification effects on shellfish industry.



CASE STUDY: Regional Planning for Broadband

Remote rural communities that are geographically isolated from the rest of the Olympic Peninsula are well-characterized along the western region of Jefferson and Clallam counties. For example, most residents do not have access to adequate forms of broadband. Furthermore, many communities in this area are primarily comprised of people affiliated with one or more regional tribes. This lack of infrastructure and service has disabled many communities from being able to participate in communication and information sharing regarding education, public safety, healthcare, community and economic development, cultural heritage activities, and entertainment.

Through funding from the Washington State Department of Commerce and the State Broadband Office, WSU Extension worked with the North Olympic Peninsula Regional Conservation and Development Council, Senator Patty Murray's office and Representative Derek Kilmer's office to develop a comprehensive 'road-map' to assess the impact that the lack of broadband access has had on this region. The Western Olympic Local Technology Planning Team focused on where the greatest need exists, the technology that is needed and the funding and feasibility of realizing this region's broadband needs.

There have been several outcomes of the WOLTPT project. First, there has been an increase in cooperation between many different sectors of the community, with tribal leaders, commercial broadband providers, local citizens, educators, and health and public safety advocates working together towards a common objective. There is also a renewed energy in the region after local area success in bringing broadband to the Forks community. Partnerships have been created between Peninsula College, WSU Extension, and the University of Washington through the collective management of meetings and utilization of meeting space that is owned and operated by one another. In addition, as a direct result of the project, both the Makah and the Quileute Reservations have expanded broadband capabilities.

For more information: extension.wsu.edu/jefferson/economic-development/broadband-wolpt.

VI. STRATEGIC DIRECTION / ACTION PLAN

The SWOT analyses conducted in 2016 brought together 70 stakeholders from diverse sectors, but the message repeated continuously drives the following statement of vision for the North Olympic Peninsula:

The North Olympic Peninsula is a region that provides opportunities for innovative work for all ages through strategic partnerships between sectors, growing local business and sustaining natural resources to enhance the lives of residents.

It's about more than "Quality of Life"



Discussing the region's competitive advantage, or value proposition, is nearly impossible without talking about "quality of life". Whether it's the myriad natural resources or the scenic beauty or the sense of community- people and businesses are here because they want to be here, and that drives a particular kind of investment and engagement that goes beyond "keeping the lights on". Businesses here are deeply invested in the workers and families they support, in helping their neighbors, in improving schools, in managing resources responsibly.

This "connection to place" makes the region unique and can help tailor economic development efforts toward a collaborative, triple-bottom-line approach of economic, environmental and social prosperity.

Capitalizing on the region's **Connection to Place** is at the heart of the region's strategic direction.

What does this mean for economic development efforts?

Connection to Place translates into specific behaviors that create real wealth (financial and otherwise), for example:

- **Using abundant natural resources wisely (sustainable yields in forestry, protection of water quality for shellfish).**
- **Promoting renewable energy projects (electric vehicle tourism and installation of charging stations).**
- **Focusing on business expansion and retention vs. recruitment.**
- **Branding the region (recreation, eco-tourism, local food destination).**
- **Recognizing opportunity in recycling high value products and partnering with educational organization for specialized workforce development (Composite Recycling Technology Center and Peninsula College).**

The focus on **Connection to Place** is evident in the vision above and the goals and objectives below. These goals and objectives represent the values of the Economic Development District (NOP RC&D) as well as partners in the private sector who participated in the SWOT analyses. **They are achievable in the 5-year time frame so long as funding, political will and partnerships are maintained, a key function of the NOP RC&D.**

Objectives are prioritized in order under each Goal summarized below. Specific projects, timelines and costs are included in the Projects List (see Appendices).

| Goal 1: Collaborate for Resiliency | | | | |
|---|--|--|-------------|---|
| OBJECTIVE | METRIC | BY WHOM | WHEN | HOW MEASURED |
| 1a) Develop renewable energy on a regional scale. | Obtain funding / financing for one renewable energy project with benefits to the two Counties. | Counties PUDs Ports Private Sector | 2017 - 2018 | Development of one renewable energy project. 2018 – not yet completed 2019 – complete. Clallam PUD developed a community solar project in Sequim. |
| 1b) Participate in collaborative, regional emergency and hazard mitigation planning for the two County region. | Create a regional emergency and hazard mitigation plan. | Counties Cities Ports Tribes PUDs Public Health & Safety partners | By 2019 | Complete regional emergency and hazard mitigation plan. 2018 – not yet complete 2019 – Not yet complete but in discussion. |
| 1c) Provide training / technical assistance to local businesses on contingency and succession planning. | Assist eight businesses in creation of contingency or succession plan. | EDCs Business Associations Private sector | By 2020 | Completion of contingency or succession plans. 2018 – partially complete 2019 – partially complete. A number of businesses are currently in succession planning and WSU Extension offered a workshop on succession planning for forest and agricultural businesses. |
| 1d) Adopt and implement preparedness strategies from the 2015 Planning for Climate Change on the North Olympic Peninsula report. | Implement ten of the land use and planning strategies recommended in the 2015 Planning for Climate Change on the North Olympic Peninsula report. | Counties Cities Ports Tribes PUDs | 2017 - 2018 | Tracked on Local 20/20 Climate Dashboard website. 2018 – partially complete 2019 – partially complete. Varies by jurisdiction. Additional planning is underway. |

Goal 2: Foster a Business Culture of Entrepreneurism, Innovation & Sustainability

| OBJECTIVE | METRIC | BY WHOM | WHEN | HOW MEASURED |
|---|--|--|--------------------|---|
| <p>2a) Provide robust networking opportunities for entrepreneurship through development of business incubators, co-working and makers space.</p> | <p>Development of one incubator, co-working or makers' space in both Clallam and Jefferson Counties.</p> | <p>Private sector EDCs Educational partners (WSU, Peninsula College) NOP RCD</p> | <p>2017 - 2018</p> | <p>Availability of incubator, co-working and/or makers' space in both Counties.</p> <p>2018 – complete.</p> |
| <p>2b) Install connectivity infrastructure for innovative, sustainable development.</p> | <p>Improve broadband access and speeds in rural areas and install 10 electric vehicle charging stations on the North Olympic Peninsula.</p> | <p>PUDs Ports Private sector Counties Cities Tribes</p> | <p>2017 - 2020</p> | <p>Internet speed tests, # of new hook-ups to broadband, and installation of charging stations.</p> <p>2018 – in planning phase.</p> <p>2019 – broadband planning/feasibility study for Jefferson County is nearly complete; funding secured for feasibility study in Clallam County.</p> |
| <p>2c) Create collaborative, regional branding, business resources and local investment.</p> | <p>Create co-branding materials for a 2-county North Olympic Peninsula “brand” of small, innovative businesses and support services, including local investment.</p> | <p>EDCs Business Associations Private sector NOP RCD</p> | <p>By 2020</p> | <p>Creation of co-branding materials</p> <p>2018 – “Eat Local First – Olympic Peninsula” is in development.</p> <p>2019 – Eat Local First Olympic Peninsula nearly ready for roll out.</p> |

Goal 3: Increase the Size and Compatibility of the Workforce to the Needs of the Region's Employers

| OBJECTIVE | METRIC | BY WHOM | WHEN | HOW MEASURED |
|---|--|---|-------------|--|
| 3a) Access greater share of state and regional workforce development funds. | Increase funding to workforce development funding by 10% in both Jefferson and Clallam Counties. | Olympic Workforce Development Council Counties Peninsula College EDCs Educational organizations | 2017 - 2018 | By funding levels compared year to year. 2018 – not complete. 2019 – not complete. |
| 3b) Support and promote young career pathways with local school districts, especially for K-12 STEM / STEAM initiatives. | Obtain funding for one project that furthers young career pathways programming in local schools. | Educational organizations Private Sector | 2016 - 2020 | Receive grant funding to support school programming in young career pathways. 2018 – Northwest School for Wooden Boat Building has developed Marine Systems curriculum for Neah Bay School District |
| 3c) Decrease unemployment by increasing work-readiness. | Reduce unemployment by 1% in each County through “soft skills”, occupational skill, apprenticeship, and on-the-job training. | EDCs Business Associations Private sector | By 2020 | Tracking of the unemployment rate. 2018 – unemployment rate is down more than 1%. 2019 – unemployment remains more than 1% lower than in 2015. |
| 3d) Identify emerging industry trends regionally that will impact local work force. Adapt workforce development efforts to reflect current and future needs. | Conduct biannual industry analysis of workforce needs and supply. | Educational organizations/ Peninsula College EDCs Business Associations Private sector | 2016-2020 | Completion of biannual assessments. 2018 – not completed. 2019 – not complete. |

| Goal 4: Align Wages to Better Match Cost of Living and Housing | | | | |
|---|--|---|-------------|---|
| OBJECTIVE | METRIC | BY WHOM | WHEN | HOW MEASURED |
| 4a) Have shovel-ready infrastructure projects available to access funding sources and respond to business needs and opportunities. | Advance four projects in Project List (to be included in Appendices) from “Planning” status to “Shovel Ready”. | Counties Cities Ports PUDs Tribes | 2016 - 2020 | By change of status from “Planning” to “Shovel Ready” in subsequent CEDS. 2018 – more than 4 projects have been completed. |
| 4b) Identify and create infrastructure for affordable housing. | Advance four new affordable housing projects on the North Olympic Peninsula to permitting. | Housing partners (Peninsula Housing Authority, Habitat for Humanity, others) State and Federal funders Counties Cities Ports PUD Tribes | By 2020 | Project permitting 2018 – two projects have been permitted. 2019 – two more projects have been permitted and another mixed-income development is in the permitting process. |
| 4c) Increase average earnings per job by 10%. | Increase average earnings per job in Clallam County to ~\$43,200 and Jefferson County to ~\$35,400. | EDCs Private Sector Ports PUDs Tribes | By 2020 | Bureau of Labor Statistics data 2018 – average earnings per job is up almost 10%. 2019 – average earnings per job was \$40,246 in Clallam County for 2018 (most recent year reported) and \$39,420 in Jefferson County. |

| | | | | |
|--|---|----------------------------|--------------------|--|
| <p>4d) Encourage adaptable land use/ zoning/ code to encourage innovative business and housing development.</p> | <p>Make two amendments to local zoning, sub area plans, comprehensive plans or other land use planning documents.</p> | <p>Counties Cities</p> | <p>2017 - 2018</p> | <p>Inclusion of adaptive language in planning documents.</p> <p>2018 – complete.</p> |
|--|---|----------------------------|--------------------|--|

VII. EVALUATION FRAMEWORK

Measuring performance towards our Objective and Goals is critical to ensure timely and relevant progress, and towards:

- **Maintaining credibility with member and partner organizations;**
- **Creating value to the private sector;**
- **To communicate to funders the impact of projects;**
- **To inform future economic development and planning efforts in the District.**

The district will engage in performance evaluation using the following tools:

1. **Annual Checkup:** The RC&D's annual meeting, typically held every December, is dedicated to a review of the year. This includes a financial report, discussion of lessons learned and review of annual Scope of Work.
2. **Strategic Plan:** The RC&D has a 5-year rolling strategic plan (see below) for 2015-2019 with annual updates and deliverables.
3. **Priority Metrics:** There are ten priority metrics that have been identified as key indicators for the region. These will be tracked on the noprcd.org website and updated annually:
 - Unemployment rate
 - Average earnings (per job, household, and sector)
 - Percentage of workers earning over \$40K / year
 - Number of workers in the 20 - 49 year age range
 - Percentage of population under 20 years of age
 - Industry sectors with job growth
 - Industry sectors with job loss
 - ZIP codes with increased unemployment
 - ZIP codes with decreased unemployment
 - Average age of workforce

These evaluations are in addition to quarterly and annual reporting required by funding agencies such as the Economic Development Administration and the US Department of Agriculture.



CASE STUDY: Fort Worden PDA: A Public/ Private Partnership for Arts, Education, Economy and Innovation

For decades, Fort Worden State Park, within the Port Townsend city limits, was both one of most visited state parks but continuously losing money every year due to expensive upkeep of historic buildings and a massive campus. Fort Worden had been designated in 1974, by the Office of the Superintendent of Public Instruction, as a “lifelong learning center” for arts education – directing programming to be accessible and affordable for students from around the state. These conditions made Fort Worden’s business model challenging for the Washington State Parks, and the recession of 2008 made the park’s future uncertain.

The City of Port Townsend, along with the myriad of tenants invested in the “lifelong learning center” mission, took matters into their own hands. In a multi-year process that was at times contentious, the City of Port Townsend created a Public Development Authority with the purpose of managing a lease on 70 buildings located on 90 acres of the park. Since 2014, the Fort Worden PDA has operated a business model that includes overnight accommodation from camping to 6-bedroom houses, food service in four venues, events and conferences, and leasing space to 13 partner organizations who share the mission of lifelong learning. Now 3 years into operation, this public corporation is operating with a budget of \$5 million, at or near profitability in 2016, and has become one of the largest employers and revenue generators in Jefferson County.

Fort Worden’s success is due, in large part, to the collaborative partnerships between the city, state parks, and number of tenants at the campus. These include (but are not limited to):

- ***Centrum, an arts education non-profit which hosts thousands of students annually;***
- ***Copper Canyon Press, a nonprofit publisher whose work includes Poet Laureates and National Book Award winners;***
- ***Port Townsend School of Woodworking;***
- ***Peninsula College and Goddard College;***
- ***Port Townsend Marine Science Center;***
- ***Port Townsend School of the Arts.***

Together, the economic impact of these partnerships is significant. Fort Worden PDA employs 30 FTEs and is budgeted to generate over \$4 M in revenue in 2016. The Fort pays more Lodging Tax than any other single entity. Additionally, the Fort has generated over \$6M in grants from state agencies and private foundations in the past 2 years for capital projects, which will result in available jobs in the building trades in 2017 and 2018.

For more information: fortworden.org

VIII. ECONOMIC RESILIENCE

Resilience is often defined as ***the ability to recover from, or adjust to, the negative impacts of external (economic, environmental, and other) “shocks”***.

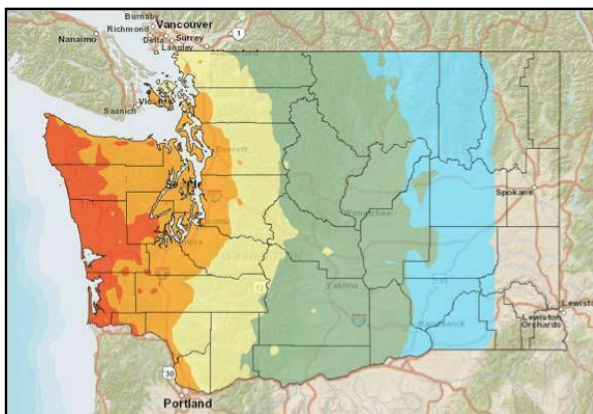
Some of the greatest strengths of the North Olympic Peninsula region, its close proximity to water and isolation from urban centers, also present significant threats when considering the preparedness of the area against environmental or economic shocks. As recently demonstrated in the coastal communities in Japan, Singapore, the Philippines, etc., seismic activity and tsunamis can wreak havoc within coastal areas and seriously threaten the community's ability to remain intact – let alone economically viable.

Equally devastating, although often longer on the temporal horizon, are the changes to the local ecosystems. One example is the disruption caused by water temperature increase upon local salmon fisheries. With spawning salmon seeking the colder waters north of Vancouver Island during their return runs, U.S. based fisherman, including many local coastal tribes, experienced significant financial hardship as a result of very low numbers of returning salmon. Rising water temperatures also cause harmful algal blooms in marine waters, leading to toxicity in shellfish, one of the most valuable commercial crops in the region. Additionally, municipal drinking water supplies are threatened by algal blooms in fresh water. **Preparing for foreseen impacts of climate change is the reality of the public and private sector on the NOP.**

Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. Often, the shocks/disruptions to the economic base of an area or region are manifested in three ways:

1. **Natural Disasters (earthquake, tsunami, flooding, landslide, etc.),**
2. **Climate Change (increased temperatures, diminished snow pack, ocean acidification, etc.),**
3. **Economic Disruptions (loss of major employer, diminished activity within a key sector, impacts from national and international economic changes, etc.).**

Natural Disasters



Based upon statistical probability, the North Olympic Peninsula region is expected to have a significant seismic event at any time. The area continues to experience smaller, sporadic events, but the oft-cited “Big One” has emergency management departments throughout the region and state preparing for catastrophic outcomes from both the event itself and subsequent tsunamis and aftershocks.

A recent exercise, **Cascadia Rising**, tested the preparedness of the region's emergency management entities and revealed a number of scenarios that could have longstanding adverse affects on the region. The exercise included local governments, law enforcement, non-profits, military, and other partners who would be called upon to assist after a significant event. Gaps appeared in the continuum of resources that currently exist, along with the realization of an inability

to adequately address all possible scenarios – both of which have been the focus of subsequent planning efforts.

Key lessons learned from the exercise included the challenges in coordinating communications between all partners, maximizing the effectiveness of available equipment, security around key operations areas, utilization of area maps, and ability to generate timely status report updates. Both counties continue to partner by sharing resources, lessons learned, and core competencies, for the benefit of improving the outcomes in the next simulation or live event.

As previously noted, a key weakness in the region is the isolation from urban areas and major supply chains. No long-term food supply storage exists on the North Olympic Peninsula, which highlights the reliance upon established trucking access to bring critical goods into the area. Water-based transportation infrastructure is available, and could be expanded as a measure of preparedness or after an event itself. Air transportation infrastructure is also present, but limited in its capacity for broad scale population evacuation or supply runs. Given this, and the likelihood that there will be little to no forewarning of an event, emergency management strategies are built upon the assumption that people will need to be housed, fed, and treated in place.

A key asset to the region is the continued presence of the Coast Guard, who has the capability to assist locally in the event of a natural disaster. Greater emergency management assets exist in nearby Kitsap County and along the I-5 corridor; however, it's been noted that the demand upon those assets would be tremendous following a significant seismic event, given that the impacted area would include most of Western Washington and beyond. As such, the North Olympic Peninsula is aware of its need for temporary self-sustainability.

Effective communication is a primary need throughout a disaster recovery, and also a demonstrated challenge during preparedness drills. In the advent of widespread power, cell, and internet disruption, emergency management personnel must rely on backup power sources, and unconventional communication methods to relay vital information.

For example, in Jefferson County there is a dedicated connection between the county's Emergency Operations Center in Port Hadlock, to Port Townsend City Hall. During simulations, this has proven to be effective when relaying critical information between the two governments. Also at the Jefferson County EOC, there is also a ham radio base and a remote broadcasting station for the local radio station, KPTZ.

