



SECTION B

ELEMENT 10

ECONOMIC

DEVELOPMENT

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ELEMENT 10. ECONOMIC DEVELOPMENT

We support a diverse, resilient, and sustainable economy while respecting the natural world.

This economy serves the needs of our community, and recognizes the rural, residential, quiet, agricultural, marine and isolated nature of the islands.

Our economy comprises a wide spectrum of stable, year-round activities that provide wages that allow islanders to live, work, and thrive locally.

We encourage new ideas and new technology for improving the quality and profitability of our goods and services. Communication systems support our economy.

10.1 Introduction

10.1.A Overview

San Juan County's share of the global ecosystem is a rich, temperate and increasingly unique niche consisting of its geology, soils, air, water, and all living organisms. Its internal workings are of a complexity not well understood,

supporting both agricultural and marine productivity. Its aesthetics, novelty of experience and opportunity for knowledge and contemplation enhance domestic tranquility, and residents' health and wellbeing.

These non-monetary benefits, more fundamental than money itself, also attract visitors, seasonal residents and investors who amplify the monetary economy. Preservation of



the county's natural capital¹ as a public good maximizes its availability for continuing support of the county's monetary economy, and preserves a high standard of living coupled with a rural quality of life.

The county's economy is measured in terms of money. The public recognizes that priority of this valuation inexorably diminishes natural capital and the rural quality of life that holds its inhabitants and draws visitors from near and far. That said, a high quality of life cannot be maintained without a vibrant economy. Accordingly, this document is the product of the public's effort to develop and support such an economy in balance with the county's natural capital and its consequent rural character; together these provide the county's increasingly rare high quality of life.

For purposes of this Economic Development Element (EDE) of the *San Juan County Comprehensive Plan (Plan)*, the term "rural character" refers to the aesthetic and social experience of life in a geographic region that consists predominantly of agricultural lands, uncultivated open lands, undeveloped beaches, and forests or other natural habitats. It is consistent with improving the county's strong educational, economic, technological, and other infrastructure to maintain a high standard of living. The population of the county is rising and expected to continue to rise, and that Washington State Ferries and other entities (ports, airports) currently serve nearly 2 million visitors and expect passenger increases of 43 percent in the next 10 years². Preservation of rural character will inevitably require preservation of this aesthetic and social experience, the quality of which will depend upon achieving the goals of the *Plan* as a whole.

¹ Natural capital is taken to include all natural elements and processes such as: marine, terrestrial, and freshwater habitats; shorelines, wetlands, water bodies, and aquifers; native biota (flora, fauna, fungi, and microbes); dark skies; clean air; natural soundscapes; soil and bedrock; open spaces.

² <https://www.wsdot.wa.gov/NR/rdonlyres/F5735A06-1A07-44A6-83B8-76FE997785EA/0/AnacortesPreDesignPkg.pdf>, page 6

10.1.B Overarching Goals

To maintain its share of natural capital and develop its human assets while achieving and enhancing a balanced county economy, four interrelated goals for the EDE of the *Plan* have been identified. These are expanded upon in section 10.3.B.

- **Goal 1: CREATE LIVING WAGE JOBS:** Establish and maintain a sound, stable, year-round, and locally based diversified economy that creates living wage jobs in community and environmentally friendly industries consistent with rural character.
- **Goal 2: DEVELOP A BROADLY COMPETENT WORK FORCE:** Train a resident work force to support and attract diverse businesses (in harmony with the county's natural resources), perform work otherwise done by labor and skills sourced from outside the county, and supplement an aging talent pool.
- **Goal 3: IMPROVE INFRASTRUCTURE AND COMMUNITY ASSETS AND SERVICES:** Support and maintain infrastructure, community assets, and environmental resources; enhance economic, environmental, and community resilience; and protect environmental services and natural assets in a manner consistent with rural character.
- **Goal 4: ENHANCE ECONOMIC RESILIENCE:** Enhance economic resilience to rapid and long-term natural and economic disruptions.

