

Ordinance 787

An ordinance amending Section .270 and repealing and replacing Sections .610 and .620 of Clallam County Code, Chapter 31.02, County-Wide Comprehensive Plan

BE IT ORDAINED BY THE BOARD OF CLALLAM COUNTY COMMISSIONERS:

**Section 1. .270, Master Planned Resorts,** is amended to read:

A master planned resort, with a primary focus on destination resort facilities consisting of short-term visitor accommodations and indoor or outdoor recreational facilities could be proposed within Clallam County. Due to the potential long-term economic benefit of a master planned resort to the County's economy, consideration to siting these resorts in forested or rural areas should be made.

(1) Master planned resorts may be located outside urban growth areas provided that the following criteria and mitigation measures are met:

(a) The resort, including buffers and open space under the control of the development, is sited on a parcel or parcels of land no less than 240 contiguous acres.

(b) Existing State or County roads are adequate, or need minimal improvements, to serve the development.

(c) Community water and sewage systems are provided on-site. Capital facilities, utilities, and services, including those related to sewer, water, storm water, security, fire suppression, and emergency medical, provided on-site shall be limited to meeting the needs of the master planned resort. Such facilities, utilities, and services may be provided to a master planned resort by outside service providers, including municipalities and special purpose districts, provided that all costs associated with service extensions and capacity increases directly attributable to the master planned resort are fully borne by the resort. A master planned resort and service providers may enter into agreements for shared capital facilities and utilities, provided that such facilities and utilities serve only the master planned resort or urban growth areas.

(d) A buffer is required adequate to ensure that harvesting of timber or crops on adjacent resource lands is not precluded.

(e) Notice regarding adjacent resource lands and the potential nuisance and conflicts is provided to future property owners.

(f) New urban and suburban land uses (densities one dwelling per acre or greater) are precluded within one mile of the resort, unless located within an existing urban growth area.

(g) The County finds that the land is better suited, and has more long-term economic importance, for the master planned resort than for the commercial harvesting of timber or agricultural production, if located on land that otherwise would be designated as forest or agricultural land of long-term commercial significance.

(h) The master planned resort is consistent with development regulations of the County to protect critical areas.

(i) On-site and off-site infrastructure impacts are fully considered and mitigated.

(j) The primary focus of the resort is on short-term visitor accommodations and indoor and/or outdoor recreational facilities. Development approval of the resort must provide mechanisms to ensure that the resort does not become a residential subdivision, such as establishing a minimum ratio of short-term to long-term accommodations.

(k) Provision shall be made for protecting or mitigating impacts to existing and newly discovered historic, archaeological and cultural sites within the master planned resort area.

**Section 2. .610, Economic development issues,** is repealed and replaced to read:

The Growth Management Act encourages economic development throughout the State that is consistent with adopted comprehensive plans, promotes economic opportunity for all citizens, especially for unemployed and for disadvantaged persons, supports growth in areas experiencing insufficient economic growth, all within the capacities of the area's natural resources, public services, and public facilities.

RCW 36.70A.070(7) more specifically requires that Comprehensive Plans include, "(A)n economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: a summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, work force, housing, and natural/cultural resources; and an identification of policies, programs, and projects to foster economic growth and development and to address future needs."

(1) Population. As of 2005, the Forecasting Division of the Washington State Office of Financial Management (OFM) estimated Clallam County's population (including incorporated areas) at 66,800, which is approximately a 4 percent increase (1 percent annualized rate) from the Census population of 64,179 in 2000 and approximately 18 percent increase (1.2 percent annualized rate) from the Census population of 56,464 in 1990. According to the OFM, the majority of population increase has been due to in-migration. In 2002, OFM projections estimated that Clallam County's resident population would increase to as much as 72,383 by 2010 and 81,894 by 2020.

(2) Employment. The Washington State Employment Security Department (WSESD) maintains a database of employment data called the Quarterly Census Employment and Wages (QCEW). The data is categorized according to the "North American Industry Classification System" (NAICS) a standardized system used by federal statistical agencies for classifying business establishments. The QCEW data provides information on the number of firms, employees, and wages per NAICS category. It should be noted that since the data is obtained from tax information that the data is underestimated because it only reflects those businesses in Clallam County that have unemployment insurance and are not sole proprietorships. In addition, WSESD suppresses some of the data specifics to insure confidentiality to individual businesses. There are two forms of suppression:

(a) If there are less than three firms for a NAICS classification, then the information is suppressed and reported as an \* in the database; and

(b) If any one firm contains more than 80 percent of the employee wage, then the information is suppressed and reported as an \* in the database.

The QCEW data is designated into 23 main NAICS business categories with smaller classifications under each larger division. For these purposes only the large business categories have been included and where specified some of the business categories have been combined. For example, real estate has been combined with finance and insurance forming a sector called finance, insurance, and real estate (F.I.R.E.). The following employment, payroll and covered wage, and business sector and trend information in this section is based upon 1994 through 2004 QCEW data. The total wages and average monthly wage per sector have been converted to 2004 dollars for easier comparison among QCEW data from different years. Table 36.02.610(A) provides a listing of the industry categories, average number of firms, average number of employees, and total wages for Clallam County in 2004.

**Table 36.02.610(A) --WSESD QCEW 2004 Data for Clallam County**

	Average Number of Firms	Average Number of Employees	Total Wages
Agriculture, Forestry, Fishing & Hunting (A.F.F.H.)	91	581	\$18,676,935
Accommodations and Leisure <sup>1</sup>	229	2,386	\$27,778,696
Construction	329	1,314	\$42,154,454
Finance, Insurance, and Real Estate (F.I.R.E.)	136	716	\$19,235,932
Government <sup>2</sup>	102	6,465	\$234,526,221
Healthcare and Social Assistance <sup>3</sup>	203	2,106	\$47,250,634
Information	21	307	\$8,846,116
Manufacturing	80	1,254	\$45,414,342
Mining	4	15	\$379,792
Retail/Wholesale Trade	324	3,687	\$92,712,114
Other Services <sup>4</sup>	740	2,091	\$49,057,304
Transportation, Warehousing, and Utilities (T.W.U.)	86	551	\$15,578,572
<b>TOTALS</b>	<b>2,345</b>	<b>21,473</b>	<b>\$601,611,112</b>

Source: WSESD (2005)

<sup>1</sup> Accommodations and leisure refer to accommodations, food services, arts, entertainment, and recreation.

<sup>2</sup> Government is comprised of public education; cities, counties, tribes, state, and federal agencies; and the hospital.

<sup>3</sup> Health care and social assistance includes ambulatory health care services, nursing and residential care facilities, and social assistance such as emergency relief, child day care, and community food and housing services.

<sup>4</sup> Other services include administrative, waste, professional and technical, and educational services; repair and maintenance; personal and laundry; membership organizations and associations; private households; and all other services not separated into other categories listed above.

Washington State Employment Security Department Local Area Unemployment Statistics (LAUS) figures estimated County resident civilian employment in 2004 of 26,700 workers out of a total work force of 28,670, with an estimated 1,970 being unemployed. LAUS data differs from QCEW data because it reflects employment for civilian residents of Clallam County even if they are working in another county and includes employees that are not covered by unemployment insurance while QCEW data deals only with jobs in Clallam County and only those jobs covered by unemployment insurance. Using QCEW 2004 data, government employees (including those employed by public education, the hospital, and cities, counties, tribes, state and federal agencies) comprised the largest number of employed in Clallam County, with 6,465. Retail/wholesale trade employees had the second largest numbers (3,687), while accommodation and leisure activities (including food services, arts, entertainment, and recreation) and health care / social assistance

workers comprised the third and fourth largest numbers of employed (2,386 and 2,106 workers, respectively).

According to the Washington State Employment Security Department (LAUS) figures, Clallam County's unemployment rate was higher than the Washington state average between 1998 and 2004. Generally, its rate was more than 1 percent higher than the Washington state average. However, in 2004, County unemployment rates decreased to 6.9 percent, settling just above the State average of 6.2 percent.

