



Left: Jefferson County, Right: Carolyn Galloway

7 Economic Development

Jefferson County enjoys an enviable quality of life, and outstanding scenic, recreational, and ecological resources. In addition, it enjoys proximity to urban areas in the Puget Sound region, and a growing popularity as a tourist destination. The rural, resource-based history is evident in the county's numerous and vast areas of commercial forestlands, farms, and gravel mines. This somewhat isolated setting, paired with the large amount of state and federal lands in the county, can create challenges for economic development. However, maintaining and enhancing quality of life is a key aspect of the county's economic development strategy, as well as providing resiliency within various possible economic futures.

Accessibility to all areas of Jefferson County is quite limited. Only four state highways provide vehicular access. State ferries provide access at the City of Port Townsend at the county's northern-most point. Jefferson County is more geographically isolated than counties elsewhere in the Puget Sound, creating a unique and challenging business and economic development setting. The North Olympic Development Council reported that the natural

Connection to the Vision Statement

This element supports the Vision Statement by promoting job retention and job growth to maintain and enhance quality of life for existing and future residents. Priorities leverage the resource-based, tourist-based, and location-based economies, promote the port and other assets, and incorporate additional innovative and entrepreneurial economic development. Economic Development Element concepts are directly linked with goals and policies in other elements that seek to empower adequate and affordable housing, supportive land use and development codes, and safe and sufficient infrastructure.



abundance of the region has not translated into prosperity for its residents nor jurisdictions.¹

With over two-thirds of the county in public ownership and unavailable for direct economic development activities, Jefferson County may appear to have limited economic development opportunities. However, within a changing economy, the county can capitalize on opportunities including the possibility to use its natural abundance as an asset and transcend the perceived development limitations of the land.

Natural and social qualities drive Jefferson County prosperity and are key elements to develop and strengthen the economic development strategy. For example, Olympic National Park, occupies most of Jefferson County's center and is one of the top ten most-visited national parks in the US with most of those visitors traveling first through Jefferson County to enjoy the park's spectacular scenery and outdoor recreation opportunities. Tourism development strategies that increase Jefferson County's ability to attract and serve these travelers can be a way to turn these challenges into opportunities.

The local Jefferson County economy is currently dominated by industrial, agricultural, and natural resource activities, along with the attendant

Flexibility in Implementing GMA in a Rural Economy

Jefferson County finds that it is important to create a future that allows our communities to thrive and prosper as we maintain our rural character. This includes strategies that allow our communities to develop not only resource-based economies, but provide the balance and flexibility to provide for new emerging economies. The Growth Management Act makes the following findings regarding Rural Lands and a Rural Economy (RCW 36.70A.011):

"Rural lands and rural-based economies enhance the economic desirability of the state, help to preserve traditional economic activities, and contribute to the state's overall quality of life.

The legislature finds that to retain and enhance the job base in rural areas, rural counties must have flexibility to create opportunities for business development. Further, the legislature finds that rural counties must have the flexibility to retain existing businesses and allow them to expand. The legislature recognizes that not all business developments in rural counties require an urban level of services; and that many businesses in rural areas fit within the definition of rural character identified by the local planning unit.

Finally, the legislature finds that in defining its rural element under RCW 36.70A.070(5), a county should foster land use patterns and develop a local vision of rural character that will: Help preserve rural-based economies and traditional rural lifestyles; encourage the economic prosperity of rural residents; foster opportunities for small-scale, rural-based employment and self-employment; permit the operation of rural-based agricultural, commercial, recreational, and tourist businesses that are consistent with existing and planned land use patterns; be compatible with the use of the land by wildlife and for fish and wildlife habitat; foster the private stewardship of the land and preservation of open space; and enhance the rural sense of community and quality of life."

¹ NODC, 2016.



governmental and health services provided to the community. The Growth Management Act provides jurisdictions with opportunities to plan Industrial Land Banks as a planned reserve area for a future industrial site, as well as provisions for planning Major Industrial Developments. Additional detail can be found in the Land Use Element.

Still present are the historical industries of forestry and lumber production, and maritime trades such as seafood processing, ship repair and boatbuilding. Agricultural activities include aquaculture, organic farming, and food production. These industries are productive in their own right, and can also create and sustain their own type of diversified, experiential tourism activities.

7.1 PURPOSE

The purpose of the Economic Development element is to establish “local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life.”²

A strong, stable, diversified, and resilient economy provides a high quality of life for the ~~citizens~~ residents of Jefferson County and the region. The economy generates resources necessary for the well-being of families and individuals and the resources through which local governments provide for the health, safety, and welfare of its ~~citizens~~ community members.

Draft Joint Economic Development Strategy Vision (JEDS, 2011)

In Jefferson County, our ~~citizens~~ residents, communities, neighborhoods, and businesses share a unique sense of local identity and purpose. We care about each other and this community, and recognize our responsibility for the long-term well-being of this place we call “home”. As active participants in the life of our community, we are willing to make choices today that will help to shape our future, rather than merely allowing the future to shape us. We recognize that key public investments today will help us to improve and maintain our long-term economic health.

Our future economic vitality rests primarily with the private sector, not the County, City and Port governments. Still, our local governments can play an important role in contributing to a robust community. Government can provide the “necessities” that enable individuals and businesses to achieve their potential—and they can also assist in preserving those aspects of our community’s character and natural environment that makes this place unique.

Through this Strategy, the County, City and Port are focusing their efforts on three keys for our economic future:

1. Developing infrastructure that overcomes our isolation.
2. Fostering educational excellence.
3. Maintaining and enhancing our quality of life.

Source: Jefferson County, 2012.

² RCW 36.70A.070(7).



7.2 TRENDS & OPPORTUNITIES

Conditions & Trends

Employment & Labor Force ~~Unemployment Rate~~

The Washington State Employment Securities Department (ESD) estimates there were an average 8,968 jobs in Jefferson County throughout 2023.³ As discussed in the **Housing Element**, the median age of Jefferson County residents is the highest of all county populations in the state (60.7 years).⁴ A relatively larger proportion of residents in the county are also aged 60 or over than statewide. Reciprocally, there are proportionately fewer young residents in the county compared to the state. This trend can be expected to affect the economy in ways ranging from shifts in housing demand, retail sales, labor force replacement and healthcare services demands. As seen in the data on educational attainment, the county's population is comparatively highly educated, but a large proportion is retired and not in the working population. Those aged 55 and older tend to dominate the transportation services, information, educational services, health care, and public administration jobs. Meanwhile, younger workers (age 14 to 24) are primarily in the hospitality industry, specifically accommodation and food service.⁵

Jobs within the county are heavily concentrated near Port Townsend. Clusters of employment are also concentrated in Irondale and Port Hadlock, Chimacum, Port Ludlow, and Quilcene (**Exhibit 7-1**). In the western part of the county, there is a concentration of workers west of the Olympic National Park at the Olympic Corrections Center.

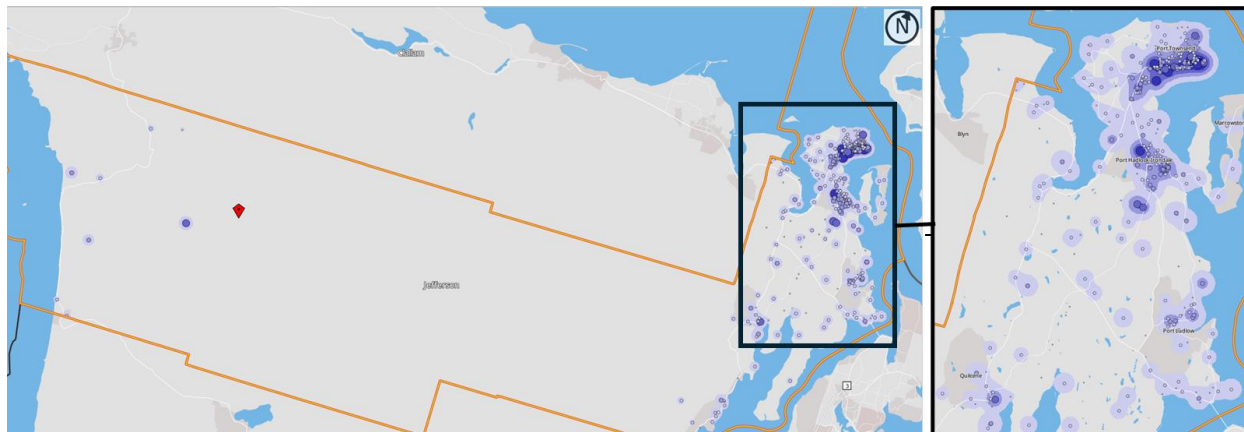
³ ESD Covered Employment Estimates, 2023.

⁴ OFM Median Age, 2022.

⁵ ESD Jefferson County Profile, 2020.



Exhibit 7-1 Employment Concentration In Jefferson County (2021)



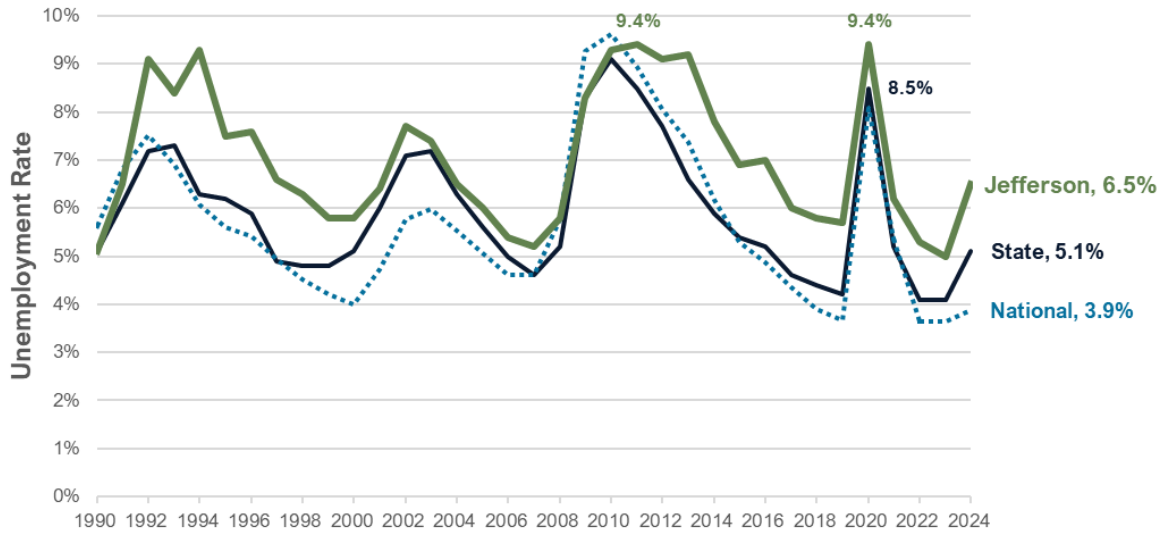
Source: US Census, OnTheMap, 2021.

Unemployment rates in the county have been higher than state figures since the U.S. recession of 2007-2009. Though the recession officially ended in 2009, the impacts of the recession extended into 2013 for Jefferson County. Recent peaks of unemployment coincided with the recession of 2007-2009 and then again during the Covid-19 pandemic in 2020. The unemployment rate in the county has declined since the pandemic, from a peak of 9.4% in 2020 to 6.5% in 2024. Jefferson’s unemployment rate has remained consistently higher than the state unemployment rate, which went from 8.5% to 5.1% over the same period. See [Exhibit 7-2](#) and the textbox below

Since the U.S. recession of 2007-2009, Jefferson County unemployment has been higher than State and national figures; though officially the recession ended in 2009, impacts of the recession extended into 2012 for Jefferson County. Recent peaks of unemployment coincided with the recession of 2007-2009. The Jefferson County unemployment rate has declined since then, from a peak of 10.5% in 2011 to 7.3% in 2016. Jefferson’s unemployment rate has remained consistently higher than the state unemployment rate, which went from 9.3% to 5.4% over the same period.



