

ECONOMIC ELEMENT

TABLE OF CONTENTS

What is an Economic Element.....	1
Framework.....	4
Goals and Policies.....	5
Supporting Information.....	12
Economic Element Survey Summary.....	19

ECONOMIC ELEMENT

WHAT IS AN ECONOMIC ELEMENT?

The future economy of Bainbridge Island is linked to the overall community vision. A healthy economy, based on the vision of the Island, is a tool for accomplishing larger community goals.

“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 Community, Trade and Economic Development*)

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: 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.

How was the Economic Element developed?

In June 1996, the Mayor and City Council appointed an Economic Advisory Committee, a 12-member citizens group, representing a variety of Island organizations, interest and skills. The committee was charged with the responsibility of working with a recognized regional economist to understand the nature of the Island economy and to recommend ways to reinforce or change the character of the economy to serve community goals over the next 20 years in accordance with the goals of the 1994 Comprehensive Plan.

The five overriding principles which guide the Comprehensive Plan are:

1. Preserve the special character of the Island, which includes forested areas, meadows, farms, marine views, and winding roads bordered by dense vegetation.
2. Protect the water resources of the Island.
3. Foster diversity of the residents of the Island, its most precious resource.
4. The costs and benefits to the property owners should be considered in making land use decisions.

5. Development should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

The committee explored both the local economy and the regional Puget Sound economy to understand the interdependencies between the two, trends in business and employment activity, and competitive advantages which Bainbridge Island might have. The committee was careful to look at the relationship of various economic activities to the Island's small town character and quality of life. For example, attracting big box retail outlets and auto dealerships would increase Bainbridge Island's share of the state sales tax, but it would also turn parts of Bainbridge Island into the kind of suburban/mall landscape found in cities and highway interchanges in any metropolitan area.

The first question the Economic Element Advisory Committee asked as it began its task of developing this new element of the City's Comprehensive Plan was, "What is the existing economy of the Island?" To find the answer, the committee first sought to understand the nature of the local economy:

- What do residents currently do to earn a living?
- What are the types and scale of business activities?
- With whom do Island businesses engage in exchange?
- What natural and human resources are available or should be available in the future:
- What competitive advantages does this community offer to compete successfully in the broader economy?

The Committee then prepared an Economic Profile (see Appendix) which provided the most up-to-date picture of the Island's population, education, income and workforce, including types and number of local businesses and their characteristics by sector, employment, wages and revenue; an inventory of the built environment (residential units and prices and commercial and light manufacturing space availability) and commute patterns both on and off the Island. The Economic Profile helped provide a snapshot of what exists today.

The local economy is guided by community values and history which together influence community aspirations. Committee members were asked to define these values according to seven factors each expressed on a scale from one extreme to another. These included:

- Dependency (self-sufficient.....total dependence on an external economy).
- Commercial Employment (edge city like Issaquah.....bedroom community).
- Socio-Economic Diversity (open to all.....open to well-off).
- Kinds of Enterprises (not place related.....related to Island character/history).
- Distinctiveness (universal.....unique to Island).
- Kind of Employment (unskilled/low pay.....highly skilled/high pay)
- Scale of Economy (sole proprietors.....corporate headquarters).

As a result of this exercise the committee found they agreed on an economic future which includes diverse enterprises by type and scale, reinforces Bainbridge Island's character, offers a variety of kinds of employment options, is not dependent on the external economy, will not lead to high-rise corporate office towers, and is open to all income and skill level groups.

The committee then discussed various options for the future economy and whether or not there should be a place in the local economy for the next generation to live and work. Based on these discussions, the group devised a variety of strategies for the future economy and discussed these with their constituencies (neighborhood organizations, chamber of commerce, agriculture community, light manufacturers, retail merchants, home-based businesses and others).

A range of policies and strategies were then presented to a cross section of Island residents through a random sample phone survey conducted in April 1997. When the committee examined the economic profile, their values for a future economy, the results of the random survey along with the direction provided by the Comprehensive Plan, they realized that what exists today is in many ways what the community envisions for the future. This forms the basis of the framework for this element.



FRAMEWORK

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, maritime orientation, and proximity to the metropolitan area.

Discussion: The Economic element is meant to be integrated 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. 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, natural resources such as quality drinking water, small population settlements and limited urban/suburban services. The Island’s character incorporates economic activities that are tied to the land as a source of livelihood and resource such as agriculture, horticulture, silvaculture, fishing and aquaculture, and value-added food and wood production.