Based on the exercises completed, and an ongoing analysis of the results, key components of effective disaster preparedness include the following:

- **Identification of key emergency management / disaster preparedness assets in the region.**
- **Established network of partner agencies, and broad understanding of “who does what”.**
- **Continued reinforcement of backup power generation and communication capabilities.**
- **Ongoing education and resources to citizens and business owners to encourage individual disaster preparedness plans (i.e. Map Your Neighborhood, business continuity, etc.).**
- **Develop increased partnerships with local medical supply outlets and mental health agencies.**
- **Ongoing scenario simulations after after-action analysis (such as Cascadia Rising).**

Climate Change

This region is vulnerable to the impacts of climate change due to the geography of the Peninsula as well as the natural resource based economy. Some key vulnerabilities to the economy include:

- **Increase in major weather disruptions to transportation (ferry cancellations due to high seas, road closures from mud slides and flooding);**
- **Amount of infrastructure and key assets (power, wastewater, port facilities, historic downtowns) in sea level rise impacted areas;**
- **Reliance upon marine sector industries, including fishing and shellfish harvesting;**
- **Impacts of drought on natural and commercial forests: pest infestation, wildfire, lack of regeneration;**
- **Diminishing snow pack, resulting in low municipal water supplies.**

The NOP RC&D was funded by the Washington Department of Commerce to publish the Climate Change Preparedness Plan for the North Olympic Peninsula in 2015. The report includes a collection of the best available science regarding projected climate change for the region, an analysis of impacts to the ecosystems and built environment, and ranked adaptation strategies for preparing for climate change. The project included input from 200 local representatives from governments, forestry and shellfish industries, tribes, educational and environmental organizations, and state and federal agencies.

The report included 100 adaptation strategies for use by cities, ports, tribes, counties and others vulnerable to climate change impacts, focused on critical infrastructure, water supplies, and ecosystems. The top 10 strategies in each category included:

Ecosystems

- **Enhance efforts to encourage breeding and planting of drought tolerant, resilient plant species**
- **Incorporate climate change more explicitly into comprehensive plans and Shoreline Master Programs (SMP)**
- **Enhance promotion of agricultural best management practices to include future climate conditions**
- **Update municipal codes to account for enhanced fire risk at forest/residential interface where needed**
- **Increase regional capacity for water storage (preferable with natural systems)**
- **Encourage FEMA to incorporate climate change in rate maps and guidance**
- **Develop graphic tool to illustrate climate impacts**
- **Update financing policies for development in high risk areas**
- **Enhance efforts to incentivize use of native plants landscaping in residential, commercial, industrial settings**
- **Utilize low cost citizen science monitoring and analysis approaches and technologies**

Water Supplies

- **Enhance education on drought and water supplies issues for the peninsula**
- **Adopt new regulations requiring water-efficient appliances**
- **Promote and incentivize smart irrigation technologies for agriculture**

- **Identify monitoring needs and enhance water supply monitoring**
- **Enhance efforts to educate home and business owners on the value of on-site water conservation, retention, and catchment**
- **Continue to study ways to enhance water storage and groundwater recharge**
- **Encourage forestry practices promoting water retention within the watershed**
- **Research or develop model to assess sea level rise and saltwater intrusion to groundwater**
- **Improve forecasting for future water supply and demand**
- **Map water retention values for ecosystems**

Critical Infrastructure

- **Update Emergency management and response planning to include climate change where needed**
- **Reduce inflow and infiltration to wastewater systems**
- **Update planning documents for sea level rise and flooding where needed**
- **Do outreach and education on climate adaptation to build community support**
- **Develop and utilize decision making tools related to climate change risks**
- **Create critical area flood mapping beyond FEMA's historical flood data**
- **Encourage soft defenses for Shoreline Infrastructure**
- **Improve on-site stormwater management practices**
- **Participate in FEMA's Community Rating System (CRS)**
- **Enhance stormwater retention in upstream areas**

Strategies have already been adopted locally and are being tracked on a monitoring dashboard (www.l2020.org/climate-action/climate-adaptation-dashboard).

The work from this report is being used locally to increase resilience. Clallam County has adopted the plan to inform work plans and budgeting for relevant departments. Also, the NOP RC&D, Jefferson County Chamber of Commerce and the Economic Development Council convened a forum in summer 2016, which brought together Port Townsend waterfront business and building owners with the Port and City to discuss options for preparing for sea level rise. Over 50 participants spent a day focused on options for the public and private sectors to work collaboratively to minimize risk, assess infrastructure and consider investment implications in the historic waterfront business district.

The full report and accompanying data can be found at www.noprkd.org.

Economic Disruptions

Outside of disruptions caused by natural occurrences, local economies are also subject to disruptions caused by a variety of circumstances. These include, but are not limited to, the loss of a major employer, adverse trends within a critical sector, and changes in outside economic conditions (regional, national, and international). The North Olympic Peninsula and surrounding region is all too familiar with each of these examples.

The NOP RC&D leverages partnerships to build resiliency through support of local businesses, seize emerging opportunities from within the region or from afar, and to re-think and innovate existing sectors in our economy.

Timber and Beyond

During the last thirty years, the forestry sector has proven to be a prime example of the region's endurance through these kinds of challenges. After protective measures were put in place to preserve spotted owl habitats, there was a dramatic decline in the level of trees that were harvested for timber production. This set in place a domino effect with the closure of large mills and spiked unemployment figures. While there have been short-term periods of recovery- a recent example being the timber demand in Asian markets – continued disruptions within the sector have been ongoing reality.

Two mills in Clallam County have closed in the past 48 months. The reasons for the closures are debatable (marbled murrelet habitat protection measures, increased competition from Canadian markets, consolidation in the milling industry) but the result is familiar: the loss of approximately 50 jobs in the rural west end. It is clear that new and innovative approaches to the forestry sector are necessary to withstand the inevitable fluctuations of an international market.

One example of the region's attempts to adapt are collaborative efforts to explore the feasibility of **Cross Laminated Timber (CLT)**. This new building advanced wood manufacturing technology creates a wood panel, with exceptional strength, dimensional stability, and rigidity. In its application, it can replace steel-beam construction with a renewable product source. CLT can utilize smaller timber, thereby shortening the time needed to replenish harvested timber tracts. CLT buildings also sequester carbon, making them preferred in the environmental building sector.

CLT manufacturers are actively looking for supply sources close to areas of utilization, therefore the North Olympic Peninsula's proximity to the high-growth Seattle area and military bases is a competitive advantage that could help reinvigorate the challenged local timber sector. The NOP RC&D, Port of Port Angeles, City of Forks and UW are working with state and federal funding agencies to identify market niches for this region and its timber supply.

Composite Recycling

Partners in Clallam County have led the way in adapting to a new, post-timber economy through strategic development of a Composites Recycling Technology Center (CRTC) in Port Angeles. The Port of Port Angeles has developed a business model for the CRTC to develop and demonstrate technology to convert carbon fiber pre-preg waste material into products. The new 25,000 square foot facility, housed at the PA Airport, will serve as a site of learning for companies interested in using the recycled material for manufacturing. It will also provide space for Peninsula College to re-locate its Advanced Manufacturing-Composite Technology program and laboratory facilities. This allows students access to the materials and equipment, and the chance to collaborate with the businesses that will also be using the CRTC.

This project, funded with support from the Economic Development Administration, WA Department of Commerce, is a prime example of **the region's ability to retool to meet a new market opportunity**. Through strategic partnerships between the private and public sectors, 30 workers will be trained in this emerging field and 1.4 million pounds of carbon fiber will be kept from the waste stream.

Succession Planning

Another way the region builds resilience and plans for change is through assistance with succession planning with the private sector. Recently, the Clallam EDC assisted Lincoln Industrial of Port Angeles in friendly acquisition of Allform Welding of Sequim. While not unique, such transactions are rarely handled by an EDC. The deal maintaining all positions at Allform while increasing employment at the new parent, Lincoln, by at least two people. The collaboration included successful transactions with a real estate brokerage, a financing institution, and the companies themselves. Because several other business owners are facing concerns about succession, the EDC is now interfacing with local banks, Department of Commerce, real estate brokers, and business advisors like SCORE to provide technical assistance on business sales, tax incentives and more.

CASE STUDY: Chimacum Crossroads: Planning for the New Agricultural Economy

While many regions have seen a decline in farm-based employment and sales, Jefferson County has seen an increase since the early 2000's, including through the recession. Growth in agriculture here is a result of myriad community efforts, including strong farmers markets tapping into the national trend of connecting consumers with their food sources and a strategic farmland preservation effort which kept land in production instead of residential development.

The NOP RC&D received funding in 2015 from the Wells Fargo Foundation Rural Initiative, which provided \$10,000 to analyze the impacts of the Jefferson LandWorks Collaborative from 2007-2016. LandWorks is a multi-stakeholder network working to preserve farm and forest land, educate businesses on planning, and grow markets for local products. The NOP RC&D quantified impacts to the local economy and identified the most successful tools for the Collaborative to use for further impacts. Additional funding will be sought for on-going projects.

*Additionally, in 2015 the NOP RC&D received an award from the Citizens Institute for Rural Design, administered by the Project for Public Spaces, to hold community-wide design workshops in Chimacum to plan for the future of this rural crossroads. Currently a steering committee is creating an agenda for the March 2017 workshops, whose goal is to create a **transportation and infrastructure improvement plan** for Chimacum that allows for an increase in economic activity, retention of rural character, and improvement in safety for non-motorized transportation.*

More information: www.rural-design.org/blog/citizens%E2%80%99-institute-rural-design%E2%84%A2-announces-2016-2017-awards.

IX. CONCLUSION

The North Olympic Peninsula is open for business. Like many rural counties, Jefferson and Clallam were slow to emerge from the recession, but are now vibrant with new construction, capital projects and innovative partnerships leveraging funding for a wide variety of opportunities. The attached project list includes many of these, and numerous others are in early feasibility or planning phases.

Many people observe, arguably, that the two counties vary in their approach to new development, especially in rural areas (a vast majority of the landscape). Many Jefferson County residents place high priority on retaining rural character, as reflected in the Comprehensive Plan: “to retain open space, environmental qualities, traditional land uses, and other elements of rural character through low density residential development, small-scale rural village centers and crossroads, limited areas for light industry, and, where appropriate, resource-based and major industrial development that cannot be accommodated within a UGA.” Without municipal services (namely sewer) outside Port Townsend, and only one designated Urban Growth Area, there has been little opportunity for commercial or industrial development of any scale.

Clallam County has six Urban Growth Areas and larger municipalities to accommodate larger scale development, and have done so: all large retail stores (“big box”) on the Peninsula are found in Sequim and Port Angeles. While Clallam’s Comprehensive Plan also requires that development in rural zones to minimize sprawl and incompatible uses, development pressure there has resulted in land historically used for agriculture and forestry to be converted to residential and commercial development.

The result is two counties that look and feel different, but when viewed as a region, provide options for residents and businesses alike. Strong regional partnership planning will retain a mix of amenities, goods and services while encouraging diverse development in appropriate locations.

Connection to Place is a theme shared throughout the region and across sectors. People and businesses are here because they choose to be for the natural beauty and deep community connections. While more densely populated parts of Western Washington could be mistaken for being “Anywhere, USA” for their similar traffic, stores and housing developments, the North Olympic Peninsula is an unspoiled paradise. Creating a future for this place that retains these incredible assets while growing prosperity and opportunity is the challenge facing economic development efforts.

The NOP RC&D continues to be the primary forum where regional collaboration occurs, with the intent to bring each stakeholder’s respective strategies towards a unified approach. By continuing to operate openly and collaboratively, the North Olympic Peninsula economic development district is well-positioned to implement this place-based strategy through strong partnerships.



NOP RC&D COUNCIL MEMBERS – September 30, 2019

Deborah Stinson, *City of Port Townsend*
President

Erika Lindholm
Craft3

Jeff Randall, *Jefferson PUD*
Vice President

Colleen McAleer
*Port of Port Angeles and
Clallam County EDC*

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Dave Anderson
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Tom Sanford
North Olympic Land Trust

Kyle Johnson
Jamestown S'Klallam Tribe

Jennifer States
City of Sequim

Brian Kneidl
Peninsula College

Brian Kuh
EDC Team Jefferson

NOP RC&D Staff

Karen Affeld,,
Director



North Olympic Development Council 5-year Strategic Plan (Adopted May 2015)

Vision (5-year): *A diverse and vibrant region ready for the demands of the new economy, changing environment, and the next generation.*

Mission: *Empower the North Olympic Peninsula to pursue and invest in its own economic and environmental destiny.*

Audience: Primary Government agencies, tribes, educational institutions, and economic, business, and community development organizations.
Secondary Current and prospective commercial enterprises in Clallam and Jefferson counties.

| Objectives | Goals | Strategies | Actions / Measures (18-month horizon) |
|--|--|---|--|
| 1. Create a healthy, mission-driven and action-oriented NODC organization | <ul style="list-style-type: none"> Secure \$120,000 annual funding for operations and programs 100% NODC Board actively involved in development projects and/or outreach | <ul style="list-style-type: none"> Articulate clear NODC role(s) and responsibilities and ensure sufficient human resources support Align board structure and organizational operations with strategic plan Be known as the leader, convener and facilitator for advancing regional initiatives Focus on regional capacity building; networking and communicating community-based solutions Ensure we maintain EDD designation | <ul style="list-style-type: none"> ✓ Map regional partnerships and stakeholders and define NODC role in relation to other entities by Sept 2015 ✓ Define membership roster and recruit new members by Sept 2015 ✓ Capture and publish 12-15 regional economic development success stories that will lead to NOP rebranding by Dec 2015 ✓ Launch new NODC website as source for regional statistics, information, and networking by Sept 2016 |
| 2. Improve infrastructure to: <ul style="list-style-type: none"> Support development of diverse economic endeavors in urban growth areas and rural centers Strengthen regional resiliency to adverse impacts | <ul style="list-style-type: none"> 10 new business success stories in key UGAs and rural centers Address climate change vulnerabilities identified in June 2015 report | Identify resources and provide support for infrastructure projects that: <ul style="list-style-type: none"> Stimulate business development, improvement and expansion Focus on preparing the region for the effects of climate change | <ul style="list-style-type: none"> ✓ Advance and document 2015 scope of work projects by Mar 2016 ✓ Complete an approved CEDS that provides coordinated strategy for priority NOP infrastructure by June 2016 ✓ Sponsor grant(s) for projects prioritized in June 2015 report: 'Projected Climate Change and Impacts for the NOP' |
| 3. Be a leader in the innovative use and conservation of resources | <ul style="list-style-type: none"> Develop 4 new environmentally-driven economic opportunities | Pave the way for the NOP to be a mecca for: <ul style="list-style-type: none"> Renewable energy & clean technology Eco tourism opportunities Agricultural value-added processing New farmers Innovative forest product production | <ul style="list-style-type: none"> ✓ Convene annual business innovation symposia and invite current and prospective energy, eco-tourism, and agricultural entrepreneurs from the Pac NW (start 2016) ✓ Identify the top 3 issues facing renewable energy, eco-tourism and ag business expansion in the NOP. Provide guidance for adopting new policy to facilitate start-up and commerce activity. ✓ Sponsor grant(s) for emergent opportunities |
| 4. Increase the NOP's capacity to overcome challenges and seize opportunities | <ul style="list-style-type: none"> Annually identify and address at least 1 regional challenge and/or opportunity | Convene stakeholders to identify, develop and implement solutions to regional challenges considering: <ul style="list-style-type: none"> Cross sector workforce readiness Technology – how to leverage and/or adapt Streamlined regional distribution and supply chain systems Regional leadership succession planning | <ul style="list-style-type: none"> ✓ Conduct member/partner/stakeholder survey to identify and prioritize challenges and opportunities by Sept 2015 ✓ Conduct one community forum on a prioritized issue by end of 2015 ✓ Develop strategy and execute follow-up actions to address prioritized issues by June 2016 |

2015 Employment & Wages by Industry

Compared to Washington & United States Communities

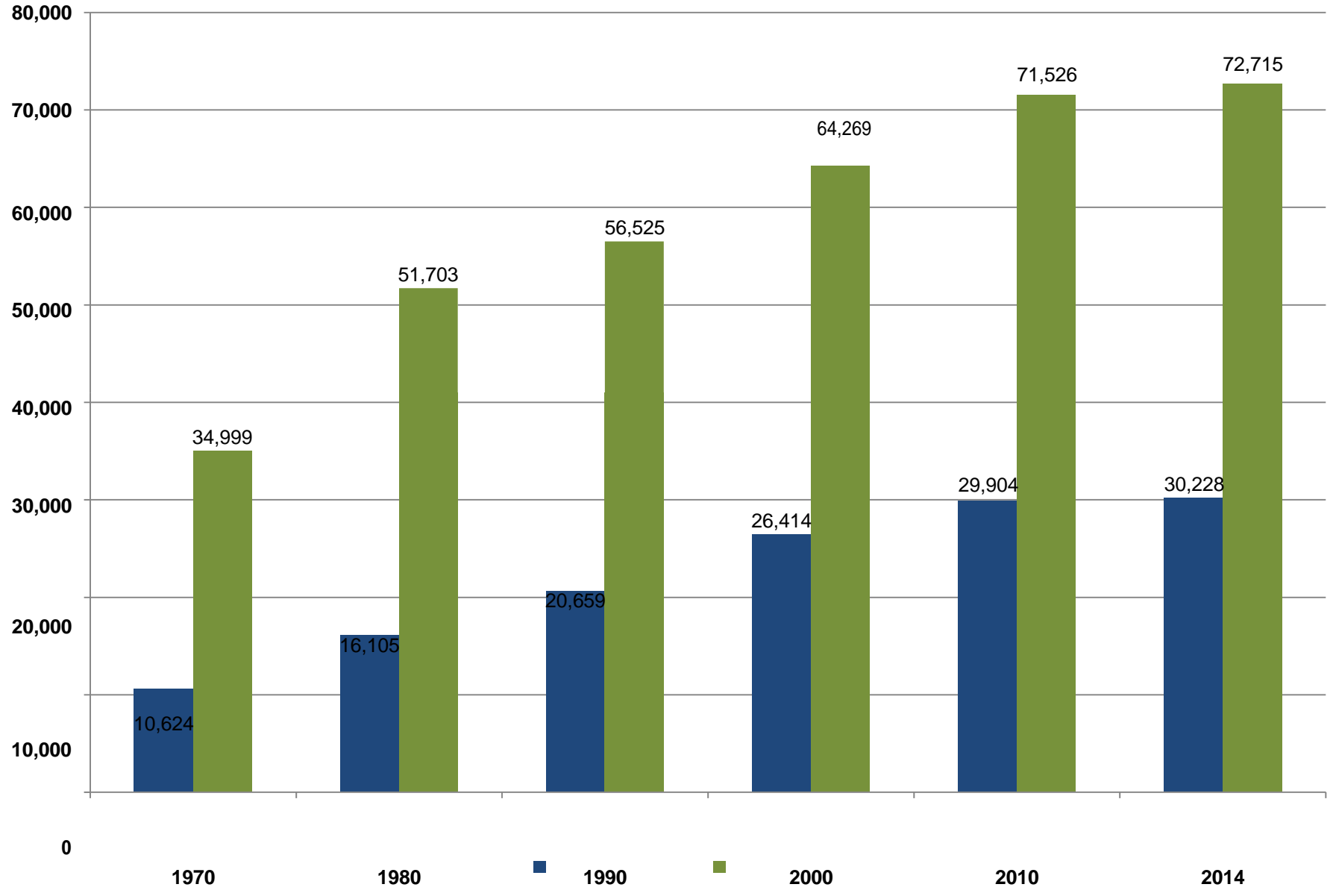
| | Jefferson County | | Clallam County | | Washington State | | United States | |
|--|---------------------|-------------------|----------------------|-------------------|-------------------------|-------------------|---------------------------|-------------------|
| | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages |
| Private | | | | | | | | |
| Non-Services Related | | | | | | | | |
| Natural Resources and Mining | 163 2.0% | \$37,042 | 572 2.6% | \$42,053 | 104,814 3.4% | \$29,371 | 2,000,781 1.4% | \$58,468 |
| Agriculture, forestry, fishing & hunting | na na | na | 562 2.5% | \$42,049 | 102,475 3.3% | \$28,501 | 1,248,916 0.9% | \$31,979 |
| Mining (incl. fossil fuels) | na na | na | 9 0.0% | \$46,966 | 2,339 0.1% | \$67,472 | 751,865 0.5% | \$102,468 |
| Construction | 476 5.9% | \$40,687 | 1,018 4.6% | \$37,197 | 162,784 5.2% | \$56,937 | 6,420,928 4.6% | \$57,016 |
| Manufacturing (Incl. forest products) | 544 6.7% | \$68,555 | 1,161 5.2% | \$46,634 | 287,460 9.2% | \$73,875 | 12,290,293 8.8% | \$64,305 |
| Subtotal: Non-Services Related | 1,183 14.5% | \$53,000 | 2,751 12.4% | \$42,189 | 555,058 17.8% | \$60,503 | 20,712,002 14.8% | \$61,482 |
| Services Related | | | | | | | | |
| Trade, Transportation, and Utilities | 1,292 15.9% | \$27,862 | 4,042 18.2% | \$30,741 | 575,625 18.4% | \$49,030 | 26,666,131 19.1% | \$44,319 |
| Information | 123 1.5% | \$38,048 | 184 0.8% | \$35,900 | 113,569 3.6% | \$150,526 | 2,753,844 2.0% | \$95,038 |
| Financial Activities | 281 3.5% | \$31,216 | 594 2.7% | \$35,648 | 139,501 4.5% | \$72,622 | 7,827,067 5.6% | \$87,914 |
| Professional and Business Services | 410 5.0% | \$36,226 | 1,186 5.3% | \$39,720 | 379,520 12.2% | \$71,845 | 19,600,558 14.1% | \$69,266 |
| Education and Health Services | 1,014 12.5% | \$26,277 | 2,692 12.1% | \$29,057 | 427,163 13.7% | \$46,769 | 21,078,627 15.1% | \$47,384 |
| Leisure and Hospitality | 1,137 14.0% | \$15,538 | 2,661 12.0% | \$16,435 | 304,625 9.8% | \$22,023 | 15,094,371 10.8% | \$21,804 |
| Other Services | 396 4.9% | \$28,041 | 784 3.5% | \$27,362 | 92,070 3.0% | \$36,414 | 4,306,413 3.1% | \$35,118 |
| Unclassified | 0 0.0% | na | 0 0.0% | na | 61 0.0% | \$25,818 | 262,584 0.2% | \$50,369 |
| Subtotal: Services Related | 4,653 57.2% | \$25,724 | 12,143 54.7% | \$28,212 | 2,032,134 65.1% | \$55,486 | 97,589,595 70.0% | \$51,047 |
| Total Private | 5,836 71.8% | \$31,257 | 14,894 67.1% | \$30,794 | 2,587,192 82.9% | \$56,563 | 118,301,597 84.8% | \$52,874 |
| Government | | | | | | | | |
| Federal Government | 168 2.1% | \$62,476 | 442 2.0% | \$64,488 | 73,161 2.3% | \$74,347 | 2,756,274 2.0% | \$77,901 |
| State Government | 256 3.1% | \$49,434 | 1,053 4.7% | \$48,837 | 130,721 4.2% | \$57,698 | 4,568,166 3.3% | \$55,844 |
| Local Government | 1,871 23.0% | \$48,650 | 5,795 26.1% | \$47,331 | 329,784 10.6% | \$53,264 | 13,862,152 9.9% | \$47,554 |
| Total Government | 2,295 28.2% | \$49,750 | 7,290 32.9% | \$48,589 | 533,666 17.1% | \$57,240 | 21,186,592 15.2% | \$53,289 |
| TOTAL | 8,131 100.0% | \$36,477 | 22,184 100.0% | \$36,642 | 3,120,858 100.0% | \$56,679 | 139,488,189 100.0% | \$52,937 |