Exhibit 7-2 Unemployment Rate (1990-2024)—National, State, and Jefferson County



Note: This exhibit was updated with more recent data since the 2018 Comprehensive Plan

Notes: **Not seasonally adjusted.** Historical resident labor force and employment, not seasonally adjusted; data developed from Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

Sources: ESD LAUS, Not Seasonally Adjusted Historical Estimates, 2024-2017; BLS Unadjusted Unemployment Rate (Series LNU04000000), 2024; BERK, 2024.

Recovering from the Great Recession and the COVID-19 Pandemic

Despite a general national recovery from the Great Recession, defined by the period of 2007-2009, rural areas nationally had a slower and longer recovery period that stretched well into 2012 (Exhibit 7-2), with complete recovery unlikely to happen in some communities at all. Unemployment rates in the county continued to decline leading up to 2020 but spiked during at the onset of the Covid-19 pandemic.

COVID-19 had profound effects on the labor market in Jefferson County. From January 2020 to February 2022, overall employment in Jefferson County decreased by 6%—in comparison, Mason County saw an employment decrease of 1% while neighboring Clallam County saw a 1% increase in employment in that same time period. Nonfarm employment was less impacted by the pandemic, losing 10 jobs from 2020 to 2022 but about 500 jobs short of the 2019 total county count. However, the leisure and hospitality sector is still struggling to recover from the Covid-19 shutdown. While it has regained jobs since 2020, it still lags pre-pandemic levels.

Sources: ESD Jefferson County Profile, last updated May 2022; Commerce Economic Recovery Dashboard, 2024.

Age

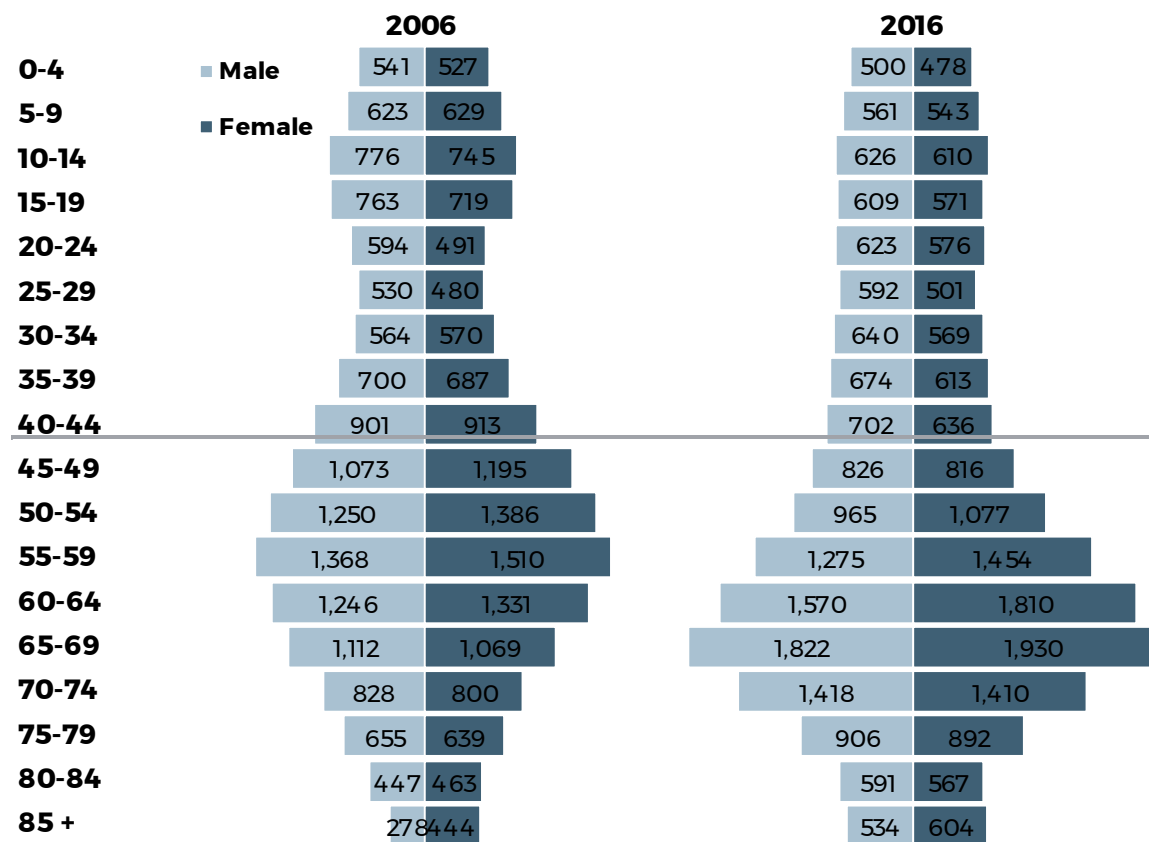
Jefferson County has the oldest median age of county populations in the State of Washington. Further, Jefferson County has a relatively larger proportion of residents aged sixty or over, than the country as a whole or Washington State. Reciprocally, there are proportionately fewer young



residents in Jefferson County compared to country as a whole or Washington State.

This trend can be expected to affect the economy in ways ranging from shifts in housing demand, retail sales, labor force replacement and healthcare services demands. As seen in the data on educational attainment (Exhibit 7-8), the County's population is comparatively highly educated, but a large proportion is retired and not in the working population.

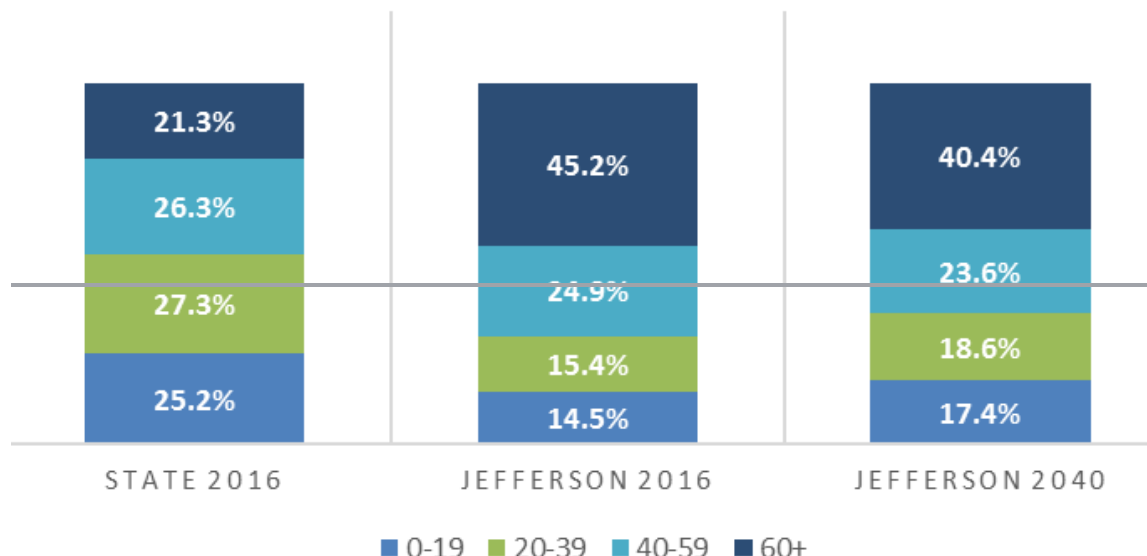
Exhibit 7-2 — Population by Age



Source: ESD, 2017; BERK Consulting, 2018.



Exhibit 7-3 — Comparison of Population by Age, 2016, 2040



Source: ESD, 2017; BERK Consulting, 2018.

Economic Sectors & Major Employers

[Entire section moved above wages and taxable sales trends. Move not tracked for simplicity. Additional revisions shown in tracks.]

The largest employers by sector in Jefferson County are government, retail trade, and accommodation and food services. Together these sectors make up approximately 50% of covered employment in the county. Government employs more than one-quarter of the workforce in Jefferson County, with local government as a primary employer. Major employers in the county include Jefferson Healthcare, the Port Townsend Paper Company, Chimacum School District, Life Care Center of Port Townsend, the Olympic Corrections Center, and Jefferson County. Jefferson Healthcare is the largest public employer in Jefferson County.⁶

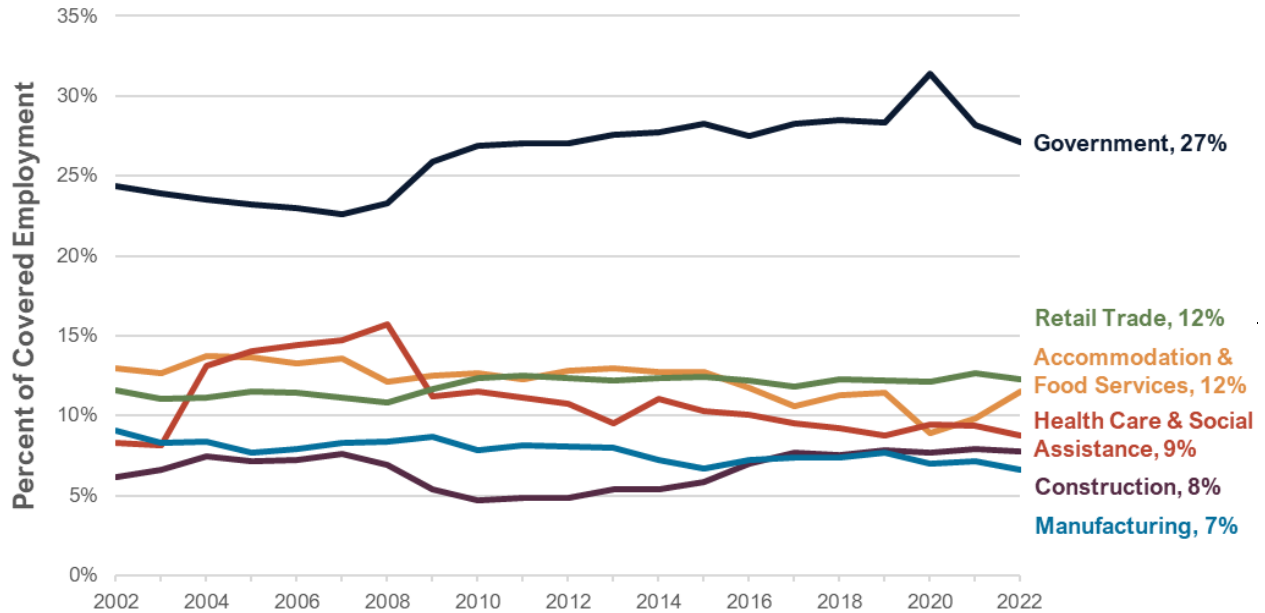
Overall trends show health care and social assistance employment share in Jefferson County decreasing since 2008 while jobs in the construction industry have increased over the past ten years (Exhibit 7-3). Regionally, Jefferson County is part of the Emerald Coast Opportunity Zone (ECOZ), which is a collaboration of five Tribal Nations, four cities, two counties (Clallam and Jefferson), and two port authorities. ECOZ creates and promotes economic projects to make the Olympic Coast more attractive to investors.

