

# ECONOMIC ELEMENT

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## ECONOMIC ELEMENT INTRODUCTION

The future economy of Bainbridge Island is linked to the community's *vision* and strategy for dealing with future needs. A healthy, resilient economy, based on our collective future vision of the Island, is a tool for accomplishing larger community *goals* and creating a robust future.

“The *vision* a community has of itself is important to its economy. Each community plays a crucial role in creating for itself an environment that is attractive to and nurturing of new and existing businesses. A vital economy requires adequate *public facilities* (water, sewer, roads, schools, parks, libraries, emergency services and utilities). A community that does all that AND preserves its natural features will have an edge when it comes to improving its economy.”

Washington State Department of Commerce

The *Growth Management Act* (GMA) addresses the concerns of “uncoordinated and unplanned growth that potentially pose a threat to the environment, sustainable economic development, and the health, safety and high quality of life enjoyed by residents.” An important part of a healthy economy is the quality of the environment.

The Economic Element of the *Comprehensive Plan* is intended to guide the climate for enterprise and commercial exchange on Bainbridge Island and reinforce the overall vision and values of the *Comprehensive Plan* adopted in 1994, and subsequently updated in 2004 and 2016: to steward a sustainable community; to protect the quality of its environment: the water, air and land; and to encourage traditional resource based activities such as agriculture.

### FRAMEWORK

**NOTE: RECOMMEND THIS WHOLE SECTION FOR DELETION- NO OTHER ELEMENTS HAS THIS TYPE OF SECTION**

~~The community seeks to retain and enhance an economy that reinforces Bainbridge Island's diverse character and capitalizes on its assets, including: history and heritage, high educational attainment, diverse skills, artistic creativity, rural quality, agricultural base, natural resources, preserved open spaces, beaches and shorelines, maritime orientation, and proximity to the Seattle metropolitan area and the Kitsap Peninsula.~~

~~These critical elements of our community identity and economy are all susceptible to anticipated changes in our climate, population and the subsequent responses we make with regard to that change. By considering these changes explicitly, we can work to increase the resilience of our economy and thrive in the face of change.~~

~~The intent is to integrate the Economic Element with other parts of the *comprehensive plan* because the economy is intertwined with all aspects of community life. The Economic Element recommends *goals and policies* which recognize the following considerations:~~

~~**1. The Island's economic future *should* include enterprises that are diverse by type and scale, under local ownership and control; that offer a variety of employment options; and that support a broad range of income and skill levels.**~~

~~Bainbridge Island residents have high incomes relative to the rest of the state and region. See Appendix A – Economic Profile. However, the prospect of functioning solely as an exclusive~~

~~high-income bedroom community is not desirable. The Comprehensive Plan aims to foster diverse residential and business opportunities, as does the Economic Element. Creating a diversity of jobs and affordable housing coupled with provisions for responding to market conditions and encouraging innovative business activity are important economic policy steps for the City's future.~~

~~**2. Bainbridge Islanders are enterprising and are establishing small scale businesses which create jobs and grow bigger businesses.**~~

~~Over half of Island-based businesses are home-based. National studies indicate that small businesses provide impetus for new business development and job creation. Existing land use codes and City business tax structure are supportive of home-based and small-scale businesses. This support *should* be continued and expanded into a more complete continuum of opportunities for locating and maintaining Island-grown business.~~

~~**3. When weighing choices regarding our future economy, the fundamental considerations *should* be the quality of the Island's natural environment and the community's desire to maintain the visual character.**~~

~~Bainbridge Island's quality of life is associated with forests and fields, waters and harbors, *open space* and abundant natural resources, and a thriving town center. These elements of Bainbridge Island will be affected by climate change over the coming decades. Careful stewardship of our land and other resources - the foundation for our invaluable sense of place—will be necessary as we promote and permit new development, both residential and commercial.~~

~~The Economic Element incorporates fifteen *goals* and related *policies* as enumerated below. The order of the *goals* and *policies* does not indicate preference or priority.~~

## ECONOMIC VISION 2036

Bainbridge Island has balanced economic development with stewardship of our Island's finite natural resources and the needs of a diverse population. Affordable housing is available for much of the local service sector workforce and improvements in communications infrastructure have enabled more successful local enterprises, including home-based business.