2015 Employment & Wages by Industry

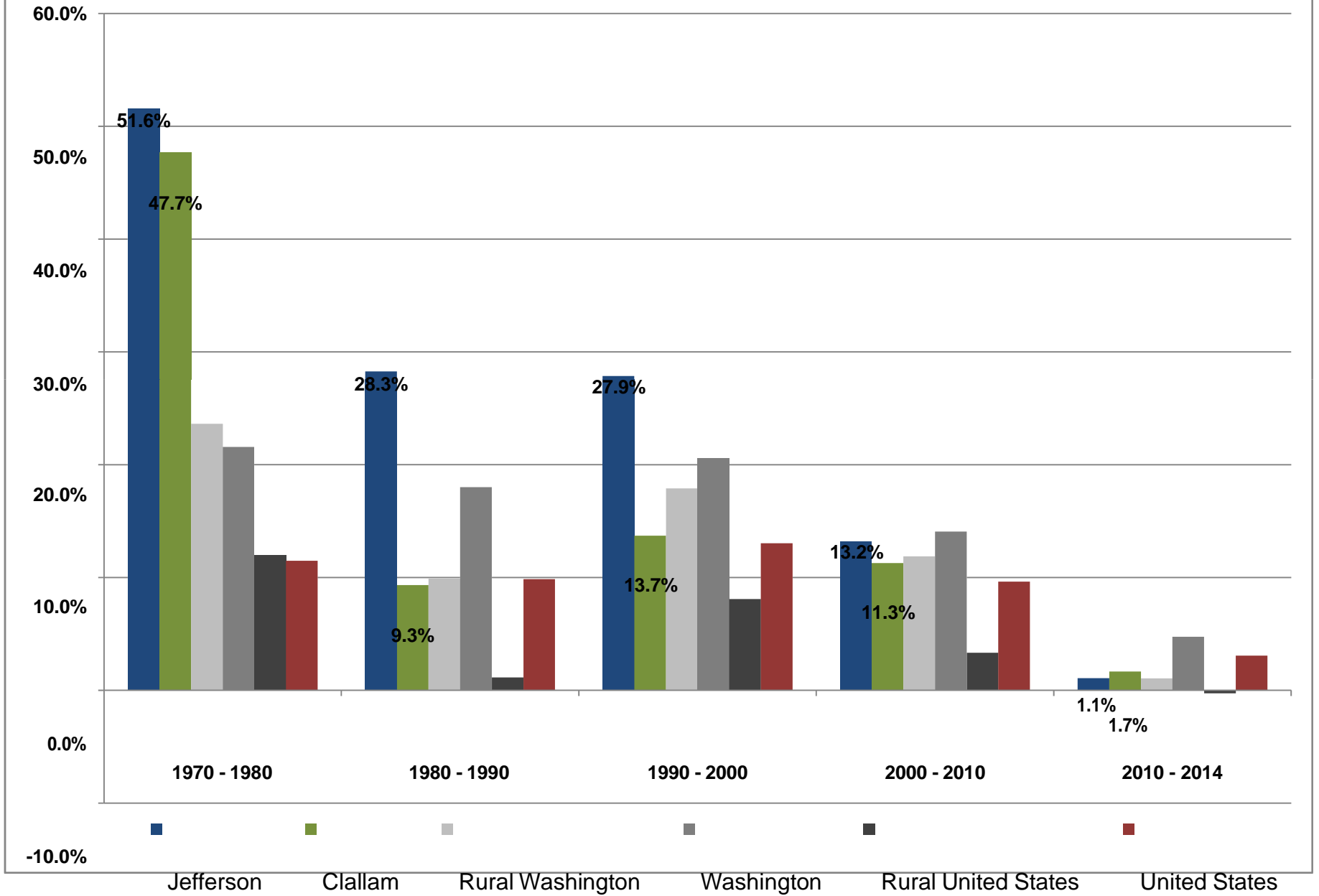
Compared to Washington & United States Rural Communities

| | Jefferson County | | Clallam County | | Rural Washington State | | Rural United States | |
|--|---------------------|-------------------|----------------------|-------------------|------------------------|-------------------|--------------------------|-------------------|
| | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages | Jobs | Avg. Annual Wages |
| Private | | | | | | | | |
| Non-Services Related | | | | | | | | |
| Natural Resources and Mining | 163 2.0% | \$37,042 | 572 2.6% | \$42,053 | 27,069 12.4% | \$28,419 | 651,217 4.0% | \$52,963 |
| Agriculture, forestry, fishing & hunting | na na | na | 562 2.5% | \$42,049 | 10,932 5.0% | \$26,693 | 210,885 1.3% | \$33,604 |
| Mining (incl. fossil fuels) | na na | na | 9 0.0% | \$46,966 | 355 0.2% | \$70,395 | 239,961 1.5% | \$79,903 |
| Construction | 476 5.9% | \$40,687 | 1,018 4.6% | \$37,197 | 8,745 4.0% | \$40,420 | 679,398 4.2% | \$46,576 |
| Manufacturing (Incl. forest products) | 544 6.7% | \$68,555 | 1,161 5.2% | \$46,634 | 21,129 9.7% | \$51,908 | 2,341,230 14.4% | \$47,780 |
| Subtotal: Non-Services Related | 1,183 14.5% | \$53,000 | 2,751 12.4% | \$42,189 | 57,181 26.2% | \$38,978 | 3,746,897 23.0% | \$48,543 |
| Services Related | | | | | | | | |
| Trade, Transportation, and Utilities | 1,292 15.9% | \$27,862 | 4,042 18.2% | \$30,741 | 36,671 16.8% | \$33,508 | 3,122,310 19.2% | \$34,009 |
| Information | 123 1.5% | \$38,048 | 184 0.8% | \$35,900 | 1,741 0.8% | \$41,563 | 143,163 0.9% | \$42,104 |
| Financial Activities | 281 3.5% | \$31,216 | 594 2.7% | \$35,648 | 5,899 2.7% | \$36,673 | 548,611 3.4% | \$45,398 |
| Professional and Business Services | 410 5.0% | \$36,226 | 1,186 5.3% | \$39,720 | 9,885 4.5% | \$39,153 | 1,015,410 6.2% | \$41,923 |
| Education and Health Services | 1,014 12.5% | \$26,277 | 2,692 12.1% | \$29,057 | 22,814 10.4% | \$32,563 | 2,173,393 13.4% | \$37,178 |
| Leisure and Hospitality | 1,137 14.0% | \$15,538 | 2,661 12.0% | \$16,435 | 23,455 10.7% | \$16,416 | 1,679,941 10.3% | \$16,222 |
| Other Services | 396 4.9% | \$28,041 | 784 3.5% | \$27,362 | 5,279 2.4% | \$25,656 | 396,588 2.4% | \$26,461 |
| Unclassified | 0 0.0% | na | 0 0.0% | na | 0 0.0% | na | 5,499 0.0% | \$31,269 |
| Subtotal: Services Related | 4,653 57.2% | \$25,724 | 12,143 54.7% | \$28,212 | 105,744 48.4% | \$29,960 | 9,110,762 56.0% | \$32,869 |
| Total Private | 5,836 71.8% | \$31,257 | 14,894 67.1% | \$30,794 | 162,925 74.6% | \$33,124 | 12,873,155 79.2% | \$37,468 |
| Government | | | | | | | | |
| Federal Government | 168 2.1% | \$62,476 | 442 2.0% | \$64,488 | 4,531 2.1% | \$61,735 | 263,503 1.6% | \$62,073 |
| State Government | 256 3.1% | \$49,434 | 1,053 4.7% | \$48,837 | 8,061 3.7% | \$51,143 | 583,677 3.6% | \$44,405 |
| Local Government | 1,871 23.0% | \$48,650 | 5,795 26.1% | \$47,331 | 42,837 19.6% | \$44,976 | 2,277,522 14.0% | \$36,017 |
| Total Government | 2,295 28.2% | \$49,750 | 7,290 32.9% | \$48,589 | 55,429 25.4% | \$47,243 | 3,124,702 19.2% | \$39,781 |
| TOTAL | 8,131 100.0% | \$36,477 | 22,184 100.0% | \$36,642 | 218,354 100.0% | \$37,217 | 16,261,462 100.0% | \$37,971 |

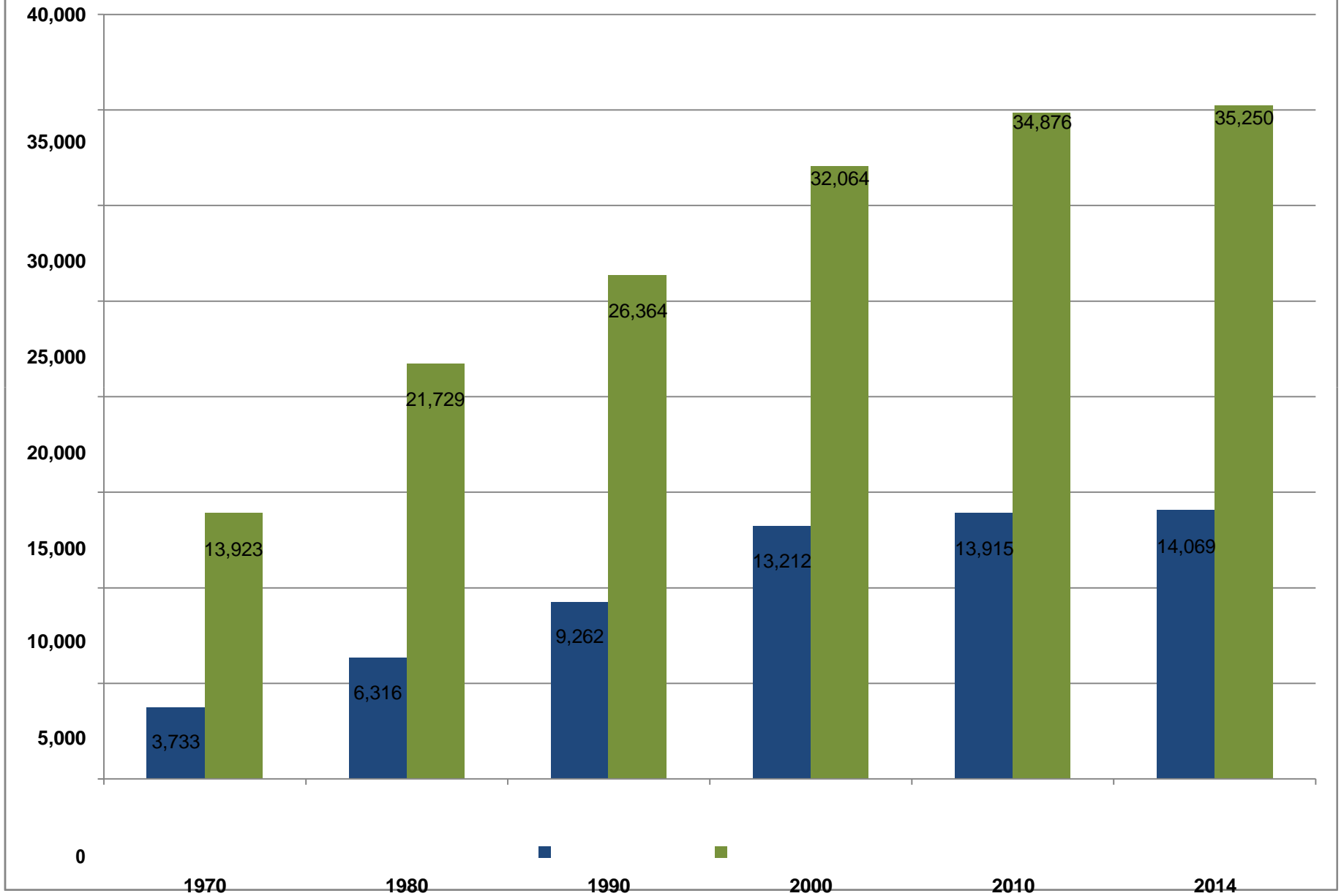
Population (1970 - 2014)



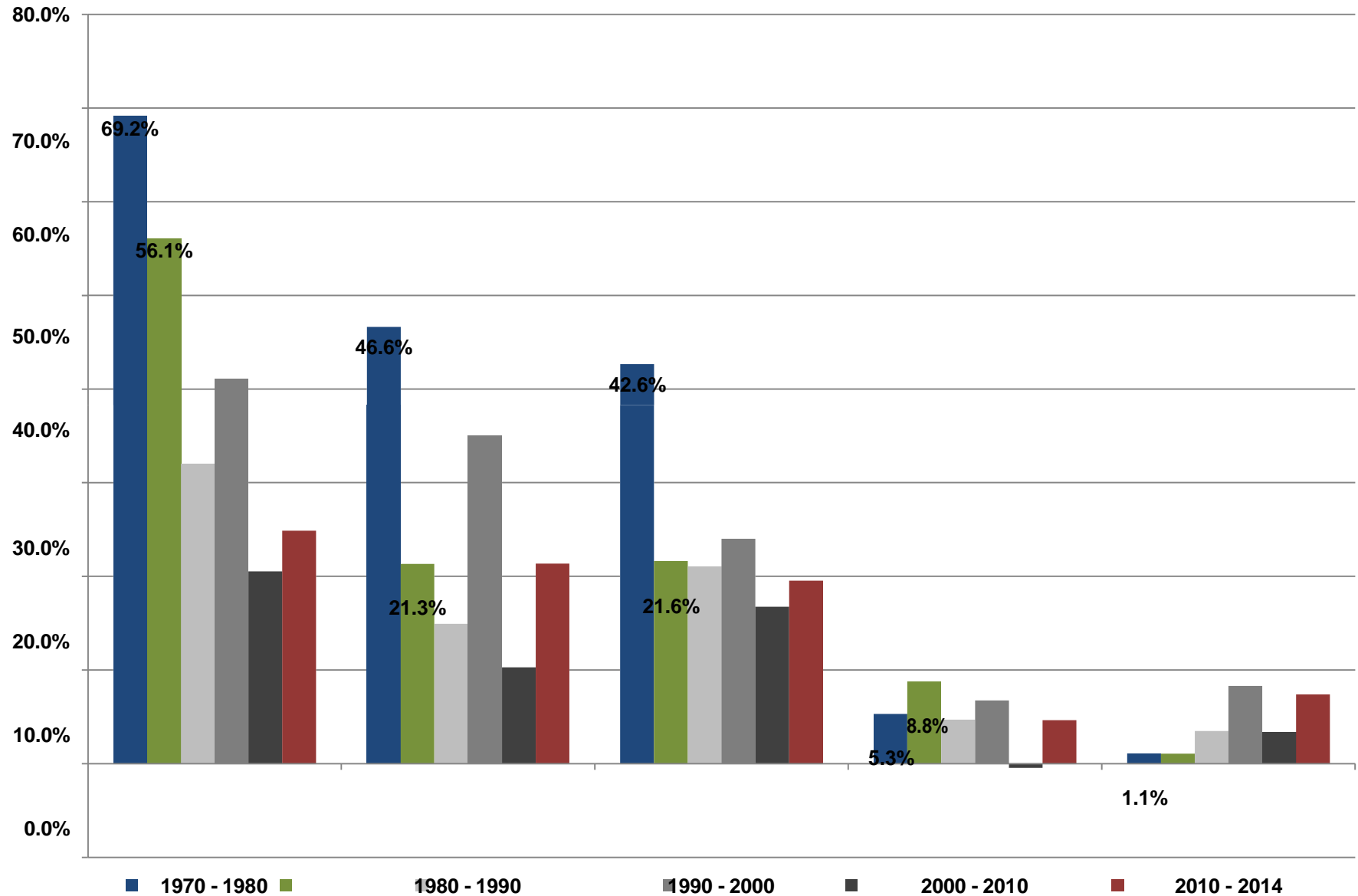
Population Growth Rate (1970 - 2014)