⁶ ESD Covered Employment, 2024



Covid-19 has impacted hiring levels for specific industries in the county. In 2020, 31% of the workforce was employed by government due to an increase in hiring by the federal government, but that dropped to 28% the following year. Accommodation and food services jobs saw a decrease in 2020 and have slowly recovered and rebounded to a similar number of jobs as pre-pandemic.

Exhibit 7-3 Covered Employment Share by Sector (2002-2022)—Jefferson County



Source: ESD Covered Employment, 2024; BERK, 2024.

Small businesses also play a significant role in Jefferson County. In 2021, there were 1,018 established businesses throughout county. Approximately two-thirds of these were small businesses with fewer than 5 employees (64%) and more than 80% of registered businesses had fewer than 10 employees. These are higher than statewide counts which show 58% of businesses had less than 5 employees and 76% had fewer than 10 employees.⁷

The economy of Jefferson County also includes an industrial, agricultural, and service base. With a history rooted in its forestry and maritime resources, the county has strong natural resource extraction and manufacturing industries. Its rural area supports an agricultural base, and there is a significant service and tourism industry.

Resource-Based Sectors

⁷ U.S. Census CB2100CBP: County Business Patterns, 2021



- ▶ **Resource Based Sectors and Manufacturing Industrial:** ~~The largest economic sectors of Jefferson County~~ has a strong history of ~~by dollar value are the natural resource~~ extraction and manufacturing - based sectors, including private commercial forestry, timber harvest, and gravel and other mineral resource extraction. Its manufacturing has a history of supporting canneries and fruit, vegetable, and poultry production. It currently also includes lumber, fish processing, and shipbuilding, repair, and maintenance. Today, ~~c~~Commercial forestry occupies the largest area of privately owned land in the county and is zoned at a minimum of eighty acres per resource parcel. These sectors make up 16% of total nonfarm employment in Jefferson County.

Agriculture

- ▶ **Agriculture:** While occupying much less of the economy than in previous decades, ~~Jefferson County possesses~~ the county includes and designates large areas for long-term commercially viable agricultural production due to its high-quality agricultural soils and grazing areas. The return of agricultural-based jobs and incomes has been ~~is~~ slow yet steady and is the focus of increasing support and interest ~~by~~ from agricultural leaders in attracting new and expanding existing agricultural-based jobs ~~in Jefferson County.~~ The agricultural base includes tree farms, aquaculture, an organic farming sector, and food production with an emphasis on artisanal farm products. Agriculture has grown in employment and in the number of establishments since 2015. ~~To underscore the importance of agriculture in our economic resiliency, agriculture jobs actually grew in Jefferson County during the Great Recession.~~

▶ **Other Manufacturing, Service Based Jobs, and Industries**

Historically, Jefferson County had more industrial development than today. Various activities relating to fruit, vegetable, and poultry production, canneries, tourist ferries to Seattle, as well as sawmills and other resource extraction activities took place in the county. Key major industrial development included the Puget Sound Iron Company in Irondale (1879-1881), the Western Mill and Lumber Company in Irondale and Port Hadlock (1884-1907), and the Alcohol distillery in Port Hadlock (1911-1913). World War I and World War II ushered in a burgeoning industry from military installations and support facilities. Remnants of this era include coastal defense systems at Fort Warden, Fort Townsend, Fort Flagler, and development of the Indian Island munitions depot.



- ▶ **Service Based Industries:** Currently, Jefferson County supports jobs in a broad range of service-based jobs and in ~~the manufacturing, the~~ marine trades; and maritime industries. These jobs exist in the incorporated and unincorporated urban growth areas, in the rural commercial and rural village centers and intermittently throughout other rurally zoned lands. These include all services related to small businesses, and health care and medical services~~home businesses and cottage industries, tourist-based and food services and health care and medical services.~~ The service-based sectors come in second place in Jefferson County after resource-based economies for total jobs supported and by dollar volume generated.
- ▶ **Tourism:** Tourism is a key economic sector in Jefferson County, with its access to varied recreation opportunities on the Olympic Peninsula and along the coast, a vibrant port, and numerous shops, restaurants, and lodging for visitors. In 2023, 644,000 people visited the county. These visits help boost the accommodation and food services sector, which provides employment for approximately 12% of the county workforce. Prior to the pandemic, visitors spent approximately \$126.8 million in the county in 2019.⁸ By 2023, direct visitor spending in Jefferson County increased to \$159.9 million,⁹ an increase of 26%. Nearly half of 2023 visitor spending was spent on lodging. The impact of this tourism generated \$14.1 million in direct state and local taxes in 2023.

Jefferson County has a strong tourist industry, with historical ties as a destination for tourist ferries from Seattle and its geographic proximity to recreation opportunities. Tourism provides a valuable revenue stream through its lodging, restaurants, and shops. Tourism jobs are located throughout the county in similar areas as service-based jobs.

The County is also a board member and funding partner of the Olympic Peninsula Tourism Commission (OPTC), a partnership of neighboring jurisdictions to promote the Olympic Peninsula as a desirable destination. The County collaborates with Clallam, Mason, and Greys Harbor Counties, as well as the Cities of Sequim, Port Angeles, and Forks to market tourism on the Olympic Peninsula. These efforts support regional tourism in the area.

Wages

The ~~2016~~2022 average annual average wage for Jefferson County was ~~\$36,850 in 2016~~ \$71,094 in 2022. This was below the state’s average annual wage of ~~\$102,378~~ \$59,073, as well as the state average minus King County, which was ~~\$76,544~~ \$46,771. The median hourly wage in ~~2016~~2022 was ~~\$27.01~~ \$20.16, less than that of the state’s median hourly wage at ~~\$32.45~~ \$23.91 and for the state less King County at ~~\$27.63~~ \$20.68.¹⁰

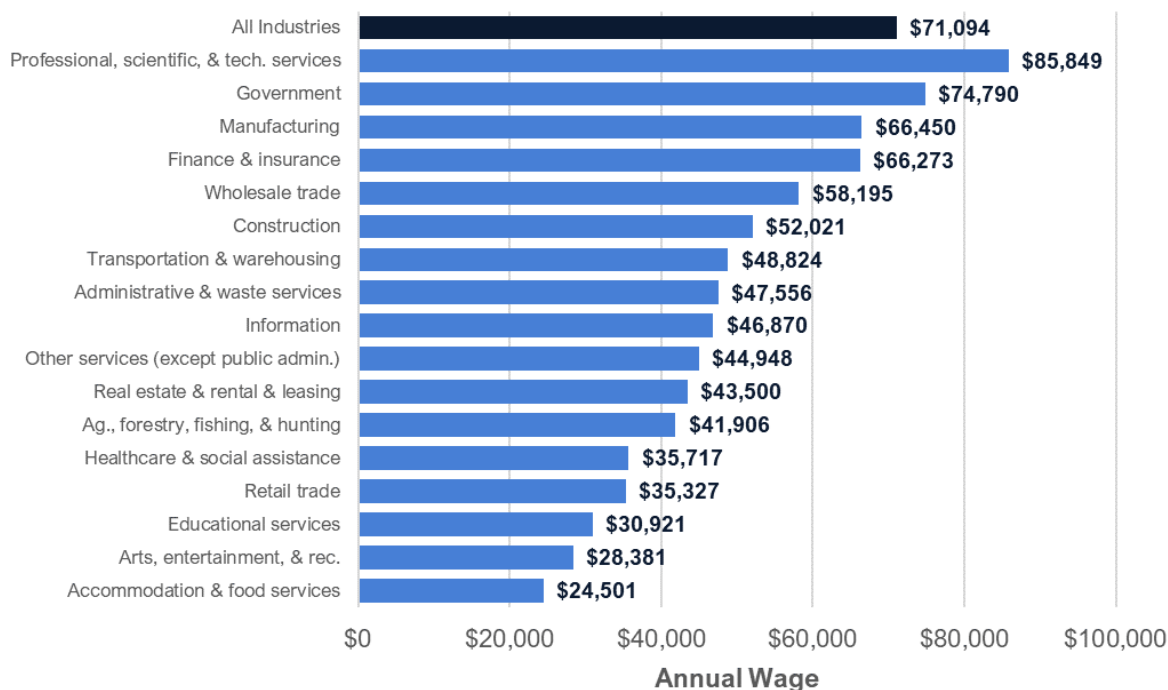
Industries with higher average wage earnings included ~~utilities, manufacturing, government, and professional, scientific,~~ and technical services and government (Exhibit 7-4) jobs. Government jobs represented about 27% of covered employment in 2022. Other sectors representing a large share of the 2022 workforce—including accommodation and food services and retail trade (12% each)—had some of the lowest average wages by sector (approximately \$24,500 and \$35,300, respectively). ~~Inflation-adjusted average wages in the county have been lower than the State and nation and have been falling further~~

⁸ Jefferson County Economic Development Existing Conditions Report, 2021.
⁹ Olympic Peninsula Tourism Commission, 2023 Value of Tourism to Jefferson County, 2024.
¹⁰ ESD Median Hourly Wage, 2022.



behind. Given the high proportion of potential retirees in the population, wages are likely to be a smaller proportion of county residents' personal incomes. See Exhibit 7-4 on the following page.

Exhibit 7-4 Average Annual Wage by Sector (2022)¹⁶



Note: This exhibit was updated with more recent data since the 2018 Comprehensive Plan. **Note:** Average annual wage for all industries is from ESD's countywide average annual wage figures, which is higher than the average annual wage listed in the covered employment data. This is because some wage information by sector is redacted in covered employment data to avoid disclosure of data for individual employers. Sources: ESD Covered Employment and Average Annual Wage, 2022; BERK, 2024; ESD, 2017; BERK Consulting, 2018.

Inflation adjusted average wages in the county have been lower than the state and nation and have been falling further behind. Given the high proportion of potential retirees in the population, wages are likely to be a smaller proportion of county residents' personal incomes. See Exhibit 7-5 Exhibit 7-4 on the following page. Net earnings (e.g., wage, salary, proprietary income) accounted for 38% of personal income in 2022 compared to 64% of personal income statewide (Exhibit 7-6), consistent with the higher proportion of retirees in the county.

The largest employers by sector in Jefferson County are accommodation and food services, retail trade, and health care. Together these sectors make up approximately 40% of covered employment in the county. Jefferson Healthcare is the largest public employer in Jefferson County.

