

# 10



## ECONOMIC DEVELOPMENT



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# ELEMENT 10. ECONOMIC DEVELOPMENT

## Introduction

### 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, but are currently 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, second home owners, retirees, and investors who amplify the monetary economy. Preservation of the county's natural capital<sup>1</sup> 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.

*Additional information and data regarding the County's top economic drivers is available through the [Western Washington University Center for Economic and Business Research San Juan County Economic Profile 2024 Update](#).*

The county's economy is measured in terms of money. The public recognizes that priority of this valuation inevitably 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.

The term, "rural character," is defined in the Land Use and Rural Element and 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 1 million visitors to the San Juan Islands every year,

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<sup>1</sup> 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.

and expect passenger increases of 43 percent in the next 10 years. 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.

## Authority, Purpose, and Other Elements

### 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.

### 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 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.

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

- Diversification of industries, particularly those less reliant on fluctuations in local, regional, and national economies;
- Planning for foreseeable changes in the local and national economy, in population, in technology, and in the environment. This includes 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*.

### **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.

## **Economic Vision and Framework**

## 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.

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.

Tourism is central to the San Juan Islands' economy. It also presents significant challenges for our sensitive natural and cultural resources, our limited public and utility infrastructure, and for those seeking consistent employment and affordable housing. As climate change intensifies, the islands will face compounding impacts from tourism and visitation if not actively managed, including increased greenhouse gas emissions, strain on limited water resources, impacts on sensitive ecosystems, and quality of life. Sustainable tourism policies should align with climate goals to protect the islands' environmental integrity while supporting a thriving, resilient local economy.

### **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:

- a.** 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.
- b.** 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.
- c.** 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.

A living wage is defined as net income that can meet a worker's basic needs for food, housing, childcare, and other necessities. Living-wage jobs may include (among others) trades jobs that serve residents, or "knowledge work" (e.g., tech, engineering, writing) that brings in income from outside the County. However, these goals and actions are not intended to diminish any existing business, enterprise, or trade. Supporting a sound economy which offers living wages will include a concerted focus on workforce training to support and catalyze diverse businesses, perform work otherwise done by labor and skills sourced from outside the county, and renew the talent pool.

- d.** This EDE confirms the County's intention to cooperate with all toward developing an economy consistent with the Vision Statement.

### **Specific Projects**

Key to achieving these following 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).

The list of eligible project types authorized for funding under the Public Facilities Financing Assistance Program (PFFAP) includes those that:



- 1) finance the construction of affordable workforce housing infrastructure of facilities;
- 2) finance personnel in economic development offices; or
- 3) finance public facilities serving economic development as defined in RCW 82.14.370 and listed below:

#### **List of eligible project types for the Public Facilities Financing Assistance Program (PFFAP)\*:**

##### **Agriculture/ Aquaculture/Timber**

Product processing facilities, such as: commercial kitchens, seed production facilities, timber mills  
Product sales, marketing and distribution facilities, such as: Food hubs, farmers' markets

##### **Alternative Energy**

Energy production, storage and distribution facilities

##### **Economic Development Projects**

Shared workspaces, business incubators, trades & business training facilities, business parks  
Personnel in economic development (ADO) offices

##### **Health Care**

Public hospitals and/or Long-term care facilities

##### **Maritime Industries**

Marine research facilities  
Boat building, repair facilities  
Marine industry incubators and/or Training facilities

##### **Telecommunications**

Broadband/communication infrastructure, such as: Cell/communication towers, fiber optic installations, joint use wireless facilities

**Tourism**

Park and/or event facilities, such as: Public pools, public restrooms and signage  
Public access to shorelines and/or trails

**Transportation**

Roads including intersection improvements  
Public transportation improvements, such as: Bridges, non-motorized pathways, public parking, boardwalks  
Public marina improvements, such as: Barge landings, boat launches, docks  
Public airport improvements, such as: Buildings, emergency medical transportation infrastructure Ferry landing and parking improvements

**Utilities**

Water, wastewater and stormwater systems  
Solid waste, recycling and composting facilities

**Small Manufacturing**

Facilities and infrastructure for small manufacturing, such as: planning, manufacturing co-work spaces, structural systems and foundations, power, fiber, HVAC and other physical plant systems, systems for physical automation and management

**Libraries**

Library facilities and improvements supporting an economic development purpose

\* For projects to be eligible for funding, they must be designed to increase capacity and not address a deficiency, unless that deficiency is a direct impediment to economic development.