The Washington State Employment Security Department (WSESD) using QCEW data reports that there was a total monthly average of 2,345 employers (excluding sole proprietorships as discussed earlier) in Clallam County in 2004. The largest number of firms occurred in the services industry. Based on the number of employers per sector as of 2004, the majority of County businesses were service-oriented (excluding healthcare and social assistance) at 740, followed by construction trades (329) and retail and wholesale (324). Mining and information sectors had the least number of firms at 4 and 21, respectively.

(3) Payroll. As of 2004, government, services (including health/social services and other services), and retail/wholesale trade industries comprised the top three wage providers in Clallam County, at approximately \$234 million (m), \$96 m (including \$47 m for health/social services), and \$93 m, respectively. At the opposite end of the scale, the mining industry provided approximately \$0.4 m in wages, while the transportation/warehousing/utilities and agriculture/forestry/fishing industries generated approximately \$16 m and \$19 m, respectively (WSESD, 2005).

(4) Business sectors and trends. Businesses in Clallam County have historically been centered around natural resource-based industries such as timber extraction, fishing, and wood products manufacturing. In recent decades however, service-related industries have outpaced the growth of large-scale resource-based businesses. Based on the number of employers per sector as of 2004, the majority of County businesses were service-oriented (excluding healthcare and social assistance), followed by construction trades and retail and wholesale. Though timber extraction, fishing, agriculture, mineral extraction, and other natural resource industries have declined in recent years, they are still important facets of Clallam County's economy. The conversion of natural resources to product continues to be a substantial industry, providing living wage jobs to large segments of the County's population. Wood products manufacturing, for example, provided over \$15 million in wages, in 2004 (WSESD, 2005). Sustainable economic development in Clallam County will require support and balance between a diverse range of industries in order to avoid major Countywide impacts, due to market fluctuations within a single or limited number of industries.

Figures 36.02.610(A), (B), and (C) depict QCEW data for Clallam County for the time period of 1994 through 2004 in order to visualize trends in the business sectors. All total wages per sector have been converted to 2004 dollars for easier comparison among data from different years. Changes in total wages, number of employees, and number of firms have been calculated both as a change in percent from 1994 to 2004 and as an annualized average growth rate in percent. For example, given the text 24 percent (2.5 percent) or (24 percent, 2.5 percent) the first percentage indicates the percent change from 1994 to 2004, in this case 24 percent, and the second percent will be the annualized growth rate, in this case 2.5 percent.

Based on the Washington State Employment Security Department total wages per sector data, total wages increased steadily from 1994 through 2004, approximately a 27 percent (2.4 percent annualized rate) increase from 1994 through 2004. Out of a total of 12 sectors listed in Table 36.02.610(A) and shown in Figure 36.02.610(A) the strongest growth from 1994 through 2004 occurred within services (excluding health/social services) (75 percent, 5.7 percent),

construction (60 percent, 4.8 percent), health/social services (55 percent, 4.5 percent), and government (37 percent, 3.2 percent). Increases in growth also occurred in retail/wholesale (31 percent, 2.8 percent), agriculture/forestry/fishing (30 percent, 2.6 percent), information (22 percent, 2.0 percent), F.I.R.E. (Finance, Insurance, and Real Estate) (19 percent, 1.8 percent), transportation/warehousing/utilities (14 percent, 1.3 percent), and accommodation and leisure industries (11 percent, 1.1 percent). During this timeframe, the mining industry significantly declined (-59 percent, -8.5 percent), as well as manufacturing (-26 percent, -2.9 percent). Government had significantly higher total wages than any of the other business categories. Retail and wholesale trades had the second highest total wages for the 1994 through 2004 timeframe.

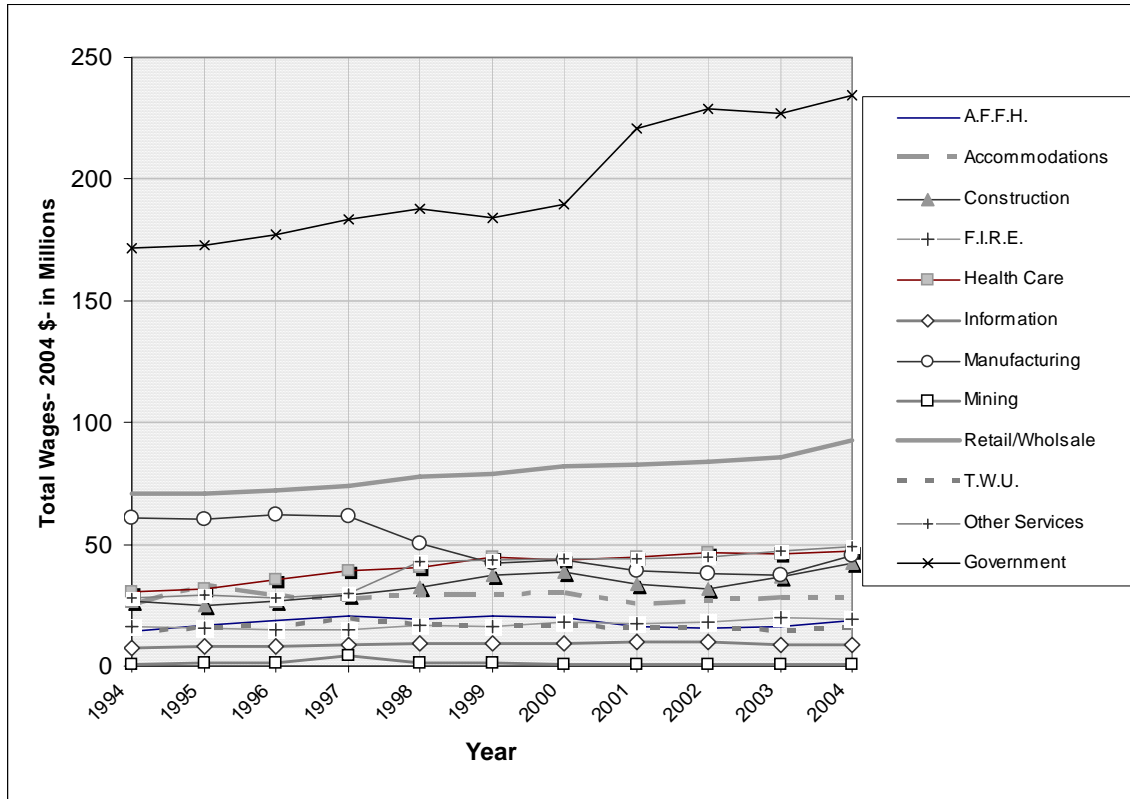


Figure 36.02.610(A)—Total Wages in Clallam County from 1994 through 2004.

The average number of employees increased steadily from 1994 through 2004, showing a similar pattern of approximately 21 percent (1.9 percent annualized rate) overall employee increase from 1994 through 2004 as shown in Figure 36.02.610(B). Government had significantly higher total number of employees than any of the other business categories with retail and wholesale trades second. The strongest growth in employees from 1994 through 2004 occurred within construction (47 percent, 3.9 percent), health/social services (41 percent, 3.5 percent), services (excluding health/social services) (40 percent, 3.4 percent), and government (33 percent, 2.9 percent). Increases in growth also occurred in agriculture/forestry/fishing (23 percent, 2.1 percent), retail/wholesale (22 percent, 2.0 percent), transportation/warehousing/utilities (21 percent, 2.0 percent), information (9.3 percent, 0.9 percent), F.I.R.E. (Finance, Insurance, and Real Estate) (8 percent, 0.8 percent), and accommodation and leisure industries (4.6 percent, 0.5 percent). During this timeframe, the number

of employees for the mining industry significantly declined (-54 percent, -7.6 percent), as well as for manufacturing (-21 percent, -2.3 percent).