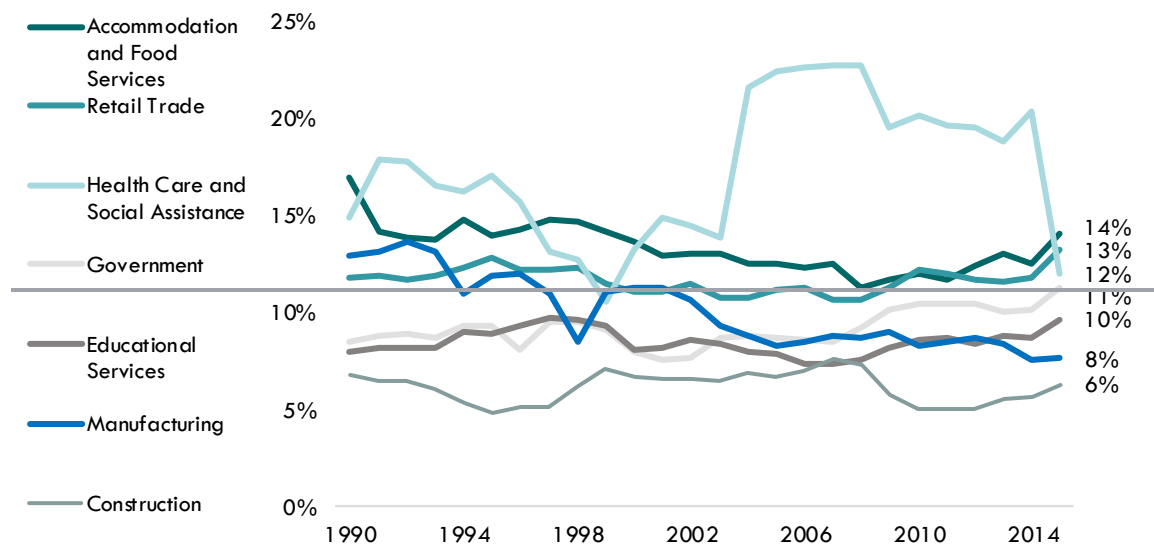
In addition to large employers like Jefferson Healthcare and the Port Townsend Paper Company, Jefferson County is characterized by having



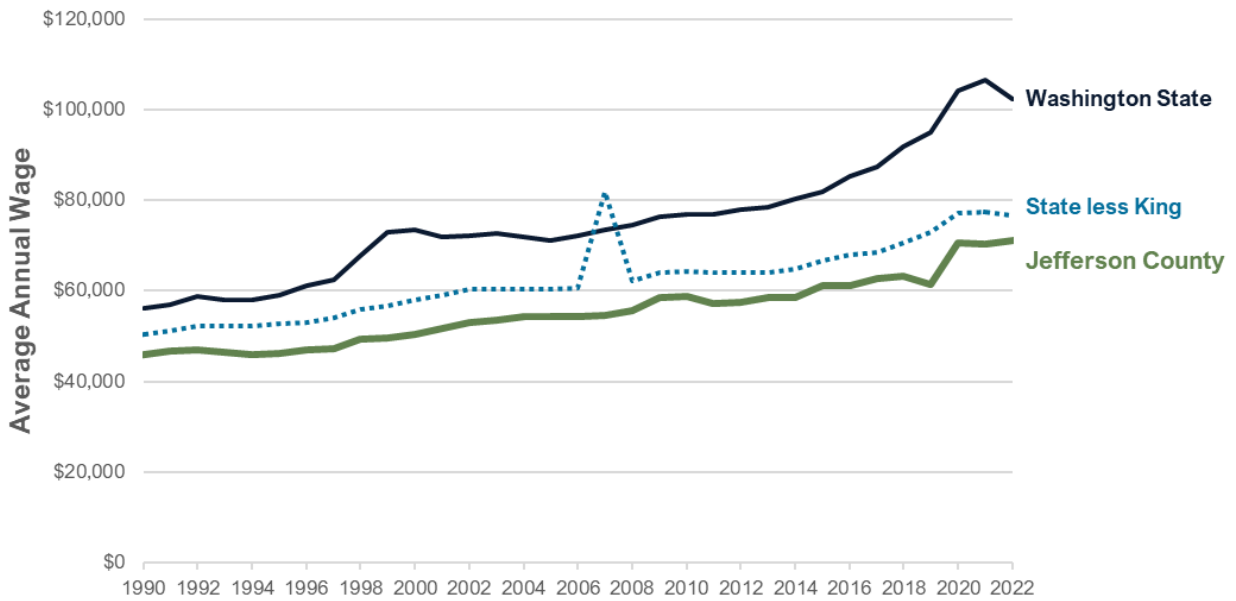
many small business-employers. This characteristic of having a local economy of many small businesses provides resiliency, as when an individual employer moves or goes out of business, it does not take the whole local economy with it. Economic development strategies in Jefferson County may include consideration of major industrial developments or similarly large businesses, but the mainstay has been developing and maintaining businesses scaled to the infrastructure and development intensities that Jefferson County can provide or foresee in our current planning horizon.

Exhibit 7-5 Employment Share by Sector & Inflation Adjusted Average Wage (1990-2022)– State, State Less King, and Jefferson County

Employment Share by Sector

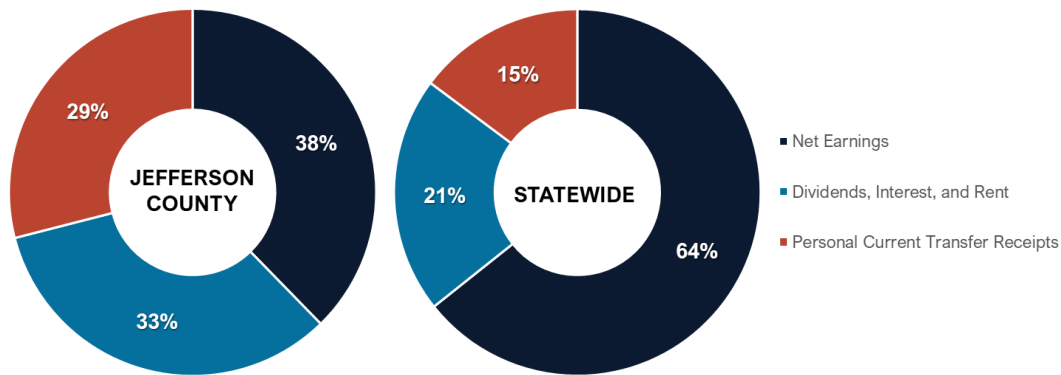


Source: ESD, 2017; BERK Consulting, 2018.
Inflation Adjusted Average Wage



Note: This exhibit was updated with more recent data since the 2018 Comprehensive Plan
 Sources: ESD [Average Annual Wage](#), 2022; BERK, 2024.

Exhibit 7-6 Sources of Personal Income (2022)—Jefferson County vs. Statewide



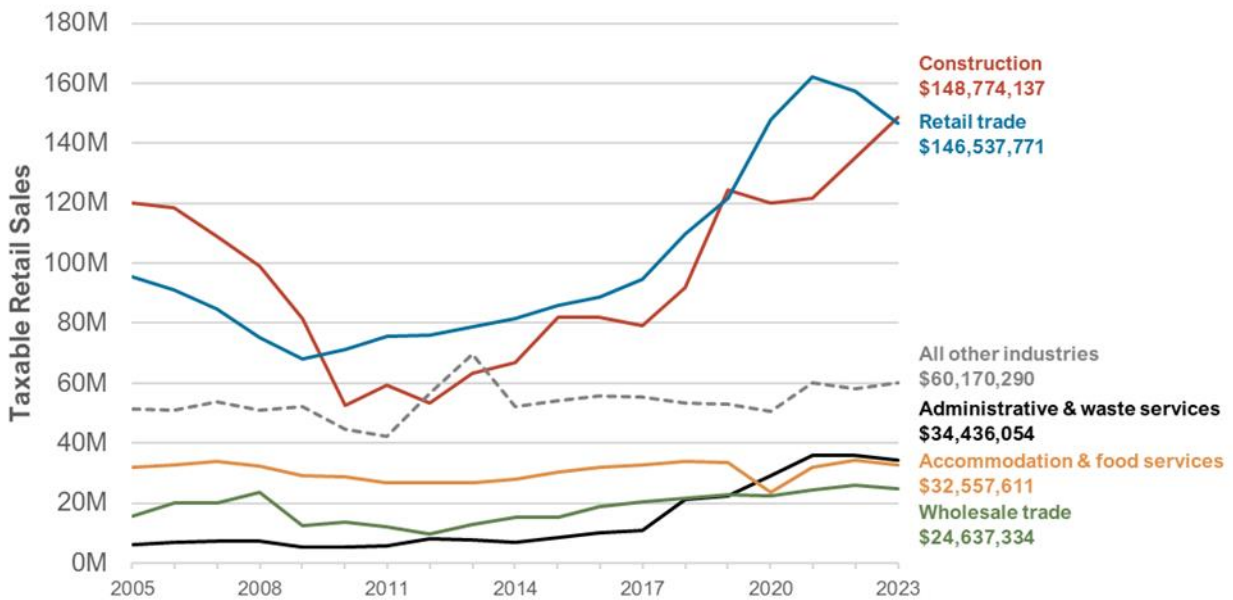
Note: Personal current transfer receipts include Social Security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits.
 Source: U.S. Bureau of Economic Analysis (BEA) Economic Profile for Jefferson, 2022. Source: ESD, 2017; BERK Consulting, 2018.



Taxable Sales Trends

Taxable retail sales capture information about some types of economic activity. Inflation adjusted annual and quarterly taxable retail sales are shown for unincorporated Jefferson County ~~can be seen in~~ **Exhibit 7-7 and Exhibit 7-8**. The data show both the variability of some sectors across time as well as the seasonal variation within sectors. It shows the reliance of the county on retail and construction as sources of sales tax revenue, and the seasonal variation of these sectors. Sales from retail trade and accommodation and food services also reflect the growing tourism in the county (see **Exhibit 7-3** and section on tourism above). A 2010 report by E.D. Hovee and Company found that travelers to Jefferson County spend proportionately more for dining, accommodations, groceries, other retail purchases, and arts, entertainment, recreation than is typical for visitors traveling elsewhere in Washington (E.D. Hovee & Company, LLC, 2010).¹¹

Exhibit 7-7 Inflation Adjusted Annual Taxable Retail Sales (2005–2023)—Unincorporated Jefferson County



Note: This exhibit was updated with more recent data since the 2018 Comprehensive Plan

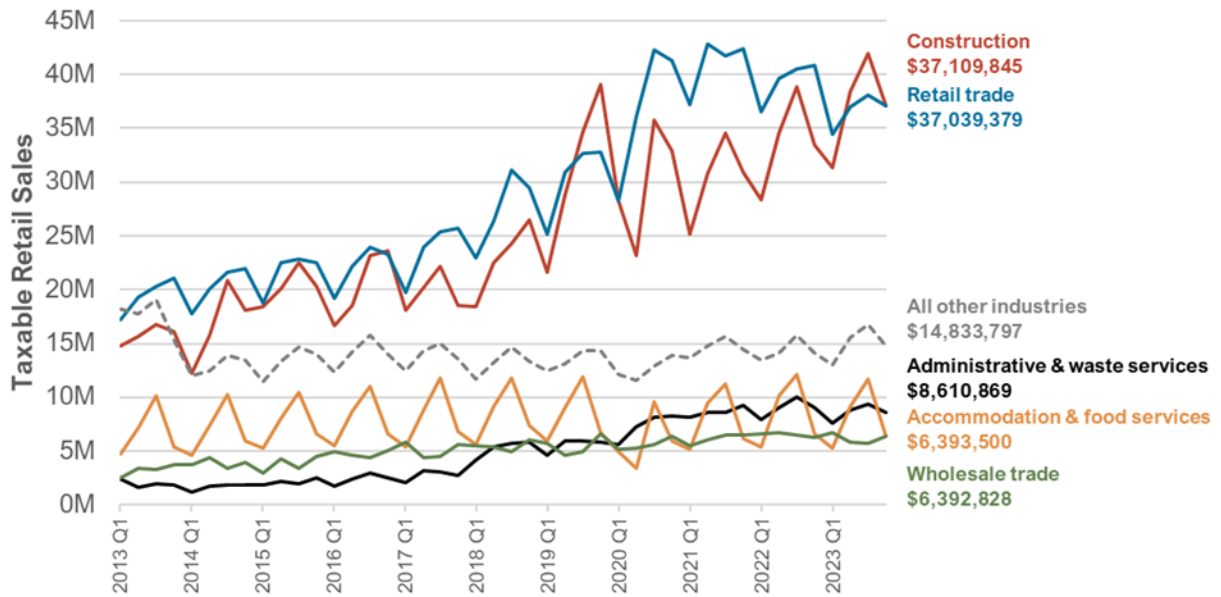
Note: Inflation adjusted to 2023 dollars.

