

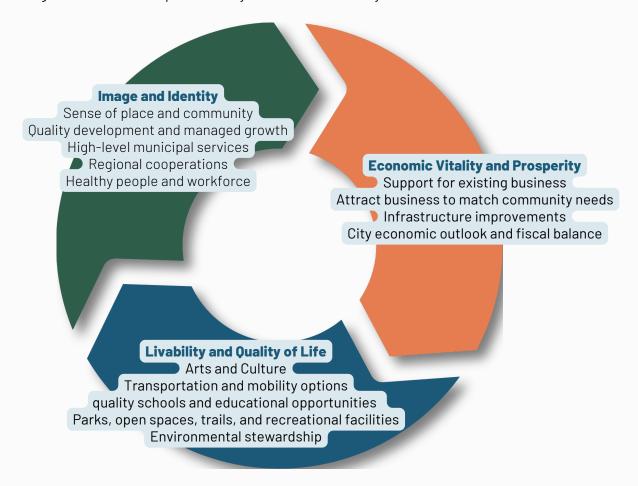
9.1 PLAN CONTEXT

Economic vitality is essential for achieving Poulsbo's vision of the future. This vision has always been to strengthen the community through the expansion of its tax and employment base and encourages employment opportunities. Ideally, economic development should balance economic growth, stability, environmental protection, efficient use of land, and preservation of Poulsbo's identity and character.

Poulsbo's economy is largely influenced by the presence of significant Naval bases, its geographic location for a commuting workforce to Seattle and other large cities, as well as an entrance point for access to the Olympic Peninsula. The rise of remote working and Kitsap Transit's fast ferry service has expanded employment opportunities for the Poulsbo workforce. Poulsbo is ideally situated at the crossroads of West Sound, and it serves as North Kitsap's commercial, employment and residential center.

Poulsbo's Economic Development Chapter is built upon the understanding that the City's economy is intrinsically tied to its quality of life, as well as the identity it presents to others, whether they are visitors, shoppers, residents, developers, or employers.

Figure 9-1 Relationship of Livability and Economic Vitality



Poulsbo is home to many small, medium-size and locally owned businesses, as well as national chain retailers. The city provides a positive business climate with its four distinct commercial zoning districts that support innovation and attracts local and start up business owners to locate here because of the quality of life it offers. An attractive quality of life will continue to become more important for site selection, as companies continue to become more mobile through advances in technology.

To be successful in the future, Poulsbo needs to build on its strong sense of community and shared heritage, while also providing land availability and infrastructure to provide areas where companies can locate to provide family wage employment. The City recognizes that a healthy economy provides opportunities for diverse segments of the community. While the City can lead and participate in economic development and revitalization, it takes effective partnerships with the business community to be successful and retain the livable and economically viable Poulsbo community.

The Economic Development Chapter, therefore, provides a policy framework that identifies how the community can retain successful businesses while pursuing future economic development opportunities. This element chapter includes policies related to:

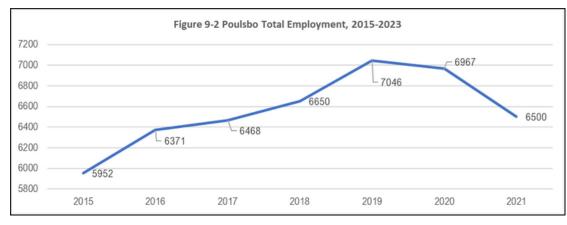
- Positive Business Climate
- Education and Workforce Development
- Planning and Infrastructure
- Economic Development Implementation
- Partnerships
- Livability and Economic Vitality
- Recreation and Tourism