Employment (Full & Part-Time Jobs)



Jobs Growth Rate (1970 - 2014)



-10.0%

Jefferson

Clallam

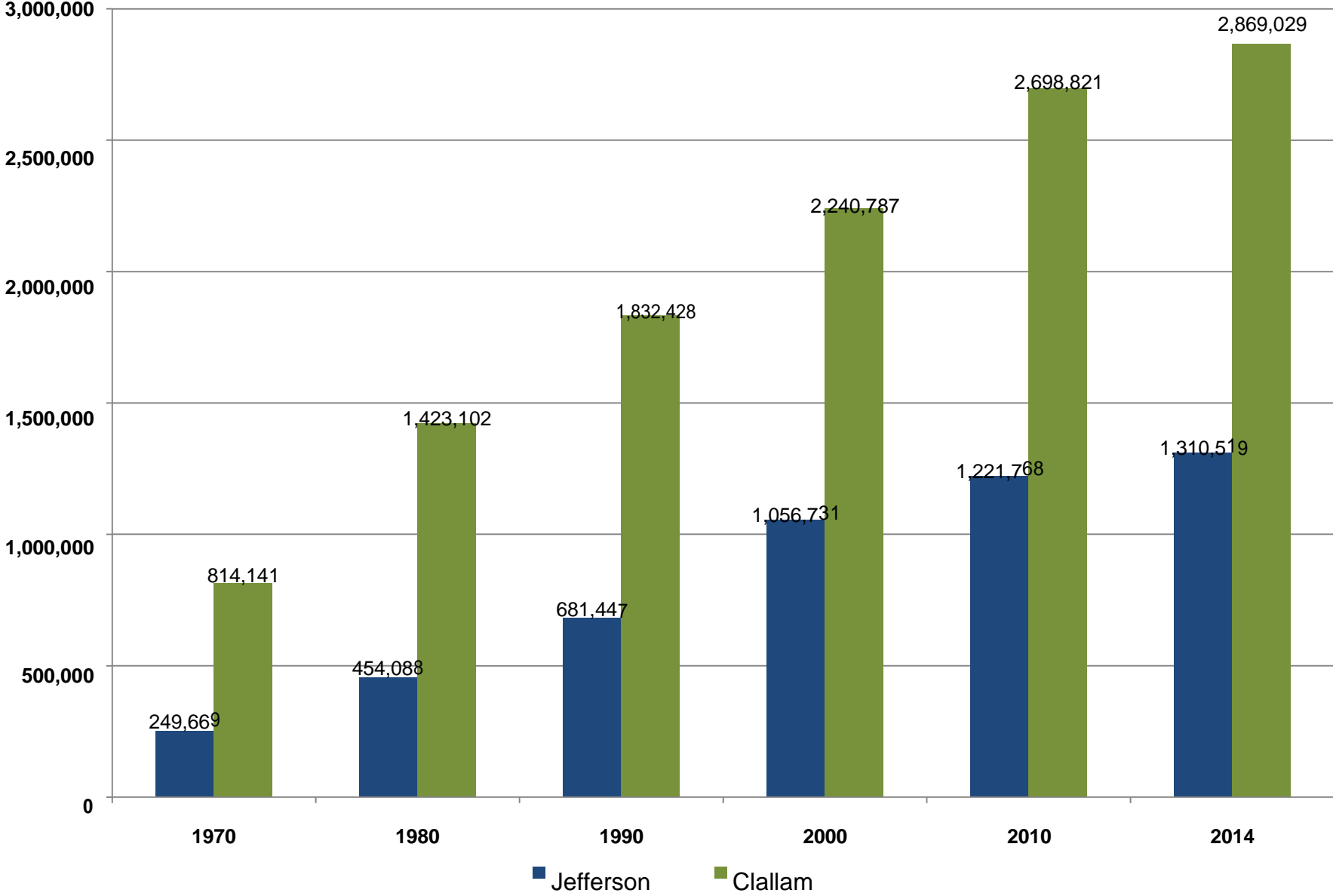
Rural Washington

Washington

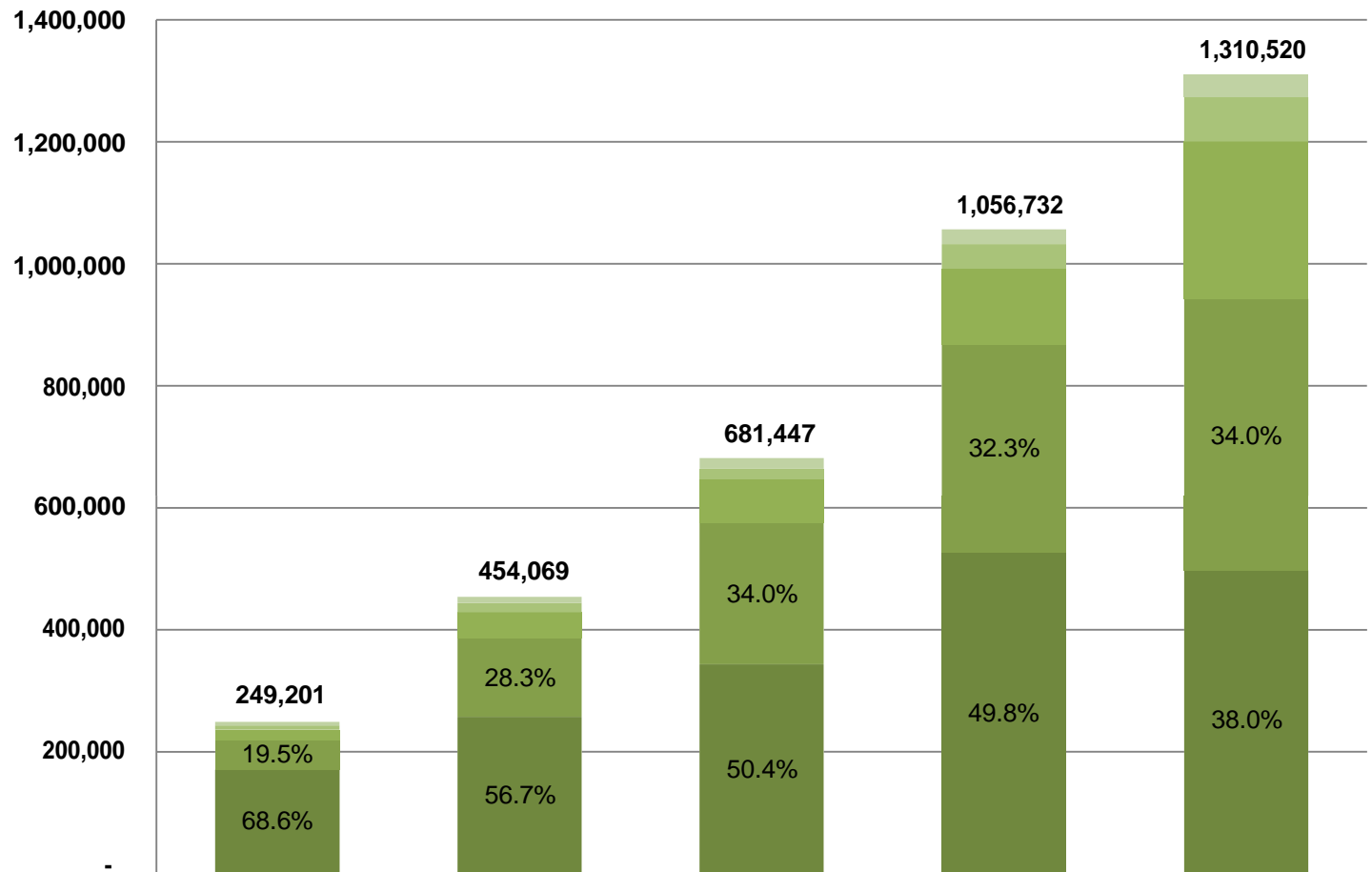
Rural United States

United States

Total Personal Income (in thousands)

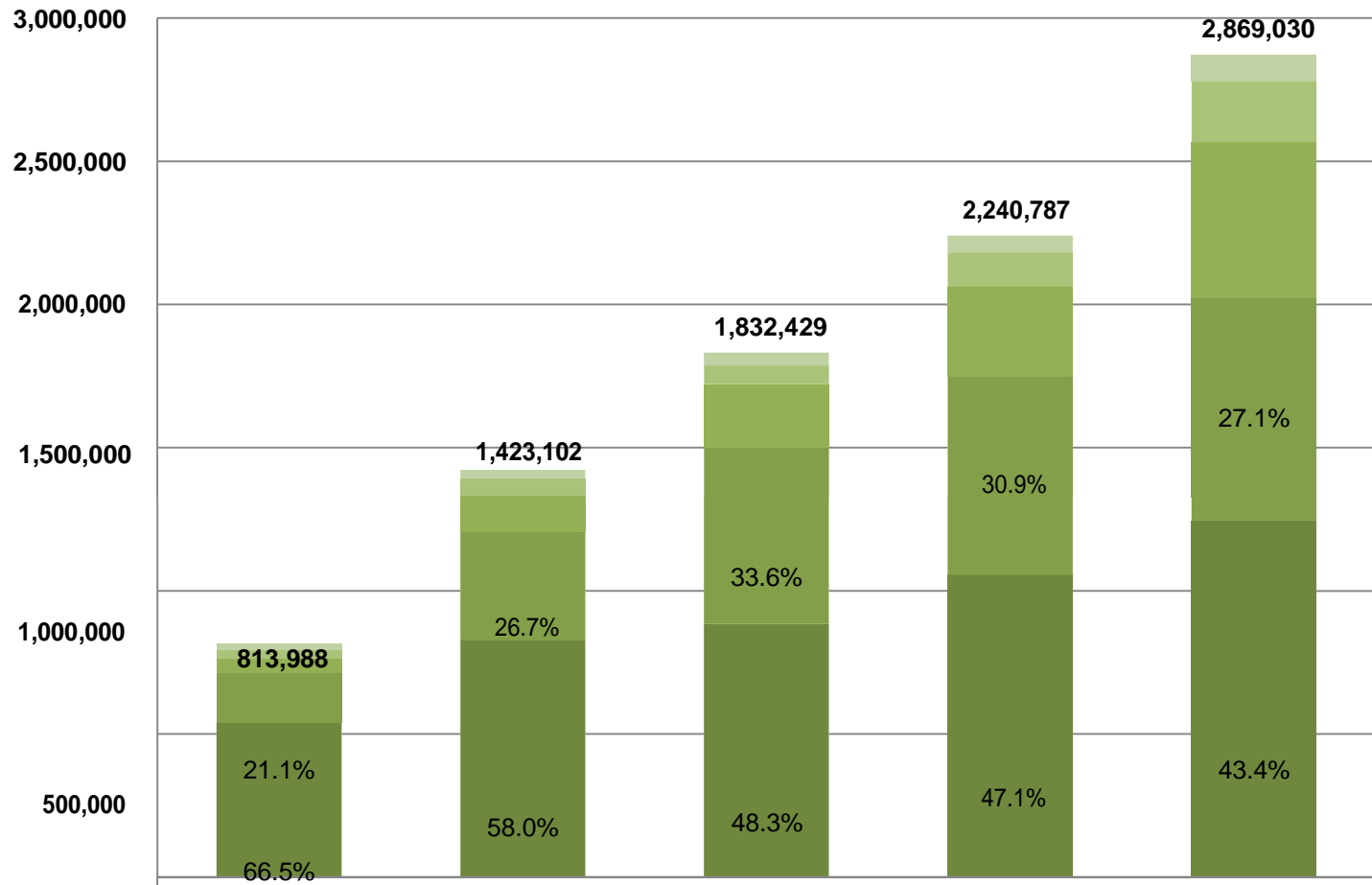


Jefferson Personal Income (in thousands)



| | 1970 | 1980 | 1990 | 2000 | 2014 |
|------------------------------------|---------|---------|---------|-----------|-----------|
| Total Personal Income | 249,201 | 454,069 | 681,447 | 1,056,732 | 1,310,520 |
| Other Transfer Payments | 6,267 | 9,874 | 17,240 | 23,947 | 36,775 |
| Hardship-Related Transfer Payments | 6,682 | 15,691 | 16,725 | 40,705 | 73,163 |
| Age-Related Transfer Payments | 16,543 | 42,767 | 72,511 | 123,693 | 258,137 |
| Dividends, Interest, and Rent | 48,639 | 128,280 | 231,457 | 341,683 | 445,026 |
| Labor Earnings | 171,070 | 257,457 | 343,514 | 526,704 | 497,419 |

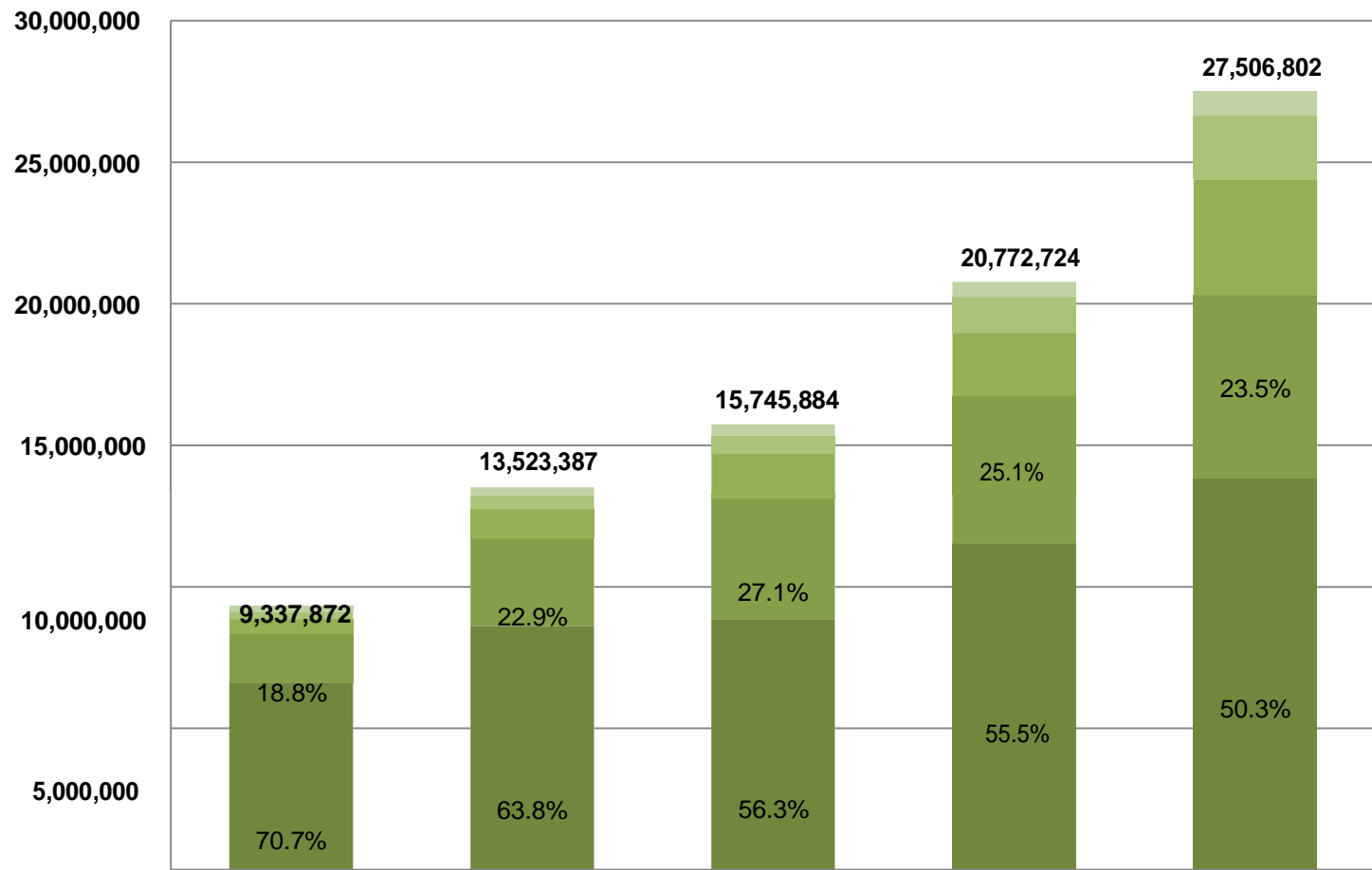
Clallam Personal Income (in thousands)



| | 1970 | 1980 | 1990 | 2000 | 2014 |
|------------------------------------|---------|-----------|-----------|-----------|-----------|
| Total Personal Income | 813,988 | 1,423,102 | 1,832,429 | 2,240,787 | 2,869,030 |
| Other Transfer Payments | 19,966 | 30,142 | 44,666 | 58,777 | 90,361 |
| Hardship-Related Transfer Payments | 28,502 | 39,154 | 66,545 | 120,915 | 212,071 |
| Age-Related Transfer Payments | 52,544 | 128,133 | 221,021 | 313,014 | 544,264 |
| Dividends, Interest, and Rent | 541,241 | 825,713 | 884,164 | 1,055,217 | 1,244,924 |

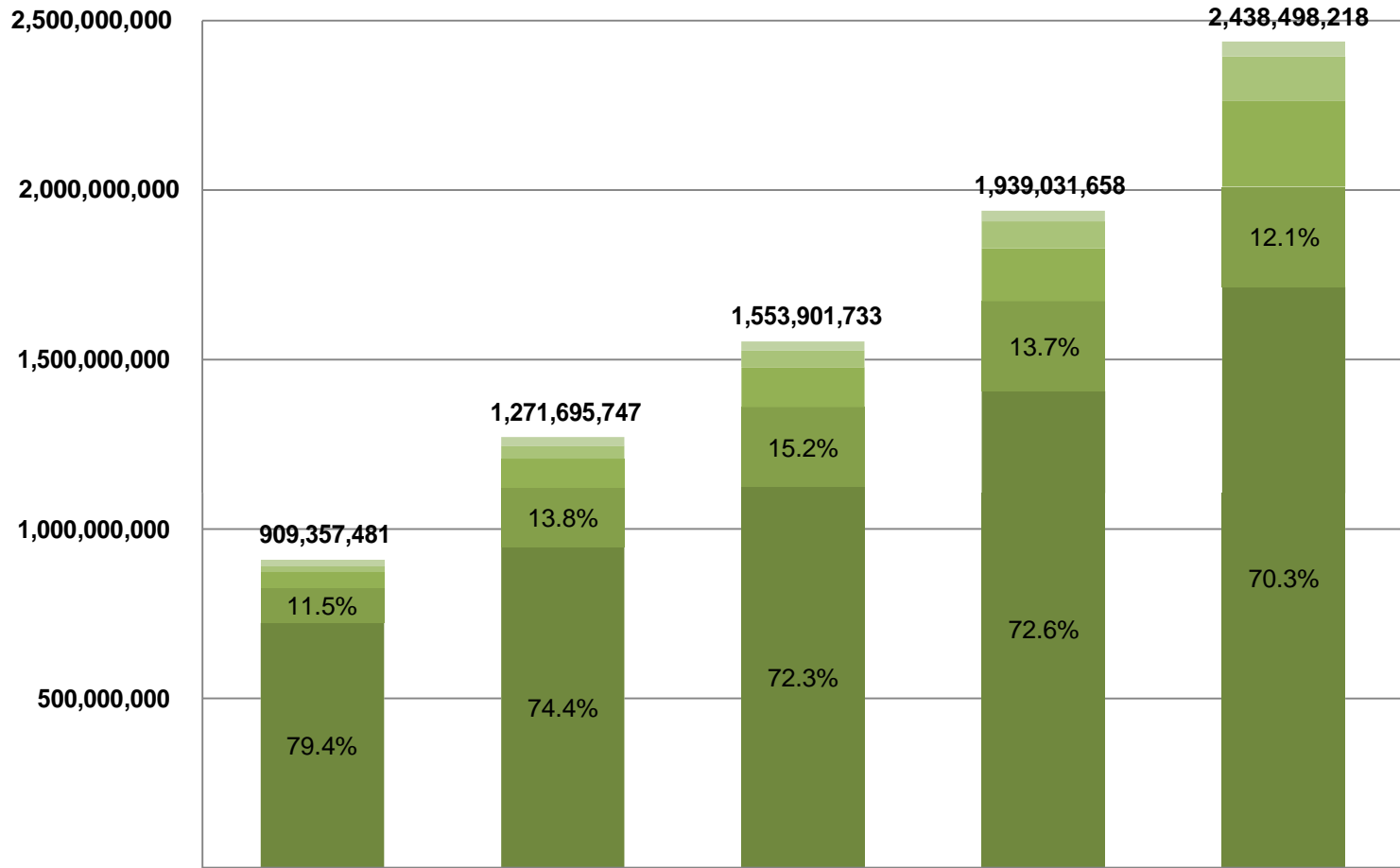
Labor Earnings

WA Rural Personal Income (in thousands)