Sources: Department of Revenue Taxable Retail Sales, 2024; BERK, 2024; ESD, 2017; BERK Consulting, 2018.

¹¹ E.D. Hovee & Company, LLC, 2010.



Exhibit 7-8 Inflation Adjusted Quarterly Taxable Retail Sales* (2013-2023)—Unincorporated Jefferson County



Note: This exhibit was updated with more recent data since the 2018 Comprehensive Plan

Note: Inflation adjusted to 2023 dollars.

*Note seasonal periodicity.

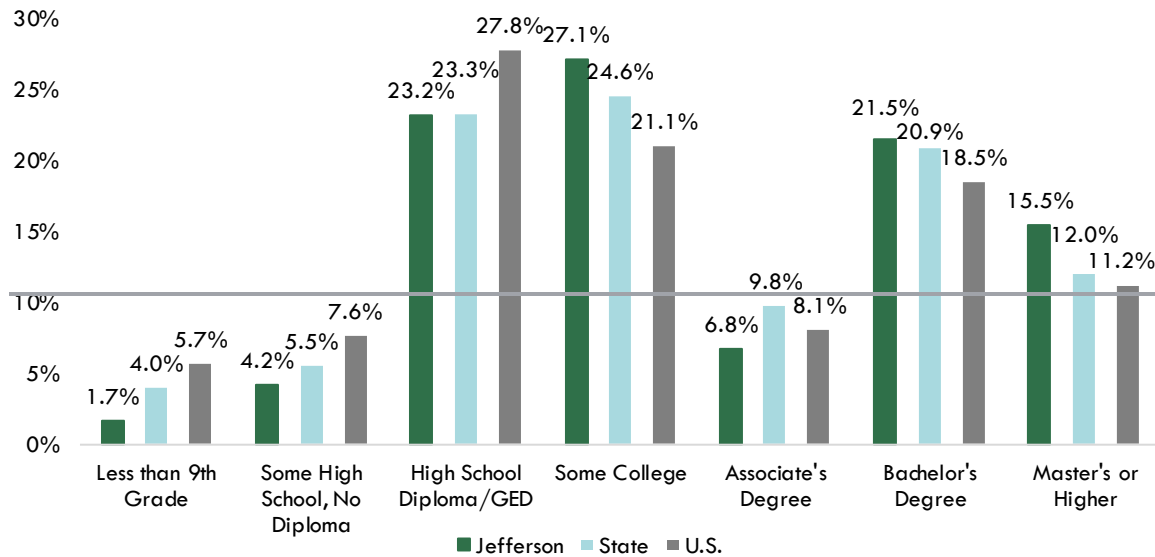
Sources: Department of Revenue Taxable Retail Sales, 2024; BERK, 2024; ESD, 2017; BERK Consulting, 2018.

Educational Attainment

Approximately 94.1% of Jefferson County residents age 25 and older were high school graduates, compared to 90.4% of Washington State's residents and 86.7% of U.S. residents in the period 2011-2015. Those with a bachelor's degree or higher made up 37.0% of Jefferson County residents age 25 and older compared to 32.9% of state residents and 29.8% of U.S. residents over the same period.



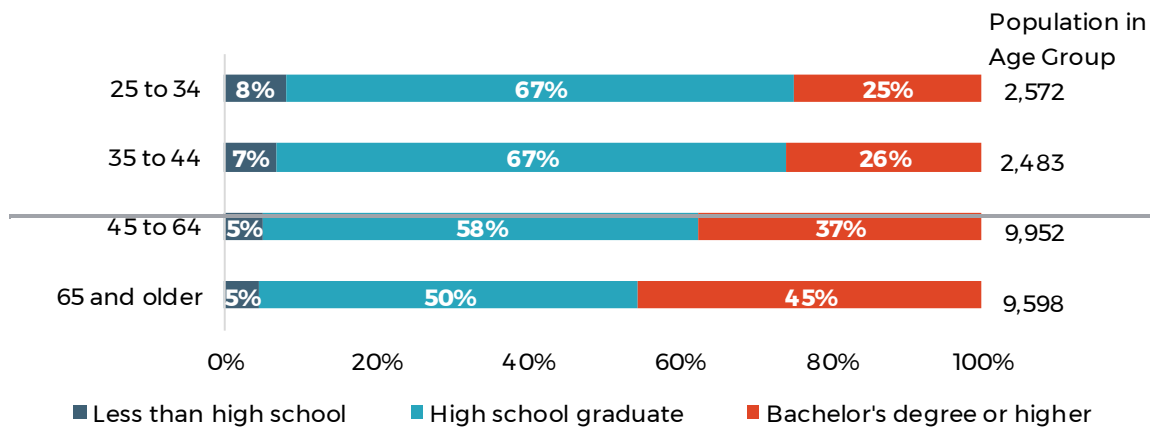
Exhibit 7-7 — Adult Educational Levels



Source: ESD, 2017; American Community Survey, BERK Consulting, 2018.

While Jefferson County has a higher adult educational level than the state, the county also has a larger share of residents over the age of 60, indeed, the largest in the State, as shown in Exhibit 7-3. The educational achievement rates of adults 65 and older is much higher than other age groups, shown in Exhibit 7-9:

Exhibit 7-8 — Adult Educational Levels by Age Group



Source: ESD, 2017; American Community Survey, BERK Consulting, 2018.



Challenges & Opportunities

The county's land largely consists of rural and resource lands, and limited urban areas, which creates economic development needs unique to the county and its residents. Economic development strategies must balance economic growth, housing needs, environmental and health protection, and a high quality of life.

Many economic development opportunities exist to provide forestry, agriculture and aquaculture production and processing, marine industries, tourism and recreation, and other enterprises suited to a rural county; yet the State Growth Management Act (GMA) limits opportunities for urban levels of development or urban services outside of urban areas.

Planning under GMA, Jefferson County identified development patterns in place at the time GMA was adopted, July 1, 1990. As planning continued through the adoption of the first County Comprehensive Plan under GMA in 1998, and subsequent years, designation of urban and rural commercial centers was completed: the Irondale and Port Hadlock Urban Growth Area (UGA), designations of rural commercial and industrial districts, and outer boundaries of LAMIRDs (Limited Areas of More Intensive Rural Development (LAMIRDs), essential public facilities like the airport, and master planned resorts. These designations were made very conservatively. With the experience of local jurisdictions implementing GMA over the last 20 years, the County is compelled to revisit the planning assumptions of the 1990's and analyze in the current planning horizon how we need to balance GMA goals with our local circumstances to maintain and grow a rural economy and preserve our rural character.

The County has the opportunity to designate major industrial developments or plan industrial land banks under GMA. The County is considering all tools available in compliance with GMA, as well as partnering with economic development entities in the county and engaging with the state legislature to advance creative solutions to the challenges of implementing GMA in rural counties.

Another challenge is that the state legislature, under GMA, has not made funding available for Economic Development Elements. Funding strategic and long-term planning by the County and partners would help further this Element's goals and implement strategies.

The Return of Agricultural-based Jobs Enhanced by Relationships & Market Connections

There is an expansion of agriculture businesses making value-added products—for example, winery, brewery, creamery, a culinary institute, and growth in farmer's markets. Value-added products can provide a higher return on investment, as well as cash flow from sales during off-season times of year. The additional costs of licensing and processing facilities may limit the feasibility of producing value-added products, but often infrastructure costs, such as a commercial kitchen, can be shared cooperatively among many processors.

Major aspects of the agriculture economy include the cost of land and finding markets. Agriculture organizations working in Jefferson County are connecting farmers with local markets for their products by building relationships between farmers and consumers (eat local first, local marketing strategies, and educating consumers). This includes finding niches for products, forming relationships with buyers—wholesale, restaurants, cooperatives, direct-marketing, or farmers markets.

Whether it's providing a special ingredient for a local chef, or connecting organic growers with wholesale buyers, market connections made and relationships developed have helped producers and consumers both find value-added business.

—Kelli Henwood, WSU Jefferson County Extension, September 2018.



Strengths & Challenges

Prior assessments of county-wide economic conditions date back to a 2010 review of existing conditions. The 2010 Economic Existing Conditions Report provided a “SWOT” analysis. One objective of the Economic Existing Conditions Report (E.D. Hovee & Company, LLC, 2010) is to provide a “SWOT” analysis—a preliminary assessment of Strengths, Weaknesses, Opportunities & Threats affecting the local economy. SWOT findings are intended to consist of preliminary summary observations, subject to refinement in consultation with participating jurisdictions and stakeholders. The summary below is an abbreviated representation of the 2010 findings and includes additional findings from subsequent stakeholder discussions and updated community profile information in **Appendix E**.

SWOT Analysis of key variables generally affecting economic development in Jefferson County:

- ▶ An available workforce population with a higher than average educational level.
- ▶ Natural setting and quality of life that increases appeal as a place to live.
- ▶ Proximity to growing Puget Sound region.
- ▶ Growing popularity as a tourist destination.
- ▶ Availability of industrial sites, working harbor, and diverse maritime sector.
- ▶ A limited workforce that is increasing in average age or becoming removed from the workforce through retirements, and relatively high and growing service sector needs as population ages.
- ▶ Distance from markets and direct client contact, constraining options for business expansion.
- ▶ A lack of countywide recovery from the Great Recession and COVID-19 pandemic that continues to constrain those trades, goods and services that support economic development (including recovery of construction, manufacturing, and related sectors).
- ▶ A lack of affordable housing caused from housing costs outpacing average household incomes.
- ▶ Higher home prices from limited housing supply, and a scarcity of rental units with a ~~2017~~-vacancy rate of 5.81% or less as of early 2024.¹²



¹² Washington Center for Real Estate Research, 2024.



- ▶ Barriers to attracting a qualified workforce especially for the agricultural sector due to the shortage of affordable housing and limitations on developing workforce housing.
- ▶ Legal barriers and limited public-sector financing to build infrastructure to support new or expanded job growth (municipal wastewater treatment, access to broadband internet services) in rurally zoned areas of Jefferson County.

This report builds upon the previous 2010 assessment, with updates most recently from 2021 Economic Existing Conditions Report (E. D. Hovee & Company, 2021), which primarily revised the metrics considered in the 2010 review. The latest analysis includes updates to the data and trends sections, reflecting the pandemic economic landscape and policy changes since 2010. The 2021 Economic Existing Conditions Report the following:

- ▶ Demographics of Port Townsend and Jefferson indicate populations that are older with smaller households, higher educational attainment but lower median household incomes and housing values than for the entire state of Washington.
- ▶ Over the course of the 2020 pandemic year, Jefferson County had an estimated average of 1,130 firms employing 8,637 workers. Average annual wage was \$45,540 per employee in 2020 (38% below the statewide average wage of \$73,500). Countywide covered employment increased by 636 jobs from 2010 to 2020, up by 1,144 from 2010 to 19 but then offset by a net loss of 508 jobs averaged over the full 2020 calendar year.
- ▶ From 2010 to 2021, countywide labor force and unemployment have mirrored changing trends similar to that of the state but with unemployment averaging about 1.2% points above the statewide rate through 2019. As of mid-2021, resident labor force is about 1,660 less than at the prior year 2007 peak. A question going forward is whether workforce recovery will occur with pandemic easing and economic recovery nationally.
- ▶ Overall sources of personal income are considerably different in Jefferson County than is the case statewide. Net earnings which include wage and salary as well as proprietary income accounted for 41% of personal income in 2010, declining to 37% in 2019. By comparison, net earnings represented a substantially higher 63% of personal income statewide both in 2010 and 2019. For Jefferson County, dividends, interest and rents as well as personal transfer receipts exceed statewide proportions.
- ▶ From 2010 to 2021, taxable retail sales have increased by 127% for the unincorporated portion of the county as compared with a 33% increase for Port Townsend – with unincorporated taxable sales exceeding Port Townsend for the first time in 2019. From 2010 to 2020, Port Townsend came to rely more heavily on retail as a source



of taxable revenue, with the unincorporated area more dependent on increases in both construction and retail. Effects of the pandemic are clearly indicated for both city and unincorporated areas – with hospitality dropping from 15% to 12% of taxable revenues in Port Townsend and from 13% to just 6% in the unincorporated area.