9.2 TODAY'S CONDITIONS AND TOMORROW'S EMPLOYMENT TARGETS

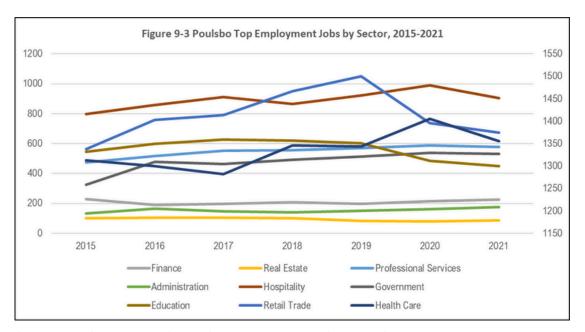
Today's Conditions

The Puget Sound Regional Council (PSRC) monitors employment for its member jurisdictions by tracking data reported to the Washington State Employment Security Department. The data set is pulled March of each year, as a representative month when seasonal fluctuations are minimized. The unit of measurement is jobs – rather than persons – and includes part time and temporary positions.

While Poulsbo's total number of jobs declined from its peak in 2019 largely due to the COVID-19 pandemic, jobs have started to rebound to pre-pandemic levels.



Source: Puget Sound Regional Council, Covered Employment Estimates by Jurisdictions, by year



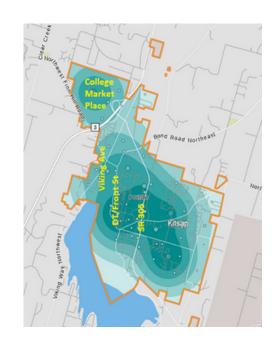
Source: Puget Sound Regional Council, Covered Employment by City - Major Sector

Total jobs in 2021 was 6,500, an increase of 548 from 2015 or approximately 91 jobs/year. Top employment sectors in 2021 included healthcare, retail, and hospitality, with hospitality seeing the largest increase from 799 jobs in 2015 to 906 in 2021. This increase may reflect the new Fairfield Inn and Suites that opened in 2021 at College Marketplace. Retail was the only top sector in 2015 that was replaced in 2021 by healthcare. Education jobs have decreased each year since 2019. Professional service and government jobs have been on a gradual rise, with finance, administration and real estate staying relatively the same during the six (6) year period. Excluded from this table were Information jobs based on incomplete data from PSRC.

Commercial District Employment

The City of Poulsbo has four primary commercial districts, as depicted below:

- College Marketplace experiencing the most rapid employment growth over the last decade – with large format anchor stores.
- Viking Avenue with a strong service sector but overall lowest job counts of the four districts.
- Downtown/Front Street the location of the most service and government jobs.
- SR-305 with the most employment of any of the four commercial districts and (potentially) second in job growth over the last decade.
- Rest of City covering the rest of Poulsbo with substantial employment, much of which is education related and may include home-based employment.



In 2019, service businesses account for almost half of in-town jobs, with retail having the second highest job count. PSRC estimates that the SR-305 commercial district accounts for 41% of Poulsbo's employment, followed by College Marketplace, Downtown/Front Street and Viking Avenue – with 19% reporting to workplace addresses elsewhere in the city.

2044 Employment Targets

In 2022, the Kitsap Regional Coordinating Council adopted employment targets that are consistent with the Puget Sound Regional Council's Regional Growth Strategy (a land use policy document which is part of PSRC Vision 2050 Plan), and local employment trends. These countywide employment targets are included in the Kitsap Countywide Planning Policies (Appendix B-2) and identify job targets for all jurisdictions.

Vision 2050 incorporates a renewed focus on locating growth near current and future high-capacity transit facilities. Vision 2050 has a goal for 65% of population growth and 75% of the region's employment growth to be located in a Regional Growth Center and within walking distance of high-capacity transit. This approach not only connects people to more compact, walkable and transit served neighborhoods, but will also significantly reduce greenhouse gas emissions.

Poulsbo (and its UGA) is one of 35 cities and unincorporated communities designated as a high-capacity transit community, along with Bainbridge Island, Kingston, and Port Orchard (and its UGA). Kitsap County expects to see an additional 46,023 new jobs by 2044. Of that total, 14,728 were allocated between the high-capacity transit communities.