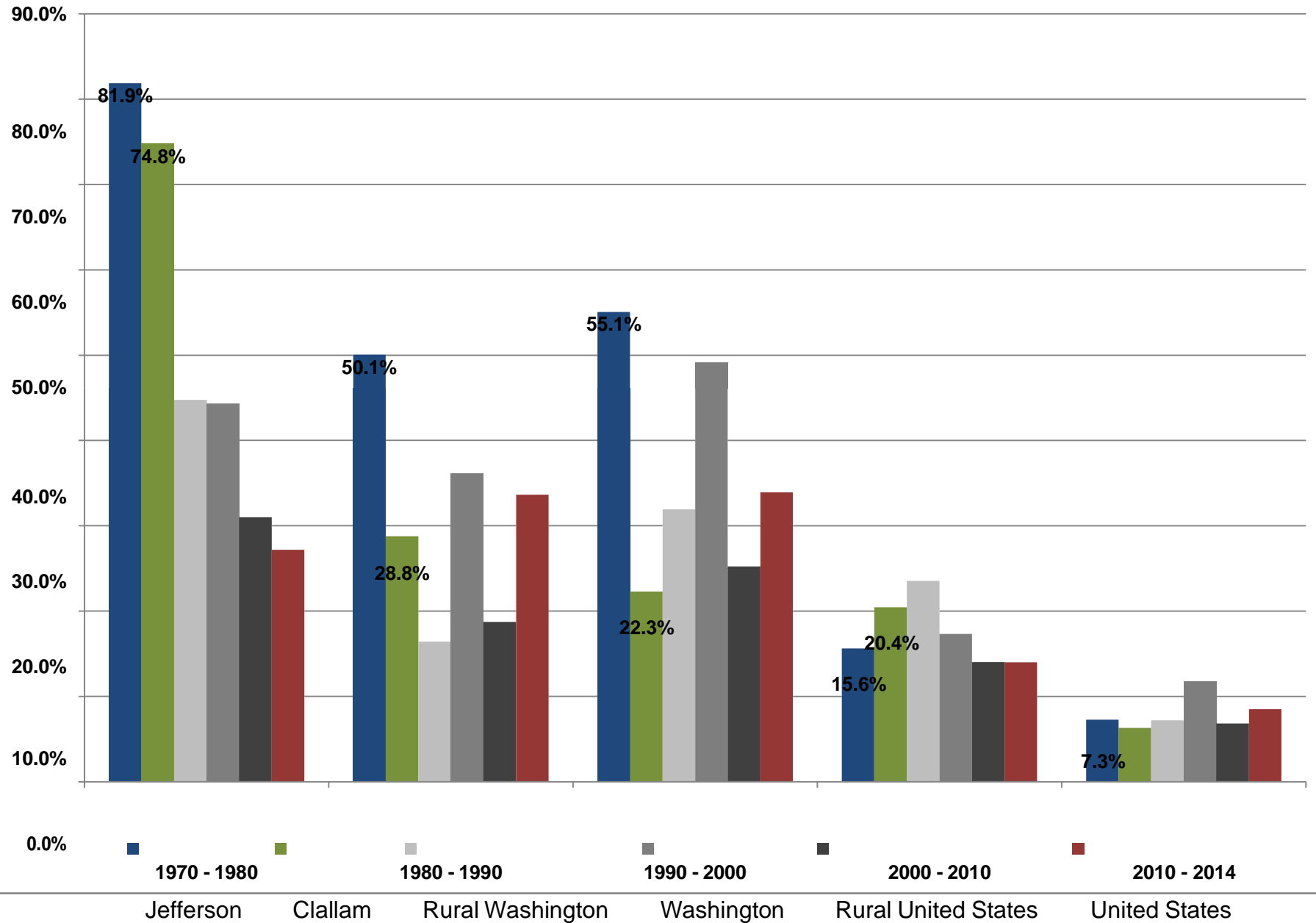
| | 1970 | 1980 | 1990 | 2000 | 2014 |
|------------------------------------|-----------|------------|------------|------------|------------|
| Total Personal Income | 9,337,872 | 13,523,387 | 15,745,884 | 20,772,724 | 27,506,802 |
| Other Transfer Payments | 210,360 | 305,460 | 413,119 | 538,422 | 812,421 |
| Hardship-Related Transfer Payments | 215,993 | 412,002 | 633,485 | 1,253,134 | 2,233,462 |
| Age-Related Transfer Payments | 500,395 | 1,023,501 | 1,571,394 | 2,248,391 | 4,091,211 |
| Dividends, Interest, and Rent | 1,153,251 | 3,093,139 | 4,209,429 | 5,209,314 | 6,411,100 |
| Labor Earnings | 6,597,873 | 8,628,025 | 8,857,797 | 11,523,403 | 13,831,948 |

National Rural Personal Income (in thousands)

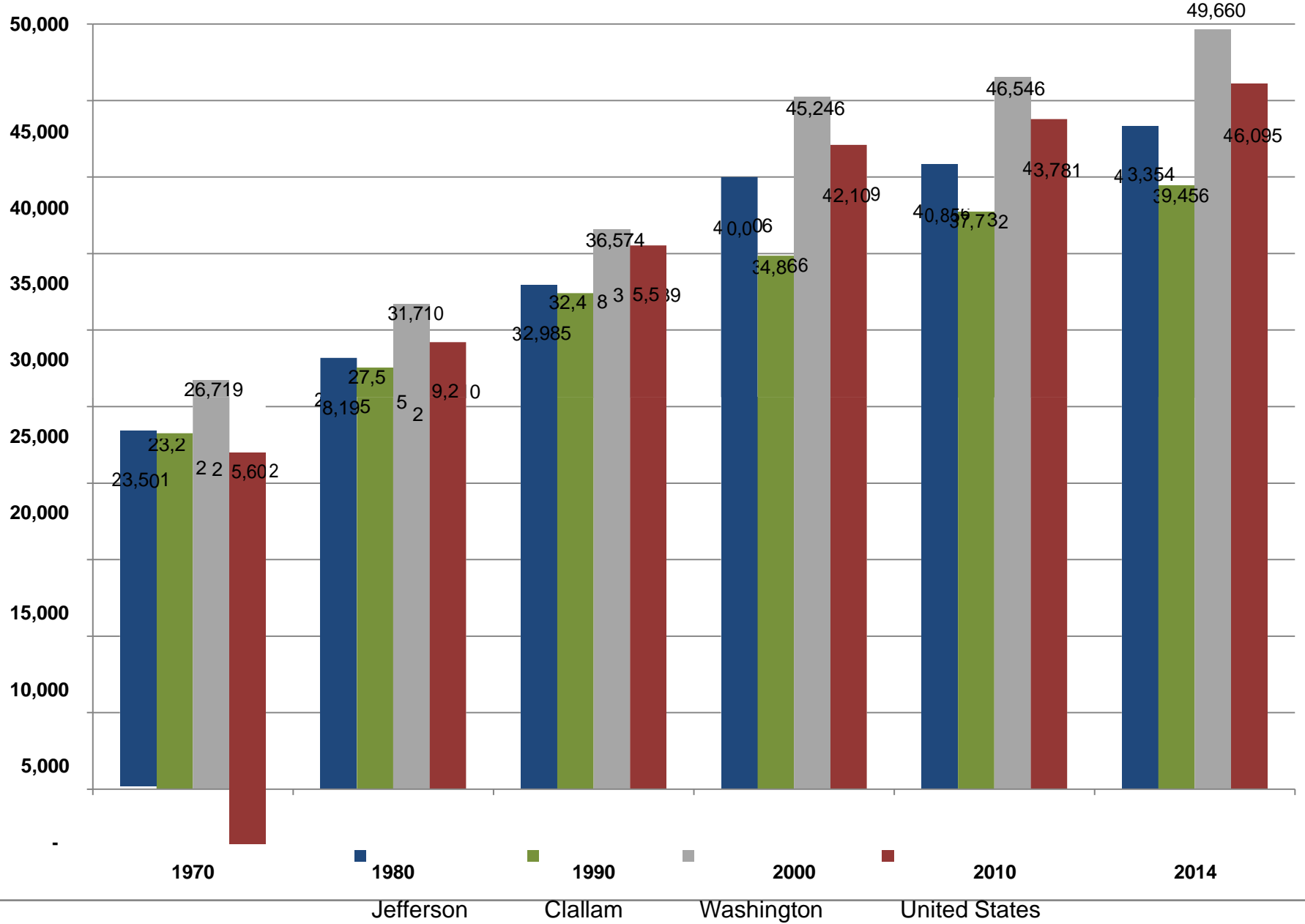


| | 1970 | 1980 | 1990 | 2000 | 2014 |
|------------------------------------|-------------|---------------|---------------|---------------|---------------|
| Total Personal Income | 909,357,481 | 1,271,695,747 | 1,553,901,733 | 1,939,031,658 | 2,438,498,218 |
| Other Transfer Payments | 18,646,773 | 26,356,382 | 26,796,617 | 30,308,892 | 43,528,064 |
| Hardship-Related Transfer Payments | 17,180,082 | 38,403,978 | 49,391,719 | 79,854,213 | 130,741,436 |
| Age-Related Transfer Payments | 40,548,639 | 85,498,220 | 117,955,184 | 156,398,167 | 254,038,817 |
| Dividends, Interest, and Rent | 104,558,763 | 175,061,733 | 235,939,490 | 264,813,412 | 295,666,278 |
| Labor Earnings | 722,417,224 | 946,375,434 | 1,123,818,723 | 1,407,456,974 | 1,714,533,023 |

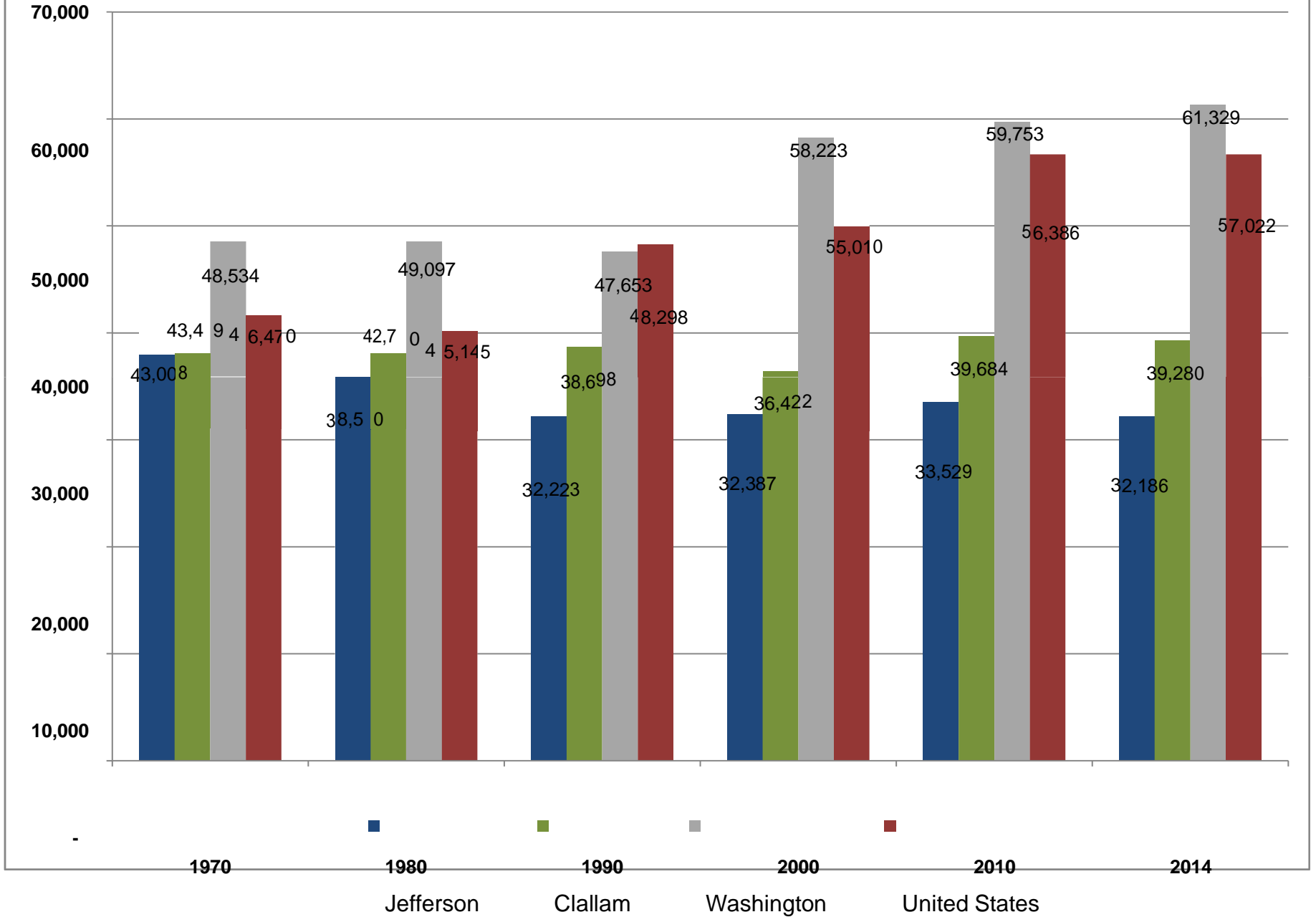
Personal Income Growth Rate (1970 - 2014)



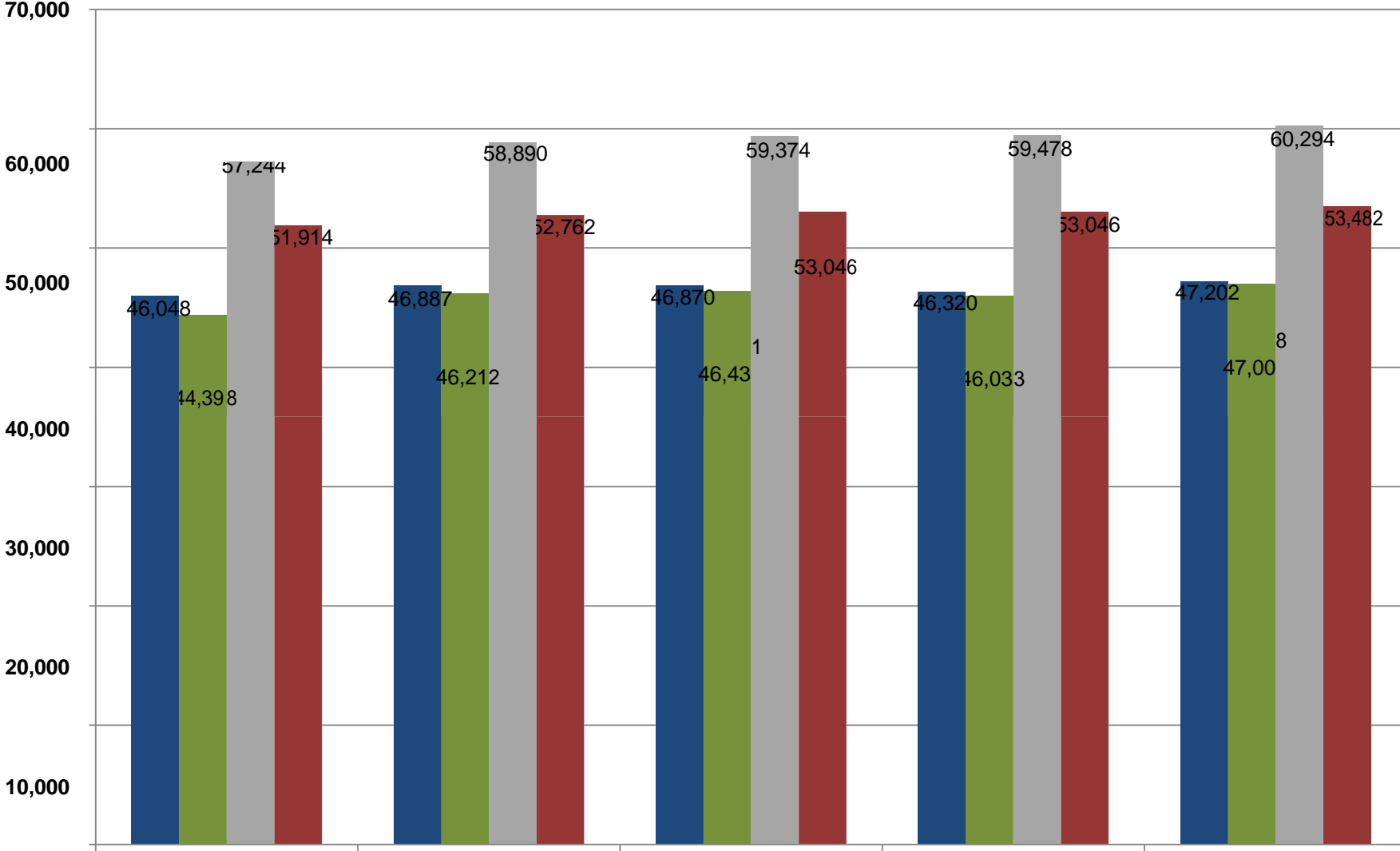
Per Capita Income



Avg. Earnings Per Job (in 2015 \$)



