



Kitsap Regional Coordinating Council

Chair
Mayor Darlene Kordonowy
City of Bainbridge Island

Vice-Chair
Commissioner Chris Endresen
Kitsap County

Commissioner Jan Angel
Commissioner Patty Lent
Kitsap County

Mayor Cary Bozeman
Councilor Carol Arends
Councilor Dianne Robinson
Councilor Nick Wofford *
City of Bremerton

Councilor Bill Knobloch
Councilor Nezam Tooloee *
City of Bainbridge Island

Mayor Kim Abel
Councilor Carolyn Powers *
City of Port Orchard

Mayor Kathryn Quade
Councilor Ed Stern *
City of Poulsbo

Council Chair Leonard Forsman
Rob Purser *
Squamish Tribe

Council Chair Ron Charles
Phil Dorn *
Port Gamble S'Klallam Tribe

Commissioner Mary Ann Huntington
Commissioner Cheryl Kincer *
Port of Bremerton

Capt. Reid Tanaka
Tom Danaher, PAO *
*Naval Base Kitsap***

Mary McClure
Executive Director

* *alternate*
** *non-voting member*

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Board Meeting

June 6, 2006

Meeting Summary

1. Call to Order: Vice-Chair Chris Endresen called the Kitsap Regional Coordinating Council Board to order at 9:15 a.m. (*Attendance noted at end*)

2. Minutes from May 2, 2006:

Motion: (Lent) and second (Robinson) to approve the May 2, 2006 Meeting Summary. *Motion carried unanimously.*

3. Chair Comments:

The first Kitsap Regional Coordinating Council e-newsletter turned out very nicely and is a positive addition to the Council's Work Program.

The Legislative Dinner on May 25 was very well attended. An issue that came up during the evening was regarding people who had not RSVP'd and did not feel welcomed at the event. Regional Council Executive Director Mary McClure has apologized to those attendees and the Executive Committee will clarify the future goals of the Legislative Dinners.

Mayor Cary Bozeman commented that it was a very nice event.

4. Community Development Block Grant Program: Approve Applicants for the Public Service and the Community Development Citizen Advisory Committees:

Bonnie Tufts of the Kitsap County Community Development Block Grant Program reviewed the applicants for the Community Development and the Public Service Citizen Advisory Boards:

The Community Development Citizen Advisory Board has one returning member, Karl Compton, representing the County at Large. The new applicants: Anna Padia, Joann Johnson, Tadina Crouch, and James Weaver are strong candidates for the Community Development Citizen Advisory Board.

The Public Service CAB has two returning members, Abby Crisp, representing Central Kitsap; and Deanna Councilor, representing a history of providing services to low income individuals and families. The new applicants: Annette Tessier, Patrick Hitchel, and Jim Rogers, are strong members for the Public Service Citizen Advisory Boards.

The Kitsap Regional Coordinating Council's June 6 Board Meeting Packet contains the applications and resumes of all new applicants to both Citizen Advisory Boards

Motion: (Lent) and second (Angel) to approve the appointment of Anna Padia, having a history of providing services to low income individuals and families; Joann Johnson, representing Central Kitsap; James Weaver, representing Bainbridge Island, Poulsbo and North Kitsap; and Tadina Crouch, representing Port Orchard and South Kitsap, to serve on the Community Development Citizen Advisory Board for a two year term.

Motion carried unanimously.

Motion: (Abel) and second (Endresen) to approve the appointment of Annette Tessier, representing Port Orchard and South Kitsap; Patrick Hitchel, representing Bainbridge Island, Poulsbo and North Kitsap; and Jim Rogers, representing the County at Large to serve on the Community Development Block Grant Public Service Citizen Advisory Board for two application funding cycles.

Motion carried unanimously.