Poulsbo's 2044 employment growth target is an additional 4,000 jobs, representing 9.1% of the countywide allocation and 27% of the allocation for the high capacity communities. This employment target represents a growth of approximately 200 new jobs annually; however, similar to the City's population allocation, whether the job growth actually occurs at the projected rate is dependent on the national, regional, and local economic markets.

When the employment target of 4,000 is added to the 2021 Poulsbo jobs of 6,500, the total number of jobs anticipated for Poulsbo in the year 2044 is 10,500.

Poulsbo's employment and population targets provide a jobs-housing ratio of 1.5. A jobs-housing ratio in the range of 0.75 to 1.5 is considered beneficial for reducing vehicle miles traveled because people are living and working in the same community. This is just inside what's generally considered to be a "good" balance (0.75 - 1.5). This ratio is one of many measures or variables used by city planners to examine the proportions of residents, jobs, and services in urban areas and to guide development planning for efficient city plans and transit networks.

The allocation of 2044 2036 employment growth by jurisdiction is shown in Table ED-1.

2020-2044	Employment Growth Allocation	Percent	
Bainbridge Island	1,927	4.4%	
Bremerton	14,175	32.4%	
Bremerton UGA	2,434	5.6%	
Bremerton Total	16,609	38%	
Central Kitsap UGA	1,470	3.3%	
Kingston	1,400	3.2%	
Port Orchard	5,400	12.3%	
Port Orchard UGA	1,500	3.5%	
Port Orchard Total	6,900	15.8%	
Poulsbo	3,903	8.9%	
Poulsbo UGA	97	0.2%	
Poulsbo Total	4,000	9.1%	
Silverdale	11,416	26%	
Total Urban	43,722	95%	
Rural	2,301	5%	
Total New Jobs Urban and Rural	46,023	100%	

The commercial land supply for the cities and unincorporated Kitsap County was calculated based on agreed land capacity methods and are included and described in the 2021 Kitsap Buildable Lands Report Chapter 4. The summary of the land capacity analysis for commercial/industrial land supply for each jurisdiction is reported in Table ED-2.

Table ED-2 Commercial Land Supply and Demand Analysis through 2044

Growth Alloc		cation 2044 Total Capacity		Difference	Capacity/Demand Ratio
UGA	Total	Percent	Total Job Capacity	Total Capacity Minus Allocation	Ratio
Bainbridge Island	1,927	4.4%	1,127	-800	.58
Bremerton	14,175	32.4%	17,794	3,619	1.25
Bremerton UGA	2,434	5.6%	2,454	20	1
Central Kitsap UGA	1,470	3.3%	1,452	-18	0.98
Kingston UGA	1,400	3.2%	818	582	.58
Port Orchard	5,400	12.3%	5,243	-157	.97
Port Orchard UGA	1,500	3.5%	1,172	-328	.78
Poulsbo	3,903	8.9%	2,915	-988	.74
Poulsbo UGA	97	0.2%	97	0	1
Silverdale UGA	11,416	26%	5,026	- 6,390	.44
Total Urban	43,722	95%	38,098	-5624	12
Rural	2,301	5%	11,019	8,718	4.78
Total Urban and Rural	46,023	100%	49,117	3,094	1.06

Source: Kitsap Countywide Planning Policies, Appendix B 1: Population Distribution Through 2044 and B-2: Employment Distribution Through 2044, Kitsap County Buildable Lands Report 2021, Exhibit 52

Based upon the capacity analysis utilized by all jurisdictions, there is sufficient land capacity to meet the countywide growth target of 46,023 jobs with additional capacity of 3,094 jobs. Poulsbo has adopted a target of 988 jobs above the 2021 capacity. Employment capacity is no longer bound by commercial land availability as the COVID-19 pandemic has revolutionized the way and where we work. According to the PSRC 2021 Household Travel Survey, working at home in the central Puget Sound region increased from 6% to 27% from 2017 to 2021. In 2021, the portion of people always working from home increased to 27% of all workers in the region. If this same percentage was applied to the total jobs, this would result in a reduction of employment square footage to accommodate jobs by 1,080. Additionally, there is likely additional capacity within underutilized existing commercial buildings as well as additional capacity proposed within the SR305 Corridor subarea plan that is sufficient for the capacity deficient which further analysis can substantiate.