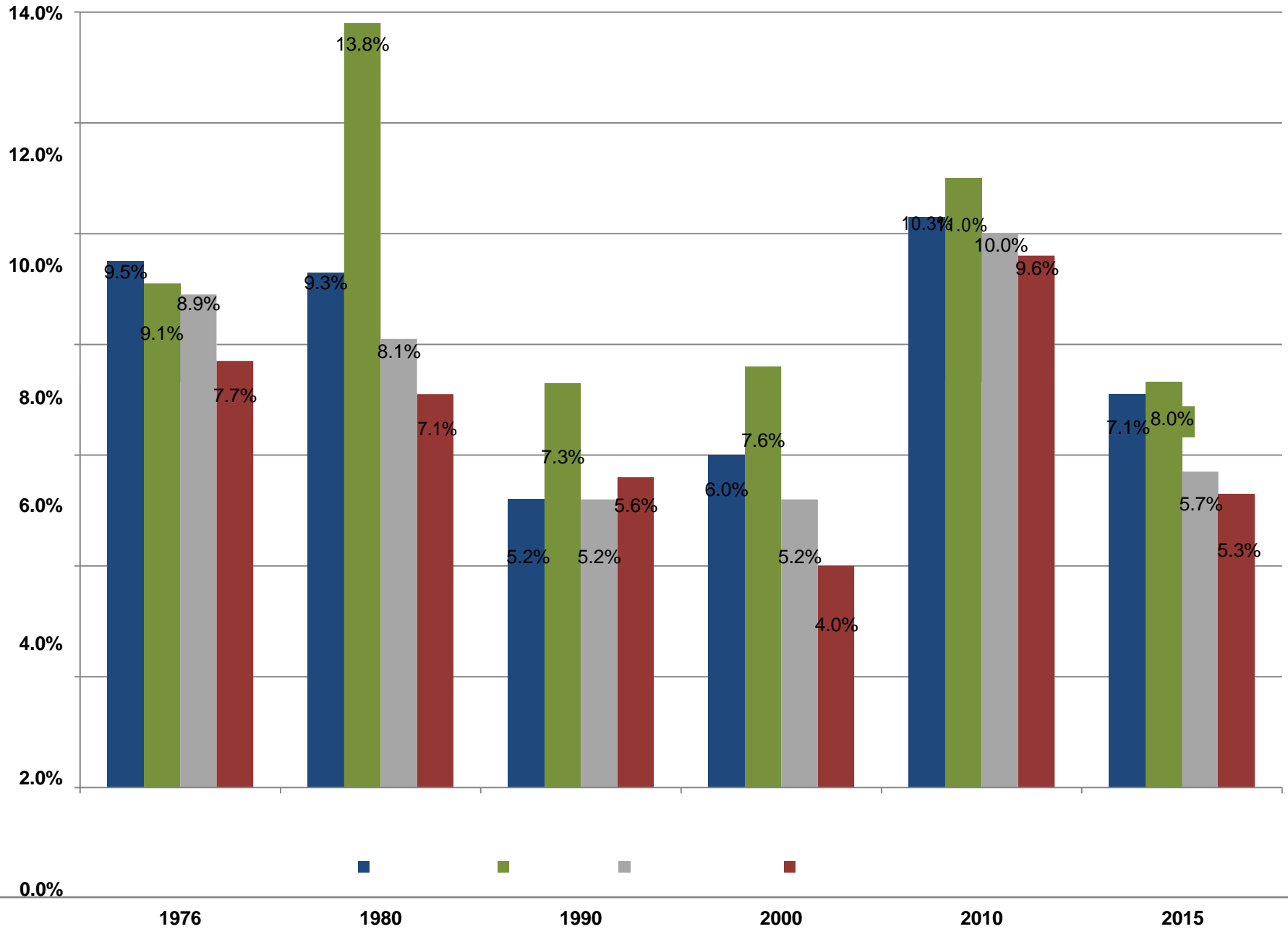
Median Household Income (2010 - 2014)



2010 2011 2012 2013 2014

Jefferson Clallam Washington United States

Unemployment Rate (1976 - 2015)



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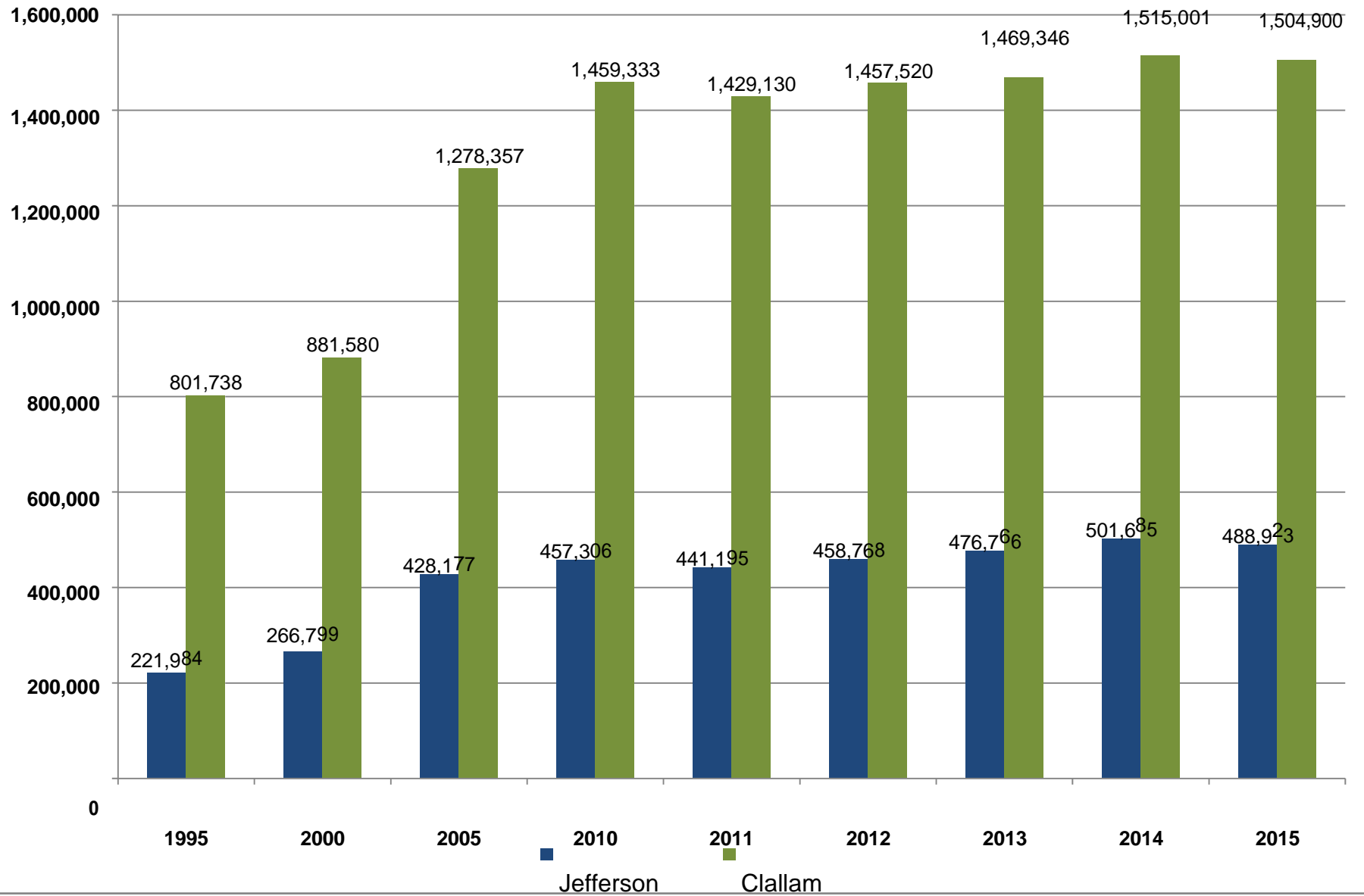
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FDIC Funds On Deposit (in thousands)

Note: Includes only FDIC-insured deposits held at branch of account located within geographic area.

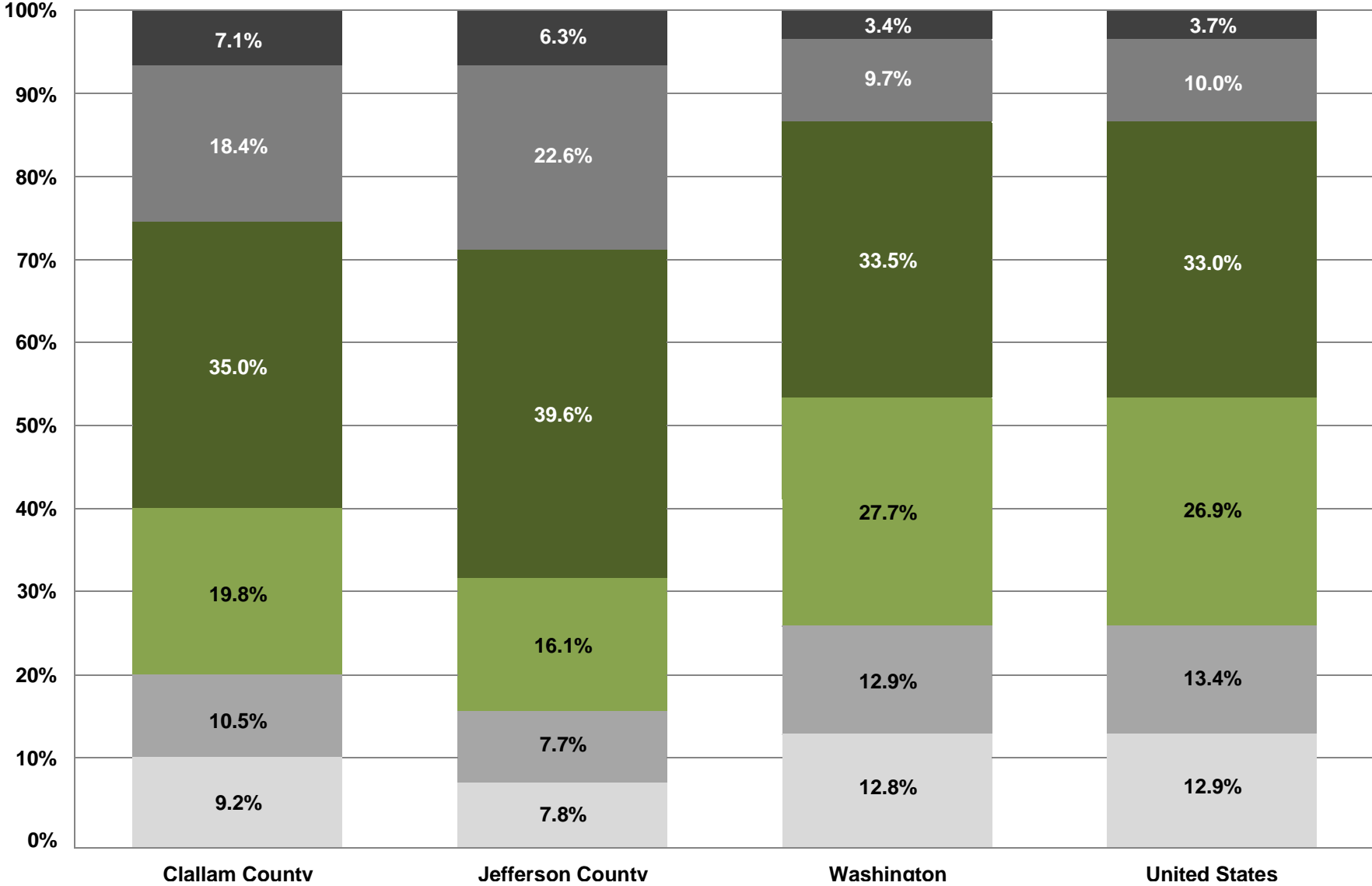


Age & Gender Distribution (2014)

| | Clallam County | Jefferson County | Washington | United States |
|---|----------------------|----------------------|-------------------------|---------------------------|
| Total Population | 72,024 100.0% | 29,978 100.0% | 6,899,123 100.0% | 314,107,084 100.0% |
| Under 10 years | 6,645 9.2% | 2,339 7.8% | 880,473 12.8% | 40,434,066 12.9% |
| 10 to 20 years | 7,589 10.5% | 2,307 7.7% | 889,504 12.9% | 42,209,417 13.4% |
| 20 to 40 years | 14,257 19.8% | 4,812 16.1% | 1,912,404 27.7% | 84,520,088 26.9% |
| 40 to 65 years | 25,173 35.0% | 11,857 39.6% | 2,308,251 33.5% | 103,765,552 33.0% |
| 65 to 80 years | 13,259 18.4% | 6,783 22.6% | 671,945 9.7% | 31,553,545 10.0% |
| 80 years and over | 5,101 7.1% | 1,880 6.3% | 236,546 3.4% | 11,624,416 3.7% |
| Total Female | 36,281 50.4% | 15,086 50.3% | 3,455,615 50.1% | 159,591,925 50.8% |
| Total Male | 35,743 49.6% | 14,892 49.7% | 3,443,508 49.9% | 154,515,159 49.2% |
| Change in Median Age, 2000-2014* | | | | |
| Median Age (2014) | 49.7 | 55.0 | 37.4 | 37.4 |
| Median Age (2000) | 43.8 | 47.1 | 35.3 | 35.3 |
| Median Age % Change | 13.5% | 16.8% | 5.9% | 5.9% |
| Pre-Workforce Age | 14,234 19.8% | 4,646 15.5% | 1,769,977 25.7% | 82,643,483 26.3% |
| Workforce Age | 39,430 54.7% | 16,669 55.6% | 4,220,655 61.2% | 188,285,640 59.9% |
| Retiree Age | 18,360 25.5% | 8,663 28.9% | 908,491 13.2% | 43,177,961 13.7% |

Distribution of Population Ages (2014)

Under 10 years
 10 to 20 years
 20 to 40 years
 40 to 65 years
 65 to 80 years
 80 years and over



Clallam County Age Distribution Trends (2009 - 2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % Change |
|--------------------------|--------|--------|--------|--------|--------|--------|----------|
| Total Population | 70,208 | 70,638 | 71,077 | 74,411 | 71,731 | 72,024 | 2.59% |
| Under 5 years | 4.6% | 4.6% | 4.5% | 4.6% | 4.6% | 4.7% | 2.17% |
| 5 to 9 years | 4.8% | 4.7% | 4.5% | 4.5% | 4.8% | 4.6% | -4.17% |
| 10 to 14 years | 5.9% | 5.6% | 5.6% | 5.4% | 5.2% | 5.2% | -11.86% |
| 15 to 19 years | 6.1% | 5.8% | 5.7% | 5.6% | 5.4% | 5.3% | -13.11% |
| 20 to 24 years | 5.3% | 5.0% | 5.2% | 5.1% | 5.4% | 5.3% | 0.00% |
| 25 to 29 years | 4.7% | 4.9% | 5.0% | 5.1% | 5.2% | 5.2% | 10.64% |
| 30 to 34 years | 4.1% | 4.5% | 4.8% | 5.0% | 5.1% | 5.1% | 24.39% |
| 35 to 39 years | 5.1% | 4.8% | 4.6% | 4.2% | 4.1% | 4.1% | -19.61% |
| 40 to 44 years | 5.3% | 5.6% | 5.3% | 5.5% | 5.5% | 5.5% | 3.77% |
| 45 to 49 years | 7.0% | 6.6% | 6.5% | 6.1% | 5.7% | 5.3% | -24.29% |
| 50 to 54 years | 8.2% | 8.2% | 7.8% | 7.7% | 7.4% | 7.1% | -13.41% |
| 55 to 59 years | 8.5% | 8.7% | 8.9% | 8.8% | 8.4% | 8.2% | -3.53% |
| 60 to 64 years | 7.8% | 7.8% | 7.8% | 8.1% | 8.6% | 8.7% | 11.54% |
| 65 to 69 years | 6.4% | 6.7% | 7.0% | 7.2% | 7.7% | 8.1% | 26.56% |
| 70 to 74 years | 5.6% | 5.4% | 5.6% | 5.8% | 5.8% | 6.0% | 7.14% |
| 75 to 79 years | 4.2% | 4.1% | 3.9% | 4.1% | 4.2% | 4.4% | 4.76% |
| 80 to 84 years | 3.5% | 3.6% | 3.9% | 3.7% | 3.7% | 3.5% | 0.00% |
| 85 years and over | 3.1% | 3.3% | 3.3% | 3.4% | 3.4% | 3.6% | 16.13% |
| Pre-Workforce Age | 21.4% | 20.7% | 20.3% | 20.1% | 20.0% | 19.8% | -7.48% |
| Workforce Age | 56.0% | 56.1% | 55.9% | 55.6% | 55.4% | 54.5% | -2.68% |
| Retiree Age | 22.8% | 23.1% | 23.7% | 24.2% | 24.8% | 25.6% | 12.28% |
| Median Age | 49.2 | 48.9 | 49.5 | 50.2 | 50.3 | 49.8 | 1.22% |

Jefferson County Age Distribution Trends (2009 - 2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % Change |
|--------------------------|--------|--------|--------|--------|--------|--------|----------|
| Total Population | 29,223 | 29,574 | 29,709 | 29,802 | 29,882 | 29,978 | 2.58% |
| Under 5 years | 3.5% | 3.3% | 3.4% | 3.4% | 3.3% | 3.7% | 5.71% |
| 5 to 9 years | 3.8% | 3.9% | 4.0% | 4.0% | 3.9% | 4.1% | 7.89% |
| 10 to 14 years | 5.4% | 5.2% | 4.6% | 4.5% | 4.4% | 3.9% | -27.78% |
| 15 to 19 years | 5.5% | 4.7% | 4.6% | 4.4% | 4.4% | 3.8% | -30.91% |
| 20 to 24 years | 4.2% | 3.5% | 3.5% | 3.8% | 3.9% | 4.1% | -2.38% |
| 25 to 29 years | 3.5% | 3.8% | 3.6% | 3.9% | 4.0% | 4.1% | 17.14% |
| 30 to 34 years | 3.4% | 3.9% | 3.9% | 4.2% | 4.2% | 4.2% | 23.53% |
| 35 to 39 years | 4.8% | 4.6% | 4.5% | 4.6% | 3.7% | 3.6% | -25.00% |
| 40 to 44 years | 5.4% | 5.5% | 5.6% | 4.8% | 5.2% | 4.9% | -9.26% |
| 45 to 49 years | 7.2% | 7.1% | 6.7% | 6.1% | 6.0% | 5.7% | -20.83% |
| 50 to 54 years | 9.0% | 8.8% | 8.8% | 8.5% | 8.2% | 7.7% | -14.44% |
| 55 to 59 years | 11.6% | 10.9% | 10.8% | 10.4% | 9.9% | 9.7% | -16.38% |
| 60 to 64 years | 9.4% | 10.4% | 10.6% | 11.0% | 11.2% | 11.5% | 22.34% |
| 65 to 69 years | 7.6% | 8.0% | 8.7% | 9.7% | 10.2% | 10.5% | 38.16% |
| 70 to 74 years | 5.9% | 6.2% | 6.3% | 6.5% | 6.8% | 7.4% | 25.42% |
| 75 to 79 years | 3.9% | 3.8% | 3.8% | 3.6% | 4.2% | 4.7% | 20.51% |
| 80 to 84 years | 3.5% | 3.4% | 3.4% | 3.1% | 2.9% | 2.8% | -20.00% |
| 85 years and over | 2.6% | 2.8% | 3.1% | 3.7% | 3.7% | 3.5% | 34.62% |
| Pre-Workforce Age | 18.2% | 17.1% | 16.6% | 16.3% | 16.0% | 15.5% | -14.84% |
| Workforce Age | 58.5% | 58.5% | 58.0% | 57.3% | 56.3% | 55.5% | -5.13% |
| Retiree Age | 23.5% | 24.2% | 25.3% | 26.6% | 27.8% | 28.9% | 22.98% |