5. Executive Director's Report: This Board meeting is focused on reporting and discussing aspects of Economic Development in which the Kitsap Regional Coordinating Council is involved. There are no further action items.

a. Kitsap County Community Development Corporation: Annual Report:
Jean Charneski, Executive Director of the Kitsap County Community Development Corporation (KCCDC), reviewed the 2006 Annual Report:

One agency cannot handle all the loan needs in an area – agencies of different sizes are important to fill in the gaps. The KCCDC offers three kinds of services:

- Small Business Association Loan Packaging for Banks
- Business Counseling and Technical Assistance
- Gap Financing and Microloans

The KCCDC complements other small business support agencies:

- Washington CASH: Serves small very low-income business owners
- Community Capital Development, Cascadia and Evergreen CDC: Serve low-to-moderate business owners
- Kitsap Economic Development Corporation and New Market Tax Credits: Serves larger business owners

The KCCDC differs from other agencies:

- Headquartered in Kitsap County
- Gap Financing loans enable banks to give more loans
- Microloans are given without training requirements to individuals with low risk
- Counseling in banking requirements, products, and services

There will be 13 new jobs created by 2008 from the KCCDC services. Events within the County in 2006 will increase awareness of the KCCDC in our communities.

Mayor Cary Bozeman asked if the Corporation was worth it since it has produced so few jobs.

Answer: The KCCDC is modeled on the Pierce County CDC. In Pierce, only 5 new jobs were created in the first year, but now, after 20 years of being in existence, they work from a \$20,000,000 budget. It is a small pot to grow now and must be leveraged steadily; however growth is happening and the jobs created are varied.

Commissioner Chris Endresen commented that the recent article in the Kitsap Times about the KCCDC-financed Amy's Chocolates in Bremerton was very inspiring. She noted that 6 jobs and a \$50,000 loan pot may be starting small; however those are 6 people who are working in Kitsap County and not receiving government aid. With the counseling that comes with the loan programs, the positive tenant of helping people help themselves is evident in the KCCDC.

Mayor Darlene Kordonowy commented that it would be a good idea to record statistics of when the KCCDC helps people and businesses to get loans from other banks.

Council Member Carolyn Powers asked how many businesses have defaulted.

Answer: The Day Care Center, Playcare Daycare, is no longer in business; however the business owner got another job and is paying off the loan.

Tribal Council Member Leonard Forsman commented that agencies like the KCCDC are important for diversifying our economy; these are the types of small steps that Kitsap County needs to take toward stable economic development.

b. Prosperity Partnership: Bringing it Home to Kitsap: Update:

Kitsap Regional Coordinating Council Executive Director Mary McClure reviewed the Prosperity Partnership and the actions taken in Kitsap since the *Prosperity Partnership: Bringing it Home to Kitsap* event on July 5, 2005.

The Prosperity Partnership is the Puget Sound Regional Council's effort to develop and implement economic development to the 4-County area. The Partnership has 5 Cluster groups: *Aerospace, Clean Technology, Information Technology, Life Sciences, and Logistics and International Trade*; and 6 Foundation Issues: *Education, New and Small Business Support, Tax Structure, Technology Commercialization, Transportation, and Social Capital*.

The *Bringing it Home to Kitsap* event last year was jointly sponsored by the Regional Council, Kitsap Economic Development Council and Olympic College. Since the event, the Regional Council staff has facilitated committee work on 3 of the 6 Foundation Issues: *Education, Transportation, and Tax Structure*, to look at the specifics of how to help Kitsap's economic development in those areas:

- Education and Workforce Development: Local champions Charlotte Garrido, Russell C. Steele, Mary Garguile, Sue Longstreth, and David Porter have been meeting regularly and have created 5 goals toward educational success in Kitsap County:
 - Mentoring
 - A Needs Assessment for a 4-year college institution in Kitsap County
 - Linkages for education alternatives/Workforce Summit
 - Public awareness
 - Other People's Data – Answering the hard questions: Who is leaving Kitsap to work elsewhere, what are we losing, what are they willing to give up to work in Kitsap (*i.e.* wage cut, benefits)? See Transportation below.
- Tax Structure: Commissioner Chris Endresen and Mayors Kim Abel and Cary Bozeman and key staff have met to discuss the possibility of a Business & Operations Tax-free Kitsap County.

- Transportation: Local champions Chris Endresen, Ed Stern and Jim Henry have developed short and long-term goals for the County, with a current focus on acquiring more data on tele-working. The group hopes to piggy-back on the Washington State Ferries' Origins and Destinations Survey in October 2006 to get additional reliable information and then possibly set up focus groups.