Many kinds of activities, both residential and commercial, can locate in such an environment, but their growth and success, if not carefully stewarded, may have unintended consequences that alter the character that Bainbridge Islanders value so highly.

2. The Island’s economic future should include diverse enterprises by type and scale, local ownership and control; offer a variety of employment and housing options; and encourage a broad range of income and skill levels.

Bainbridge Island residents have high incomes relative to the rest of the state and region. However, the prospect of creating an exclusive high-income bedroom community is not desirable. The Comprehensive Plan aims to foster a diversity of residents and business opportunities, as does the Economic Element. Retaining agriculture and light manufacturing 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.

3. Bainbridge Islanders are enterprising and are establishing small scale businesses which create jobs and grow bigger businesses.

Over half of the Island’s licensed businesses are home-based. National studies indicate that small businesses are a spawning ground for new business development and job creation. Existing land use codes and business license structure are supportive of home-based and start-up businesses. This should be continued and expanded into a more complete continuum of opportunities for locating and capturing Island-grown business.

The Economic Element incorporates six goals and related policies as enumerated below. The order of the goals and policies does not in any way indicate preference or priority.

GOALS AND POLICIES

GOAL 1

Retain and enhance a diversified local economy.

Discussion: By providing for a diversity of enterprises which both serve and employ local residents, Bainbridge Island is 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 successful, diverse local economy is to create and undertake business opportunities as they arise. A diverse local economy will include economic activity along a continuum, from land-based businesses such as agriculture and home-based businesses, to small scale business, retail, professional and personal services, technology and knowledge based businesses and light manufacturing.

E 1.1

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

Discussion: Bainbridge Island is affected by regional, national, international and global trends that change over time. Many of the current economic conditions were not predicted at the time the City incorporated and unforeseen changes are to be expected in the future. While we cannot control global economic conditions we can support the local economy by providing policy direction and land use infrastructure to allow for and encourage robust economic activity.

E 1.2

Coordinate with local business groups to track commercial activity, identify trends and assess the economic health of Bainbridge Island.

Agriculture

Bainbridge Island has a long history of agricultural enterprise which has declined in recent years. Farming contributes to the island's overall quality of life by preserving the economic and cultural diversity of the community, providing high quality food products for residents, and by helping to retain the rural character of the Island that residents value so highly. Farming includes not only food products, but tree farming and livestock as well. The Environmental Element contains several goals and policies intended to sustain and enhance agriculture. The following policies further those aims.

E 1.3

Protect and promote agricultural uses by:

- Implementing a proactive Transfer of Development Rights (TDR) program.
- Providing a permanent funding mechanism for the Purchase of Development Rights (PDR).

- Strongly encouraging agricultural conservation easements as part of the Flexible Lot Design process.
- Promoting and supporting existing farming activity as an appropriate use in the open space of clustered residential development or Business/ Industrial development.
- Forming a farming advisory group to advise the City on strategies for preserving farmland.

E 1.4

Support the market for Island-grown agriculture products by:

- Recognizing and supporting the Bainbridge Island Farmers’ Market, including permanently dedicating space for the market.
- 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.

E 1.5

Support a “living farms” program which helps working farms through educational, historic and tourist visits.

E 1.6

Encourage organic farming techniques, including an educational program to provide information on alternatives to chemical pesticides and herbicides.

Home-Based Businesses

Nearly half of all licensed businesses on Bainbridge Island are reported as home-based. A key to a present and future vital economy is engendering small-scale, creative enterprise.

E 1.7

Continue to support home-based businesses.

E 1.7a

Encourage local business groups, educational institutes, and other entities to provide continuing knowledge and skills development.

Arts

Bainbridge Island has a vibrant arts community that is recognized as an important economic asset.

E 1.8

Recognize the arts as a significant component of the Bainbridge Island economy.

E 1.9

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

Retail and Services

Winslow is the commercial hub of Bainbridge Island while the Neighborhood Service Centers provide the opportunity for small-scale commercial and service activity that is more localized and helps to reduce traffic congestion in Winslow.

E 1.10

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

E 1.11

Neighborhood Service 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.

Discussion: Most businesses in the Neighborhood Service Centers (NSCs) currently serve Island-wide clientele. With higher residential densities in and around the NSCs, small-scale retail and service providers may be attracted to these centers.