10.2 Authority, Purpose and Other Elements

10.2.A Authority

This EDE is adopted pursuant to RCW 36.70A.070 (7) of the Washington Growth Management Act (GMA) which mandates that the County's *Comprehensive Plan* include:

"[a]n economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life."

This is subject to an overarching instruction preceding this mandate relating specifically to the economic element: "Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the



capacities of the state’s natural resources, public services, and public facilities.” RCW 36.70A.020(5). For purposes of this EDE, this language regarding biological resources is interpreted to include and encourage only those activities or industries whose impact on those resources does not impair their sustainability.

10.2.B Purpose

The purpose of this EDE is to execute the legislative mandate set forth above by setting goals and establishing policies, objectives, and actions to attain economic growth and vitality consistent with the distinctive quality of life in the County.

Economic development is the specific and concerted expenditure of time and money by communities and policy makers in order to create and maintain the economic viability of a region. Sound economic development seeks to foster sustainable wealth by creating jobs and infrastructure that sustain and enhance the quality of life of the populace without net cost to the county’s natural capital.

Proactive economic development seeks out business development opportunities based on an area’s competitive advantages, market characteristics, and community values. Smart economic development recognizes that prosperity depends upon the county’s natural capital supporting its quality of life. In turn, sustaining the current structure, nature, and diversity of the county community will depend on maintaining and nurturing a successful economy.

Economic resilience is essential to the wellbeing of county residents. Its elements are:

- Diversification of industries (particularly those less reliant on fluctuations in the local, regional, and national economy);
- Planning for foreseeable changes in the local and national economy, in population, in technology, and in the environment; and
- Readiness for likely disasters.

Economic resilience supports social resilience and the public peace. Economic resilience expressly includes provision for low-income housing for “unemployed and low-income persons” as mandated by RCW 36.70A.020(5).

The economy of the San Juan Islands is inextricably linked to its environment. Enterprises that consume or threaten to consume nonrenewable natural resources that the County's economy depends on are not endorsed. The county's economic plans are driven by County residents' goals for the future of the community itself as set forth in the Vision statement of this *Plan*.

10.2.C Relationship to Other Comprehensive Plan Elements

This EDE is intended to integrate with and guide the economic aspects of the other elements of this *Plan*. Similarly, the other elements of this *Plan*, such as the Land Use, Housing, and Utilities elements, influence economic opportunities. While economic development affects the entire County including its marine areas, and implementation responsibilities may be shared among other governmental and non-governmental partners, the *Plan's* legal mandate is upon the County alone.

10.3 Economic Vision, Framework, and Goals

10.3.A Economic Vision and Framework

Economic Vision

The 2036 *Plan* Vision is:

ECONOMY: We support a diverse, resilient, and sustainable economy while respecting the natural world. This economy serves the needs of our community, and recognizes the rural, residential, quiet, agricultural, marine and isolated nature of the islands. Our economy comprises a wide spectrum of stable, year-round activities that provide wages that allow islanders to live, work, and thrive locally. We encourage new ideas and new technology for improving the quality and profitability of our goods and services. Communication systems support our economy.

Strategic economic development provides a crucial mechanism for maintaining and enhancing community vitality and prosperity for the long-term, consistent with the community ethos (defined as the guiding beliefs, culture, and spirit within a community) embodied in the Vision statement of the *Plan*. Initiatives to strengthen infrastructure, training programs, transportation, and communications networks benefit business, as well as resident and visitor populations. Efforts to create more high-quality employment opportunities are not only about creating jobs but also about enhancing a rich social network of healthy families and active community members.

Economic development must also sustain and strengthen the County's natural assets. These assets do not vote but do provide significant environmental benefits and services that residents, visitors, and businesses depend upon. These components of the County economy require continuous balancing of the interests involved as conditions (natural, human-caused, and in combination) change over time. This *Plan*, of which this EDE is a part, looks only twenty years ahead. Planning with respect to natural capital requires a far longer planning horizon than monetary economics. The failure to plan and regulate the use of the County's natural capital may take many generations to repair, while extinctions are irreparable with as-yet unknown future consequences.

