

## **ELEMENT 02 – ECONOMIC DEVELOPMENT**

### **2.1 INTRODUCTION**

Since its earliest settlement, Island County has experienced slow but unmistakable development. Economic factors significantly affect Island County's quality of life, and Island County's economic development strategy can encourage appropriate economic development, consistent with the county's rural character and protection of its environment. Long-term economic vitality requires flexibility while encouraging development consistent with the history, assets, and long-term goals. This Element is intended to guide long-term improvements in the use of land, labor, and capital resources in Island County while building on previous work.

Adequate transportation, water, and sewer has been a limiting factor in the economic development of Island County for many years. However, with proper planning and policies, Island County has qualities that can provide a strong economic future for its citizens. The county is remote enough from metropolitan areas to retain rural character, yet close enough to provide reasonable access to urban markets, business centers, and amenities. This strategic location, along with attributes of charm and quality of life, provides a setting for a diversified economy.

The scale, type, and intensity of economic development must be compatible with Island County's basic assets, as well as particular regional differences. Appropriate development for North, Central and South Whidbey, and Camano Island will vary widely. Close coordination is crucial between these regions and the Cities, the Port, Water, Fire, School, Park and Recreation Districts, Ebey's Landing National Historical Reserve, and the Public Transit Benefit Area.

### **2.2 BACKGROUND INFORMATION**

Island County's labor market is near full employment. As of late 2023, the civilian labor force numbered around 36,600 with unemployment hovering at a low three to four percent, down sharply from the pandemic peak of 15.8 percent in April 2020. Local job growth and business re-openings have brought the county back to pre-pandemic employment levels, but many employers still report difficulty filling positions despite the low unemployment rate.

The county's area median income was about \$102,000 (2024). Average wages are lower than the state average (annual wage \$55,071 vs. \$89,138 statewide), reflecting the prevalence of service and public sector jobs. At the same time, the cost of living has been rising rapidly, with housing, childcare, and other essentials becoming more expensive. Island County's housing market in particular has seen sharp increases: the median home sale price reached over \$600,000 in 2024, up nearly 50 percent from 2017. These trends point to growing affordability challenges for residents despite modest income growth.

Geographically, Island County is somewhat integrated into the broader Puget Sound economy while retaining its island character, but many residents still commute off-island for work or

telecommute. For example, approximately 900 Island County residents commute to Snohomish County to work at Boeing's Everett facilities, and others travel to jobs in Skagit or King County. The expansion of remote work since 2020 has also enabled more island residents to hold metropolitan jobs from home. These connections to external job markets bring income into the community but also underscore the county's dependence on reliable transportation links and digital infrastructure.

## **2.3 ECONOMIC STRATEGY**

Island County's economic development planning is closely aligned with broader regional and state strategies. Washington's Growth Management Act identifies economic development as a statewide planning goal, and the County's Comprehensive Plan Economic Development Element is designed to be consistent with GMA objectives. The 2024-2028 Island County Comprehensive Economic Development Strategy was developed through a collaborative process with county, city, port, and community stakeholders, and in accordance with U.S. Economic Development Administration guidelines. This regional approach is encouraged by federal and state agencies to maximize resources and impact.

## 2.4 GOALS AND POLICIES

### Goal 1. Promote a Resilient and Diverse Economy

ED 1.1 Support retention and expansion of local businesses, especially those providing living wage jobs.

ED 1.2 Encourage development in professional and technical services, creative industries, clean technology, and other emerging economic sectors, including as home based businesses.

ED 1.3 Support entrepreneurship by expanding access to technical assistance, networking, and capital.

ED 1.4 Promote full access to economic opportunities including for underserved and populations historically disadvantaged.