While the economic market will dictate whether the targeted number of jobs allocated to Poulsbo is actually realized, the City should continue to evaluate the availability of commercial land annually and through the required buildable land reporting intervals.



9.3 CHALLENGES AND OPPORTUNITIES

Poulsbo is strongly positioned for continued economic vitality; however, the City will need to respond to key challenges and opportunities as it continues to expand as a competitive city.

Promoting innovative and entrepreneurial development:

Innovation and entrepreneurialism are keys to success in an evolving economy, and Poulsbo will need to be competitive to attract and retain the talent that thrives on innovation. The City and community can do more to cultivate an environment that supports entrepreneurialism by building on the local education system and expanding the presence of the existing higher education institutions, recruiting innovative companies that are a good fit for Poulsbo, and promoting affordable and flexible workspace that attract innovative talent, start-ups and niche businesses.

The Built Environment:

Poulsbo needs diverse business zoning districts and building types to attract new development, adjust to market trends, and remain attractive to key commercial and industrial sectors. The Land Use Chapter, zoning and development regulations must provide for the land use and building types necessary to achieve the City's economic development goals. Moreover, the City will need to ensure the necessary infrastructure is planned, funded and built to support these commercial centers.

Mobility Challenges:

Population, employment and tourism growth have increased the movement of people and goods traveling on the local and regional transportation system. Economic success in Poulsbo will require a range of multimodal transportation options. This will require both local and regional resources to ensure that the region's transportation network is able to maintain the movement of people and goods in an efficient and timely manner.

Tourism and Visitor Experiences:

Poulsbo has strong and attractive tourism and visitor experiences, continuing to be named one of the best small cities in Washington State to visit and dubbed as "Little Norway". Encouraging cohesive, cooperative, and more comprehensive marketing of Poulsbo presents many exciting opportunities for improvement.

Workforce Housing:

To support a healthy economy, there is a need for housing options for workers at all income levels. Promoting housing affordability has become and will continue to be a challenge as Poulsbo continues to grow and become more desirable.

Maintaining Poulsbo's Economic Prosperity:

Poulsbo's resilience in the aftermath of the Covid-19 pandemic Great Recession 2007-2009 is testimony to a diverse economy. The challenge now is to build on the strengths that economic diversity and innovation can yield, without losing or diminishing the quintessential elements that make Poulsbo, well, Poulsbo.





9.4 GOALS AND POLICIES

Positive Business Climate

With its four distinct commercial districts, and opportunity for home occupations and coworking space, the City provides a positive economic climate, supportive for business retention and expansion through the efficient delivery of governmental services, a cost-effective tax, fee and regulatory structure, and effective partnerships with agencies that engage in direct economic development activities. A positive economic climate is a major factor in business location decisions, and is comprised of a number of factors that the city directly controls or influences:

- Desirable quality of life;
- Reasonable, predictable, and stable land use regulations;
- High quality public services and facilities;
- Competitive tax rates;
- Diverse and affordable workforce housing opportunities;
- Excellent public education system, along with continuing education and job training opportunities, particularly in health courses;
- A sense of innovation and openness to new businesses, people and ideas.

When these factors are aligned, a community has a powerful advantage in the marketplace. Poulsbo is in a strong position on many of these fronts to achieve this and should take a facilitative approach to encourage business investment and committed interest in business growth. For example, the city has for years had a tax policy that has been deliberately restrained, with a focus on maintaining excellent services within existing resources.

A positive economic climate cannot be accomplished without the sustained efforts of numerous parties. Many factors are beyond the city's control, such as educational resource allocation, or the housing investment decisions made by the private sector. Given a community willingness to maintain a strong economy, the City can act in a leadership role to communicate the importance of a positive economic climate and work with others to achieve it.

