

Chapter 7

ECONOMIC DEVELOPMENT ELEMENT

Introduction

The State Growth Management Act identifies as a planning goal to guide the development and adoption of comprehensive plans that encourage economic development throughout the state. Also, the Growth Management Act requires the County adopt a planning policy on county-wide economic development and employment.

The City of Gig Harbor Comprehensive Plan of 1986 recognized the importance of economic development in achieving the goals of the Comprehensive Plan. The following goals and objectives are based on the 1986 Comprehensive Plan, an analysis of existing conditions, the County-wide Planning Policies of 1992 and the results of workshop planning sessions.

Current Employment Conditions

Traditionally, the City's economic base was centered around resource extraction industries, chiefly fishing and forestry. Since the late 1970's there has been a marked shift away from the traditional "founding" industries toward a local service economy of retail facilities and small, specialty businesses. However, the primary source of income which drives the local economy is off the Peninsula where most of the employment base is located.

According to Bureau of Labor Statistics, Quarterly Census of Employment and Wages¹ data, the top three industry employers for Gig Harbor are Retail, Health Care and Social Assistance, and Accommodations and Food Services. This data includes part time employment and does not include the self-employed, proprietors, corporate officers, military personnel, or railroad workers.

The 2012 American Community Survey shows that 61.6% or 2,047 of 3,322 employed residents work outside Gig Harbor and of those 23.3% work outside of Pierce County. Of the 9,155 jobs identified in Table 1 within Gig Harbor, 1,275 are positions filled by city residents. Having higher employment density than residents is common of cities that provide services for a large rural area such as the greater Gig Harbor Peninsula.

The commuting patterns of Gig Harbor residents and employees contributes to transportation concerns on SR 16 and highway interchanges. Attracting appropriate employment opportunities for residents could reduce transportation impacts and contribute to more localized jobs and tax base economy.

¹ Puget Sound Regional Council, "Covered Employment Estimates" 2003.
<http://www.psrc.org/data/employment/covered-emp>

Buildable Lands Employment Analysis

The Growth Management Act requires counties to adopt and plan for employment targets under RCW 36.70A.215. Gig Harbor is required to plan for the target allocations shown in Table 1 below. Meeting these targets requires Gig Harbor to have the necessary developable lands for employment documented in the 2014 Buildable Lands Report.

Table 1 - Employment Needs – Buildable Lands Report					
2010 Total Employment Estimate¹	Adopted 2030 Total Employment Target²	Total Employment Growth (2010-2030)	Adjusted Employment Growth³	Displaced Employees	Additional Employment Needs⁴
9,155	10,189	1,034	909	249	1,158

¹PSRC Land Use Targets 2010 Employment Estimate.

²Adopted by Ordinance No. 2017-24s

³The total employment allocations are reduced by 12.1% to account for mobile workers and work-at-home employees for the commercial/industrial land needs analysis.

⁴Additional Employment Needs is the sum of Adjusted Employment Growth and Displaced Employees rounding up to a whole number.

The following table from the 2014 Buildable Lands Report shows the employment capacity and pipeline employment from December 31, 2012. Since this date, due to pipeline projects being developed, land being converted for park purposes, and other changes in land capacity this may not be representative of the current 2018 employment capacity.

Table 2 - Employment Capacity – Buildable Lands Report					
Commercial/ Industrial Designation	Zoning District	Net Acres	Employees per Acre	Pipeline Jobs¹	Employment Capacity
Commercial	RB-1	7.49	19.37	30	175
	RB-2	28.35	19.37	0	549
	B-1	0.58	19.37	0	11
	B-2	40.75	19.37	376	1,165
	C-1	19.73	19.37	382	0
	DB	7.94	19.37	0	154
	PCD-C	2.15	19.37	0	42
	PCD-BP	57.77	19.37	209	1,328
	MUD	28.74	19.37	0	557
Industrial	ED	151.19	8.25	0	1,247
Total Employment Capacity					5,611

¹Pipeline Jobs include projects under approval, construction or completed between 01/01/2010 and 12/31/2012. These assumptions are included in the employment capacity column. Additional information can be found in Appendix C of the 2014 Pierce County Buildable Lands Report.

Requirements of the Growth Management Act

The State Growth Management Act identifies, as a planning goal, to guide the development and adoption of comprehensive plans and development regulations, that counties and cities encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of the state, especially for unemployed and disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the states natural resources, public services and public facilities [RCW 36.70A.020(5)]. The Growth Management Act also requires that the County adopt a planning policy on county-wide economic development and employment [RCW 36.70A.210 (3)(g)].