E 1.12

Promote and support a “Buy it on Bainbridge” program.

Tourism

The Washington State Ferry System is the state’s largest tourist attraction and the Bainbridge Island-Seattle run is the most popular of the system’s routes. The proximity to downtown Seattle by ferry foot passengers and other water-borne visitors gives the island a unique tourism advantage without the impacts of auto traffic, congestion, and competition for parking.

E 1.13

Increase pedestrian links between the ferry terminal, downtown Winslow, and the harbor. Visitors on foot and bicycle are preferred. The use of public transit and shuttles should be encouraged.

E 1.14

The predominant focus of downtown Winslow should be to serve the commercial and social exchange needs of Island residents.

Discussion: A vibrant, pedestrian-oriented town center that provides a mix of commercial and residential uses is, of itself, a potential tourist destination. Visitors arriving by foot from Seattle should be targeted as a secondary market.

E 1.15

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

Business/ Industrial

Island based businesses provide the possibility of living and working in the community. It is the purpose of the Business/ Industrial (B/I) land use designations to provide opportunities for light industrial and other non-retail activities that augment and extend Winslow and the Neighborhood Service Centers (NSC). Accommodating a variety of uses expands the ability of the City to respond and contribute to changing market demands by providing locations and facilities with development standards that minimize adverse impacts to the natural environment or undesirable effects upon the nearby residential, public or commercial property, including traffic, vibration, light, noise, and odor. Expanded uses in the Business/ Industrial District contribute family wage jobs to the local economy in new fields such as technology or other low impact businesses.

E 1.16

Retain light manufacturing employment as an important source of family wage jobs on Bainbridge Island.

GOAL 2

Support entrepreneurship by providing adequate land use designations in keeping with the character of the Island.

Discussion: In order to provide opportunities for business enterprise along a continuum, adequate space must be provided for growth that recognizes and protects the Island's valued natural amenities, its limits of land and water and the quality of its residential neighborhoods. Providing for a wide variety of non-retail activity in the Business/ Industrial District can help prevent the conversion of residential land and add to the vitality of the local economy.

Home-based Businesses

E 2.1

Expand the opportunities for home-based businesses.

Discussion: Nearly half of all licensed businesses on Bainbridge Island are reported as home based. Opportunities to expand these businesses are limited.

E 2.2

Consider performance standards to minimize impacts of home-based businesses in residential neighborhoods.

Small Business Uses

E 2.3

Encourage Small Business uses in the Mixed Use Town Center (MUTC), the High School Road District and Neighborhood Service Centers (NSC) and Business/ Industrial (B/I) District. Create affordable commercial space for small business uses by expanding the uses in B Districts and exploring other potential opportunities. Encourage live-work opportunities as a component of small business uses. Create development and performance standards for these uses within each zone.

Discussion: Because the nature of light manufacturing use is changing and declining, allowing for expanded use of the Business/ Industrial District can provide affordable space for a variety of small businesses.

Small Business Land Use Designation

E 2.4

A new Small Business (SB) land use designation may be created to allow for non-retail business uses that have minimal impacts on the environment and surrounding uses. Permitted uses would include, but are not limited to, artists' studios, research and development, computer software development and manufacture, commercial kitchen for value-added farm product processing, duplicating services, and small-scale assembly. The purpose is to provide space for small-scale low-impact enterprises that have outgrown the home in a park-like development that is pleasingly designed and attractively landscaped. Creative ways of creating some affordable commercial space should be considered, and live-work opportunities should be a component of the Small Business zone. Appropriate development and performance standards shall be developed that shall include restrictions on traffic, hours of operation and use of hazardous materials and requirements for the provision of open space.

Business/ Industrial

E 2.5

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

- Proximity to existing B/I.
- The total amount of B/I-zoned land.
- Compliance with all existing 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 Bremerton-Kitsap County Health District.
- Consideration of nonpoint pollution concerns identified in the Bainbridge Island Watersheds, 1995 report.
- Adjacency to non-residential land uses.
- Minimal impact to residential land uses, neighborhoods, and open space/conservancy areas.
- The potential for quality open space of agricultural use.

E 2.6

Amend the Site Plan and Design Review process to include Business/ Industrial development applications, which shall include requirements for the following:

- Substantial quality open space.
- Perimeter buffers for maximum visual screening.
- Protection of critical areas.
- Creative site design that minimizes land alteration and provides maximum possible usable open space.