GOAL ED-1

Nurture an economic climate that will attract and retain businesses, and assist in their development, expansion and success.

Policy ED 1.1

Promote and maintain a business climate that supports the recruitment, retention, and expansion of the city's economic base.

Policy ED-1.2

Support the retention and expansion of existing local businesses and by promoting locally produced goods and services.

Policy ED-1.3

Foster a supportive environment for business startups, small businesses, locally owned and women- and minority-owned businesses to help them prosper.

Policy ED-1.4

Ensure that economic development sustains and respects the region's environment and encourages development of established and emerging industries, technologies, and services that promote environmental sustainability, especially those addressing climate change and resilience.

Policy ED-1.5

Foster a culture of creativity, entrepreneurship and innovation which helps promote job growth and new business creation, including artisanal and small-scale producers, including craft food and beverages.

Policy ED-1.6

Encourage infill and redevelopment of existing or underutilized commercial and light-industrial areas, while striving to maintain a jobs/housing balance.

Policy ED-1.7

Evaluate and amend design and development standards that respond to the changing needs and support the growth of the city's four commercial districts: College Marketplace, Viking Avenue, Downtown/Front Street, and SR 305.

Policy ED-1.8

Facilitate the collection, analysis and dissemination of information that promotes existing and new economic activity.

Policy ED-1.9

Facilitate efforts of businesses and institutions to train workers, and support and advocate continuing education for Poulsbo's business community.

Policy ED-1.10

Include an assessment of the economic benefit to the community and the effects on business in developing and implementing City policies and programs,

Policy ED-1.11

The City Council shall consider and weigh the impacts of the city's policies regarding taxes, fees and utility rates on Poulsbo's economic development goals, while recognizing the balance between economic development, the maintenance of high-quality services, and the financial health of city government.

Education and Workforce Development

Poulsbo is home to several primary, secondary, and higher education institutions. When combined, they contribute new ideas and innovations, cultural offerings and training opportunities that benefit students and businesses. Exceptional education provides quality of life benefits and prepares the next generation of workers to build and maintain an innovative and creative economy. By promoting educational and workforce learning opportunities for residents and workers of all ages and backgrounds, the City lays the foundation for a resilient local economy that attracts outstanding talent.

GOAL ED-2

Commit to academics, affordable educational options, career training and lifelong learning.

Policy ED-2.1

Support and partner with educational institutions to maximize resources and improve the quality of life for both city residents and students. Support and collaborate with Olympic College, Western Washington University, North Kitsap School District, and other education institutions to:

- Maintain and enhance the quality of education at all grade levels;
- Maintain and expand the programs of the Olympic College and Western Washington Poulsbo campus;
- Encourage the development of programs that meet the changing needs of employers and employees; and
- Encourage educational institutions, governments, and businesses to provide opportunities for youth to see and experience a variety of employment and business opportunities.
- Encourage a commitment to lifelong learning to strengthen and diversify the existing workforce and attract talented new workers.

Policy ED 2.2

Provide apprenticeships and other workplace learning opportunities in Poulsbo City government.

Planning and Infrastructure

One of the City's critical economic development roles is to plan and prepare for the land uses, design features, and utility and transportation infrastructure that support the city's continued development. By adopting a land use vision, implementing regulations to accomplish it, and investing in the necessary infrastructure to support this desired land use, the City's infrastructure funding and development efforts are directly linked to and supports the City's economic development program.

The City's commitment to planning ensures that the city's infrastructure, utilities, parks, and other resources are able to respond to changing development pressures and needs, while meeting the needs of our residents. This allows the city to grow gracefully, to meet the needs of both existing neighborhoods and new development.

The City also undertakes planning activities to help Poulsbo adjust to changing market conditions. By doing this basic task well, Poulsbo is able to attract and retain predetermined business types.

GOAL ED-3

Provide a sufficient amount of land for commercial, light industrial, and business uses, the infrastructure and public facilities necessary to support economic growth, and an efficient and timely permit process.