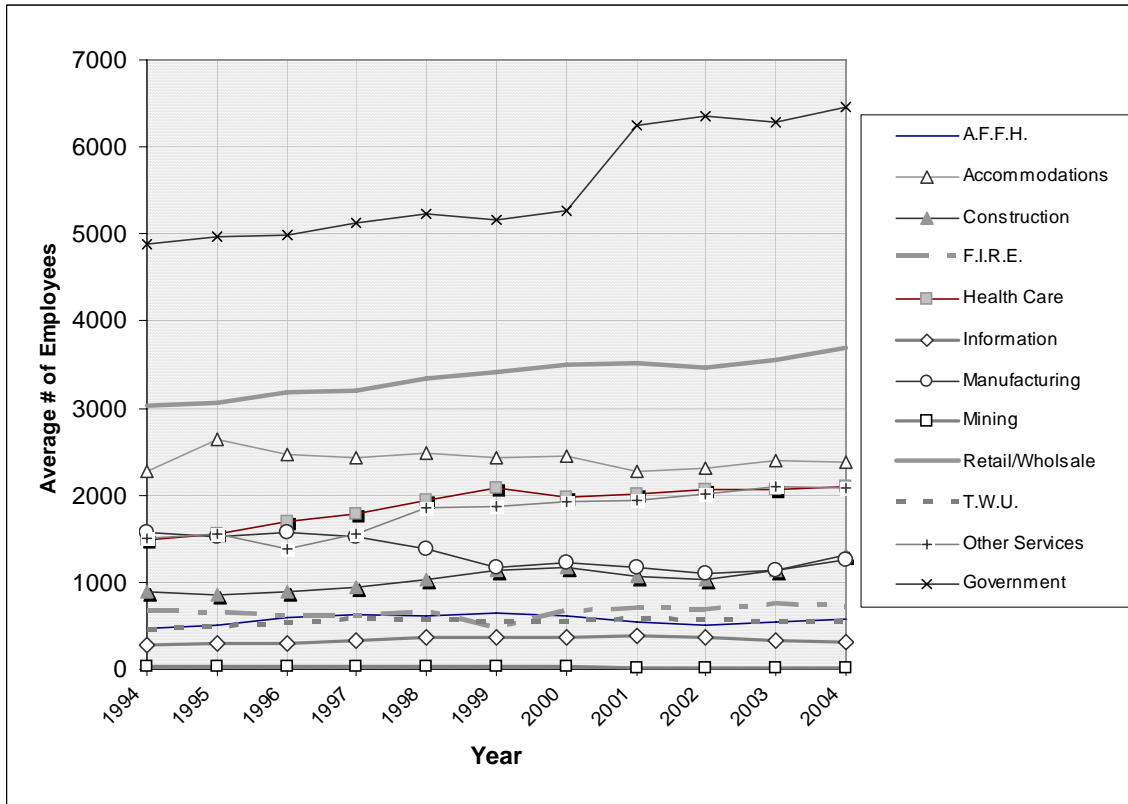


Figure 36.02.610(B)—Average Number of Employees in Clallam County from 1994 through 2004.

The average number of firms in the county has generally increased from 1994 through 2004 with a dip in 1997 and decline from 2003 to 2004 as shown in Figure 36.02.610(C). The general increase is mostly a reflection of the strong growth in the number of firms in the services sector, an approximate increase of 37 percent (4.6 percent annualized rate). Increases from 1994 through 2004 occurred for health care and social assistance (17 percent, 1.9 percent), information (14 percent, 1.6 percent), government (11 percent, 1.2 percent), construction (4 percent, 0.4 percent), transportation/warehousing/utilities (2 percent, 0.2 percent), and accommodations and leisure (2 percent, 0.2 percent). The number of businesses decreased for mining (-100 percent, -6.7 percent), agriculture/forestry/fishing (-44 percent, -3.6 percent), F.I.R.E. (-9 percent, -0.8 percent), and retail/wholesale (-1 percent, -0.1 percent).

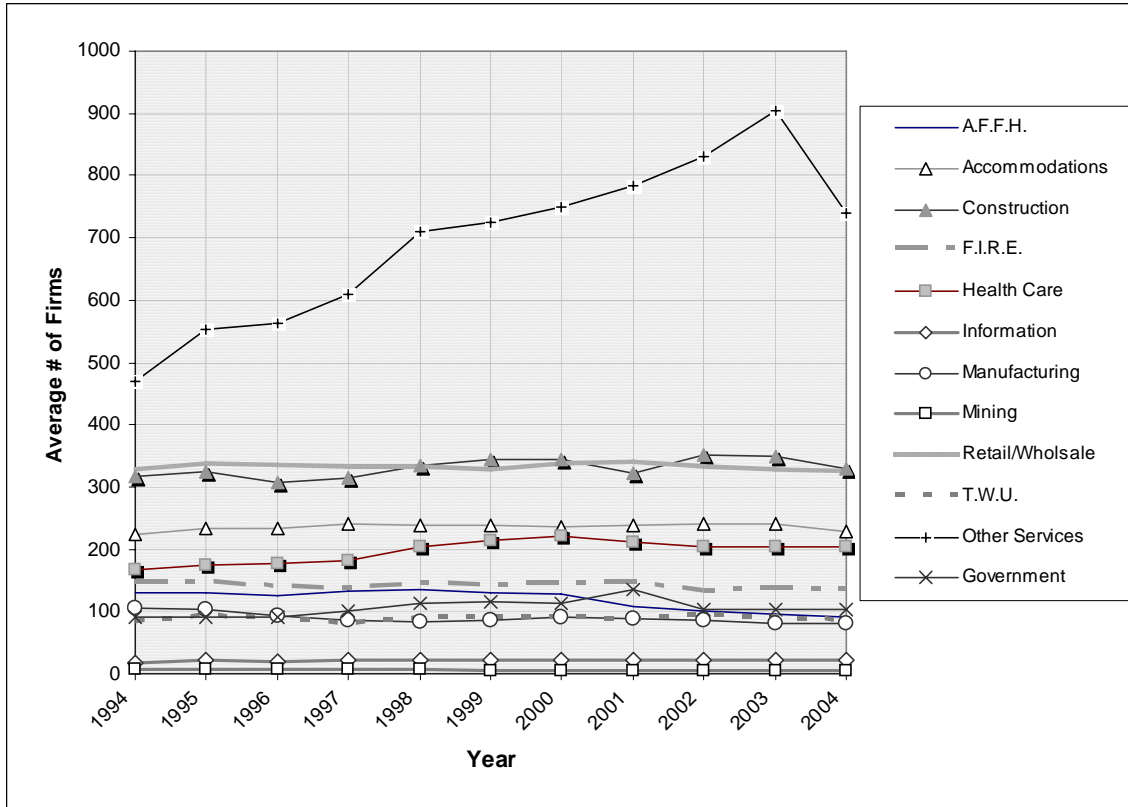


Figure 36.02.610(C) – Average Number of Firms in Clallam County from 1994 through 2004

(5) Sales trends. Sales in Clallam County have generally grown throughout the last decade, from a total of approximately \$549 million in 1995 to \$896 million in 2004. The largest sales increase occurred in 2004, with an approximately 17 percent gain compared with 2003.

According to the Washington State Department of Revenue, manufacturing showed the strongest sales gains, increasing approximately 80 percent (16 percent annualized rate) between 1998 and 2002. Sales in wholesale trades, however, decreased by approximately 19 percent (-5 percent annualized rate) over the same timeframe.

(6) Housing. The amount of construction activity is an indicator of economic growth in the county. Construction of homes represents the greatest percentage of construction activity within Clallam County. Figure 36.02.610(D) shows the amount of residential building activity based on the number of building permits for new homes requested from 1995 through 2004 in unincorporated Clallam County; the cities of Forks, Port Angeles, and Sequim; and the total for Clallam County. The total valuation of building permits for these new homes is shown in Figure 36.02.610(E). The dollar valuations for new residential buildings for 1995 through 2004 have been converted to 2004 dollars for easier comparison of data from different years. (Valuation of new modular/manufactured homes was included for the cities and unincorporated county, except for the City of Forks because Forks does not require cost valuations on permits for new modular/manufactured homes.)