Charlotte Garrido, Higher Education Planner for Washington State University's Kitsap Urban Extension Program, discussed further the Kitsap Education Collective that has formed from the *Bringing it Home to Kitsap* event. Points of interest:

- The key education issues for the Prosperity Partnership are:
 - *In K-12*: Lowering the high school drop-out rate, learning languages, and courses linking industry and work.
 - *In Higher Education*: A lack of student slots in higher education institutions.
 - *In Workforce Training*: Educating employers to relevant educational programs, matching job openings in each industry, placing more emphasis on technical and workforce training, and eliminating restrictions on workforce development funding that hampers business needs.
- Nearly 50% of new jobs will require at least some college or post secondary training.
- In Workforce Training and Education, the "tipping point" in earning is 1 year of college or equivalent credential.
- Employers are noting a need for "Soft Skills" when hiring new employees: punctuality, organizational skills, responsibility for work assignments, a positive attitude and focus on the task at hand, appropriate self-management and contribution to teamwork, etc...
- Through the Needs Assessment Project, available training and education opportunities in Kitsap County will be inventoried. The goal is to increase the pathways to educational opportunities and training, filling the holes where courses are lacking.
- The level of education in the community and the opportunities for training/ education in the community are major building blocks to economic growth and success.

c. Sustainable Economic & Energy Development (SEED): Update:

Tim Botkin, Director of the Port of Bremerton's SEED project, discussed provided an update:

- The new energy demand is here – but who will build the infrastructure?
- Pod 1 is taking shape:
 - Clean Technology is an incubator and an accelerator for SEED.
 - The Clean Technology Research/Testing Facility is almost complete.
 - The Sustainable Practices Institute is also taking shape.
- The SEED property in the South Kitsap Industrial Area (SKIA) is an important community investment – renewable energy could be considered a major industry sector.

A large company, Nova, has signed a letter of intent to set up at the SEED site, which could bring 80 jobs and \$9,000,000 in investment to the area. Another company, Cenergie, a company that builds fuel cells, has asked a SEED project member to go to London to look at their plant there. They offer on-site green power (alternate power) at competitive rates. Both companies would be anchor tenants at the SEED site, a model that would serve to attract more Clean Technology businesses to the area and provide good, primary wage jobs in the County.

Kitsap County has an opportunity to be the Clean Technology champion in the State. However, without good collaboration throughout the County, it will be difficult to make that goal a reality.

Mayor Kathryn Quade asked what the possible impacts of NASCAR would be on the SEED project. *Answer:* It would be difficult to have both programs in the area and has made the job of selling SEED to prospective investors considerably more challenging.

Port Commissioner Mary Ann Huntington commented that when the Port sent representatives to Washington D.C. the SEED Project was met with enthusiasm across the board. Our State's elected officials loved the idea of the SEED Project being the leading edge of Clean Technology in the State and asked what they could do to further that goal.

- d. Kitsap County 10-Year Comprehensive Plan Update: Economic Development Element:
Eric Baker, Manager of Land Use and Environmental Planning for Kitsap County Department of Community Development, discussed the economic development element of Kitsap County's 10-Year Comprehensive Plan Update.

Four months ago Eric Baker presented the Regional Council Board with a primer on the 10-Year Comp Plan. The County needs to plan for 100,000 new residents and new employers by 2025.

Through review of the jurisdictions' Comp Plans, a number of interesting facets have arisen:

- Agencies like the KCCDC are a small but important part of the economic success of the County.
- The Kitsap Regional Coordinating Council and the Kitsap Economic Council are integral to the County; distinct roles need to be set for these agencies.