~~Goal 1. Encourage diverse economic development consistent with adopted comprehensive plans.~~

~~1.1. Strive to increase locally based non-military jobs from the current 50% of the County labor force to 60% of the labor force by the year 2020 (this would result in a 4,000 job increase above the 1996 level of locally based jobs).~~

~~1.2. Encourage a diverse range of economic activities within appropriate areas of Island County.~~

~~1.3. Acknowledge as a basis for planning that the goals of preserving rural lands and enhancing economic vitality are complementary and not mutually exclusive, as the County's rural character is a direct economic asset.~~

~~1.4. Overall, economic development with regional orientation will be pursued in cooperation with local governments and the private sector, targeting specific projects aimed at diversifying and stabilizing the economy.~~

~~1.5. Retain existing businesses in the region and minimize obstacles to their expansion, where appropriate.~~

~~1.6. Reduce the inappropriate conversion of undeveloped land into sprawling, low density development.~~

~~1.7 The development of "living wage" employment opportunities is actively encouraged to reduce off island commuting and provide career opportunities.~~

~~1.8 Pursue the development of a diversified economy that attracts business activities that inject "new money" into the local economy (i.e. academic and research organizations, light industries, financial services, information processing, engineers, and home businesses) and includes appropriate service industries such as health care and professional services.~~

~~1.9 Commercial development must be designed and located to provide goods and services in a convenient, safe, attractive and environmentally responsible manner.~~

~~1.10 Regional shopping centers must locate within municipal UGAs.~~

~~1.11 Marinas and water related commercial uses will develop in accordance with the SMP.~~

~~1.12 Encourage and support public/farmers markets and small scale farming operations.~~

~~1.13 Encourage and support efforts to enhance the profitability of agriculture and forestry operations with value added and specialty products and cooperative marketing programs.~~

~~1.14 Encourage the development of appropriate support facilities and programs for the retirement industry.~~

~~1.15 Encourage home occupations and home industries.~~

~~1.16 Existing businesses that serve municipal UGAs will be encouraged to remain within these areas and expand as needed.~~

~~1.17 Encompass isolated non-residential uses.~~

~~1.18 Island County's land use decisions will support the retention and future use of NAS-Whidbey, including OLF Coupeville and the Seaplane Base for use by military aviation. In the event that any military facilities are removed, downsized or closed, the County will promote the future use of these facilities for aviation related activities. Should this not be economically viable, Island County will aggressively work to convert these capital assets into comparable economic benefits for the County and adjacent developed areas.~~

~~1.19 Encourage agriculture and forestry land uses that help farmers and foresters stay on the land thus protecting the County's rural character, which in turn, attracts other economic activities.~~

## **Goal 2. Enhance Infrastructure to Support Economic Development**

ED 2.1 Prioritize infrastructure projects that directly support economic development, including broadband expansion, transportation improvements, and water/sewer upgrades.

ED 2.2 Support land use planning that accommodates business growth in designated Urban Growth Areas, Non-municipal Urban Growth Areas, and Limited Areas of More Intensive Rural Development.

ED 2.3 Accommodate commercial development and supporting infrastructure in locations that are convenient, safe, attractive, and environmentally responsible.

ED 2.4 Develop marinas and water related commercial uses in accordance with the Shoreline Master Program.

### **Goal 3. Strengthen Workforce and Education Systems**

ED 3.1 Support workforce training through partnerships with Skagit Valley College, the Washington State University Extension, and regional institutions.

ED 3.2 Promote living-wage job opportunities through career and technical education.

ED 3.3 Support initiatives that improve affordable housing and childcare to enable labor force participation.

ED 3.4 Support initiatives that provide workforce and/or student housing.

### **Goal 4. Support Rural, Tourism, and Resource-Based Economies**

ED 4.1 Protect and enhance the County's natural assets as economic drivers, especially for tourism and agriculture.

ED 4.2 Support value-added agriculture, aquaculture, and local food systems.

ED 4.3 Expand shoulder-season tourism and destination branding to increase economic stability and reduce strain on public facilities and natural resources.

ED 4.4 Support Special Review Districts for tourism and their other economic benefits to the community.

### **Goal 5. Strengthen Partnerships and Infrastructure Advocacy**

ED 5.1 Partner with ports, municipalities, tribes, state agencies, local nonprofits and chambers to align programs, funding, and strategy.

ED 5.2 Preserve and strengthen the relationship with the local associate development organization to ensure ongoing collaboration, program alignment, and coordinated implementation of economic strategies.

ED 5.3 Advocate for state and federal investment in Island County priorities including those that increase capacity for elder care, behavioral health, and rural health services.

ED 5.4 Advocate for bridge upgrades, ferry service reliability, and long-term resiliency improvements to support workforce mobility, business logistics, and access to markets.