The economy of Bainbridge Island reaps advantages from proximity to the Seattle area and the Kitsap peninsula. The Island is a destination for visitors interested in learning about sustainability and resilient community development. Local employment opportunities are diverse, including small manufacturing, artisanal crafts, high tech, e-commerce, arts, and food. Small retailers are thriving by serving the needs of local residents as well as visitors.

Agriculture is a thriving part of the Island's economy: all City-owned agricultural land is now under cultivation and producing seasonal foods for local consumption. The number of farms on private acreage has increased and is supplementing the local food supply.

Innovative and flexible city programs encourage the real estate market to adapt to trends that favor conservation, efficient use of land and resources, and homes of modest size and price.

Islanders recognize that a sense of community as well as economic value is achieved by

neighborly acts. A robust non-profit sector strengthens social capital, provides services and employment opportunities.

## GOALS & POLICIES

### DIVERSIFIED ECONOMY

#### GOAL EC-1

##### **Promote economic vitality, growth and stability.**

Bainbridge Island has the opportunity to create a robust, resilient and durable economy by demonstrating early leadership and acknowledging the changes that will affect our economy. Planning for these changes and taking actions that support and encourage a local economy will help reduce community vulnerability to issues such as aging demographics, housing availability, transportation constraints, and climate change.

By providing enterprises that both serve and employ local residents, Bainbridge Island will be better able to withstand fluctuations in the larger regional economy. In addition, people who live and work in their community are available to invest time and money in their families, organizations, and community life. A key to a healthy, stable and vital economy is to create and undertake business opportunities that anticipate and respond to conditions that affect our community. This would include identifying emerging needs and markets so that Bainbridge Island businesses benefit from being on the leading edge of change.

##### **Policy EC 1.1**

Develop and maintain regulations that provide support for our community's businesses sectors. ~~These will prepare our strong existing business sectors for change, while encouraging the business community to look for emerging sectors that will be part of responses to change on Bainbridge Island and beyond.~~

##### **Policy EC 1.2**

The city *should* embrace diverse and innovative business opportunities compatible with community values and develop programs to make Bainbridge Island an attractive location for those businesses.

Bainbridge Island is affected by regional, national, international and global environmental and economic trends and changes in the physical environment. While we cannot control global economic or environmental conditions we can support the local economy by providing *policy* direction and land use *infrastructure* to allow for and encourage robust economic activities that are prepared for and responsive to change.

##### **Policy EC 1.3**

Coordinate with local business groups to track commercial activity, identify trends and assess the economic health of the Island. ~~Adopt~~ Create an Economic Development *vitality* Strategy to identify creative and appropriate ways for the City to encourage and stimulate business activity.

##### **Policy EC 1.4**

Support entrepreneurship by providing adequate *land use* designations in keeping with the

character of the Island, while avoiding investment in sectors/activities/*infrastructure* that will not remain viable in the foreseeable future

#### **Policy EC 1.5**

In order to provide opportunities for business enterprise, adequate space must be provided for efficient use of existing developed areas near public transportation (e.g. ferry, bus service) growth that recognizes and in order to protect the Island's valued natural amenities, its limits of land and water and the quality of its residential *neighborhoods*.

#### **Policy EC 1.6**

Establish, maintain and share with interested parties a data base of indicators of the health of the sectors of the Island's economy. **RECOMMEND DELETION: SIMILAR TO EC 1.3**

#### **Policy EC 1.6 1.7**

Coordinate Partner with the business community Chamber of Commerce, the Bainbridge Island Downtown Association, and others to monitor the Island's business climate and make appropriate adjustments to the economic vitality strategy

## **INFRASTRUCTURE**

### **GOAL EC-2**

**Provide sufficient and resilient infrastructure that is supportive of a healthy economy and environment, particularly telecommunications and electrical reliability.**

#### **Policy EC 2.1**

Identify long-term *infrastructure* needs that support economic sustainability and are designed to withstand future conditions.