County-Wide Planning Policy

The County-wide Planning Policies, adopted in June of 1992 identify several goals of which were already incorporated into the City of Gig Harbor Comprehensive Plan of 1986. These policies are intended to:

1. Assure consistency between economic development policies and adopted comprehensive plans.
2. Promote diverse economic opportunities for all citizens, especially the unemployed, the disadvantaged, minorities and small businesses.
3. Encourage economic development in areas in which there is an imbalance between available employment opportunities and the local population base.
4. Ensure that economic growth remains within the capacities of the state's natural resources, public services and public facilities.
5. Plan for sufficient economic growth and development to ensure an appropriate balance of land uses which will produce a sound financial posture given the fiscal/economic casts and benefits derived from different land uses.
6. Strengthen existing businesses and industries to add to the diversity of economic opportunity and employment.
7. Provide both the private and public sector with information necessary to support and promote economic development.

GOAL 7.1: DEVELOP A SOUND FISCAL BASE

Help market local socio-economic resources to increase employment opportunities, develop office and industrial park properties, and provide the City with a sound tax base.

7.1.1. Job creation

- a) Help create employment opportunities within the local economy, particularly for residents who now commute across the Tacoma Narrows Bridge to work. Participate with other public agencies and private interests in marketing projects, labor force training programs, and other efforts to attract new businesses to Pierce County and Gig Harbor Peninsula area.
- b) Determine reasonable jobs-to-housing balance by coordinating land use and development policies to help achieve the designated balance of adequate affordable housing near employment centers.
- c) Encourage the redevelopment of declining commercial areas through a variety of incentives such as reduced fees for permits or utility connections and the consideration of waivers from land use performance standards, as appropriate.
- d) Meet the 2030 employment target allocation established by the Pierce County Buildable Lands Report for Gig Harbor (shown in Table 1) of 9,95410,189 jobs.

7.1.2. Site identification

Work with other public agencies and private interests to identify and promote sites which can be suitably developed for a variety of local employment opportunities.

7.1.3. Site efficiencies

Work with property owners to determine the effective development capacity of sites having employment center possibilities. Determine the costs involved with providing sewer, fire and police protection, access roads, recreational areas and other public services and amenities versus the public benefits which may be realized by the creation of local jobs and tax potentials. Negotiate equitable cost/benefit trade-offs between public and private sector interests.

7.1.4. Site priorities

Rank possible sites using a priority system which reflects the possible cost/benefits associated with providing public services. Allocate public services, sewer in particular, to sites which provide the greatest possible returns, unless private property owners can assist with the costs involved in extending or providing service.

7.1.5. Capture revenues

Withhold public services, sewer in particular, unless potential property developments within the urban growth area will agree to annexation and the payment of local property or other revenue taxes.

GOAL 7.2: INCREASE LOCAL ECONOMIC OPPORTUNITIES

Support local business development efforts and property investment projects and programs, protect local economic opportunities, and provide for an increasing home-based business sector.

7.2.1. Small business development

Encourage local business development opportunities, particularly for small start-up business concerns which may be owned by or employ local residents. Promote the local use of special small business financing and management assistance programs. Help identify facilities which may be used for small business start-ups including older structures which may be suitably reused for business purposes.

7.2.2. Property revitalization

Assist with special planning and development efforts to reuse older buildings, redevelop vacant properties, and revitalize older commercial and business districts within the city. Help structure local marketing efforts, physical improvements programs, parking and building improvements and special management organizations.

7.2.3. Financial programs

Help local private groups structure special improvement districts including parking and business improvement authorities, local improvement districts, or other programs necessary to the effective revitalization of older business and commercial areas of the city. Participate in special public/private ventures when such ventures provide public benefits and are appropriate to the long-range goals of the city.

7.2.4. Future development opportunities

Monitor proposed urban zoning designations and developments elsewhere on the Peninsula. Determine market requirements and potentials for commercial, office and industrial uses and protect Gig Harbor's interests in the allocation of future development opportunities. Protect existing commercial and business developments within the Gig Harbor area from overzoning.

7.2.5. Home Based Occupations and Businesses

Provide reasonable guidelines and standards for the siting of home-based businesses (home occupations) in residential neighborhoods. Insure that home-based businesses do no alter or impact the residential character of neighborhoods.