- Limited impervious surface.
- On-site re-use of stormwater runoff.

E 2.7

Business/ Industrial development and performance standards shall include traffic impacts, noise and the use and handling of hazardous substances.

E 2.8

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

GOAL 3

Provide adequate infrastructure that is supportive of a healthy economy and environment.

E 3.1

Identify long-term infrastructure needs that support economic sustainability.

E 3.2

Encourage/support infrastructure enhancement to accommodate new information technology.

GOAL 4

Promote business practices that protect the Island's natural beauty and environmental health.

Environmental protection is a value expressed in three of the five overriding principles that are the foundation of the Comprehensive Plan. Studies also show that a quality environment promotes and enhances economic vitality of the community.

E 4.1

Encourage the use of “green” materials and techniques in all types of construction.

E 4.2

Develop and utilize methods to help businesses find markets for surplus materials, by-products and waste.

E 4.3

Encourage local enterprises to participate in programs such as the Solid and Hazardous Waste and EnviroStars programs of the Bremerton-Kitsap County Health District and the Green Works program of the Kitsap County Public Works Department, which recognize and assist business efforts to protect the environment.

E 4.4

Encourage public sector solid waste reduction and recycling.

E 4.5

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

Discussion: This “industrial ecology” model would be an appropriate application of Policy 2.6, Business/ Industrial Master Plan Process.

GOAL 5

Encourage a broad range of civic activities and organizations.

Discussion: 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, the Arts and Humanities Council, Team Winslow, and the Chamber of Commerce that rely largely on volunteers efforts provide irreplaceable resources to community.

E 5.1

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

E 5.2

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

GOAL 6

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

Discussion: The Housing Element of the Comprehensive Plan provides several options for the development of affordable housing on the Island.

E 6.1

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



SUPPORTING INFORMATION

What is the Nature of the Island's Economy Today?

As of 1996, over 18,000 people lived in the nearly 7,300 households that populate the 27.78 square miles (17,778 acres) of Bainbridge Island. Residences are clustered in the town center of Winslow, along the scenic shoreline, and less densely, throughout the Island interior. Much of Bainbridge retains its pastoral island character, accentuated by over 149 acres of agricultural land, 325 acres of resource lands, 733 acres of parks, and 336 acres of dedicated open space. The most expensive land and most valuable residences are located along the shoreline. Outside of Winslow, residences are primarily single family structures while, within Winslow, there is a substantial amount of multi-family housing. Winslow is the commercial center of the Island and is home to over one-quarter of the Island's residents.

Bainbridge Island is a highly educated community. In 1990, nearly half of Island residents over the age of 25 had a bachelor's degree and 18 percent had a graduate or professional degree. The percentage of Island residents with a bachelor's, graduate, or professional degree is two and a half times greater than that of Kitsap County's or statewide educational attainment figures. (This information is displayed in the Table below.) The level of the community educational attainment is one of Bainbridge Island's most striking economic assets.

The Table below displays 1990 educational attainment levels for Bainbridge Island, selected areas within the region and comparable communities in other metropolitan areas. Both Bainbridge Island and Mercer Island share characteristics (desirable residential communities separated by water from, but in close proximity to, large metropolitan central business districts) with the cities of Tiburon, California and Marblehead, Massachusetts.

TABLE 1. Education Level

Bainbridge, Regional, and Comparable Communities	
Geographic Area	Bachelor's Degree or Higher
Regional Communities	
Kitsap County	19.8%
Washington State	22.9%
King County	32.8%
Seattle	37.8%
Bainbridge Island	47.7%
Comparable Urban Communities	
Marblehead, MA	53.7%
Mercer Island	60.3%
Tiburon, CA	62.9%

Source: 1990 Census

High educational levels mean that nearly half of the Island’s workforce is engaged in executive, management or professional jobs and approximately half of all jobs are off Island, most a ferry commute away in the Seattle area. Table 2 shows the distribution of occupations for Bainbridge Island residents in the workforce.

TABLE 2.