#### **Policy EC 2.2**

Support *infrastructure* enhancement to accommodate new information technology and changing conditions.

#### **Policy EC 2.3**

Implement infrastructure and technology improvements around *designated centers* to provide enhanced service and to retain and attract business.

#### **Policy EC 2.4**

Utilize Local Improvement Districts to spur *infrastructure* development.

## **SUSTAINABILITY**

### **GOAL EC-3**

**Promote business practices that protect the Island's natural beauty, and environmental health, and support long-term business success.**

Environmental protection is a value expressed in the *guiding principles* that are the foundation of the comprehensive plan. A quality environment ~~promotes~~ incorporates and enhances financial, natural, and social economic capital ~~vitality~~ of the community.

#### **Policy EC 3.1**

Encourage the use of *green building* materials and techniques in all types of construction, as well as design approaches that are responsive to changing conditions.

#### **Policy EC 3.2**

Help businesses find markets for surplus materials, by-products and waste.

#### **Policy EC 3.3**

Encourage local enterprises to participate in programs such as the Kitsap County Waste Wise and Green Community Initiative, which recognize and assist business efforts to protect the environment.

#### **Policy EC 3.4**

Encourage public sector solid waste reduction, reuse and recycling.

#### **Policy EC 3.5**

Encourage existing and new businesses to become part of a linked cooperative whereby the by-products and waste of one enterprise become the raw materials of another.

#### **Policy EC 3.6**

Create opportunities to foster green technology and industries, such as energy, waste and information technology, which have the potential to create local, family wage jobs in our community at the same time we are protecting our natural beauty, environmental and economic health.

### **CIVIC LIFE**

#### **GOAL EC-4**

**Encourage a broad range of civic activities and organizations.**

Non-profit organizations are a source of employment and other economic benefits for Islanders and utilize many local commercial and service providers. Volunteers also provide significant contributions to the local economy. ~~Organizations such as Helpline House, Arts and Humanities Bainbridge, Bainbridge Island Museum of Art, Housing Resources Bainbridge, Bainbridge Island Downtown Association, and the Chamber of Commerce rely largely on volunteer efforts and provide irreplaceable valuable human resources to the community.~~

#### **Policy EC 4.1**

Support the non-profit sector of human and social service providers.

#### **Policy EC 4.2**

Encourage and recognize individuals, organizations, and businesses that volunteer time and skills to the community.

**Policy EC 4.3**

Encourage local business groups, educational institutions, and other entities to provide continuing education and skills development.

**Policy EC 4.4**

Promote Bainbridge Island as a family-friendly community with high quality schools, recreational opportunities and a safe, clean environment.

**JOBS/HOUSING BALANCE**

**GOAL EC-5**

**Provide a variety of *affordable housing* choices so that more people who work on Bainbridge Island can live here.**

The Housing Element of the *comprehensive plan* provides several options for the development of *affordable housing* on the Island.

**Policy EC 5.1**

Continue to monitor the progress in implementing the Housing Element and evaluate new ways of providing *affordable housing*.

**Policy EC 5.2**

In concert with the Housing Element’s Goals and Policies, pursue a housing strategy that seeks to accommodate a wide variety of housing options, both in design and affordability, to meet the demands of the full range of the population including service sector employees, retirees, students, artists, farmers and craftspeople.

**DEVELOPMENT IN DESIGNATED CENTERS**

**GOAL EC-6**

**As the city’s *designated centers* evolve, balance their functions as places of commerce and employment with their roles helping to meet housing needs and provide focal points for civic engagement and cultural enrichment.**

**Policy EC 6.1**

~~Create attractive~~ Enhance the existing *designated centers* that will to help the Island economy prosper and provide a high quality of life, creating ancillary benefits such as decreasing pollution (including *greenhouse gas emissions*), protecting *open space*, and creating local family wage jobs.