Washington State Age Distribution Trends (2009 - 2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % Change |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Total Population | 6,664,195 | 6,744,496 | 6,830,038 | 6,897,012 | 6,971,406 | 7,061,530 | 5.96% |
| Under 5 years | 6.8% | 6.5% | 6.4% | 6.4% | 6.3% | 6.3% | -7.35% |
| 5 to 9 years | 6.4% | 6.5% | 6.3% | 6.2% | 6.4% | 6.4% | 0.00% |
| 10 to 14 years | 6.4% | 6.5% | 6.5% | 6.5% | 6.4% | 6.3% | -1.56% |
| 15 to 19 years | 6.8% | 6.8% | 6.6% | 6.5% | 6.3% | 6.2% | -8.82% |
| 20 to 24 years | 6.9% | 7.0% | 7.1% | 7.0% | 7.1% | 7.0% | 1.45% |
| 25 to 29 years | 7.5% | 7.1% | 7.1% | 7.1% | 7.1% | 7.2% | -4.00% |
| 30 to 34 years | 6.7% | 6.8% | 6.9% | 7.0% | 7.1% | 7.2% | 7.46% |
| 35 to 39 years | 6.8% | 6.7% | 6.5% | 6.5% | 6.4% | 6.6% | -2.94% |
| 40 to 44 years | 6.9% | 6.8% | 6.9% | 6.8% | 6.7% | 6.5% | -5.80% |
| 45 to 49 years | 7.4% | 7.2% | 7.0% | 6.8% | 6.5% | 6.4% | -13.51% |
| 50 to 54 years | 7.4% | 7.4% | 7.3% | 7.3% | 7.0% | 7.0% | -5.41% |
| 55 to 59 years | 6.6% | 6.7% | 6.7% | 6.7% | 6.8% | 6.8% | 3.03% |
| 60 to 64 years | 5.4% | 5.8% | 6.1% | 6.1% | 6.1% | 6.1% | 12.96% |
| 65 to 69 years | 3.8% | 4.0% | 4.2% | 4.5% | 4.7% | 5.0% | 31.58% |
| 70 to 74 years | 2.8% | 2.8% | 2.9% | 3.1% | 3.3% | 3.4% | 21.43% |
| 75 to 79 years | 2.2% | 2.1% | 2.1% | 2.1% | 2.2% | 2.2% | 0.00% |
| 80 to 84 years | 1.7% | 1.6% | 1.6% | 1.7% | 1.7% | 1.6% | -5.88% |
| 85 years and over | 1.7% | 1.8% | 1.8% | 1.7% | 1.8% | 1.8% | 5.88% |
| Pre-Workforce Age | 26.4% | 26.3% | 25.8% | 25.6% | 25.4% | 25.2% | -4.55% |
| Workforce Age | 61.6% | 61.5% | 61.6% | 61.3% | 60.8% | 60.8% | -1.30% |
| Retiree Age | 12.2% | 12.3% | 12.6% | 13.1% | 13.7% | 14.0% | 14.75% |
| Median Age | 36.9 | 37.2 | 37.3 | 37.5 | 37.4 | 37.5 | 1.63% |

United States Age Distribution Trends (2009 - 2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | % Change |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| Total Population | 301,461,533 | 303,965,272 | 306,603,772 | 309,138,711 | 311,536,594 | 314,107,084 | 4.19% |
| Under 5 years | 6.9% | 6.6% | 6.6% | 6.5% | 6.4% | 6.4% | -7.25% |
| 5 to 9 years | 6.6% | 6.6% | 6.6% | 6.6% | 6.6% | 6.5% | -1.52% |
| 10 to 14 years | 6.8% | 6.8% | 6.7% | 6.7% | 6.6% | 6.6% | -2.94% |
| 15 to 19 years | 7.1% | 7.3% | 7.2% | 7.1% | 7.0% | 6.8% | -4.23% |
| 20 to 24 years | 7.0% | 7.0% | 7.0% | 7.0% | 7.1% | 7.1% | 1.43% |
| 25 to 29 years | 6.9% | 6.8% | 6.8% | 6.8% | 6.8% | 6.8% | -1.45% |
| 30 to 34 years | 6.5% | 6.4% | 6.4% | 6.5% | 6.6% | 6.6% | 1.54% |
| 35 to 39 years | 6.9% | 6.8% | 6.6% | 6.5% | 6.4% | 6.3% | -8.70% |
| 40 to 44 years | 7.3% | 7.1% | 7.0% | 6.8% | 6.7% | 6.7% | -8.22% |
| 45 to 49 years | 7.5% | 7.5% | 7.4% | 7.3% | 7.1% | 6.9% | -8.00% |
| 50 to 54 years | 6.9% | 7.1% | 7.2% | 7.2% | 7.2% | 7.2% | 4.35% |
| 55 to 59 years | 6.0% | 6.2% | 6.3% | 6.4% | 6.5% | 6.6% | 10.00% |
| 60 to 64 years | 4.8% | 5.1% | 5.3% | 5.5% | 5.6% | 5.7% | 18.75% |
| 65 to 69 years | 3.6% | 3.8% | 3.9% | 4.1% | 4.2% | 4.4% | 22.22% |
| 70 to 74 years | 2.9% | 3.0% | 3.0% | 3.1% | 3.1% | 3.2% | 10.34% |
| 75 to 79 years | 2.5% | 2.4% | 2.4% | 2.4% | 2.4% | 2.4% | -4.00% |
| 80 to 84 years | 1.9% | 1.9% | 1.9% | 1.9% | 1.9% | 1.8% | -5.26% |
| 85 years and over | 1.7% | 1.7% | 1.7% | 1.8% | 1.8% | 1.9% | 11.76% |
| Pre-Workforce Age | 27.4% | 27.3% | 27.1% | 26.9% | 26.6% | 26.3% | -4.01% |
| Workforce Age | 59.8% | 60.0% | 60.0% | 60.0% | 60.0% | 54.2% | -9.36% |
| Retiree Age | 12.6% | 12.8% | 12.9% | 13.3% | 13.4% | 13.7% | 8.73% |

| YEAR ADDED | PROJECT NAME | PROJECT DESCRIPTION | PROPOSING ORGANIZATION | TOTAL FUNDING NEEDED | TYPE OF PROJECT | CURRENT STATUS |
|------------|--|---|---------------------------|----------------------|--|--|
| 2016 | Childrens House of Learning | New building to house early learning center | Lower Elwha Klallam Tribe | \$5,500,000.00 | Construction | Ground broken in May 2019, under construction |
| 2016 | Natural Resources building | New building to get all natural resources staff under one roof. | Lower Elwha Klallam Tribe | \$2,200,000.00 | Planning, design, engineering, construction | capital campaign |
| 2017 | Downtown Port Angeles hotel | 100 room hotel by the ferry dock | Lower Elwha Klallam Tribe | \$25,000,000 | Planning, design, engineering, construction | Demolition completed, construction beginning. |
| 2017 | Performing Arts Center | Indian-themed entertainment enterprise | Lower Elwha Klallam Tribe | \$2,500,000.00 | Planning, design, engineering, construction | Partnership agreement 2018 |
| 2016 | Marine Trades Industrial Park | Site development including utility and stormwater infrastructure, site preparation and building construction to support ship building and repair at 18 acre waterfront industrial property. Property acquisition to provide new supply and support services to maximize water dependent uses. | Port of Port Angeles | \$11,000,000 | Planning, engineering, design, construction. | Completed site wide master plan and economic analysis for development. Completed Boat Wash Down Facility in 2018. Currently working with prospective tenants to scope next phase of development. |
| 2016 | Manufcaturing Facility | Construction of 25,000 s.f. building at a prepared site. Facility is likely needed for expansion of the Composite Recycling Technology Center or spin-off/new composites manufacturing company. | Port of Port Angeles | \$7,750,000 | Planning, engineering, design, construction. | Site improvements are completed and ready for construction of a 25,000 s.f. building. |
| 2017 | Boat Lift Pier | New Pier structure to allow lifting 1,300 Metric Ton Vessels at the Marine Trades Industrial Park | Port of Port Angeles | \$7,220,000 | Planning, engineering, design, construction. | Feasibility, tenant discussions |
| 2018 | Log Yard Site & Stormwater Improvement Project | Installation of site improvements and stormwater conveyance and treatment infrastructure to allow for continuation of current log handling operations. | Port of Port Angeles | \$15,000,000 | Planning, engineering, design, construction. | Design/engineering begin summer 2019. Complete construction by the end of 2021. |

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|------|--|---|----------------------|--------------|---|---|
| 2017 | Coffer Dam Rehabilitation | Rehabilitate steel sheet pile coffer dam. | Port of Port Angeles | \$2,400,000 | Planning, engineering, design, construction. | Secured low interest loan through the Community Economic Revitalization Board. Currently in design and with construction scheduled for 2021 |
| 2016 | Barge Facility | Feasibility study will compare transportation costs of barging versus trucking or air. Project anticipates enhancement of existing sheet pile bulkhead to support a barge loading facility. | Port of Port Angeles | \$3,500,000 | Feasibility, planning, engineering, design, construction. | Currently in discussion with multiple customers to define the business case for rehabilitating the Port's existing Terminal 5 pier as a dedicated barging facility. |
| 2016 | Terminal 3 Expansion | Expansion of the Port's main cargo pier to allow larger vessels to call including oil tankers, cruise ships and log vessels. | Port of Port Angeles | \$8,000,000 | Feasibility, planning, engineering, design, construction | Feasibility |
| 2016 | Terminal 7 Redevelopment | Redevelopment of aging timber pier to support vessel berthing and cargo loading. | Port of Port Angeles | \$5,000,000 | Feasibility, planning, engineering, design, construction | Feasibility |
| 2017 | Port Angeles Boat Haven Float/Pile Replacement | Replace west half of the marina's floats and piles | Port of Port Angeles | \$9,800,000 | Feasibility, planning, engineering, design, construction | Floats and piles will need to be replaced within the next 10 years. |
| 2017 | Port Angeles Boat Haven Breakwater Replace | Replace aging timber pile breakwater | Port of Port Angeles | \$2,060,000 | Feasibility, planning, engineering, design, construction | Timber piles will need to be replaced within the next 10 years. |
| 2017 | John Wayne Marina Float / Pile Replacement | Replace all of the marina's floats and piles | Port of Port Angeles | \$14,410,000 | Feasibility, planning, engineering, design, construction | Facility Assessment recently completed. Floats and piles will need to be replaced within the next 15 years. |
| 2017 | Advanced Wood Products Manufacturing Feasibility and Business Plan | Advanced Wood Products Manufacturing Feasibility and Business Plan | Port of Port Angeles | \$250,000 | Assessment, feasibility, business plan | Port was awarded CERB Planning grant to assess the feasibility of Thermal Wood Treatment Manufacturing facility being located on the Olympic Peninsula. |

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| 2016 | Guy Cole Convention Center Renovation | Redevelop an existing City of Sequim mini-convention center into an updated and refreshed community center that will cater to a variety of users and programs. | City of Sequim | \$450,000 | Architecture, Engineering, Construction | We are currently renovating Phase 1 of the building. Phase 3 of building renovation (breakout meeting room) to begin late 2019 |
| 2016 | Simdars & US 101 Interchange and frontage road | The project provides a westbound on-ramp and an eastbound off-ramp to US 101 at Simdars Road to serve eastside commercial and industrial development, and a frontage road connecting to Happy Valley and Palo alto roads. | City of Sequim | \$26,400,000 | Preliminary Engineering, Construction | A need for this project has been identified locally and regionally and the project exist within Sequim's transportation improvement plan. \$1.29 million appropriated for WSDOT to begin design. Sequim, Jamestown Tribe, and Clallam County working with legislature for additional funding. |
| 2016 | City-wide Park Improvements | Design and Develop Sequim Parks to be compatible with the City's Parks and Recreation Master Plan. | City of Sequim | \$5,000,000 | Planning, Feasibility, Construction | The City's Parks and Recreation Master Plan has been adopted and is being implemented with available funding. |
| 2017 | Sequim Economic Opportunity Areas & HTLI | The city has 186 acres of undeveloped or underutilized land well-located to add to the community's economic base and increase employment opportunities. Economic Opportunity Areas are designated on the Land Use Plan map that rely on subarea planning / master-planning processes to direct the range of land uses, guide site and building designs, ensure effective transitions to adjacent districts, and set out the program of capital improvements to serve the site. Subarea planning is initiated when there is an opportunity to work with a major landowner / project proponent to pursue a large development that fits the setting and contributes to the economic base. | City of Sequim | \$15,000,000 | Planning, Feasibility, Design, Construction | The City has developed a method through the Comprehensive Plan to promote wealth generating jobs with the City's EOA's and HTLI areas. |

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|------|---|---|-----------------------|----------------|----------------------------------|---|
| 2019 | Stormwater Diversion Project | Collect stormwater in the county southwest of Sequim and divert to off-channel reservoir property for infiltration. Diversion will prevent flooding of commercial, residential, and public property in the county and city. | City of Sequim | \$1,230,000.00 | Design/Construction | Preparation of FEMA Haz Mit grant application |
| 2019 | John Wayne Marina | Transfer of ownership and management responsibilities to the City for incorporation into City's economic framework | City of Sequim | undetermined | Operations, economic development | City preparing response to Port's RFI |
| 2016 | Point Hudson Historic Preservation Plan (Formerly called "Point Hudson Development Strategy") | A community planning effort to result in a Master Plan for the Port's Point Hudson Properties | Port of Port Townsend | \$70,000.00 | Planning | Scoping |
| 2016 | Jefferson County International Airport Business Park | Business Park Development on airport lands | Port of Port Townsend | \$50,000.00 | Planning and feasibility | Scoping |
| 2016 | Point Hudson Jetty South | comprehensive rehabilitation of existing structure | Port of Port Townsend | \$5,000,000.00 | Design/permitting/construction | Project is being Re-engineered & permitted; timeframe uncertain |
| 2016 | Point Hudson Jetty North | comprehensive rehabilitation of existing structure | Port of Port Townsend | \$3,235,000.00 | Construction | Scoping (prior engineered/ permitted design has been tabled) |
| 2016 | Point Hudson Building / Streets R&R | 12 separate projects to renew key building elements for these historic structures | Port of Port Townsend | \$1,650,839.00 | Design and Construction | Various |
| 2016 | Boat Haven Projects | 21 Projects for the Boat Haven (does not include Boat Yard) | Port of Port Townsend | \$3,432,213.00 | Design and Construction | Various |
| 2016 | Boat Yard Stormwater Improvements | New stormwater management and treatment system | Port of Port Townsend | \$200,000.00 | Construction | Substantially complete |
| 2016 | Mats Mats Bay - Boat Ramp & Dock Repairs | Renew and rebuild facility | Port of Port Townsend | \$300,000.00 | Design and Construction | Scoping |
| 2016 | Quilcene Marina Repair / Maintenance | 3 projects - bathroom / docks / dredging | Port of Port Townsend | \$846,000.00 | Design | Scoping |
| 2018 | Jefferson County International Airport Runway/Taxiway Rehabilitation | | Port of Port Townsend | \$3,491,589.00 | Construction | Final design/bid docs received October 2019; construction anticipated complete June, 2020 |
| 2018 | Public Bathroom Renovation | | Port of Port Townsend | \$200,000.00 | Design/Construction | Complete |
| 2016 | Cross Laminated Timber (CLT) Training | Develop training specific to CLT manufacturing | Peninsula College | undetermined | Planning, design, feasibility | Exploring options for program development |

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|------|---|---|---|-------------------|---|---|
| 2016 | Shared Allied Health Programs | Identify 3 allied health programs that will be shared among 2 other rural colleges. This project meets an immediate training need without overproducing graduates | Peninsula College | undetermined | Rural training | Seeking parnters and funding sources |
| 2016 | Trades Technology Center | Trades Technology Center is a state-of-the-art public/private training center for welding, carpentry, electrical systems, automotive | Peninsula College | undetermined | Planning, design, construction | Seeking parnters and funding sources |
| 2016 | Marine Trades | Develop training specific to skills need for jobs in the marine trades | Peninsula College | undetermined | Rural training | Exploring options for program development |
| 2016 | Cybersecurity / Big Data | Expanding capacity | Peninsula College | undetermined | Rural training | Exploring options for program development |
| 2018 | Clallam Bay/ Sekiu Sewer Project | Value Planning to analyze cost effective improvments to Clallam Bay-Sekiu WasteWater Treatment Plants | Clallam County | \$100,000.00 | Value Planning | Funding offered for 2019-2021 |
| 2018 | Clallam Bay/ Sekiu Sewer Project | Collection system repair, rehabilitation and replacement projects to address system overflows | Clallam County | \$6, 242,000 | Design and Construction | Funding offered for 2019-23 |
| 2018 | Clallam Bay/ Sekiu Sewer Project | Seven Pump Stations& WasteWater Treatment Plant repair/rehabilitation/replacement | Clallam County | undetermined | Design & construction | Through funded value planning, cost effective improvements for Clallam Bay-Sekiu UGA sewer service will be determined and funding may be pursued. |
| 2019 | Carlsborg Sewer Gupster-Gilbert pressure sewer main extension | Sewer Main extension to Gupster-Gilbert Roads | Clallam County | \$185,000.00 | Planning, design, R/W and const. | Proposed REET funded project |
| 2018 | Carlsborg Sewer service area expansion | Sewer Line Extensions as needed | Clallam County | \$150,000.00 | Planning, design | Seeking funding for 2020- 2023 |
| 2016 | Dungeness Off-channel Reservoir Project | 88 acre reservoir for storage, aquifer recharge, stormwater flooding prevention, County park | Clallam County, Jamestown S' Klallam Tribe, City of Sequim, Dungeness Valley Irrigators, Clallam Conservation District & Washington Water Trust | \$25-\$30 million | Planning, design, construction, and public outreach | Seeking funding for 2020 |