Bainbridge Workforce by Occupation	
Occupational Categories	Percent Island Residents
Executive, Management and Professionals	46.2
Sales Occupations	11.9
Clerical and Administrative Support	10.8
Various Services	9.2
Production	8.1
Operators, Handlers, and Laborers	7.4
Technicians	4.4
Farming, Forestry, and Fisheries	1.9
Total	100.0

History of the Economy

Chief Kitsap ruled over a native tribal confederacy that regulated intertribal trade and commerce throughout the surrounding area from Bainbridge Island. In 1792 Captain George Vancouver moored off the south shore of the Island and marked the beginning of the first in a series of immigrations of white settlers. For the next 50 years the primary economic activities surrounded the trade in beaver, otter, and other animal fur. By the latter half of the 19th Century, the economy was dominated by timber industries. The Port Blakely Lumber Mill was the largest mill of its kind in the world. In 1881 the Halls Brothers moved their shipbuilding operation from Port Ludlow to Port Blakely and built 77 vessels at Port Blakely before moving again to their location in Eagle Harbor, the current site of the Washington State Ferries’ maintenance facilities. The mill and boatyard brought people from around the world to Bainbridge, including laborers from Japan, Hawaii, and the Philippines, many of whom remained as farmers when these industries went into decline. Agriculture was a mainstay of the local economy through the first half of the last century.

Early access to the Island was managed through a Mosquito Fleet of steamer ships that carried passengers and goods between Seattle, the Island, and the Kitsap Peninsula. The construction of State Highway 305 in 1950, and the introduction of the State Ferry system predicated a fairly rapid transformation of the Island’s economic orientation. This new ease of access more completely introduced the Island into a regional economy with the City of Seattle at its center, and put Bainbridge on the path to becoming the community it is today.

The Commuter Economy

The attractiveness of the Island as a residential community is indeed a significant factor within the Island economy as households with higher incomes and increased mobility choose to locate there. Of the total Island workforce (which is approximately 8,800), nearly 40

percent commute to jobs in Seattle, or its suburbs, via ferryboat. At least an additional 10 percent of the workforce commutes to other off-Island work locations. The result is a significant importing of earned income to the Island from business or professional activity occurring elsewhere in the region. Table 3 shows an estimate of work locations for residents of Bainbridge Island in 1996.

TABLE 3. Work Locations

Bainbridge Island Workforce		
Work Location	Number	Percent
Bainbridge Island	3,500	40%
Seattle	3,300	38%
Kitsap County	1,250	14%
Other	750	8%
Total	8,800	100%

Bainbridge Island executives, administrators, managers, and professionals have high incomes. Table 4 shows 1990 median household income levels for Bainbridge Island and selected areas within the region and around the country. The median household income on Bainbridge Island is higher than the other Washington comparison communities, with the exception of Mercer Island.

TABLE 4.

Median Household Income	
Geographic Area	Household Median Income
Regional Communities	
Seattle	\$ 29,353
Washington State	31,183
Kitsap County	32,043
King County	36,179
Bainbridge Island	42,107
Comparable Urban Communities	
Marblehead, MA	53,333
Mercer Island	61,572
Tiburon, CA	75,864

Residential Investment

Bainbridge Island is primarily a residential community. Just over 7,300 of the total 17,778 acres of the Island are developed, according to a 1993 land use study. And 90 percent of these developed acres support residential land uses. Approximately 80 percent of all

Bainbridge Island property value is in the form of residential property which has an assessed valuation of over \$1.5 billion. This represents an investment of some portion of the income imported into the community from well-paying jobs in Seattle and from employment on the Island. Residential investment also drives a portion of the local economy by supporting a demand for businesses such as home repair and remodeling, landscaping services, food service, auto repair, interior design, insurance, house cleaning, day care, and municipal services.

The Local Economy

There are over 1,300 businesses located on the Island and licensed with the City of Bainbridge Island. These businesses employ over 3,600 workers and have gross revenues of over \$300 million. Table 5 displays Island business activity grouped by major Standard Industrial Classification categories.

TABLE 5.

Licensed Island Businesses by Sector						
Business Type	Licensed Firms	Gross Revenue	% Total Revenue	# Workers	% Total Workers	Off-Island Employees
Services	650	\$ 63,864,138	20.70%	1,299	35.90%	363
Retail	147	83,470,413	27.00%	956	26.40%	237
Construction	142	39,830,205	12.90%	320	8.80%	105
Fire	105	34,114,508	11.00%	345	9.50%	116
Manufacturing	88	57,920,094	18.70%	478	13.20%	307
Agriculture	52	4,228,277	1.40%	83	2.30%	16
Utilities	39	17,593,906	5.70%	107	3.00%	45
Wholesale	16	7,086,144	2.30%	29	0.80%	10
Misc./No Category	90	898,825	0.30%	5	0.10%	0
Total	1,329	\$ 309,006,510	100.0%	3,622	100.00%	1,199

Services

Half of licensed businesses are service businesses. The service sector of the Island economy includes many different types of businesses but is dominated by engineering, architectural, health, computer, design, and business services. Many service sector firms are home-based and serve a regional or national clientele. The high concentration of professional services that can serve a regional or national market from this “remote” location is one of the most unique features of the local Bainbridge Island economy.