**Policy EC 6.2**

Utilize urban design strategies and approaches to ensure that changes to the built environment are at a locally appropriate scale and enhance the Island’s unique attributes, in recognition of the economic value of “sense of place.”

**Policy EC 6.3**

Develop urban design strategies to ensure that the built environment is appropriate for present and future conditions, including the impacts of *climate change*.

**Policy EC 6.4**

Ensure the efficient flow of people, goods, services, and information in and throughout the Island with infrastructure investments, particularly within and connecting to designated centers, to anticipate the needs of the Island's businesses.

**Policy EC 6.5**

Promote emerging business sectors such as artisanal and ~~craft~~ small-scale producers, including specialty craft food and beverages, as well as low-impact, specialty manufacturing, including software, electronics and green technology.

**Policy EC 6.6**

Preserve and enhance activities that feature Bainbridge Island's history of maritime, agricultural and artistic enterprises.

**Policy EC 6.7**

Monitor parking requirements in the *designated centers* and revise them as needed to encourage business development, while reasonably accommodating parking demand. This should be done in concert with efforts to increase use of multi-modal transportation options, reduce dependence on automobiles and improve our local environment.

## PUBLIC/PRIVATE PARTNERSHIPS

### GOAL EC-7

**Partner with local businesses and business associations on programs and projects to diversify and grow the City's economic make-up, reduce sales leakage, attract spending by visitors, enhance local employment, and increase municipal tax revenues to support local services.**

**Policy EC 7.1**

Leverage technology assets, such as existing fiber connections, to support technology- based businesses and potentially to pursue new revenue streams.

**Policy EC 7.2**

Focus "buy local" community marketing on consumer spending segments in which there is significant "leakage" and also a strong possibility of recapturing spending.

**Policy EC 7.3**

Support and enhance social, cultural, artistic, nature based recreational and other learning activities for residents, workers and visitors.

**Policy EC 7.4**

Integrate programs and activities related to economic prosperity with objectives related to environmental sustainability, social and political equity, climate change adaptation and cultural engagement.

**Policy EC 7.5**

Continue to support and enhance the arts/culture sector and the visitors that arts and cultural events attract.

**Policy EC 7.6**

Support and enhance the role of the *craft food and beverage* industry as attractions for residents and visitors alike.

**Policy EC 7.7**

Support and enhance recreational, nature-based, and other outdoor events that attract visitors.

**Policy EC 7.8**

Support and make Bainbridge Island a model community for *climate change* preparedness and sustainability practices that ensure long-term business viability while attracting and protecting visitors, businesses and residents.

**Policy EC 7.9**

Support and enhance our waterfront, including docks and maritime services that attract visitors and residents.

**Policy EC 7.10**

Provide an efficient, timely and predictable regulatory environment within the framework of a strong customer service approach.

**Policy EC 7.11**

Encourage the private, public, and non- profit sectors to incorporate environmental and social responsibility into their practices.

## RETAIL AND SERVICES

### GOAL EC-8

**Maintain and enhance Winslow as the commercial hub of Bainbridge Island. Position the Neighborhood Centers to provide the opportunities for smaller-scale commercial and service activity.**

**Policy EC 8.1**

Reinforce Winslow as the mixed-use center for commerce and exchange by fully implementing the Winslow Master Plan.

**Policy EC 8.2**

Develop Neighborhood Centers ~~should be developed~~ at higher residential *densities*, as recommended in the Land Use Element, in order to attract a variety of small-scale retail and service providers.

**SERVICES SECTOR**

**GOAL EC-9**

**Grow a healthy service sector to increase employment opportunities, enhance local revenues, and meet emerging needs of the Island’s changing demographics.**

**Policy EC 9.1**

Increase availability of housing to enable service sector employees to live on the Island.

**Policy EC 9.2**

Increase access to transportation options that better enable service sector employees who live off-Island to work on-Island.