Economic Development Framework

The County seeks to retain and enhance an economy that reinforces the County's diverse character and allows both capitalization on and conservation of its assets, including: natural beauty, diverse agricultural activities, history and heritage, and the high educational attainment, diverse skills, cultural creativity, can-do attitude, and problem-solving skills of its residents. The County seeks to maintain or encourage sustainability, the county's rural quality and natural resources, and its historical agricultural and maritime industries. The goals and actions proposed below are founded in a core set of assumptions, as follows:

1. Most county residents would see economic growth as a controllable means for maintaining economic vitality and a high quality of life, while preserving what is dear: the rural character and natural characteristics of their county. All elements of the environment and the best qualities of the economy must be nurtured because together they determine the quality of life. Quality of life is defined as the general wellbeing of individuals and communities,

particularly in ecology, inclusiveness of economic opportunity, health and welfare, openness and civility of political society, and breadth and depth of culture.

2. The purpose of this EDE is to guide regulatory policy, decision-making, and private and government investment. Therefore, proposed strategies should be designed with the County, the Town of Friday Harbor, the ports, potential business investors, proposed urban growth areas, and hamlets as the principal audience. Implementation of this EDE will entail participation by many entities and private sector partners in addition to the various government partners, all in a manner intended to benefit the people of the county.
3. Proposed economic development strategies must be based on island realities and be designed holistically, with a view to keeping an island-scale economy and the preservation and enhancement of each island's quality of life, rural character, and precious natural resources. In adopting policies consistent with these strategies, emphasis should be placed on the most promising, wage-generating, and locally appropriate economic emphasis areas consistent with the ethos embodied in the Vision and consistent with the character of the respective islands.
4. This EDE confirms the County's intention to cooperate with all toward developing an economy consistent with the Vision Statement.



10.3.B Economic Goals and Policies

The following goals, policies and their execution are intended to be consistent with the Vision:

GOAL 1: CREATE LIVING WAGE JOBS

Goal: Establish and maintain a sound, stable, year-round, and locally based diversified economy that creates living wage jobs in community and environmentally friendly industries consistent with rural character.

Comment: Living-wage jobs may include (among others) trades jobs that serve residents, or high tech, engineering, scientific, or “knowledge work”³ that brings in income from outside the County. However, this goal is not intended to diminish any existing business, enterprise, or trade. This category also includes the self-employed and the home, office, or shop that may or may not have additional employees, and to that extent, this goal overlaps with Goal 2, “Develop a Broadly Competent Resident Work Force,” below.

A living wage is defined as net income that can meet a worker’s basic needs for food, housing, child care, and other necessities. We categorize jobs that exceed this threshold as living wage jobs so as to maintain a safe, healthy, and decent standard of full-time living within the community.

Policies

1. Consider how changes in regulations, permitting, and zoning affect businesses and natural resources to maximize business opportunities while preserving and enhancing natural capital, and prioritizing the growth of existing businesses over encouraging out-of-county business incursion.
2. Seek to create an environment conducive to long-term job growth that encourages the creation of new businesses, and retention and expansion of existing businesses, within a framework that preserves and enhances the natural assets and rural character of the county.
3. Encourage locally-focused retention and expansion of the county’s business and employment base rather than seeking mainland or nationally-franchised businesses to emphasize the county’s distinctive economy and lifestyle that attract visitors and hold its inhabitants.
4. Encourage diversified and sustainable practices in the tourism and construction industries to reduce the negative impacts that these industries may have on the natural assets that they, other industries, and residents depend upon.
5. Encourage workforce development (Goal 2) to enhance the capacity of county inhabitants to attract and meet the needs of clients wherever located.



³ “Knowledge work” includes jobs (programming, writing, editing, scientific consulting, and many others) that can be done remotely because they do not involve making a physical product or require in-person contact.

6. Encourage growth of industries that are well-suited both to fostering family-wage jobs and to the natural assets and rural character of the county, including in agriculture, small-scale manufacturing, and technology.

GOAL 2: DEVELOP A BROADLY COMPETENT RESIDENT WORK FORCE

Goal: Support the training of a resident work force to support and attract diverse businesses, perform work otherwise done by labor and skills sourced from outside the county, and renew the talent pool.