Retail

The retail sector is the largest grossing sector of the Bainbridge Island economy with reported gross receipts in 1995 of \$83 million. The largest grossing retail businesses are the Town and Country Thriftway, the Island Village Safeway, and the Lumberman’s building supply. These businesses are also the Island’s largest retail employers, together providing nearly 300 Island jobs.

Manufacturing

Manufacturing businesses had gross receipts of approximately \$60 million in 1995 and employed nearly 600 persons. The manufacturers, concentrated in the Day Road Industrial Area, are in the marine, furniture, printing, plastic parts, and sporting goods manufacturing businesses.

Wages

Jobs on Bainbridge Island provide a range of wage and salary levels for a range of skill and educational backgrounds. Tables 6 and 7 show what people can expect to earn in a variety of occupations and sectors at various skill levels. These are representative income ranges useful for understanding what a diversity of enterprises and workers pay and earn, and what type of businesses and work foster the goal of economic diversity and the ability to live and work in the same community.

TABLE 6.

Income by Selected Occupations and Training*			
Occupation	Unskilled	Skilled Management	Professional
Manufacturing	\$ 13-15,000	\$ 20-30,000	\$ 35-50,000
Retail (Union)	11-14,000	20-25,000	40-50,000
Retail (non-Union)	10-12,000	---	25-35,000
Teacher	---	20-25,000	40,000
Police	---	30-35,000	35-40,000
City Clerk	---	20-25,000	30-35,000
City Inspector	---	30-35,000	35-40,000

Source: BI School District, City of Bainbridge Island, Day Road Business Community Association, various businesses

* The income ranges are as reported by various employers. The city, school, and union income levels are standardized wage rates while the non-union retail and manufacturing income figures are averaged from a sample of business wage scales. All figures are based on full-time employment. The retail and manufacturing industries employ a significantly higher proportion of unskilled entry level employees than do the City or the School District, but the incomes within each experience category are comparable.

TABLE 7.

Average Annual Income by Selected Bainbridge Island Industry*	
Business	Average Income
Restaurant	\$ 8,000
Grocery	17,000
Auto Repair	19,000
Construction	23,000
Architect/Engineer	27,000
Business Services	28,000

Source: *Bainbridge Island Business License Records, 1995-1996*

* Employment Securities reports wages paid in the City of Bainbridge Island for each business sector or industrial category (SIC code). From these figures, and based on number of employees, also reported by Employment Securities, we have estimated a sample of representative average wage figures for selected Island business types. Average wage figures are of only limited value for comparison since they include both full and part-time employees, and since the information is broken down by industry, not by occupation. Each industry may employ many different occupations.

Living and working in the same community

The combination of a strong residential real estate market and the lower wage and salary levels of many on-Island jobs have led to a significant reverse commute. Every day, non-Island residents who commute to work from Kitsap County or other parts of the region perform one-third of all Island jobs. The wage and salary analysis above coupled with housing sale prices and mortgage payment information in Tables 8 and 9 indicates that many jobs within the Island economy can not provide workers sufficient incomes to make living within the community possible, even for dual income households. Table 8 below displays information about affordable home purchase prices for various income levels. The analysis includes certain assumptions about level of down payment and type of mortgage, but provides general examples of housing affordability. Table 9 displays the distribution of single family sales prices of homes on Bainbridge Island and Kitsap County sold in 1995. The preponderance of homes on Bainbridge Island sold for \$200,000 or more, leaving fewer opportunities for affordable homeownership for households with incomes less than \$50,000 or \$60,000.

TABLE 8.

Affordable Home Purchase Price by Income				
Household Income	Monthly Payment	Mortgage	Down Payment	Purchase Price
\$ 25,000	\$ 521	\$ 67,751	\$ 3,573	\$ 71,324
45,000	938	121,990	13,554	135,544
70,000	1,458	189,618	47,405	237,023
125,000	2,604	338,660	181,355	520,015

Source: *Washington Center for Real Estate Research, 1996*

TABLE 9.