**Policy EC 9.3**

Promote an emerging professional services sector that recognizes the Island’s linkage to the Seattle job market for managerial jobs and information-based industries.

**Policy EC 9.4**

Promote on-Island access to healthcare facilities and medical services, particularly those addressing the needs of the Island’s increasing older population.

**BUILDING DESIGN AND CONSTRUCTION SECTOR**

**GOAL EC-10**

**Support building design and construction industries to increase employment opportunities, enhance local revenues, and help ensure a built environment that responds to and reflects the Island’s Vision and Guiding Principles.**

The professions and trades involved in design, construction, furnishing, renovation and marketing of commercial and residential real estate constitute a large and very important sector of the Island’s economy. Productivity and profits within that sector are crucial factors in the stability and well-being of the entire community. ~~The built environment is no less important than our natural resources in defining Bainbridge Island as a unique and attractive place.~~ Good development, in a community such as ours, must work within limits and be compatible with the goals of environmental conservation.

**Policy EC 10.1**

Make the City’s development permit and code enforcement action process timely, fair and predictable.

**Policy EC 10.2**

Partner with Island architects, landscape architects, builders and related construction professionals to draft development standards and practices that incorporate green building practices and context-sensitive design.

**TOURISM**

**GOAL EC-11**

**Tourism is a key sector of the Island’s economy and needs to be supported. Bainbridge Island provides unique opportunities for visitors to experience internationally recognized gardens, cultural centers, parks, and recreational events.**

**Policy EC 11.1**

Improve pedestrian links between the ferry terminal, downtown Winslow, and the harbor. Encourage visitors on foot and bicycle ~~should be encouraged.~~ Encourage and support public transit and shuttle services.

**Policy EC 11.2**

The predominant focus of downtown Winslow ~~should be~~ is to serve the commercial and social needs of Island residents. A lively, *pedestrian-oriented* town center that provides a mix of commercial and *residential* ~~uses~~ is creates a potential tourist destination.

**Policy EC 11.3**

Support the Island as a visitor destination by preserving and enhancing the unique qualities of our community.

**Policy EC 11.4**

Encourage multiple-day stays and participation in selected Island events and destinations by off-Island visitors.

**Policy EC 11.5**

Encourage bed and breakfasts and other creative tourist accommodations.

**Policy EC 11.6**

Monitor the Island’s short-term rentals to gauge their impact on the community.

**ARTS**

**GOAL EC-12**

**Continue to promote the arts as a significant component of the Bainbridge Island economy.**

**Policy EC 12.1**

Encourage and support the creative and economic contribution of the arts by implementing the *goals* and *policies* of the Cultural Element.

**Policy EC 12.2**

Promote the arts community within the ~~northwest~~ region as an economic asset of the Island.

## HOME-BASED BUSINESSES

### GOAL EC-13

**Foster home-based businesses as a key to a present and future vital economy.**

Nearly half of all businesses licensed on Bainbridge Island are reported as home-based. Bainbridge Island allows home-based businesses in all zones, and 16.3% of the Island workforce works from home. Home-based businesses are divided into two categories: minor and major home occupations.

#### Policy EC 13.1

Continue Apply performance standards to harmonize limit impacts of home-based businesses in residential neighborhoods. Home-based business that do not meet performance standards may qualify as a major home occupation and will require a conditional use permit.

#### Policy EC 13.2

Support home-based businesses through business licensing and other City programs.

## AGRICULTURE

### GOAL EC-14

**Recognize that farming is a part of the Island's heritage and contributes to the island's economy.**

The Environmental and Land Use Elements contains several *goals* and *policies* intended to sustain and enhance agriculture.

#### Policy EC 14.1

Support the market for Island-grown agriculture products by:

- Recognizing and supporting the Bainbridge Island Farmers' Market, including permanently dedicating space for the market and enhancing the market area.
- Allowing and promoting roadside stands that sell Island-grown products.
- Promoting and supporting Community Supported Agriculture (CSA).
- Encouraging the development of value-added processing facilities that can be shared by many farmers.
- Encouraging food crops to be planted on public land.