For the Employment/Population element of the Plan, a bottom's up approach was taken when assimilating each jurisdiction's different population formulas into a cohesive approach to population distribution. The County then met with each jurisdiction again to review the result of the distribution, so that jurisdiction's questions are answered before the Plan comes for approval, and the assumptions are too late to change. Points of interest:

- High tech manufacturing has a goal of 9% (WA State is at about 14%, but Kitsap is currently only at 4%). The Navy has done well for jobs in the County, but we need to start planning for those jobs to decrease as a percentage of the total.
- In the 3,000+ acres of SKIA, 9,350 new jobs have been allocated to serve the County by 2017. However, the vacant lands surrounding the Port of Bremerton lack infrastructure, specifically sewer and water, to support the proposed economic job engine. On a positive note, the SKIA sub-area plan is on par with the County 10-Year Comp Plan Update.
- There is also room to grow in other areas in the County:
 - The Port Orchard Industrial Park and other sites can provide a number of different locations to bring recruited businesses to Kitsap and to provide growing room for the businesses that are already based here.
 - The Silverdale area is the largest unincorporated area of retail and population base in the County. However, it has limited industrial land and limited primary wage jobs. The new proposal for a Business Center Zone would bring new infrastructure to the Silverdale area.

- North Kitsap and Poulsbo are prominent with lots of Local Areas of More Intensive Rural Development (LAMIRDS). The jurisdictions are analyzing the appropriate areas of growth.

A big question: How does effective coordination happen between jurisdictions in Kitsap County? The Kitsap Regional Coordinating Council is an important vehicle to finding the vision of Kitsap County. Kitsap County has clear impediments to good growth – we have to focus on coordination with all our jurisdictions to make sure it happens for the good of the entire County.

Mayor Kim Abel commented that Port Orchard has deficit acreage; does the Comp Plan look at that? *Answer:* Yes, but the Plan does not allocate the deficit. Future site-specific requests may allocate some, especially in the South Kitsap Sub-Area Plan.

6. Member Agency Comments: One

Commissioner Chris Endresen commented that her Kiwanis speech utilizing the Regional Council’s Stakeholder DVD went very smoothly. Thank you to Claudia Dixon for her help in running the presentation.

7. Citizen Comments: None

8. Adjourn: 11:01 a.m.

Participants:

Kim Abel, City of Port Orchard	Jan Angel, Kitsap County
Carol Arends, City of Bremerton	Cary Bozeman, City of Bremerton
Ron Charles, Port Gamble S’Klallam Tribe	Chris Endresen, Kitsap County
Leonard Forsman, Suquamish Tribe	Mary Ann Huntington, Port of Bremerton
Darlene Kordonowy, City of Bainbridge Island	Patty Lent, Kitsap County
Carolyn Powers, City of Port Orchard *	Rob Purser, Suquamish Tribe *
Kathryn Quade, City of Poulsbo	Dianne Robinson, City of Bremerton

* alternates

Board Members Not in Attendance:

Tom Danaher, Naval Base Kitsap *	Phil Dorn, Port Gamble S’Klallam Tribe *
Cheryl Kincer, Port of Bremerton *	Ed Stern, City of Poulsbo *
Reid Tanaka, Naval Base Kitsap	Nezam Tooloe, City of Bainbridge Island *

Kitsap Regional Coordinating Council Staff:

Mary McClure, Executive Director	Claudia Dixon, Project Coordinator
Nicole White Clark, Project Coordinator	Kirsten Jewell, Project Coordinator

Others Present:

Ken Attebery, CEO Port of Bremerton	Eric Baker, Kitsap County DCD
Tim Botkin, Port of Bremerton/SEED Project	Jean Charneski, KCCDC
Kathy Cocus, Kitsap EDC	Scott Diener, Kitsap County DCD
Mary DesMarais, Kitsap EDC	Elliot Fregg, Kitsap Credit Union
Charlotte Garrido, WSU Extension	Julie Graves, KCCHA

Brynn Grimley, Kitsap Sun
Virgil Hamilton, Kitsap EDC Board
Christy Lubovich, KCCHA
Becky Newton, Kitsap EDC
Chris Reiland, Kitsap EDC Board
Tim Thomson, Port of Bremerton

Mark Gulbranson, Puget Sound Regional Council
Greg Kahler, Kitsap EDC Board
David Mitchell, Olympic College
David Porter, Kitsap EDC
Russell C. Steele, Port Madison Enterprises
Bonnie Tufts, Kitsap County CDBG Program