Single Family House Sales in 1995		
Price Range	Bainbridge %	Kitsap %
0-99,999	3	28
100K-119,999	2	19
120K-139,999	1	18
140K-159,999	5	10
160K-179,999	5	7
180K-199,999	13	5
200K-249,999	24	6
250,000+	47	7
Total	100	100

Source: Kitsap County Computer Multiple Listing Service

Home-based Businesses

Bainbridge Island has a substantial number of home-based businesses. Nearly half (611) of the 1,329 licensed Island businesses reported themselves as located in the home of the proprietor. And over half of the home-based businesses are service sector businesses. Home-based businesses can be a spawning ground for enterprises that grow and relocate to commercial centers. Service businesses make up the largest share (328 businesses) of home-based businesses on the Island. Many of these home-based service businesses are professional services that serve a regional or national market. Table 10 shows the largest categories of home-based service businesses on the Island. Bainbridge Island residents contribute both their high level of education and high level of entrepreneurship to the local economy.

TABLE 10.

Most Common Home-based Service Businesses	
Business Category	Firms
Engineer/Architect	49
Artist	40
Business Services	40
Consulting/Management	32
Computer Services	29
Design Services	24

Source: Bainbridge Island Business License Records, 1995-1996

ECONOMIC ELEMENT SURVEY SUMMARY

Background

The City of Bainbridge Island adopted a Comprehensive Plan in 1994. It contains elements on land use, transportation, utilities, housing, water resources, and capital facilities as required by Washington State's Growth Management Act (GMA). In June 1996, an Economic Advisory Committee, appointed by the Mayor and City Council, began to develop an Economic Element to the Comprehensive Plan, one of eight additional elements specified under the GMA. Working with the City's staff and a consultant, the citizen advisors developed a variety of policies and strategies to foster a healthy economy over the next 20 years, which reinforces the Island's character.

Survey and Sample

In order to obtain feedback from a cross section of Island residents on the economic policies and strategies proposed by the Advisory Committee, a random sample telephone survey was conducted from April 9 to May 1, 1997. Two-hundred and eighty-nine residents were interviewed, providing information with a 95% confidence level with confidence limits of 5%. The sample is 56% female and 44% male, mostly between the ages of 35-54, with household incomes in the \$50-75,000 range, with most having lived on the Island 10 or fewer years.

A comparison of 1997 respondents' characteristics with those of a 1992 survey on community values for the comprehensive plan process shows that today's population is very similar in age, even more highly educated, and having higher incomes. More specifically, over 70% have completed at least four years of college; the greatest percent increase in income was in the \$75-100,000 income group; over half of 1997 respondents have lived on Bainbridge 10 years, with a decrease in the percent residing 20 years or more; and of those residents commuting by ferry, fewer drive in single occupancy vehicles.

Findings

Respondents generally supported new business growth over the next 20 years in light manufacturing, retail, professional services, small businesses that outgrow the home, and tourism. But this growth should be consistent with the Island's character and a healthy environment. It should include age, income, ethnic, and job skills diversity and the protection of agricultural lands. More specifically:

- When asked about the importance of the diversity of Island residents in terms of age, ethnicity, income and job skills, over 70% felt this was important and 25% felt it was extremely important.
- Given the choices of things staying as they are, more people commuting, or more residents working on the Island, the majority of respondents wanted more residents to work on the Island (only 2% wanted more commuting).
- Seventy-four percent of respondents were willing to pay for permanently protecting farmland.
- Respondents strongly supported new small business use zoning for businesses that outgrow the home.

- When asked what kinds of new businesses to grow in the future, light manufacturing was the most favored type, with retail and professional services also being supported. Significantly, only 10% of respondents opposed new business growth.
- When asked if additional land should be zoned for light manufacturing, respondents gave mild support. If light manufacturing zoning was tied to providing affordable housing, support remained about the same. If light manufacturing zoning was tied to protecting land for farms, open space and recreation, support increased.
- Over 90% of respondents wanted to maintain or increase tourism if it is shown to benefit the local economy.

Economic Element Advisory Committee

Jeff Brein
Tom Clune
Suzy Cook
Tom Croker
Janet Knox
Lee Kueckelhan
Craig Merrill
Shelby Rallis
Doug Roben
Michael Schuyler
Hilde Van Duym
Connie Waddington