## Goals and Policies

### Goal E 1

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

#### Policy E 1.1

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.

#### Policy E 1.2

Seek to create an environment conducive to long-term, sustainable, living wage 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. This will encourage the retention and expansion of locally owned businesses and employment base, rather than fostering the attraction of mainland or nationally franchised businesses.

#### Policy E 1.3

Encourage workforce development programs and initiatives that enable low- and moderate-income people to work and reside in the County.

#### Policy E 1.4

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.

#### Policy E 1.5

Support local businesses and workers through organizations such as the San Juan County Economic Development Council (EDC) and other workforce and small business development entities through funding (e.g., through PFFAP or LTAC), through resource-sharing and other methods.

#### Policy E 1.6

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 in contracted work.



**Policy E 1.7**

Support increasing local expertise in jobs supporting environmental sustainability goals available on Island, such as electricians and insulators to provide solar installations and energy efficiency upgrades, specialty landscape designers to install and maintain green roofs, specialty mechanics to repair electric vehicles and vessels, with targeted efforts to ensure these opportunities benefit overburdened communities.

**Goal E 2**

**Support and maintain infrastructure, community assets, and environmental resources, protecting natural assets and preserving rural character.**

This goal 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.

**Policy E 2.1**

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.

**Policy E 2.2**

Advocate for Washington State Ferries to improve San Juan Island ferry service, vessels, and infrastructure by investing in newer, quieter, and more efficient ferries, encouraging the training of necessary personnel, and restoring the Sidney, BC route.



**Policy E 2.3**

Support renewable energy and energy storage capability, and increased redundancy of both power and telecommunications infrastructure.

**Policy E 2.4**

Ensure that power supply and infrastructure are able to meet local needs, protecting from rising pressure on the mainland grid due, in part, to data center expansion and AI.



**Policy E 2.5**

Support improvements in programs to manage solid waste locally, sustainably, and efficiently.

**Policy E 2.6**

Foster a thriving local food economy by supporting the development of infrastructure and market access.



**Policy E 2.7**

Recognize the ecosystem services performed by healthy soil as fundamental and essential county assets and support regenerative stewardship activities.



**Policy E 2.8**

Recognize ecological assets and services performed by a healthy ecosystem as essential as economic assets and support regenerative stewardship activities.

**Policy E 2.8**

Support opportunities for local youth to explore maritime careers and gain exposure to future employment pathways in the ferry system.

**Goal E 3**

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

**Policy E 3.1**

Identify and support opportunities to diversify the economy among and within sectors to encourage living wage jobs and preserve the islands' ecological assets.

**Policy E 3.2**

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.



**Policy E 3.3**

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

**Policy E 3.4**

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



**Policy E 3.5**

Ensure that the local economy fosters business opportunities associated with climate mitigation and adaptation, including local food production, energy supply and backup, and carbon-free transportation for residents and visitors. Support local businesses' efforts to bolster climate preparedness and continuity of operations.



**Goal 4**

**Strengthen the nexus of tourism and community assets, ensuring that visitation supports and enhances the economy, environment, quality of life, and cultural heritage of the San Juan Islands.**

**Policy E 4.1**

Align tourism planning, promotion and management with the County's goals of reducing greenhouse gas emissions and increasing climate resilience.

**Policy E 4.2**

Protect the natural environment through targeted educational outreach for all visitors and promotion of a stewardship ethic. Consider visitor management strategies to prevent excessive strain on limited natural resources and infrastructure, especially during the peak summer season.

**Policy E 4.3**

Retain the social authenticity of the islands, conserving the living and built environments, and retaining cultural heritage.

**Policy E 4.4**

Support sustainable economic operations that provide local, stable employment and promote sustainable food systems to reduce the carbon footprint of peak visitor related food consumption.

**Policy E 4.5**

Reduce greenhouse gas emissions from visitation by developing multi-modal, low carbon transportation infrastructure options for visitors and the local community.

**Policy E 4.6**

Partner with the San Juan County Destination Marketing and Management Organization, and the Chambers of Commerce/Visitor Information Centers on Lopez, Orcas and San Juan Islands as conduits to hospitality-oriented businesses and non-profits, as well as to potential and actual visitors, to educate visitors regarding responsible, sustainable tourism which meets County goals.