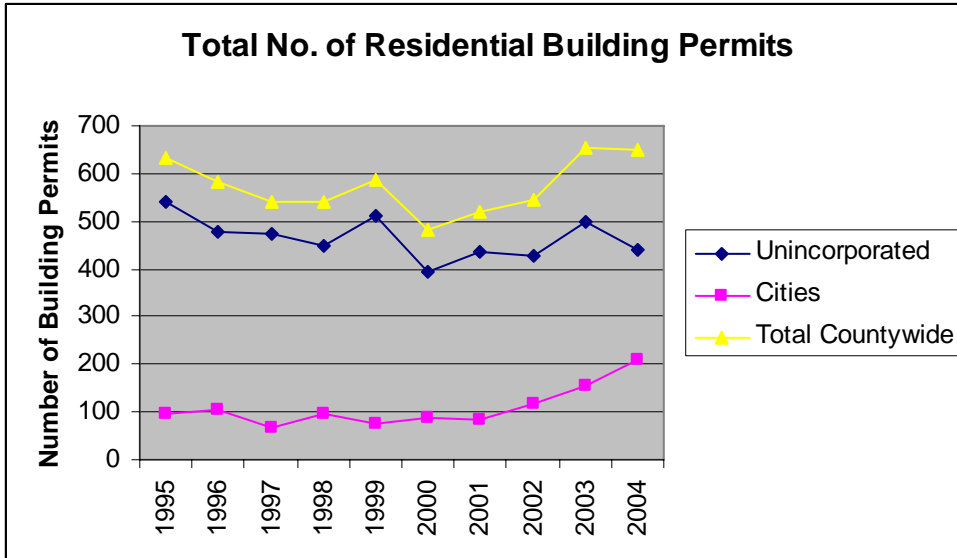


Figure 36.02.610(D) – Total Number of Residential Building Permit Requests from 1995 through 2004 in Clallam County

The number of total building permits in the County decreased from 1995, reached a relative maximum in 1999, decreased sharply by 2000, and has generally increased since 2000. The unincorporated area had its largest number of building permits in 1995 when there were 539 permits requested. From 1996 through 2004 the number of permits requested has remained in the range of 396 to 511 building permits. There has been a fairly steady increase in new residential housing permits in the cities since 1999, reaching a high of 208 building permits in 2004. In 1995 the building permits for the cities were about 15 percent of the total; by 2004, building permits for the cities were about 32 percent of the total building permits for the County.

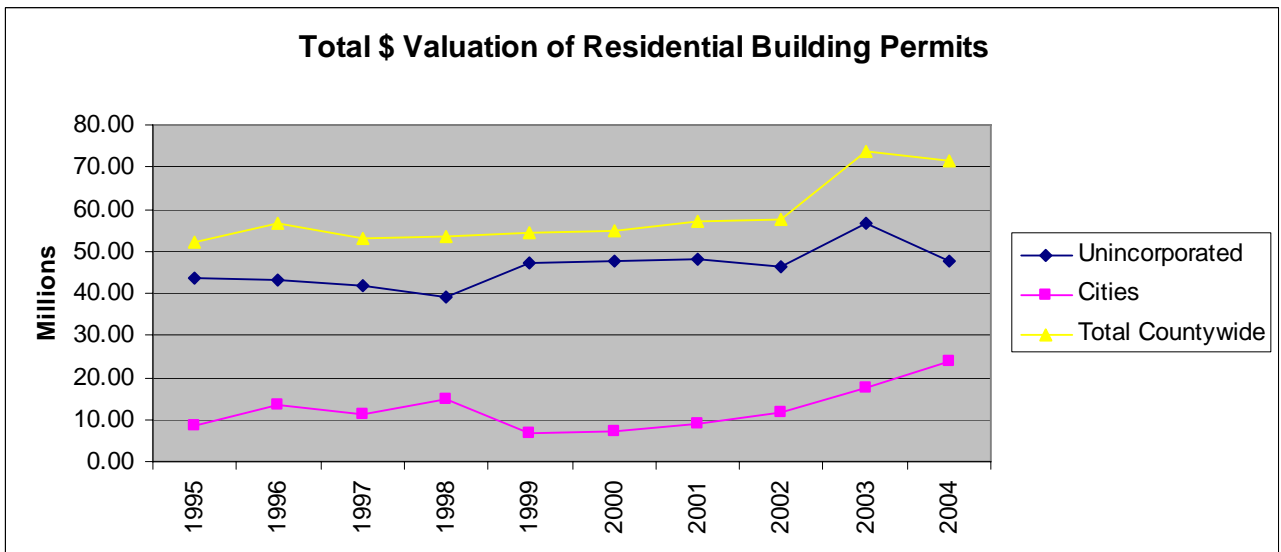


Figure 36.02.610(E) – Total Dollar Valuation of Residential Building Permits from 1995 through 2004 in Clallam County



Overall, the County has had a steady increase in the total dollar valuation of new residences in the County since 1997 with a sharp increase from 2002 to 2003 followed by a decrease in 2004. The total dollar valuation for new residences in the cities has increased steadily from 1999 through 2004, with the majority of the increase for the cities occurring in Sequim. The cities' share of the total dollar valuation of residential building permits in the County increased from 16 percent in 1995 to 33 percent in 2004.

Housing costs in Clallam County have risen significantly since 1998. The rising cost of new and used homes and land has become of concern for many industry sectors such as construction trades, due to a limited workforce able to afford housing within the County.

Average Clallam County Single Family Dwelling prices (County Average):

	<b>1998</b>	<b>2004</b>
New	\$148,758	\$244,786 (64 percent increase, 8.7 percent annualized)
Used	\$128,140	\$188,834 (47 percent increase, 6.7 percent annualized)

*Source: Digest of Real Estate and Loan Transactions – Clallam County Profile*

Median Home Prices as of 1<sup>st</sup> quarter 2005:

Clallam County	\$172,100
Washington State	\$238,900

*Source: Washington Center for Real Estate Research / Washington State University*

(7) Supporting factors.

(a) Land use issues. Figure 31.02.610(F) shows the location of Clallam County economic development nodes where commercial, industrial and/or mixed use (C/I) zoning are supported by the land use elements of Clallam County and the cities of Forks, Port Angeles, and Sequim comprehensive plans. In 2004, Clallam County conducted a study of C/I zoned land availability within the County's six urban growth areas (UGA) and rural commercial nodes. To account for regional differences, land availability was analyzed based on the County's four Comprehensive Plan Planning Regions: Sequim-Dungeness, Port Angeles, Straits, and Western Planning Regions. Figure 31.02.610(F) shows the location of Planning Regions, UGA, and rural commercial nodes.

The results of the 2004 Clallam County Commercial and Industrial Land Availability study included land use and land availability statistics and maps generated for each UGA and Rural Commercial node represented on Figure 31.02.610(F). In summary, the 2004 study found that there were approximately 8,290 acres of C/I zoned lands in Clallam County. Of that total, approximately 2,832 acres were determined to be vacant and another 753 acres were developed but identified as having a high redevelopment potential. Seventy-three percent of vacant lands were privately owned, with 27 percent publicly owned. Table 31.02.610(B) and Figures 31.02.610(G) and 31.02.610(H) summarize land use characteristics of C/I zoned areas for the County's 6 urban growth areas and 16 rural commercial nodes identified on Figure 31.02.610(F).

Rural commercial zones shown on Figure 31.02.610(F) that are not denoted by a node number were not analyzed for land availability. These rural commercial nodes are isolated and generally developed. In most cases, they are under single ownership.