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|------|--|--|---|----------------|---|--|
| 2018 | Carlsborg UGA Water Right and Mitigation | Water right and mitigation to expand PUD water service area for the entire UGA | Clallam County | \$1,500,000 | Design and construction of production well, piping, and mitigation projects | Seeking funding for 2020 |
| 2018 | Aquifer Recharge projects in Dungeness Rule Area | Infiltration Sites for Mitigation for ISF Streams | Dungeness Water Exchange, Clallam Conservation District, Irrigators, Clallam County | \$525,000 | planning, design, and construction | Seeking funding for 2020 |
| 2016 | Stormwater Retrofit Project for Clallam County Fairgrounds | Improve stormwater management at County owned site | Clallam County | \$750,000 | planning, design, and construction | Seeking funding for 2020 |
| 2019 | Dungeness Recreation Area County Park - Phase I Site Improvement | Improve Camp Loops, Group Camp Area, Improve/Add trails, Install Entry Parking Area and Roundabout, Informational Kiosks, Vault Toilet | Clallam County | \$1,200,000 | Construction | Initial planning and Schematic Design complete |
| 2019 | Clallam County Fairgrounds | Construct Multi-Use Arena for a Variety of Off-Season Events from Car Shows, Animal Shows, Dog Shows, etc. | Clallam County | \$2,500,000 | Construction | Initial Schematic Design complete |
| 2019 | Lower Dungeness Floodplain Restoration | Reconnect Dungeness River to 100 acres of its floodplain | Clallam County, Jamestown S'Klallam Tribe, WDFW, WSDOT | \$16,000,000 | Construction | Funding secured |
| 2019 | McDonald Creek Fish Passage Improvement | Update Agnew Irrigation District irrigation outtake facility to improve passage for steelhead, coho, and other fish. | Clallam County, AID | \$500,000 | Construction | Seeking funding for completion. Some funds secured. |
| 2018 | Maker's Square | Rehabilitation of three historic warehouse buildings into a major arts and education complex | Fort Worden Public Development Authority | \$1,440,000 | Construction | In construction - anticipated completion date end of July 2020 |
| 2018 | Fort Worden Glamping Project | Restore aging infrastructure, develop 19 overnight Glamping units/accommodations and community building | Fort Worden Public Development Authority | \$650,000.00 | construction | Infrastructure complete Oct 2019. Glamping units under construction, community building seeking funds. |
| 2018 | NCO Row Redevelopment | Remodel and upgrade 13 duplex overnight accommodations into 26 hotel-style units | Fort Worden Public Development Authority | \$2,800,000.00 | Construction/Rehab | Feasibility study completed |

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|------|---|--|--|----------------|------------------------------|--|
| 2018 | Building 203 Redevelopment | Remodel and upgrade 26 dorm rooms into year-round employee and intern housing | Fort Worden Public Development Authority | \$1,800,000.00 | Design and construction | Feasibility study completed |
| 2017 | Point Wilson Utility Renovation | Repair/replacement of failed sewer and water lines | Fort Worden Public Development Authority | \$450,000.00 | Engineering and Construction | PDA and Lighthouse Society are partnering to restore and operate the property. |
| 2019 | Geothermal Heating District | Installation of a geothermal heating system in support of housing and program buildings centered around the west end Creative District. | Fort Worden Public Development Authority | \$1,300,000 | Engineering and Construction | Major capital project (completion July 2020) has been designed to incorporate geothermal system when funded. |
| 2019 | Creative District Parking | Replace informal parking area with lighted, paved, ADA compliant, parking lot with EV charging stations. This project increases pedestrian safety, addresses storm water runoff, in addition to improving vehicle circulation. | Fort Worden Public Development Authority | \$300,000 | Construction | Design is complete, project is permitted and ready to bid. |
| 2017 | Head Start/Early Head Start/Child Care Center Feasibility Study | Create plans and cost estimate to build a new Jamestown Children's Center which provides afterschool educational and cultural activities for native children on the peninsula | Jamestown S'Klallam Tribe | \$35,000 | Planning and feasibility | Still Seeking funding for study. No grants awarded. |
| 2018 | Science, technology, engineering and math (STEM) community development center | Create plans and cost estimate for a STEM community development center that provides culturally aligned educational instruction for children on the peninsula | Jamestown S'Klallam Tribe | \$ 50,000.00 | Planning and feasibility | Seeking EDA grant funding for study |
| 2018 | Broadband infrastructure creation and enhancement for regional economic development | Create plans and cost estimate for broadband infrastructure projects in underserved areas on the Olympic Peninsula | Jamestown S'Klallam Tribe | \$ 500,000.00 | Planning and feasibility | Seeking EDA funding through the Public Works and Economic Adjustment Assistance grant programs |
| 2017 | Waterfront Development Phase 3 | Revitalization of 4 block area of downtown | City of Port Angeles | \$8,100,100 | Design and Construction | Seeking funding for 2020 |
| 2019 | Zero-Emission Barge & Dock for McKinley Paper | Design and build of a new zero emission barge/cargo vessel and dock facilities for delivery of recycled cardboard raw materials and products. \$20 M for shore infrastructure, design, and build. | City of Port Angeles | \$20,000,000 | Design and Construction | Seeking funding for 2020 |
| 2017 | ODT Marine Drive to 10th Street | Segment of the Olympic Discovery Trail | City of Port Angeles | \$1,200,000 | Design and Construction | Seeking funding for 2020 |

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|------|--|--|----------------------|--------------|---------------------------|---|
| 2017 | Race Street Complete Street Project | Revitalization of Commercial Corridor | City of Port Angeles | \$12,000,000 | Construction | Seeking funding for 2020 |
| 2017 | Highway 101 Alternate Route | Alternate Route to Highway 101 | City of Port Angeles | \$220,000 | Planning and feasibility | Seeking funding for 2020 |
| 2017 | Port Angeles Waterfront Center | Performing Arts Center & Conf Center in PA | City of Port Angeles | \$47,400,000 | Design and Construction | Seeking funding for 2020 |
| 2017 | Feiro Marine Life Center/NOAA Foundation | New facility for FMLC and NOAA NMS Foundation | City of Port Angeles | \$21,000,000 | Design and Construction | Seeking funding for 2020 |
| 2019 | Zero-emission pilot boats for Puget Sound Pilots | Design and build of two new zero emission pilot boats for Puget Sound Pilots through electric and alternative fuels such as hydrogen. \$15 M for shore infrastructure, design, and build. | City of Port Angeles | \$15,000,000 | Design and Construction | Seeking funding for 2020 |
| 2019 | NOAA National Marine Sanctuary zero-emission research vessel | Design and build of the new NOAA National Marine Sanctuary zero-emission research vessel through electric and alternative fuels such as hydrogen. | City of Port Angeles | \$15,000,000 | Design and Construction | Seeking funding for 2020 |
| 2019 | Laurel Street Stairs | Replacement of primary pedestrian transportation route for Port Angeles Central Business District (East) | City of Port Angeles | \$410,000 | Design and Construction | Seeking funding for 2020 |
| 2019 | Zig-Zag Ramp | Bicycle and Pedestrian access to Port Angeles Central Business District (West) | City of Port Angeles | \$500,000 | Design and Construction | Seeking funding for 2020 |
| 2017 | City of Forks Sewer Treatment Facility Upgrade | Upgrading of the current sewer treatment facility to ensure redundancy at the treatment plant while also allowing for potential annexation of properties not part of the current district | City of Forks | \$2,000,000 | Engineering/Construction | USDA loan application |
| 2017 | Port Hadlock Sewer | Construction of a collection, treatment, and wastewater re-use (rapid rate infiltration) system for the Port Hadlock Urban Growth Area (UGA). | Jefferson County | \$20,000,000 | Design/Construction | Received \$1.4M from State for Design in 2020. |
| 2017 | Olympic Discovery Trail - 4 Corners to Discovery Bay | Construction of multi-use Trail Connection from the existing Larry Scott Trail to the SR-20/SR-101 area of Discovery Bay. Includes right of way acquisition and two highway crossing/undercrossing structures. | Jefferson County | \$10,000,000 | Design, R/W, Construction | Right of way acquisition for first 3 miles - Four Corners to Anderson Lake - is underway. |
| 2017 | Snow Creek Road Culvert Replacement MP 0.84 | Replacement of a deteriorating culvert under a deep road fill. | Jefferson County | \$1,500,000 | Design, Construction | Alternatives analysis complete; seeking funding through HMGP from FEMA |
| 2017 | Memorial Field Lighting | Replace failing stadium lighting system at the only lighted athletic fields in Jefferson County | Jefferson County | \$325,000 | Construction | Complete. |
| 2017 | Quilcene Complete Streets | Pedstrian improvements/traffic calming | Jefferson County | \$1,500,000 | Design/Construction | Design/Engineering and Right of Way. |

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| 2018 | HJ Carroll Park to Chimcacum Crossroads Ped/Bike | Pedestrian and bicycle improvements | Jefferson County | \$800,000 | Design/Construction | Seeking funding |
| 2018 | Cedar Avenue Ped/Bike - Safe Routes to School | Pedestrian and bicycle improvements | Jefferson County | \$858,000 | Design/Construction | Funded in 2019 by WSDOT |
| 2018 | Salmon Creek Bridge (W. Uncas Rd.) | Fish Barrier Correction | Jefferson County | \$1,100,000 | Construction | Completed in 2018. |
| 2017 | Port Townsend Community/Recreation Center re-roof/remodel | Structural rebuild of gymnasium roof and modernizing the building to improve functionality. | Jefferson County | \$1,500,000 | design, engineering and construction | Planning/seeking funding |
| 2017 | Brinnon Community Center rehabilitation | Structural rebuild the second story and remodeling of rooms for affordable housing or office space. | Jefferson County | \$750,000 | design, engineering and construction | Planning/seeking funding |
| 2019 | Olympic Gateway Visitor Center | Multi-use/purpose development: Visitor Center, park and ride, convenience store, restrooms, camping, etc. | Jefferson County | \$10,000,000 | Design, construction | Concept development |
| 2017 | Port Townsend 7th Street Connection | Construction of 7th Street - Rainier to Discovery | City of Port Townsend | \$700,000 | design, engineering and construction | Still seeking funding in 2020. |
| 2018 | Regional Stormwater Facility | Install a regional stormwater facility for the vacant commercial area on Rainier Street from Discovery Road to South of State Route 20 (Sims Way) | City of Port Townsend | \$300,000 | preliminary design, permitting and ROW acquisition | Secured \$1.2m CERB Loan; To construct in 2020 |
| 2019 | Regional Stormwater Facility | Install a regional stormwater facility for the vacant commercial area on Rainier Street from Discovery Road to South of State Route 20 (Sims Way) | City of Port Townsend | \$670,000 | final design and construction | Secured \$1.2m CERB Loan; To construct in 2020 |
| 2018 | Coyle Water System Repairs | Emergency replacement of cement/asbestos piping to support fire flow | Jefferson County Public Utility District No. 1 | \$70,000 | Construction | Seeking Funding for 2020 |
| 2018 | Quilcene Fire #2/PUD-Quilcene Fire Flow | Consolidation of water rights into 1 PUD system | Jefferson County Public Utility District No. 1 | \$155,000 | Planning | Work in progress |
| 2019 | Quilcene Fire #2/PUD-Quilcene Fire Flow | Replacement of water reservoir with larger reservoir to support fire flow | Jefferson County Public Utility District No. 1 | \$155,000 | Design | Seeking funding |
| 2018 | Coyle Water System Piping Replacement | Replacement of remaining cement/asbestos piping beyond its service life | Jefferson County Public Utility District No. 1 | \$50,000 | Design | Seeking funding for completion in 2019 |
| 2018 | Coyle Water System Piping Replacement | Replacement of remaining cement/asbestos piping beyond its service life | Jefferson County Public Utility District No. 1 | \$500,000 | Construction | Seeking funding for completion in 2020 |
| 2018 | Gardiner Water System Piping Replacement | Replacement of remaining cement/asbestos piping beyond its service life | Jefferson County Public Utility District No. 1 | \$50,000 | Design | Seeking funding for completion in 2020 |

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| 2018 | Quilcene Dosewallips Sewer System | Consolidation of sewer systems into 1 PUD system | Jefferson County Public Utility District No. 1 | \$50,000 | Planning | Seeking funding for completion in 2019 |
| 2018 | Brinnon Sewer System | Consolidation of sewer systems into 1 PUD system | Jefferson County Public Utility District No. 1 | \$75,000 | Planning | Seeking funding for completion in 2019 |
| 2018 | Community Solar | Installation of a 100 kW solar system at the Kearney Substation | Jefferson County Public Utility District No. 1 | \$500,000 | Construction | Seeking funding for completion in 2020 |
| 2018 | Port Townsend Downtown Broadband Pilot Project | Extend the fiber optic network to reach businesses | Jefferson County Public Utility District No. 1 | \$50,000 | Construction | Work in progress |
| 2018 | Fiber Optic Network Expansion | Expand the fiber optic network to reach all District facilities | Jefferson County Public Utility District No. 1 | \$5,000,000 | Construction | NO LONGER PURSUING |
| 2018 | Fiber Optic Network Expansion | Expand the fiber optic network from District facilities to reach all customers in the county | Jefferson County Public Utility District No. 1 | \$35,000,000 | Construction | NO LONGER PURSUING |
| 2019 | Visitor Center EV Chargers | Level 2 and Level 3 EV Charging Stations for the improved PT Visitor Center lot | Jefferson County Public Utility District No. 1 | \$200,000 | Construction | Seeking funding for completion in 2020 |
| 2019 | Airport Electric Feeder | New feeder cable to service the Airport and Kala Point | Jefferson County Public Utility District No. 1 | \$550,000 | Planning and Construction | Seeking funding for completion in 2020 |
| 2019 | Boat Haven Electric and Fiber Upgrades | Power and Fiber Improvements to Boat Haven and Surrounding Businesses | Jefferson County Public Utility District No. 1 | \$1,000,000 | Planning and Construction | Seeking funding for completion in 2020 |
| 2019 | Port Townsend Streetlights | New Dark Sky Compliant LED Decorative Streetlights for Downtown Port Townsend | Jefferson County Public Utility District No. 1 | \$185,000 | Construction | Seeking funding for completion in 2020 |
| 2019 | Center Rd Fiber | Aerial Fiber Optic Cable Along Center Valley Road | Jefferson County Public Utility District No. 1 | \$186,000 | Construction | Seeking funding for completion in 2020 |
| 2019 | Beaver Valley Rd Fiber | Aerial Fiber Optic Cable Along Beaver Valley Road, | Jefferson County Public Utility District No. 1 | \$186,000 | Construction | Seeking funding for completion in 2020 |
| 2019 | New Forks Operations Center | Construct new PUD Operations Center to be located at Forks Industrial Park | Clallam County PUD | \$6,300,000 | Construction | Funding secured for completion in 2020 |
| 2019 | Rebuild Forks Substation | Modernize PUD Substation on West E Street in Forks | Clallam County PUD | \$1,300,000 | Construction | Funding secured for completion in 2020 |

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| 2019 | Central Feeder Rebuild and 115KV Upgrade | Rebuild and upgrade the transmission line between BPA Port Angeles and Airport Substation | Clallam County PUD | \$2,308,000 | Construction | Construction planned for 2021 |
| 2019 | Sequim Area Microgrid Project | Establish and integrate a battery storage system with existing community solar to provide power to critical N. Peninsula communications systems | Clallam County PUD | \$375,000 | Construction | Seeking funding for completion in 2021 |
| 2019 | Rebuild Sequim Area Transmission Lines | Rebuild Transmission Line Between Johnson Creek Substation and Port Williams Road | Clallam County PUD | \$1,581,000 | Construction | Planned Construction in 2022 and 2023 |
| 2019 | Replace Roof at Central Warehouse Facility | Repace roof of the PUD warehouse facility located on Hooker Road | Clallam County PUD | \$280,000 | Construction | Planned construction in 2022 |
| 2019 | Vinup Street Water Main Upgrade | Loop Vinup Street back to Larch Ave. | Clallam County PUD | \$250,000 | Construction | Planned construction in 2020 |
| 2019 | Relocate Pump Station | Move Mt. Angeles Lower Pump Station to Golf Course Rd | Clallam County PUD | \$400,000 | Engineer/Construct | Planned construction in 2020 |
| 2019 | Carlsborg UGA New Water Source | Contingent upon new water right acquisition / LUD | Clallam County PUD | \$220,000 | Engineering | Planned LUD Formation in 2020 |
| 2019 | Clallam Bay/ Sekiu Water Project | Preliminary engineering and permitting | Clallam County PUD | \$200,000 | Pre-Construction | Planned construction in 2022 |
| 2018 | New Marine Systems classroom | Build new classroom to teach Marine Systems | Northwest School of Wooden Boatbuilding | \$800,000 | Design, permitting and construction | Significant portion of funding in-hand: \$464,000 appropriation from state legislature and \$235,000 grant from Norcliffe Foundation. |
| 2018 | Expand septic capacity at Boat School campus | Expand septic capacity at Boat School campus | Northwest School of Wooden Boatbuilding | 300000 | Construction | Completed April 2019. |
| 2018 | Rehabilitate historic buildings in Lowest Hadlock | Create vibrant historic maritime district | Northwest School of Wooden Boatbuilding | 350000 | Construction/rehab | Completed waterfront buildings September 2019. Now working on Galster House (home of Ajax Café) and adjacent building. |
| 2019 | Marine Electrical Curriculum for High School and Technical Education Teachers | Adapt a subset of the school's new Marine Systems curriculum for high school students by working in partnership with instructors and students at Neah Bay High School to pilot and test the curriculum. | Northwest School of Wooden Boatbuilding | \$120,000 | Education & Training | Curriculum under development; pilot begins January 2020. |

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| 2019 | Boat School Campus Improvements | Upgrade IT for campus-wide internet access; create pathways with lighting for safe travel across campus; build dock for vessels serving instructional purposes. | Northwest School of Wooden Boatbuilding | \$400,000 | Construction/Rehab | Planning/Seeking Funding |
| 2018 | Feasibility study on Food Value Added Processing/Food Hub | Conduct feasibility study for value added processing center/food hub | WSU Clallam County Extension | \$111,836 | Feasibility | Complete. |

LINKS TO OTHER ECONOMIC DEVELOPMENT REPORTS

City of Forks 2016-2035 Comprehensive Plan

<http://forkswashington.org/wp-content/uploads/2016/06/compplan.pdf>

City of Port Angeles Comprehensive Plan 2016 Update

<http://wa-portangeles.civicplus.com/DocumentCenter/View/3009>

City of Port Townsend Howard Street Corridor Economic Feasibility Study

<https://static1.squarespace.com/static/5674414c9cadb6ac8da46f0b/t/57e0628a29687f1cc763f2cf/1474323127386/Feasibility+Study+%28Final+1-30-15%29.pdf>

City of Port Townsend Draft 2016 Comprehensive Plan Update – Economic Development

<http://www.cityofpt.us/dsd/compplan.html>

City of Sequim 2016 Marketing Plan

<http://wa-sequim.civicplus.com/DocumentCenter/View/7948>

City of Sequim 2017 – 2022 Capital Improvement Plan

<http://www.sequimwa.gov/DocumentCenter/View/8397>

Clallam County Comprehensive Plan – Economic Development

<http://www.codepublishing.com/WA/ClallamCounty/html/ClallamCounty31/ClallamCounty3102.html#31.02.610>

Jefferson County Comprehensive Plan – Economic Development

<http://www.co.jefferson.wa.us/commdevelopment/complanpdfs/2014%20Comp%20Plan/Chapter%207.pdf>

Port of Port Angeles Central Waterfront Master Plan

<http://wa-portofportangeles.civicplus.com/DocumentCenter/View/66>

Port of Port Angeles Comprehensive Scheme of Harbor Improvements

<http://www.portofpa.com/DocumentCenter/View/429>

Port of Port Angeles 2015 – 2020 Strategic Plan

<http://www.portofpa.com/DocumentCenter/View/553>

Port of Port Angeles Analysis of the Wild Olympics Economic Impacts & Opportunities

<http://www.portofpa.com/DocumentCenter/View/20>

Port of Port Townsend Strategic Plan

<http://www.portofpt.com/wp-content/uploads/StratPlanAdopted3.24.10.pdf>

Marine Trades of Jefferson County Economic Impact Study

<http://ptmta.org/wp/economic-impact>

Washington State Maritime Sector Economic Impact Study

https://www.maritimefederation.com/uploads/2/9/9/6/29962189/cai.wmf.maritime_cluster_study_2017_update.2017_0413.pdf