Policy ED-3.1

Maintain an adequate supply of developable employment lands (commercial, light industrial, office commercial industrial, and business park) to accommodate the forecasted growth and accomplish the City's economic development goals, while factoring in the changing needs due to a growing remote work force.

Policy ED-3.2

Promote economically viable neighborhood commercial that can foster small business enterprises, entrepreneurship and reduce vehicle miles while encouraging walking and cycling.

Policy ED-3.3

Determine and pursue the appropriate center designation(s) for the city, as designed and set forth in Puget Sound Regional Council's adopted and updated Regional Centers Framework (March 2018) and the Kitsap County Countywide Planning Policies (CPP's).

Policy ED-3.4

Review land use regulations, and development standards to ensure that vacant or underutilized employment lands can be used as efficiently as possible. Identify and remove barriers to redevelop underutilized and/or vacant land and buildings, while providing flexibility and incentives as appropriate.







Policy ED-3.5

Maintain an efficient, timely, predictable, and customer-focused permit process, conducted in a manner that integrates multiple city departments into a coordinated entity.

Policy ED 3.6

Continually explore efficiencies in permit reviews by harnessing appropriate technologies.

Policy ED-3.7

Enforce development regulations in a consistent, objective manner.

Policy ED-3.8

Encourage and support the development of technology and telecommunications infrastructure citywide.

Policy ED-3.9

Continue to plan, identify, construct, and maintain public infrastructure systems and capital facilities required to manage a positive economic climate. Anticipate needs and coordinate City infrastructure investments with economic development opportunities.

Economic Development Implementation

Economic development is a dynamic field, and to remain competitive, Poulsbo will need to implement its economic development strategy.

GOAL ED-4

Encourage an economic development strategy that is flexible and nimble, able to respond quickly to market changes and climate.

Policy ED-4.1

Encourage an environment supportive of entrepreneurial activities, evolving business models and emerging work forces.

Policy ED-4.2

Accommodate a mix of jobs, while actively seeking a greater proportion of family wage jobs that will benefit a broad cross-section of Poulsbo residents.

Policy ED-4.3

Continue to support development of flexible workspaces where people with shared interests can meet, collaborate, and develop their business ideas and products.

Policy ED-4.4

Consider the use of organization and financial tools or investment, including public-private partnerships where appropriate, to catalyze or leverage private sector and other resources, to accomplish Poulsbo's economic development goals.

Policy ED-4.5

Encourage economic development through a mix of incentives, economic and planning data, business assistance services, and strategic investments that support the City's adopted plans.

Policy ED- 4.6

Seek grant opportunities or other funding sources for the City to develop an Economic Strategic Plan to consider the opportunities and challenges citywide of a healthy economic climate, retention and expansion of existing businesses and successful recruitment of new businesses.

Policy ED-4.7

Support the Kitsap Public Utility District efforts to install telecommunication infrastructure, especially high-capacity fiber optic cable.

Policy ED-4.8

Monitor trends in telecommunication and technology, ensuring that new infrastructure will be in place or available for the future businesses.

Partnerships

For a community like Poulsbo that has a variety of business types and strong education partnerships, the foundations for effective economic development are the firms that are already here. Retaining these firms, continuing to meet their needs and assisting them as they grow and expand, is of paramount importance. A second source of economic development is the recruitment of new firms or businesses. Recruitment runs the gamut from nurturing small business start-ups to attracting large firms.

Poulsbo is fortunate to have some very capable organizations that play major roles in marketing, retention, and recruitment - including the Chamber of Commerce, Visit Poulsbo, Visit Kitsap Peninsula, and the Historic Downtown Poulsbo Association. Other partners include the Port of Poulsbo and the Kitsap Economic Development Alliance.

For continued success in retention and recruitment, Poulsbo needs effective leadership that coordinates and promotes the best efforts of all the complementary players. It needs to focus its economic development efforts with a clear and coordinated strategy.