**Table 31.02.610(B)**  
**Commercial/Industrial Zone Land Use in Clallam County**

<b>Planning Region</b>	<b>Developed (acres)</b>	<b>Vacant- Private (acres)</b>	<b>Vacant-Public (acres)</b>	<b>Totals (acres)</b>
Sequim Region	837	702	76	1614
Sequim UGA	416	344 <sup>1</sup>	46	806
Carlsborg UGA	150	58	<1	208
Rural Commercial	271	300	30	600
Port Angeles Region	1676	480	438	2594
Port Angeles UGA	1412	348	430 <sup>2</sup>	2190
Rural Commercial	264	132	8	404
Straits Region	430	290	67	787
Joyce UGA	155	70	3	228
Clallam Bay/Sekiu UGA	274	220	64	558
Rural Commercial	N/A <sup>3</sup>			
Western Region	1469	1361	465	3295
Forks UGA	627	794	27	1448
Rural Commercial	842	567	438 <sup>4</sup>	1848
<b>TOTALS</b>	<b>4412</b>	<b>2832</b>	<b>1046</b>	<b>8290</b>

<sup>1</sup> Vacant C/I zoned lands within the Sequim UGA include city-approved commercial developments covering 97 acres with more than 540,000 square feet of commercial space planned.

<sup>2</sup> Vacant land includes 260 acres of Port-owned land around William Fairchild Int'l Airport.

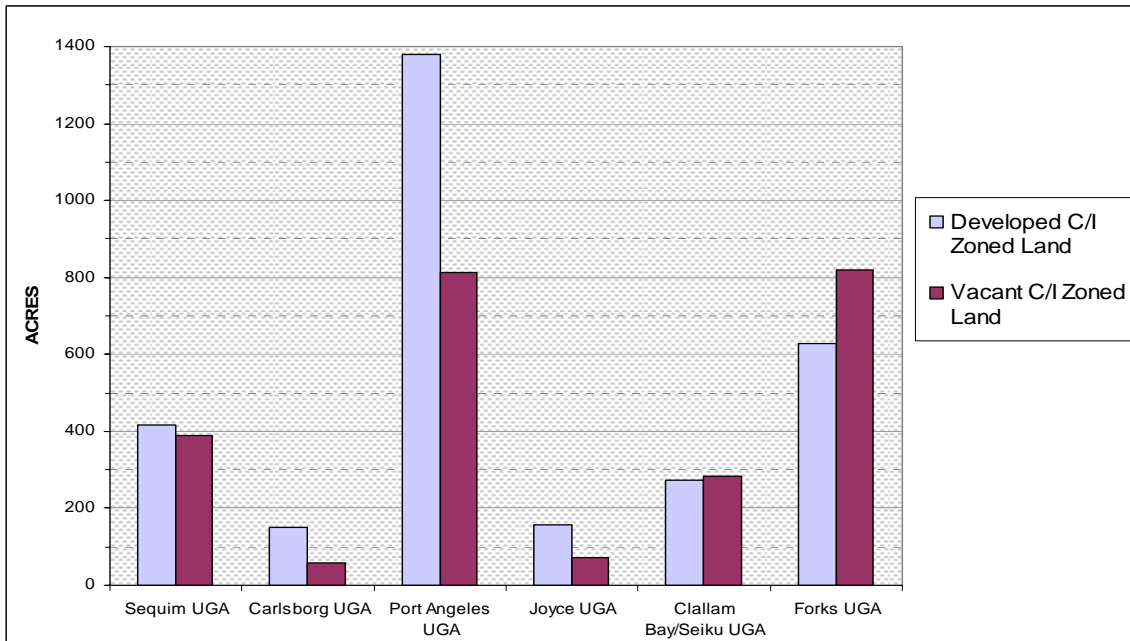
<sup>3</sup> Not applicable. No rural lands were analyzed in Straits Planning Region.

<sup>4</sup> Vacant land includes City of Forks owned land surrounding Quillayute Airport.

*Source: Clallam County Department of Community Development, 2004.*



**Figure 31.02.610 (G)**  
**Acres of Vacant and Developed Commercial and Industrial Land within**  
**Clallam County UGAs**

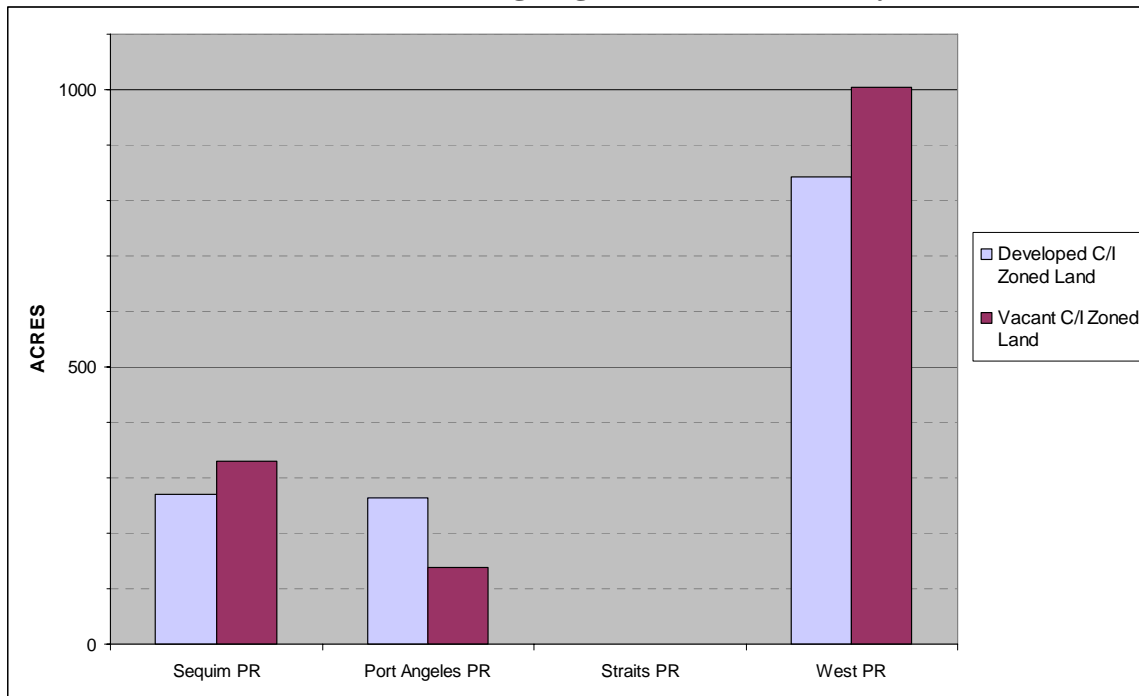


Notes:

1. Vacant C/I zoned lands within the Sequim UGA include City-approved commercial developments covering 97 acres with more than 540,000 square feet of commercial development.
2. Vacant land includes 260 acres of Port-owned land around William Fairchild Int'l Airport.

*Source: Clallam County Department of Community Development, 2004.*

**Figure 31.02.610 (H)**  
**Acres of Vacant and Developed Commercial and Industrial Land within Rural Nodes by Planning Region in Clallam County**



*Source: Clallam County Department of Community Development, 2004.*

(b) Transportation issues. The remaining 2-lane portions of US 101 between Port Angeles and Sequim (and east, to the Hood Canal Bridge) have been identified as issues, due to safety concerns and efficiency of transporting products in and out of the area. Since there is no rail transport available in Clallam County, this issue is of particular concern to industries and businesses in the area.

Clallam County has had a fixed-route public transportation system, Clallam Transit, since October 1980. In 2004, the Clallam Transit System tallied 897,110 total passengers with an average monthly ridership of 62,449, covering a service area of 1,753 square miles with 13 routes. The Clallam County public transportation system increases the mobility of our citizens regardless of age or abilities, which supports economic development.

There are a total of five general aviation airports in Clallam County (Forks, Quillayute, Fairchild, Sekiu, and Sequim Valley). Airport services at these facilities include passenger and freight transportation, flight instruction, and other related commercial services. Protection of these facilities from incompatible uses is mandated by the Growth Management Act, and is an important element in continued economic growth throughout the County.

To enhance the transportation network in Clallam County, it is recognized that barge transportation with its accompanying upland support facilities needs to be explored. There is limited cargo handling capabilities due to a lack of infrastructure and upland storage areas at marine terminals and the age of infrastructure. Adequate infrastructure should be ensured for the existing ferry services and be explored to support cruise ship operations.