#### Policy EC 14.2

Support a program that helps working farms through educational, historic, farm stay and tourist visits.

**Policy EC 14.3**

Support working farms through the creation and sale of locally-constituted, high-grade compost to maintain the fertility of Island soils.

**BUSINESS/INDUSTRIAL****GOAL EC-15**

The Business/Industrial (B/I) land use designation should provide space for job creating enterprises. Island based businesses provide the possibility of living and working in the community. It is the purpose of the B/I land use designations to provide opportunities for light industrial and other non-retail activities. The City should be prepared to respond to a changing marketplace and the business opportunities perceived by its citizens, when those opportunities require pre-existing infrastructure and well-designed accommodations in order to flourish.

**Policy EC 15.1**

Promote manufacturing and business/industrial employment as an important source of family wage jobs on Bainbridge Island.

**Policy EC 15.2**

New Business/Industrial (B/I) *land use* designations ~~shall~~ will be considered based on the following:

- Proximity to existing B/I.
- The total amount of and expected need for B/I-zoned land.
- Compliance with all *policies* in the Land Use Element.
- Reasonable proximity to SR 305.
- Availability of public sewer and water, *or* whether permitted uses might safely use wells and septic systems or other alternative systems that are approved by the Kitsap Public Health District.
- Consideration of pollution and *aquifer recharge* concerns.
- Adjacency to non-residential *land uses*.
- Minimal impact to residential *land uses*, *neighborhoods* and *open space/conservancy* and agriculture areas.

**Policy EC 15.3**

Conform Business/Industrial development ~~shall conform~~ to all Business/Industrial performance standards, the requirements of Site Plan and Design Review, and applicable design guidelines.

## ECONOMIC IMPLEMENTATION

To implement the goals and policies in this Element, the City must take a number of actions, including adopting or amending regulations, creating partnerships and educational programs, and staffing or other budgetary decisions. Listed following each action are several of the comprehensive plans policies that support that action.

### HIGH PRIORITY ACTIONS

**EC Action #1 Adopt and maintain an Economic Development Strategy to coordinate public and private efforts to grow and sustain a healthy economy on the Island**

#### Policy EC 1.3

Coordinate with local business groups to track commercial activity, identify trends and assess the economic health of the Island. ~~Adopt~~ Create an Economic-vitality Development Strategy to identify creative and appropriate ways for the City to encourage and stimulate business activity.

#### Policy EC 1.7

Coordinate ~~Partner~~ with the business community Chamber of Commerce, the Bainbridge Island Downtown Association and others to monitor the Island's business climate and make appropriate adjustments to the economic vitality strategy.

### MEDIUM PRIORITY ACTIONS

**EC Action #2 Continue efforts to promote and support agriculture as a component of the Island's economy, landscape and culture.**

#### Policy EC 14.1

Support the market for Island-grown agriculture products by:

- Recognizing and supporting the Bainbridge Island Farmers' Market, including permanently dedicating space for the market and enhancing the market area.
- Allowing and promoting roadside stands that sell Island-grown products.
- Promoting and supporting Community Supported Agriculture (CSA).
- Encouraging the development of value-added processing facilities that can be shared by many farmers.
- Encouraging food crops to be planted on public land.

**EC Action #3 Identify capital projects and streetscape standards to enhance non-motorized mobility within Winslow and connecting to shoreline activities.**

#### Policy EC 11.1

Improve pedestrian links between the ferry terminal, downtown Winslow, and the harbor. Encourage visitors on foot and bicycle ~~should be encouraged~~. Encourage and support public transit and shuttles.

**OTHER PRIORITY ACTIONS**

**EC Action #4** Assure that adequate parking is available to support businesses.

**Policy EC 6.7**

Monitor parking requirements in the *designated centers* and revise them as needed to encourage business development, while reasonably accommodating parking demand. This should be done in concert with efforts to increase use of multi-modal transportation options, reduce dependence on automobiles and improve our local environment.