Comment: This goal is a necessary counterpart to Goal 1, “Create Living Wage Jobs,” above, as out-of-county labor causes “leakage” of local dollars. An untrained, unemployed/underemployed local population reduces economic productivity and drains public resources.

Policies

1. Provide resources for the education and support of county residents toward professional opportunities and internships in family-wage industries and in areas of economic activity targeted for initiation or expansion within the county, including technology, manufacturing and agriculture.
2. Support the study and analysis of areas of economic activity to target specific activities or employers the initiation or expansion of whose activities would be environmentally benign and economically beneficial to the community.
3. Support initiatives that enable low and moderate income people to work and reside in the County.
4. Support local businesses and workers through organizations such as the San Juan County Economic Development Council and other workforce and small business development entities with funding, through resource-sharing and through other methods.
5. Encourage County residents to apply for positions at the apprentice or trainee level to establish a pool to replace resigning or retiring members of the county work force, and issue contracts allowing apprentice or trainee participation on contracted work.

GOAL 3: IMPROVE INFRASTRUCTURE AND COMMUNITY ASSETS AND SERVICES



Goal: Support and maintain infrastructure, community assets, and environmental resources; enhance economic, environmental, and community resilience; and protect environmental services and natural assets in a manner consistent with rural character.

Comment: This goal overlaps with Goal 4: Enhance Economic Resilience with respect to infrastructure and services. This goal also treats the county’s natural capital as essential infrastructure much of which is owned or regulated by the County, the state of Washington, or the federal government.

Policies

1. Encourage provision of adequate infrastructure that is supportive of a healthy economy and environment while preserving those unique features valued by inhabitants and the subject of interest and pleasure to visitors, as well as those natural elements that underlie and support those features.
2. Support development of reliable high-speed broadband infrastructure that enables the creation of jobs and improved educational opportunities for islanders, and increased competitiveness for the county.
3. Encourage Washington State Ferries to improve San Juan Islands ferry service, vessels, and infrastructure including by encouraging the training and licensing of the necessary personnel and investing in new, quieter, and more efficient ferries for the San Juan Islands route.



4. Support alternative energy and energy storage capability, and increased redundancy of both power and telecommunications infrastructure.
5. Support improvements in programs to manage solid waste locally and efficiently.
6. Foster a thriving local food economy by supporting the development of infrastructure and market access.
7. Recognize the ecosystem services performed by healthy soil as fundamental and essential county assets and support regenerative stewardship activities.
8. Recognize ecological assets as economic assets.

GOAL 4: ENHANCE ECONOMIC RESILIENCE



Goal: Enhance economic resilience to rapid and long-term natural and economic disruptions.

Comment: This goal is integral to the long-term success of Goals 1, 2, and 3.

Policies

1. Identify and support opportunities to diversify the economy among and within sectors to encourage family-wage jobs and preserve the islands' ecological assets.
2. Include disaster management planning in infrastructure and economic development programs, improve oil spill response and remediation capacity, and encourage community and governmental disaster preparedness for infrastructure on which industries depend.
3. Identify and encourage means to reduce the cost of living and doing business in the County insofar as it is compatible with health and safety.



4. Encourage community and governmental awareness, preparedness, and action regarding negative impacts from climate change, including the encouragement of the reduction of fossil fuel consumption.

5. Increase local food production and promote land stewardship and food security as core components of economic resilience.

SPECIFIC PROJECTS

Key to achieving these four overarching goals will, among other things, be by implementation of specific projects, including but not limited to the list of eligible project types for the Public Facilities Financing Assistance Program (PFFAP) listed in the Economic Development Projects section of the San Juan County Economic Development Council's priorities document, derived from community need, statutory limitations, and the County's legislative priorities.

For projects to be eligible for PFFAP funding, they must be designed to increase capacity and not address a deficiency, unless that deficiency is a direct impediment to economic development. Despite this, nothing in the appended list is intended to limit the overarching goals and priorities set forth above in this EDE.

Additional information on the San Juan County economy is available on the San Juan County Economic Development Council (EDC) website: <https://sanjuansedc.org/>