(8) Economic development strategy. The Clallam netWorks Economic Development Council (EDC) is a non-profit, organization created to enhance and stabilize the economic environment. The

EDC is supported in-part, by County tax dollars. Since 2000, the EDC has promoted an “industry cluster” approach to economic development, encouraging collaboration between similar businesses by facilitating the formation of “cluster teams” to identify and find solutions to industry needs. Industry cluster teams are composed of representatives from the same or similar industries for the purpose of identifying and discussing workforce and industry issues as well as initiating projects that positively impact economic development.

As of 2005, the following industry cluster teams have been organized and actively participate in the program: Agriculture, Building Trades, Education/Training Centers of Excellence, Finance (“Olympic Peninsula Finance Advisory Network” (OPFAN)), Forest Resources, Health Services (“Transforming Healthcare in Clallam County” (THCC)), Information Technology, Marine Services, and Tourism (Tourism Strategic Planning Team).

(a) Agriculture. The Agriculture Industry Cluster Team consists of local agricultural producers of produce, seed, livestock, fiber, lavender and cheese products, in addition to the WSU Extension, conservation organizations such as “Friends of the Fields”, education representatives, and private citizens. Interest has more recently broadened to include non-agricultural food enterprises such as seafood and artisan bread. The Agriculture Industry Cluster Team seeks to further the development of agriculture industry through the preservation of farmland and the establishment of essential infrastructure for community-based processing and direct marketing of locally produced agricultural goods.

(i) Industry strengths/opportunities:

- Productive soils and climate, combined with extensive irrigation infrastructure and a strong existing knowledge base among existing farmers;
- Growing and profitable market for value added products including lavender provides agri-tourism opportunities for small farms;
- Close proximity to Puget Sound wholesale food markets relative to California (2 days closer).

(ii) Industry weaknesses/threats:

- Limited agricultural land base, with rising pressure to convert to non-agricultural uses;
- Lack of available agricultural supply and processing infrastructure; difficult for start-up farms to compete, due to low production capacity and underdeveloped local markets;
- Competition for limited water resources.

(b) Building Trades. The Building Trades Cluster Team is a formation of the North Peninsula Builders Association, the Realtors associations, and interested citizens. Cluster members include contractors, tradesman, vendors, developers, sales people, as well as residential and commercial lenders. The Building Trades Cluster is committed to providing a wide variety of product at the least possible cost.

(i) Industry strengths/opportunities

- Growing demand for building trades services, especially with Clallam County’s national reputation as a retirement area;
- Diverse local base of small, independent businesses and skilled craftsmen and artisans.

(ii) Industry weaknesses/threats:

- Accurate data on economic contribution of sole proprietors in the industry;

- Shortage of skilled labor in the present population forces out-of-area contracting and job recruitment;
- Rising costs of land and housing are a barrier to market entry and affordable workforce housing;
- Lack of affordable medical health care/insurance results in large number of uninsured workers.

(c) Education. The “Education/Training Centers of Excellence” cluster team is made up of workforce professionals and educators from local school districts, the Skills Center, Peninsula College, four-year universities, Olympic Park Institute, the Employment Security Department / WorkSource, the Port of Port Angeles, Northwest Services Council, and private business owners that provide training. The members work together to improve economic conditions on the North Olympic Peninsula by developing business opportunities through increasing access to high quality education and training.

- (i) Industry strengths/opportunities:
  - Diverse local base of potential educators in fields such as information technologies, environmental sciences, law enforcement, aerospace, marine trades, manufacturing, and education;
  - Support from the local community, I-5 corridor entities and other rural colleges;
  - Existing training facilities, technological infrastructure (fiber-optic capacity), and industry infrastructure.
- (ii) Industry weaknesses/threats:
  - Limited training funds (e.g. educational industries, businesses, federal training development grants);
  - Lack of community awareness regarding training needs;
  - Geographic and economic isolation from I-5 corridor and associated ‘mainstream’ resources.

(d) Finance. The Olympic Peninsula Finance Advisory Network (OPFAN) cluster team consists of representatives from local financial institutions, government representatives (Clallam County, Port of Port Angeles, USDA), educational representatives and financial consultants. OPFAN will assist new and existing businesses in locating sources of capital to start-up, enhance, and assure economic growth on the Olympic Peninsula. The intent of OPFAN is to provide financial consulting, education, and counseling and to act as a centralized resource group for possible sources of business financing.

- (i) Industry strengths/opportunities:
  - High level of cooperation and collaboration within OPFAN and with other entities such as the Clallam Business Incubator;
  - Multiple local lending resources;
  - Growing market for expansion within the institutional banking community.
- (ii) Industry weaknesses/threats:
  - Lack of private banking support for economic development activities;
  - Limited OPFAN involvement by local banking institutions.

(e) Forest Resources. The Forest Resources Cluster Team is made up of representatives from logging and trucking companies, local wood products manufacturing industries, government representatives (USDA, DNR, Clallam County, City of Forks, etc.), timber companies, and private citizens. The Forest Resources Cluster Team seeks to identify opportunities to enhance the economic value of forest products business on the North Olympic Peninsula.

- (i) Industry strengths/opportunities:
  - Vast timber resources and wood product manufacturing facilities exist and continue to develop within the County;
  - Community is generally supportive (especially in the west part of the County) of timber resource management and associated industry;
  - Education, research institutions, and training centers exist within the County to support the need for trained and skilled forest resource workers;
  - Wood biomass offers the opportunity for energy production.
- (ii) Industry weaknesses/threats:
  - Transportation disadvantage relative to many Puget Sound area mills;
  - Market fluctuations and cyclical nature of industry reduces profitability and investment interest;
  - Increasing environmental issues and associated regulations result in prolonged planning process for harvest management by government agencies, expensive mitigation requirements, and reduced predictability for future harvest prospects;
  - Substitute products for structural wood components (steel, concrete, etc.).

(f) Health Services. The Health Services Cluster Team (“Transforming Healthcare in Clallam County” (THCC)) is composed of a wide variety of representatives from local public and private medical facilities, Tribal clinics, County and City representatives, citizen groups, and other community representatives. The Health Services Cluster Team seeks to improve the quality, connectivity and financing of health care in Clallam County through the implementation of sustainable community focused programs that enhance existing healthcare efforts and encourage the seamlessness of delivery of care.

- (i) Industry strengths/opportunities:
  - Strong support for healthcare improvement from the local community, healthcare institutions, government agencies, and elected representatives;
  - Partnerships exist and are expanding between local and national organizations, in addition to Medicare, Medicaid, and Tricare;
  - Coordination efforts provide opportunity to transform healthcare access and delivery on a countywide level.
- (ii) Industry weaknesses/threats:
  - Limited funding to accomplish THCC objectives;
  - Deterioration of Medicare/Medicaid reimbursement rates;
  - Distance to specialized equipment and health services in the I-5 corridor.

(g) Information Technology. The Information Technology Cluster Team consists of technology business owners, managers, and other members of the community interested in promoting a healthy technology business environment in Clallam County.

- (i) Industry strengths/opportunities:
  - Continuous and redundant fiber-optic loop has allowed for global connectivity three times faster than comparable rural areas, making Clallam County an attractive location for IT-based or reliant industries;
  - Growing demand for IT services by all business, government, and health-care sectors;
  - Low overhead required to operate in Clallam County, relative to metropolitan areas;
  - Conducive environment for conducting international business.



- (ii) Industry weaknesses/threats:
  - Competition from foreign low-wage workforce, and other jurisdictions attempting to brand as technology centers;
  - Lack of stable, predictable and inexpensive transportation system;
  - Lack of a clear, community-wide vision to become a technology center.

(h) Marine Services. The Marine Services Industry Cluster team consists of representatives from local marine transportation industries, government agencies (Port of Port Angeles, City of Port Angeles, USCG, Employment Security Dept.), Peninsula College, aquaculture industry, tribes, topside marine repair and fabrication businesses, and others. The Marine Services Cluster Team values cooperation among marine resource companies and with all marine organizations, while working together toward a common goal of a sustainable, thriving use of natural harbors, the Straits of Juan de Fuca and the rest of Clallam County's marine resources.