- ▶ In 2019 just prior to the COVID pandemic, visitors to Jefferson County spent an estimated \$126.8 million in the county. Tourism spending is estimated at just under \$4,000 per Jefferson County resident. 37% more than the per capita figure state-wide.
- ▶ As of early 2021, retail and dining sales for Jefferson County are estimated at just over \$355 million—equal to 52% of resident consumer buying potential of nearly \$682 million. Sales leakage of 48% occurs as residents spend outside of Jefferson County to an extent not offset by non-resident (or visitor) purchases. Sales leakage is experienced across all store and dining categories except for grocery and miscellaneous/specialty retail for which sales volumes exceed what resident purchases alone support.

Jefferson County Economic Development Organizations

While this element focuses on the County's role in economic development, the County is committed to working collaboratively with agencies, institutions, and organizations to foster economic development in Jefferson County. The main organizations and their strategic priorities are described below. These organizations are potential partners for regional efforts at business retention, development, and job creation.

A recent development is the Emerald Coast Opportunity Zone (ECOZ), which consists of a diverse group of geographical census tracts intended to make the Olympic Coast more attractive to investors. Working together, ECOZ is catalyzing economic development in rural areas by engaging with communities and connecting the best opportunities with private capital. This Opportunity Zone is a unique collaboration of five Tribal Nations, four cities, two counties (Clallam and Jefferson) and two port authorities that spans 14 federally designated Opportunity Zone census tracts. Together, the partners of the Emerald Coast Opportunity Zone are building a deal “engine” of community driven projects that both present good investments but also create good jobs, construct affordable and high-end housing, and support innovative entrepreneurs.¹³

¹³ ESD Jefferson County profile, 2024.



EDC Team Jefferson

Founded in 2007, the Economic Development Council of Jefferson County (“EDC/Team Jefferson”) is designated by the Washington State Department of Commerce as an Associate Development Organization (ADO) for Jefferson County. It receives funding from various organizations to help grow and develop the local economy. One of its main tenets is to identify potential business opportunities that can be started or attracted to Jefferson County. The EDC assists entrepreneurs and business owners by connecting them to financing opportunities such as our Local Investment Opportunity Network—“LION”, and Community Development Financial Institutions (CDFIs) such as Craft3, which provides assistance to entrepreneurs, nonprofits and individuals who do not have access to traditional financing.

According to EDC Team Jefferson, the Jefferson County economy pivots around nine business clusters (see also **Appendix E** for more information about existing economic sectors and major employers):

- ▶ Advanced Technology & Manufacturing—with established industries ranging from renewable forest products to technology and distribution firms.
- ▶ Arts & Culture—encompassing individual artists, non-profit organizations, and private businesses such as galleries.
- ▶ Education—including K-12 public and private schooling, and higher education through WSU Extension, Peninsula College and Goddard College.
- ▶ Small Business and Entrepreneur—focused on individual proprietors or less than 5-employee firms that are technology or craft/product based in start-up or acquisition mode and with a range of growth potentials.
- ▶ Food & Farm—with activities ranging from farm and aquaculture to food retail and distribution including farmers markets, food banks, food coop and traditional grocery.
- ▶ Healthcare—encompassing hospital, medical/clinic, and alternative health providers.
- ▶ Marine Trades—with key segments including shipwrights, outfitters, and boat services.
- ▶ Real Estate and Construction—including persons employed with real estate brokerage and development firms together with residential, commercial and infrastructure construction.
- ▶ Tourism & Retail—encompassing firms and activities (including festivals) that provide hospitality, dining and retail services for local residents and visitors. (Team Jefferson, 2010)



Herb Beck Waters,
Carolyn Gallaway



EDC Team Jefferson has identified the following strategies:¹⁴

- ▶ Retain and expand local businesses by energizing entrepreneurship.
- ▶ Attract and keep 18-35-year-old emerging entrepreneurs and their families.
- ▶ Increase access to local capital for entrepreneurs and small businesses.
- ▶ Set a positive tone for business in Jefferson County.
- ▶ Focus on collaboration and leadership development.

Port of Port Townsend

As independent government bodies run by directly elected commissioners, Port Districts have a combination of government powers (taxation, issuing bonds etc.) and a mission to responsibly promote sustainable economic growth. They play a key role in economic development by providing transportation and industrial infrastructure. Formed by Jefferson County voters in 1924, the Port of Port Townsend operates three marinas, a marine trades industrial area, the Jefferson County International Airport, an RV park, and boat launches, docks, and ramps at multiple sites, and Fort Worden Beach.

In addition, Ports issue Industrial Development Revenue Bonds (IDRBs) that offer manufacturing and processing companies below-market interest rates for eligible uses, such as purchasing land /equipment, constructing buildings, and/or upgrading existing facilities. In addition to its maritime and aviation business centers, the Port of Port Townsend provides building space for new and expanding businesses. It owns property at Port Townsend Boat Haven, Point Haven, Herb Beck Marina, and the Jefferson County International Airport that it rents out to a variety of businesses that support the local economy.

The Port of Port Townsend's Mission

To serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources, and maritime heritage.

Washington State University

WSU Jefferson County Extension services and programs strongly support Jefferson County agricultural based economic development through technical assistance, demonstration/teaching farms, local food resources, and coordination and serving as an information clearinghouse. WSU extension develops programs and works with the agricultural-based community to explore and expand new models of agriculture that pull together innovations in agriculture and economy. WSU also coordinates efforts to eradicate noxious weeds with the Noxious Weed Board and assists the Organic Seed Alliance with seed banking.

¹⁴ EDC Team Jefferson, 2017.



The Chamber of Jefferson County

The Chamber of Jefferson County's work of building business and building community throughout Port Townsend, Port Hadlock/Tri-Area, and Port Ludlow is pursued through relationships with the Economic Development Council of Jefferson County (EDC Team Jefferson) and city & state governments, enabling the Chamber and Port Townsend's Business Resource Center to be a hub for connecting with business services and advocating for change when necessary.

North Hood Canal Chamber of Commerce

The Hood Canal Chamber of Commerce operates two Visitor Centers, in Quilcene and Brinnon, which direct visitors to local lodging, food, activities, and other goods and services available in the area. Chamber staff also promote local businesses by developing advertising materials and connecting local residents and tourists to local businesses.

North Olympic Development Council (NODC)

North Olympic Development Council (NODC) is a non-profit corporation formed in October 1984 to advance economic and community development on the North Olympic Peninsula of northwestern Washington State. NODC is designated and funded through the U.S. Dept. of Commerce's Economic Development Administration (EDA) as a regional Economic Development District. EDA works directly with communities and regions to help them build the capacity for economic development based on local business conditions and needs.

The NODC works in collaboration with local governments, businesses, tribal nations, and non-profit organizations to serve the people of Clallam and Jefferson Counties. The Council Board of Directors has identified several immediate areas of focus to foster economic development. These are listed below:

- ▶ Work to improve infrastructure in support of economic growth.
- ▶ Make renewable energy technology and innovative manufacturing key components of the regional economy.
- ▶ Focus on innovative manufacturing (i.e.: composites) to diversify the regional economy.
- ▶ Encourage entrepreneurship.
- ▶ Help build a higher-skilled, high-wage workforce.
- ▶ Explore regional and international markets.
- ▶ Expand tourism opportunities/revenues.
- ▶ Improve regional collaboration and partnerships.
- ▶ Advocate for natural resource and agriculture growth.



Countywide Planning Policies

The Countywide Planning Policies direct that the Comprehensive Plan give attention to the needs of nonservice sector businesses and industries and recognize that some businesses are best suited for the UGA while others may be better suited for the rural unincorporated areas.

Countywide Planning Policy #7 Policy on Countywide Economic Development & Employment

1. The private sector is primarily responsible for the creation of economic opportunity in Jefferson County. The responsibility of the public sector is to assure that these activities are carried out consistent with defined community and environmental values. To this end, comprehensive plans should clearly identify these values in order that economic opportunity is not lost due to confusion or unreliability of process. Particular attention will be given to the needs of non-service sector businesses and industries as a strategy to increase wage earning potential within the community.
2. An economic development element ~~shall be~~ ~~prepared and~~ included in the County's and incorporated ~~areas-~~~~cities'~~ comprehensive plans. This element should identify and designate adequate areas for commercial, retail, and industrial growth necessary to sustain and meet future population and employment forecasts. The economic development element shall be coordinated with the capital facility, land use and utilities elements of the comprehensive plan.
3. Each UGA and rural center is considered the commercial and business "hub" in their respective area of the County. UGAs should be viewed as regional service and retail centers, while the rural center focus is on local community retail and service needs, and transient accommodations.
4. ~~Certain~~~~The GMA contains provisions for the designation of Major Industrial Developments (MIDs) under RCW 36.70A.365 and up to two master planned locations as part of a Jefferson County Industrial Land Bank (ILB) under RCW 36.70A.367. These provisions acknowledge that certain industries, due to their size or type of operation, or due to their dependence on the local resource base, should not be located within the boundaries of UGAs. When locating these types of activities outside of UGAs, special attention must be given to assure that the activity will not promote "urban development" of the surrounding area. These activities will need to be self-supporting and not require the extension of urban services.~~
5. Jefferson County may maintain policies and development regulations associated with the siting of MIDs, as authorized in RCW 36.70A.365, in consultation with cities within the County.
6. Jefferson County may pursue the designation of up to two master planned locations as part of an ILB, as authorized in RCW 36.70A.367, in consultation with cities within the county and other partner entities through a process involving the Growth Management Steering Committee, the Economic Development Council of Jefferson County, and the Port of Port Townsend. Establishment of the ILB will be conducted through a public participation program within the framework of the Growth Management Act.
7. The Port of Port Townsend's legislative statutory authority should be utilized as a tool to implement industry and trade strategies, including the promotion of employment opportunities, the consolidation and parceling of property, and the development of infrastructure to meet the needs of industry consistent with comprehensive plans and development regulations.



7.3 ECONOMIC DEVELOPMENT PLAN

As discussed above, current employment covered by unemployment insurance is about 8,968 jobs as of 2023.¹⁵ This does not include sole proprietors, clergy, chief executives, etc. Covered employment generally represents 85-90% of total employment in communities (Employment Security Department and PSRC, 2017). If adding 15% to the total covered employment in 2023, there would be about 10,300 jobs. Total employment is estimated to rise to about 14,000 jobs by 2045 based on expected housing growth, existing jobs to housing ratios, and estimated 2023 total employment by planning area. See **Exhibit 7-9**. Employment shares within planning areas for 2023 were estimated using 2022 Longitudinal Employer-Household Dynamics (LEHD) data from the U.S. Census OnTheMap tool, ESD’s countywide 2023 covered employment estimate, and existing housing units and projected housing growth from Housing for All Planning Tool (HAPT) tool.