GOAL ED-5

Foster partnerships with businesses, civic clubs, and government agencies to build upon and expand Poulsbo's economic base to enhance and build Poulsbo's economic diversity.

Policy ED-5.1

Continue to participate with and support the Kitsap Economic Development Alliance as a primary resource to provide advice and data on economic development issues, the potential for retaining and expanding existing industries, including industry clusters, and attracting new job opportunities.

Policy ED-5.2

Continue to partner with the Chamber of Commerce and Historic Downtown Poulsbo Association and other organizations to promote and market the city's retail districts. Collaborate with the Chamber and Downtown merchants in development of community marketing materials.

Policy ED-5.3

Cooperate with Kitsap County, state agencies, and the private sector, to ensure that public improvements necessitated by new private development are funded equitably.

Policy ED-5.4

Continue working with the Port of Poulsbo to provide and promote Poulsbo as a destination for the boating community.

Policy ED-5.5

Encourage public and not for profit organizations to enter into partnership arrangements with private business interest to facilitate economic development projects that would not otherwise occur without cooperation of both the public and private sector.

Policy ED-5.6

Collect, analyze, and disseminate information that contributes to economic activity, anticipates issues, and identifies early action to avoid decline in the city's commercial areas.









Livability and Economic Vitality

The quality, character and richness of place has become a key driver of the economic competitiveness of cities and regions. High-speed telecommunications allow talented workers and businesses to locate anywhere, increasing the importance of livability factors such as high-quality built environment and urban design, environmental protection, parks and recreation opportunities, cultural attractions, and entertainment. Quality of life also requires recognizing the importance of affordable and diverse housing options that provide workers with opportunities to live close to their jobs.

GOAL ED-6

Continue to support and invest in the quality-of-life attributes that provides Poulsbo with a competitive advantage in attracting business interests.

Policy ED-6.1

Recognize the economic benefits of city and private sector investments in urban amenities like arts and culture, open space and recreational facilities, and high-quality urban design. Strengthen the City's assets in these areas as an explicit component of the City's economic development strategy.

Policy ED-6.2

Promote and encourage public art that supports Poulsbo's culturally, ethnically diverse communities, institutions and Native Tribes.

Policy ED-6. 3

Maintain development standards that ensure high quality design and urban amenities for public and private development.

Policy ED-6. 4

Provide a range of housing options to accommodate Poulsbo's diverse workforce, while striving to reach a jobs/housing balance.

Policy ED-6. 5

Maintain and implement programs specifically designed to improve Poulsbo's community appearance (i.e. graffiti, litter, weed abatement, property maintenance.)









Recreation and Tourism

Poulsbo's historic "Little Norway" is one of the Kitsap Peninsula's favorites and most popular destinations for visitors of all ages and interests. Stroll down Front Street to explore galleries, museums, and shops in Poulsbo's growing Arts District, or stop by one of the several waterfront restaurants for a bite to eat overlooking the marina and waterfront park. Poulsbo is also home to several award-winning breweries that have taprooms and brew pubs as well as a growing coffee scene. The Poulsbo Marina is one of the most popular places for boaters to visit on the Kitsap Peninsula and there are kayak and SUP rentals on Liberty Bay. Poulsbo is also home to four museums celebrating the history, including maritime, heritage and culture of Poulsbo and the surrounding community.

Goal ED-7

Foster Poulsbo's recreation and tourism-based economy

Policy ED 7.1

Support emergence as a tourist destination by promoting tourism efforts in the community.

Policy ED -7.2

Promote the development of walking, bicycling, boating and kayaking tours that include a variety of destinations throughout Poulsbo.

Policy ED-7.3

Collaborate with downtown businesses, the Port of Poulsbo, and civic organizations to support Poulsbo as an emerging cruise destination.

Policy ED-7.4

Encourage development of expanded lodging options to support overnight stays by tourists and other visitors, while monitoring the short-term rentals and gauge their impact on the community.

Policy ED-7.5

Encourage and support community, entertainment, and evening activities throughout the commercial areas of the city, to support a nightlife economy.