- (i) Industry strengths/opportunities:
  - Vast marine resources, including the Strait of Juan de Fuca, Pacific Ocean, the longest County shoreline in the State, natural deep-water harbor, fish and shellfish resources;
  - Expanding waterfront-based marine industries, including a growing yacht construction business, topside repair, launch services, marine fabrication, automobile and pedestrian transportation service, and growing marine tourism market;
  - Existing marine infrastructure, including four deep-water marine terminals, log storage areas, protected marinas, U.S. Coast Guard base, existing successful aquaculture (Atlantic salmon) facility.
- (ii) Industry weaknesses/threats:
  - Extensive natural and cultural resources along shoreline areas limit new infrastructure development potential;
  - Geographic isolation and lack of rail connection between Port facilities and I-5 corridor;
  - Limited cargo handling capabilities, due to a lack of infrastructure and upland storage area at marine terminals and age of infrastructure.

(i) Tourism. The Tourism Cluster Team is made up of representatives from the County, Cities, Port Angeles and Sequim-Dungeness Valley Chambers of Commerce, the Port Angeles Downtown Association, resort operators, private marketing and communications firms, local tour-guide businesses, local wineries, marine transportation companies, and others. The Tourism Cluster Team is committed to enhancing the economic well being of the North Olympic Peninsula by using the region's resources to attract guests to the area, and to show the economic strength of the industry and the impact tourism has on other areas of the economy.

- (i) Industry strengths/opportunities:
  - Marketing coordination with surrounding jurisdictions, municipalities, and within industry;
  - Tremendous recreational opportunities exist within Clallam County, including Olympic National Park (ONP), County and State parks, National and State forestland, Strait of Juan de Fuca (fishing, shellfishing, boating, kayaking, sightseeing, transportation to British Columbia and the San Juan Islands), Native American communities, Olympic Discovery Trail, and miles of shoreline, rivers, lakes, wildlife viewing and hunting;

- Festivals and events such as the Sequim Lavender Festival, Dungeness Crab & Seafood Festival, Sequim Irrigation Festival, Jazz in the Olympics, Juan de Fuca Festival, Salmon Derby, etc. For example, the Lavender Festival attracts more than 25,000 people and continues to increase in attendance each year;
  - Tribal tourism projects provide a unique opportunity for tourism industry enhancement;
  - Proximity to Victoria, BC, provides unique opportunity for joint marketing and coordination.
- (ii) Industry weaknesses/threats:
- Limited lodging and organized recreational activities;
  - Lack of consistent regional branding.

**Section 3. Section .620, Economic development goals,** is repealed and replaced to read:

(1) Goal 1. Provide for sustainable economic growth, diversity and vitality throughout the County while maintaining a high quality of life and a healthy environment.

(a) Policy 1. Make continuous, concerted efforts to retain industries and to facilitate expansion of our existing industrial and business base.

(b) Policy 2. Pursue strategies to attract businesses and emerging industries paying wages which diversify the economic base, exceed the County average annual wage, provide health care benefits, and offer employees upward career mobility.

(c) Policy 3. Support public-private business partnerships involving the Economic Development Council, Cities, Port of Port Angeles, chambers of commerce, Tribes, special districts (such as PUD 1) and business interests to provide business assistance, planning, financial management aid, grant assistance, planning, financial management aid, grant assistance and business mentoring.

(d) Policy 4. Continuously develop and maintain updated land use plans and regulations which encourage business location and retention in appropriately designated areas including urban growth areas, rural centers and villages, existing LAMRIDs, rural commercial areas and other planned business and industrial locations.

(e) Policy 5. Encourage home-based businesses in rural areas, provided they are compatible with the character of the surrounding area and do not result in nonresidential clusters or strips.

(f) Policy 6. Establish standards for home-based businesses and farm sales, which address impacts related, but not limited to air and water quality, aesthetics, noise, lighting and traffic, in order to assure compatibility with neighboring properties.

(g) Policy 7. Support bed and breakfast inns associated with a single-family owner-occupied dwelling. Provide design and operational guidelines covering number of rooms, appearance, signage, parking, length of stay, and source of potable water and sewage disposal.

(h) Policy 8. Advocate solutions to local industry issues in order to expand employment opportunities and revenue generation.

(i) Policy 9. Encourage County representation in programs such as Clallam netWorks Education/Training Centers of Excellence and the Job Fair Development Team.

(j) Policy 10. Sector-specific policies and strategies to promote economic vitality and diversity:

- (i) Forestry, agriculture and mineral resources:
- Encourage growth of aquaculture and shellfish industries, consistent with regional comprehensive plans, and within the limits of applicable local, state and federal regulations;

- Develop incentives and provide funding options, for the conservation of the County's forest, agricultural and mineral resource land base;
  - Work to promote a strong, economically viable and ecologically responsible agricultural economy;
  - Amend zoning standards to allow for small-scale, on-farm enterprises in rural areas, subject to standards addressing public health, safe vehicular access, available parking, rural character, and impacts to properties in the vicinity;
  - Support efforts to educate and communicate to the public, the economic value of natural resource-based industries including positive fiscal and social impacts, jobs, health benefits and food security;
  - Support and facilitate the expansion of existing wood processing capacity;
  - Recognize and endorse the forest resources industry as an economically significant industry in which Clallam County has unique qualities and competitive advantages;
  - Ensure that adequate industrially-zoned land exists within the County to support processing and manufacturing of raw materials and food products that are locally grown, harvested, or extracted;
  - Identify and protect mineral resource lands in the County, in order to provide a cost-effective supply of materials to local mineral resource-based businesses and to assure adequate reserves for future generations;
  - Work with the Washington State Department of Natural Resources (DNR) to increase Forest Board Trust Land payments generated from timber harvest activities.
- (ii) Marine services:
- Recognize and endorse marine services as an economically significant industry in which Clallam County has unique qualities and competitive advantages;
  - Support the development and maintenance of essential marine infrastructure within the County, including marinas, industry piers, boat ramps and recreational access facilities.
- (iii) Construction and building trades:
- Develop and maintain a skilled workforce from the local population by promoting collaboration and shared resources, in order to meet employment demand;
  - Encourage representation of construction and building trades in County permitting and land use planning efforts;
  - Continue support of Clallam County Permit Advisory Board.
- (iv) Tourism and recreation:
- Support development of a comprehensive tourism plan that provides for cooperative planning between industry and government agencies to prioritize, coordinate and develop tourism throughout the County;
  - Encourage the establishment of a tourism/hospitality cluster team, in order to establish a strategic regional tourism plan;

- Support creation of a joint executive tourism task force with Victoria, BC industry personnel to establish areas of common interest;
  - Encourage the development of a marketing task force, in order to establish area branding and packaging of local products and events;
  - Promote the Olympic Peninsula Region as a destination site by comprehensive marketing and utilization of existing media outlets;
  - Explore avenues of cooperation with area governments, real estate developers and others to develop tourism retirement and recreational communities;
  - Encourage the promotion of tourism and recreational opportunities in Clallam County through advertising, signage, brochures, and other informational materials that could be made available, or referenced at public facilities, rights-of-way and websites;
  - Support master planned resorts with primary focus on destination resort facilities consisting of short-term visitor accommodations associated with a range of developed on-site indoor or outdoor recreational facilities;
  - Support cultural, heritage and social activities emphasizing natural attractions, places and activities unique to our area;
  - Promote the County as an international destination;
  - Encourage public access to bodies of water used for recreation by local residents and tourists through signage, maps and public information programs to identify areas and features of interest;
  - Encourage development of private and public parks, campgrounds, rest areas, convention facilities, overnight facilities and recreational areas designed to accommodate multi-use activities such as bike-camping, horseback riding, etc.;
  - Support efforts to maintain healthy fish stocks, in order to provide stable sport fishing seasons for the tourism industry and economic needs of rural communities such as Clallam Bay and Sekiu;
  - Success of tourism and recreation policies and strategies should be evaluated based on tourism tax receipts, number of lodging night stays, attendance at selected events and attractions, or similar indicators.
- (v) Other sectors:
- Support Clallam netWorks (EDC) efforts to recruit and promote the organization of additional industry cluster teams not yet identified in this document.