Exhibit 7-9 Estimated Employment Growth by Planning Area (2023-2045)

Location	2022 All Jobs (LEHD) ¹	2023 Covered Emp. (ESD) ²	2023 All Jobs (+15%) ³	2020 HU (HAPT) ⁴	Existing J/H ⁵	2020-45 HU Growth (HAPT) ⁴	2023-45 Est. Job Growth ⁶	2045 Est. Jobs
Port Townsend (Inc.)	3,662	4,387	5,045	5,692	0.89	1,648	1,461	6,506
Unincorporated	3,824	4,581	5,268	11,159	=	2,471	2,229	7,497
Unincorporated UGA	1,108 ²	1,327	1,526	1,411	1.08	1,648	1,783	3,309
Unincorporated Rural	2,716	3,254	3,742	9,748	=	823	446	4,188
Port Ludlow MPR	236 ²	283	325	1,950	0.17	300	50	375
Pleasant Harbor MPR ⁷	=	=	=	=	=	127	208	208
Brinnon RVC	95 ²	114	131	1,041	0.13	30	4	135
Quilcene RVC	201 ²	241	277	299	0.93	30	28	305
Other Rural Areas	2,184	2,616	3,009	6,458	0.47	336	157	3,165
Countywide Total	7,486²	8,968	10,313	16,851	=	4,119	3,689	14,003

1. All jobs based on U.S. Census OnTheMap (2022 LEHD) estimates for the City of Port Townsend, Jefferson County overall, and the Port Hadlock-Irondale, Port Ludlow, Brinnon, and Quilcene Census Designated Places (CDP). Note the CDP boundaries are slightly larger than the Irondale and Port Hadlock UGA, Port Ludlow MPR, and Brinnon and Quilcene RVCs but used here for estimation purposes. Total unincorporated jobs were calculated base on the countywide and Port Townsend totals. The unincorporated rural total was calculated based on the unincorporated total and Port Hadlock-Irondale CDP estimate.

2. Individual geographies estimated based on percent share of all 2022 jobs per LEHD and 2023 total countywide covered employment of 8,968 per ESD.

3. Fifteen percent (15%) added to covered employment to estimate total 2023 jobs.

4. See **Exhibit 3-2** and **Exhibit 3-12** in the **Housing Element**.

¹⁵ ESD Covered Employment Estimates, 2023.



5 Existing jobs to housing is calculated by dividing estimated 2023 jobs by estimated 2020 housing units.

6 Estimated job growth is calculated by multiplying the existing jobs to housing balance for the City of Port Townsend, unincorporated UGA, Port Ludlow MPR, Brinnon and Quilcene RVCs, and other rural areas by estimated housing growth from the HAPT. The Pleasant Harbor Development Agreement assumes between 104-208 workers will live on site in staff housing once fully developed so 208 jobs are assumed. Estimated job growth in all unincorporated rural areas is the sum of individual rural planning areas. Estimated job growth in all unincorporated areas is the sum of the unincorporated UGA and unincorporated rural areas. Estimate job growth countywide is the sum of estimated job growth in Port Townsend and the unincorporated county.

7 The Pleasant Harbor MPR has not yet been developed and so no existing jobs or housing are assumed. The Pleasant Harbor Development Agreement assumes between 104-208 workers will live on site in staff housing.

Sources: LEHD, Origin-Destination Employment Statistics, 2022; ESD Covered Employment Estimates, 2023; ESD and PSRC, 2017; Jefferson County, 2025; BERK, 2025.

The economic development plan leverages the strengths of the county to support a strong and diversified economy with continued employment growth. Key opportunities and sites are listed below.

Workforce Development

Given the county's high educational attainment, there is an opportunity to both increase and better align educational resources and training programs with industry. This will ensure access to a high-skilled workforce for regional businesses and to higher wage jobs for county residents.

Industrial & Manufacturing Businesses

A key strength and opportunity area is the availability of designated industrial and manufacturing sites that can both serve small, local entrepreneurs and potential advanced manufacturing businesses. In addition to the availability of sites suitable for industrial or manufacturing uses, the county's highly-educated workforce is an asset for emerging manufacturing uses that require higher-skilled workers.

Industrial sites in Jefferson County include the Port of Port Townsend, Port Townsend Industrial Park (which has become a commercial and business park), Glen Cove, Eastview, Quilcene Industrial Area, the Irondale and Port Hadlock UGA, the Port Townsend Paper Company, 24 acres at a Light Industrial/Manufacturing area at the Jefferson County International Airport, and Resource Based Industrial zoned sites.

In addition to the industrial sites described above, the light industrial manufacturing park at the Jefferson County International Airport, also known as the Airport Light Industrial Park also allows non-aviation related industrial and manufacturing uses. Development of the Airport Light Industrial Park will require Binding Site Plan approval(s) and clearing and installation of infrastructure before business operations may commence.

Information about designation and siting of Industrial Land Banks or new Major Industrial Developments can be found in the Land Use Element.



Placemaking for Visitors & Residents

In addition to its natural and scenic assets, the distinct Port Townsend Downtown and small-scale neighborhood business districts in the county are a place-making feature that attracts visitors and serves the local community residents.

Commercial development in Jefferson County is mainly concentrated within the City of Port Townsend, the Irondale and Port Hadlock UGA, and to a lesser extent, within the County's LAMIRDs, which includes Brinnon, Quilcene Discovery Bay, Chimacum, Mats Mats, Wawa Point, Beaver Valley, Nordland, Gardiner, and Four Corners. The Port Ludlow and Pleasant Harbor Master Planned Resorts also have sites zoned for commercial development. Home Businesses, Cottage Industries and Small-Scale Tourist Recreational uses are also allowed in most non-commercial zones with a permit.



Downtown Port Townsend

Sustainable, Innovative Agricultural & Food Businesses

Given its historic and environmental strengths, the county has a small but growing set of businesses related to farming and related food production such as grains, eggs, cheese, and spirits. In addition, aquaculture continues to be a key industry. Local economic policy can support this sector so that it continues to add diversity and entrepreneurial opportunities to the economy.

The state implemented Initiative 502—the legalization of recreational cannabis production, processing and sales. In 2024¹⁷, Jefferson County sales generated approximately \$2,224,000~~2,049,000~~ in state excise tax from cannabis sales, and the County received only \$21,297~~\$64,123~~ of that amount for local enforcement and health programs.¹⁶



Chimacum Corner Farm Stand, Jefferson County

Infrastructure Improvements as Economic Development Strategy

Investments in infrastructure can be a powerful way to attract high-quality jobs and entrepreneurs. For rural counties such as Jefferson County, investments in infrastructure such as broadband can address multiple objectives such as the provision of healthcare services or education, support tourism and attract a younger, more mobile workforce.

¹⁶ [Washington State Liquor and Cannabis Board Fiscal Year Cannabis Sales and Excise Tax by County, retail sales only from 07/01/2023 - 06/30/2024. Jefferson County Treasurer's December 2024 Revenue Report, January 2025.](#)



In addition to broadband, some parts of the county will also benefit from sewer infrastructure. For example, the primary growth center for unincorporated Jefferson County, the Irondale and Port Hadlock UGA requires sewer as an “urban level of service” to implement new zoning urban level zoning and density. This sewer system has been identified as a critical element for increased regional economic development. Construction of the Phase I wastewater treatment plant and collection system for local residents and businesses in the Port Hadlock area is currently underway and anticipated to be ready in 2025. When construction of the sewer system is completed, the Irondale and Port Hadlock UGA will be able to support affordable housing, medical facilities, higher density multifamily residences, senior housing, as well as commercial and industrial development. This Phased-sewer implementation will facilitate further economic development as almost one-quarter of the UGA is designated for commercial land use, including a commercial zone as the largest with 272 acres. The UGA-C zone also allows multifamily with 3+ units as a discretionary use to balance economic development and housing goals in the UGA (see the **Land Use Element** and **Housing Element** for more information). Approximately 25 acres is designated as Urban Light Industrial (all but 5 acres of which are already in light industrial use). ~~This UGA has been found to be legally compliant with the GMA as of January 27, 2010. The County is currently pursuing funding to construct the wastewater infrastructure to promote future economic growth in this area.~~

Within LAMIRDs, development is constrained by the cost of utility and infrastructure upgrades as well as by existing LAMIRD boundaries. Some wastewater treatment options are considered an urban level of service and not allowed in LAMIRDs. This limits wastewater improvements that would support job growth, existing commercial development, and improve existing housing stock.

The Port of Port Townsend commissioned a preliminary feasibility study to estimate the cost of building a large on-site sewage system in Quilcene, estimated to cost between \$6.5 million and \$20 million.¹⁷ The service area examined was the entire Rural Village Center as well as the southern half of the center. The information will help the Quilcene community and Jefferson County consider wastewater service options and rural economic development goals. The estimated costs identified in the feasibility study demonstrates the challenges of providing infrastructure for Jefferson County and the small community of Quilcene.



Quilcene, BERK

Efforts to provide wastewater treatment to Brinnon, another Rural Village Center, have not been comprehensively developed as of 2025~~18~~. However, a wastewater plant was constructed for Dosewallips State Park

¹⁷ Port of Port Townsend, 2017.



in 2014. In cooperation with State Parks, Public Utility District (PUD) #1 of Jefferson County is investigating the feasibility of expanding the service area of the facility to address septic issues in Brinnon. A wastewater treatment plant is required to serve the Pleasant Harbor MPR near the Brinnon Rural Village Center. There are efforts to identify and correct failing septic systems in Brinnon through the Central Hood Canal Pollution Identification and Correction Project for the period 2017-2020.¹⁸ A comprehensive strategy to address rural wastewater treatment could be a future action strategy.

Water supply is critical in both rural and urban areas for rural economic development but presents a challenge to provide. For this reason, water utility coordinating committee (WUCC) members, including ~~A key water provider is~~ Jefferson County PUD, City of Port Townsend, Olympic Water and Sewer Inc., among others, are participating in a 2024-2026 county-administered ~~who is leading an update to a consolidated the~~ Coordinated Water System Plan (CWSP); see the **Capital Facilities & Utilities Element** and **Appendix D Capital Facilities Plan Technical Document**. Once completed, the WUCC would recommend that the Board adopt the updated 2025 or 2026 CWSP which is also envisioned to provide guidance not only to group A systems which serve 15 or more connections but also group B water users which service 3 to 14 connections.

~~Water development is a need for rural economic development but presents a challenge to provide.~~

Other infrastructure investments that benefit economic development include transportation improvements, especially regarding ferries. Updates to State ferry system plans are underway; and will include local input.

¹⁸ Jefferson County Public Health, 2017.



7.4 GOALS & POLICIES

Goal ED-G-1 Improve and enhance coordination with federal, state, regional, tribal and local economic development groups to promote a healthy and vibrant economic environment within Jefferson County.

Policy ED-P-1.1 Adequately fund Jefferson County’s designated Associate Development Organization (ADO)—“EDC Team Jefferson”—and establish specific responsibilities and performance measures for the ADO to ensure that taxpayers obtain good value for their investment. Support the ADO in providing access to business management expertise for new and growing businesses (Joint Economic Development Strategy (JEDS) Strategies 1.6 & 1.9). Support collaborative work between economic development partners, including Jefferson County Economic Development Council Team Jefferson (EDC Team Jefferson), North Olympic Development Council (NODC), Port of Port Townsend, City of Port Townsend, and other public and private partners in efforts to plan for, promote, educate, train attract, build and maintain businesses and economic development in Jefferson County.

Policy ED-P-1.2 Investigate and/or pursue programs, grant funds and other technical and financial support with federal, state, and local agencies to collectively plan, develop and implement economic growth in high demand sectors of the local economy.

Policy ED-P-1.3 Consult with NODC and area tribal governments regarding shared economic development planning and implementation and discuss solutions to shared issues concerning economic development and unemployment.

Policy ED-P-1.4 Coordinate with other economic development entities and related citizen-community groups and individuals in Jefferson County to prepare strategies that promote economic development opportunities in existing commuter and tourist highway corridors and non-motorized facilities and multi-purpose trails. Land use and zoning strategies may include a highway-tourist-commercial zone or other techniques consistent with rural character.

Joint Economic Development Strategies 1.6 & 1.9

Strategy 1.6:
Adequately fund the designated Associate Development Organization (ADO), and establish specific responsibilities and performance measures for the ADO to ensure that taxpayers obtain good value for their investment.

Strategy 1.9:
Support the ADO in providing access to business management expertise for new and growing businesses.



Goal ED-G-2 Support a comprehensive approach to education and training for employment, job retention, and advancement.

Policy ED-P-2.1 Support and actively participate in Olympic Workforce Development Council (OWDC) as they facilitate a full spectrum of education and job skills providers to coordinate class offerings, facilities, and staff resources available to Jefferson County residents (teenagers, adults, displaced workers, veterans, retirees, etc.) who seek high school degrees, general education degrees, remedial education, vocational training and retraining, skills or knowledge enhancement, professional certification, two-year degrees, four-year degrees, and advanced degrees.

Policy ED-P-2.2 Partner with local businesses, educational institutions, and business groups to maintain and improve job creation and business growth in the community.

Policy ED-P-2.3 Coordinate strategies to minimize the impacts of business displacement resulting from growth pressures, especially those potentially impacted businesses serving BIPOC and historically marginalized communities in the county.

Policy ED-P-2.4 Coordinate support for culturally diverse businesses that are experiencing challenges with remaining in the community and are at risk of displacement.

Goal ED-G-3 Support Jefferson County’s industries that leverage existing strengths, advantages, and potential in the following areas:

- Health care;
- Port related economic development;
- Marine trades;
- Natural resources;
- Advanced technology/manufacturing;
- Construction and real estate;
- Agriculture/aquaculture;
- Education;
- Home-based business;
- Tourism and retail in centers and corridors; and
- Local and Native arts.



Related to western Jefferson County



Policy ED-P-3.1 Support the efforts of the Port of Port Townsend in diversifying the Jefferson County International Airport (JCIA) to provide for a broader number of trades, manufacturing, and services. This may include, but is not limited to, the siting of appropriately scaled aviation and non-aviation-related industrial/manufacturing activities in the Airport Essential Public Facilities District.

Policy ED-P-3.2 ~~In accordance with Countywide Planning Policy 7.5,~~ Recognize the legislative authority of the Port of Port Townsend as a valuable tool to implement industry, trade strategies, and promote employment opportunities.

Policy ED-P-3.3 Protect from encroachment the Port of Port Townsend’s industrial properties, waterfront and all other public assets managed by the Port to ensure and enhance economic vitality and quality of life for the ~~citizens~~ residents of Jefferson County.

~~**Policy ED-P-3.4** Conserve existing agriculture and encourage future innovative agriculture ventures and technologies, while managing the water and soil to be sustainable.~~

Policy ED-P-3.4 Provide funding mechanisms to support the purchase of local, healthy food for lower income households.

Policy ED-P-3.5 Support broadband or other technology infrastructure that fosters home-based businesses and online provision of services, (e.g., telecommuting, telemedicine etc.).

Policy ED-P-3.6 Protect future opportunities for planning Industrial Land Banks and Major Industrial Developments by keeping development regulations current and effective for these land uses.

~~**Policy ED-P-3.6**~~ **Policy ED-P-3.7** Encourage expansion of existing employers and attraction of new employers that pay wages that can support households of all sizes



From the Collection of th

Goal ED-G-4 Work in partnership with public and private economic development interests to review barriers, consider flexible regulations that incentivize, encourage and facilitate innovative economic opportunities within the county.



Related to western Jefferson County

Policy ED-P-4.1 Continue to work with state, federal, and local agencies to coordinate and streamline land use review procedures and processes, while ensuring a proper balance between expeditious review and protecting the public interest.

Policy ED-P-4.2 Continue to work towards internal efficiencies in the application of development regulations.



Policy ED-P-4.3 Periodically review and update, if necessary, land-use and permitting procedures to assure that regulatory processes are understandable, predictable, and timely.

Policy ED-P-4.4 Continue to work with the City of Port Townsend, Port of Port Townsend, PUD, economic stakeholders and economic development agencies regarding capital facilities and land use in the Glen Cove Industrial District.

Policy ED-P-4.5 Amplify Jefferson County’s strengths in tourism, recreation, and retail through rural employment opportunities in centers and corridors and through development and enhancement of non-motorized facilities.

Policy ED-P-4.6 Encourage or develop programs to support minority-owned businesses or worker cooperatives.

~~Policy ED-P-4.5~~ **Policy ED-P-4.7** Coordinate with state, federal, and local agencies to fund worker cooperatives and alternative business ownership models to promote economic inclusion for BIPOC and other historically marginalized communities.

.....

Goal ED-G-5 Support the development of tourist and tourist-related activities as a source of employment and business opportunities in Jefferson County.



Related to western Jefferson County

Policy ED-P-5.1 Provide infrastructure for tourist services that promote agricultural, experiential, and educational tourism, eco-tourism, and native and cultural tourism as well as recreational tourism with revenue generated from the lodging tax.

Policy ED-P-5.2 Encourage efforts to preserve scenic open space, historic and local cultural and tribal resources that attract both local residents and visitors.

Policy ED-P-5.3 Encourage the development of small businesses, services, cultural attractions, recreational opportunities, and special events that capture and support tourism. Identify wider uses for these small businesses to also furnish goods and services, such as locally grown food, and value-added products to the traveling public and local population.



Goal ED-G-6 Encourage economic development that sustains natural resources and open spaces, protects environmental quality, encourages non-motorized recreation and transportation, and enhances Jefferson County’s overall quality of life.



Por

Policy ED-P-6.1 Recognize the economic strengths and opportunities that come from the appeal of Jefferson County’s surroundings, and preserve our quality of life as an economic development asset.

Policy ED-P-6.2 Develop and update land use policies that conserve working resource lands and provide sustainable employment opportunities.

Policy ED-P-6.3 Encourage “working water-front” small-scale marine trade activities in Port Hadlock, Port Ludlow, Nordland, and Quilcene.

Policy ED-P-6.4 Expand local food security and the food-related economy to address climate impacts and increase access to healthy, affordable, and climate-friendly foods, especially for underserved communities.

Policy ED-P-6.5 Promote green jobs or businesses that provide eco-friendly products or services.

Policy ED-P-6.6 Partner with local economic development organizations, non-profits, community organizations, and businesses to develop innovative sustainable employment opportunities in the county

~~Policy ED-P-6.3~~ **Policy ED-P-6.7** Promote and implement connections between recreational and cultural activities and local businesses to support economic activity and quality of life.

Goal ED-G-7 Coordinate the development of infrastructure that is adequate to attract and accommodate the diversified economy centers of Jefferson County, consistent with the requirements of the Growth Management Act.

Policy ED-P-7.1 Support and coordinate efforts of infrastructure service providers, and economic stakeholders in identifying and meeting infrastructure needs of the diversified economic centers where commercial and industrial development is appropriate.

~~Policy ED-P-7.2~~ **Policy ED-P-7.2** Support the development, production, siting and use of non-fossil based renewable energy such as solar, wind, water, ammonia fuel, and other innovative renewable sources.



~~Policy ED-P-7.3~~ **Policy ED-P-7.2** Through emergency or disaster preparedness networks such as Jefferson County Regional Emergency Preparedness Network (JPREP), promote infrastructure, ~~including such as~~ storage, for a local food system capable of supporting the population of Jefferson County without diminishing the long-term carrying capacity of the County's natural resources.

~~Policy ED-P-7.4~~ **Policy ED-P-7.3** Continue to work on the funding, installation, and operation of the Irondale and Port Hadlock UGA sanitary sewer system, and investigate alternatives and opportunities for wastewater treatment systems to serve the needs of Brinnon and Quilcene.

Goal ED-G-8 Ensure responsive, fair, and efficient permit processing.

Policy ED-P-8.1 Develop and maintain implementing regulations and internal policies that ensure that development applications are processed in a timely, fair, and predictable manner.

Policy ED-P-8.2 Ensure that permit review and requests for additional information are fair, consistent and balanced with the needs of the applicant and the public interest at large.



7.5 ACTION PLAN

[The action plan will be updated following the release of the public draft and additional input from the public and Planning Commission on community priorities.]

Exhibit 7-10 highlights key activities the County can use to implement the Economic Development Element over the next ~~eight~~ ten years (prior to the next periodic update), several in partnership with other entities:

Exhibit 7-10 Economic Development Action Plan

Action	Description
Workforce Development	
Align education resources and current and target industries.	<ul style="list-style-type: none"> ▶ Through the Olympic Workforce Development Council, connect businesses and local employers with the North Olympic Development Council (NODC) local school districts, colleges, and other educators to co-design training and re-skilling programs. ▶ Introduce educators, high school counselors and students to experiential education settings for advanced manufacturing, maritime and marine trades, and related career paths.
Diversify & Strengthen Industries	
Support current and target industries that leverage existing strengths	<ul style="list-style-type: none"> ▶ Develop a long-term strategy for the Glen Cove Light Industrial Area addressing diversity of businesses, zoning designations, and intensification of uses, in collaboration with the City of Port Townsend, Port of Port Townsend, and economic development stakeholders and agencies. ▶ If requested, consider rezoning Port of Port Townsend’s Quilcene Marina, currently residentially zoned property, to a public facility zoning category. ▶ Support the creation of a facility to support food production and value-added processing of agricultural products.
Placemaking for Visitors & Residents	
Create an identity and brand for Jefferson County as a tourist destination.	<ul style="list-style-type: none"> ▶ Continue to support collaboration and partnership of the Tourism Coordinating Council with the Olympic Peninsula Tourism Commission and local communities and agencies. ▶ Partner with Team Jefferson and other local partners to create a strategic marketing plan that highlights the assets of different communities.
Infrastructure Improvements	
Make investments in infrastructure to attract and retain industries.	<ul style="list-style-type: none"> ▶ Support the provision of high-quality, reliable broadband to support industries, service provision and increase quality of life. ▶ Secure additional funds and financing to complete the Port Hadlock sewer system. ▶ Address needs for improved wastewater treatment in Brinnon and Quilcene. ▶ Develop opportunities to open new dialogue regarding LAMIRDs and how GMA regulations can be tailored to better serve rural communities with the appropriate level of needed infrastructure. ▶ Advocate for enhanced ferry service to support tourism and other sectors.
Study New Economic Opportunities	



Action	Description
Conduct a cooperative study into zoning for economic development in transportation corridors.	<ul style="list-style-type: none">▶ Coordinate with economic development groups to study business and economic development opportunities in highway and tourist corridors. The study may consider highway and tourist commercial development zoning to promote economic development.▶ The study may consider the following: assessing how to promote job growth and economic development along highway and tourist corridors while maintaining rural character and guarding against sprawl; access to the site for workers, tourists, and other visitors; maintaining scenic views; non-motorized transportation and recreation opportunities; safety design for commuters, visitors freight movement, trucks, cars, and pedestrians; node connectivity, and other topics of interest to economic development and community groups.

Source: Jefferson County, 2025¹⁸.