Progress in achieving sustainable economic growth, diversity, and vitality will be measured by increases in overall employment rate, labor force as a percentage of population, average covered wage rates, new business startups, decreases in Medicare/Medicaid reimbursements at Olympic Medical Center, or similar indices reviewed on an annual basis.

(2) Goal 2. Work to provide the infrastructure and funding necessary to support planned economic development in advance of need, in order to accommodate and attract industrial and commercial operations in appropriate areas of the County.

(a) Policy 1. Support preparation of a “Strategic Infrastructure Development Plan” that when implemented, could prioritize capital facilities expenditures for strategic infrastructure investments that accommodate growth and encourage quality housing and economic development within appropriate areas.

(b) Policy 2. Identify state and federal funding and other support available for infrastructure projects, as well as resources of local special districts, such as school, water, and sewer districts that can assist in accomplishing community investment goals.

(c) Policy 3. Support widening US 101 to four lanes from Port Angeles to the Hood Canal Bridge and/or other appropriate transportation improvements to decrease commercial transportation costs and to improve safety.

(d) Policy 4. Develop joint service agreements and interlocal agreements with other agencies where feasible to co-finance capital projects.

(e) Policy 5. Lead the development of job-related public facilities within Clallam County, through utilization of the Opportunity Fund Program (OFP).

(f) Policy 6. Coordinate regional infrastructure provisions and financing among jurisdictions, developers, business owners and service providers. Facilitate development of a joint plan for infrastructure development to enhance industrial and commercial growth in designated areas.

(g) Policy 7. Recognize that barge transportation with accompanying upland support facilities needs to be explored to support transportation network.

Progress in meeting this goal and its policies will be measured by annual progress towards completion of projects listed in the Capital Facilities Budget, Six-Year Transportation Improvement Plan or similar documents.

(3) Goal 3. Environmental stewardship – Encourage economic development that fosters protection of the natural environment and water resources that are vital to sustaining the County’s tourism, natural resource-based industries, and quality of life.

(a) Policy 1. Make environmental protection a business opportunity by marketing our pristine environment as an ideal location for recreation and the conduct of environmental research.

(b) Policy 2. Protect the natural environment and utilize renewable resources for long-term sustainable economic development including protection of existing farmland.

(c) Policy 3. Implement cooperative and coordinated surface and groundwater management policies to ensure the future availability and quality of water throughout the County.

(d) Policy 4. Adopt and provide funding for implementation of a comprehensive storm water management ordinance.

(e) Policy 5. Support programmatic environmental impact statements in advance to determine the cumulative impacts of potential projects within established industrial parks and/or other subareas designated for commercial or industrial uses, in order to streamline permit review processes for those areas.

(f) Policy 6. Meet Clean Air and Clean Water Act standards.

(g) Policy 7. Ensure that the new industrial developments do not exceed existing State noise regulations.

Progress in meeting this goal and its policies will be measured by quality of life opinion surveys, scientific surveys, research activities and compliance with applicable local, State and Federal environmental standards.

(4) Goal 4. Communication and Outreach – Establish and maintain productive relationships with the public, other government agencies and industry clusters. Promote and utilize multiple modes of communication and outreach.

(a) Policy 1. Participate with local business leaders and organizations like the Economic Development Council, chambers of commerce, real estate professionals, permit advisory boards,

downtown associations, industry cluster teams, and other groups to address current and changing business and job requirements.

(b) Policy 2. Continue to solicit public input and review recommendations from advisory committees, focus groups and others.

(c) Policy 3. Engage Tribal governments in economic development initiatives and conduct outreach to Tribal communities.

(d) Policy 4. Use local and regional media, in cooperation with other economic development agencies or groups, to improve perceptions about Clallam County as a good place to locate a business or industry.

(e) Policy 5. Continue to improve the County's website and provide links to other local sites hosted by other entities such as Cities, Tribes, chamber(s) of commerce, and the EDC to promote economic development opportunities within Clallam County.

(f) Policy 6. Explore the possibilities of providing permit, licensing, tax and fee payments, and other transactions available to the public on-line.

(g) Policy 7. Continue to support an industry cluster approach to economic development by assisting the Economic Development Council and others with efforts to improve community knowledge and understanding of the industry clusters, facilitating connection of resources between clusters, and supporting cluster group initiatives.

(h) Policy 8. Continue participation in the development of an economic development marketing strategy for the community.

Progress in meeting this goal and its policies will be measured by increased public participation in County activities, positive media coverage, increased public-private and intergovernmental cooperative economic development efforts, and wider use of secure internet transactions by customers doing business with the County.

(5) Goal 5. Regulatory Framework – Implement Clallam County development regulation in a consistent, fair, predictable, and expeditious manner, and coordinated between governmental, business and other organizational entities.

(a) Policy 1. Enact regulations and standards which encourage development of appropriate commercial, business and residential areas, and regularly review such regulations to enhance their consistency, predictability, timeliness and to decrease business costs.

(b) Policy 2. Coordinate regulations, guidelines, infrastructure plans, and funding packages with other public agencies and communities within urban growth areas.

(c) Policy 3. Work with real estate and development interests toward common goals that are beneficial to the developer and the community.

(d) Policy 4. Advocate pre-application meetings with County staff to identify problems before significant resources have been invested in a project proposal.

(e) Policy 5. Provide a streamlined permitting system with consolidated review of permits, a single staff contact assigned to coordinate reviews for a particular project, and contracted review of applications, when necessary.

(f) Policy 6. Develop expedited permit procedures within designated development areas, where environmental and compatibility issues have been addressed through zoning performance standards, or conditioned through the plat review process.

(g) Policy 7. Maintain an active role in the implementation of Washington State permitting processes such as hydraulic or water quality permits.

(h) Policy 8. Support the Washington State Department of Ecology's efforts to streamline the water rights application process.

(i) Policy 9. Provide for administrative review of small scale and low impact commercial project where feasible, through the adoption of specific performance standards and ongoing review and updates to the use tables in each respective zoning district.

(j) Policy 10. Continue to review the Comprehensive Plan and implement development regulations which accommodate population, housing and employment forecasts, and adjust as necessary to meet demands.

(k) Policy 11. Review County rules and regulations regarding economic development and eliminate or revise those which are not necessary for public health, safety, or well-being.

Progress in meeting this goal and its policies will be measured by reduced permit processing time, reduced permit appeals, and building permit activity.

(6) Goal 6. Improving Accountability – Continuously evaluate progress towards timely implementation of goals with the public, elected officials, economic development leaders and industry representatives.

(a) Policy 1. Invite and encourage broad representation from organizations and citizens in the review and update of the Clallam County economic development element and implementing land use regulations.

(b) Policy 2. Adopt specific performance measures with which to gauge progress in meeting our economic and community development goals.

(c) Policy 3. Provide County representation in economic development forums, in order to support the economic progress of the County and the Comprehensive Plan.

Progress in meeting this goal and its policies will be measured by (1) active participation of Economic Development Council, Chamber of Commerce, real estate, building and development, Downtown Association, and/or industry cluster team representatives on appropriate county boards, committees, task forces or other work groups involved in economic development, infrastructure, environmental protection or other activities described within this section; (2) active participation in economic development forums; and (3) measurable progress toward accomplishing all the implementation tasks outlined in the annual work plans.

ADOPTED this 20<sup>th</sup> day of December 2005

BOARD OF CLALLAM COUNTY COMMISSIONERS



Michael C. Chapman, Chair



Howard V. Doherty, Jr.



Stephen P. Tharinger

ATTEST:



Penelope Linterman,  
Deputy Clerk of the Board