

MASON COUNTY ECONOMIC DEVELOPMENT ELEMENT Project Update

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Presented by Community Attributes Inc. to the
Mason County Planning Commission



*Community Attributes tells data rich stories about
communities
that are important to decision-makers.*

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Agenda

1. Introduction and Background

- Why We're Here
- Economic Development Element

2. Demographic and Economic Profile Findings

- About the Profile
- Profile Findings

3. Draft Element Overview

- Approach and Structure
- Focus Areas

4. Next Steps

Introduction

Why We're Here

- Opportunity to provide a status update to the Planning Commission
- Gather feedback and input for draft goals and policies
- Review progress to date

Background: Economic Development Element

- What is the purpose of the Economic Development Element?
- What is required by GMA?
- Additional considerations:
 - *Consistency with other elements*
 - *Consistency with CPPs*
 - *Implementation*

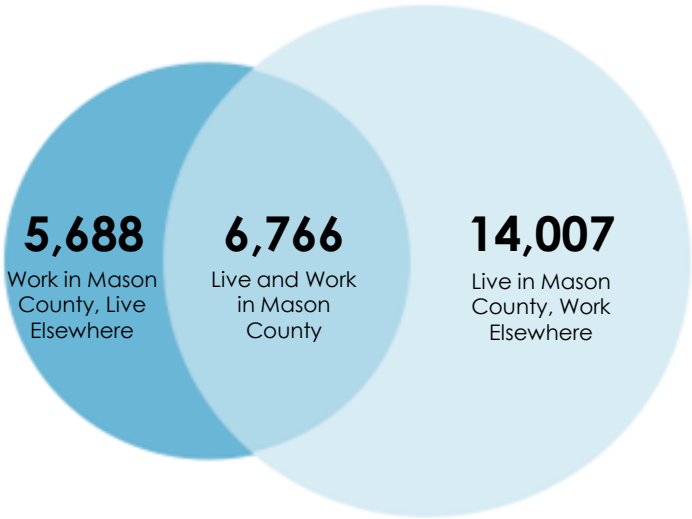
DEMOGRAPHIC AND ECONOMIC PROFILE FINDINGS

About the Profile

- Consists of demographic and economic data essential to understanding Mason County's relative position within the region
- Offers a comparison where possible to other regional communities
- Is being leveraged to :
 - *Identify top priorities for economic development*
 - *Develop strategic goals and policies for the County to consider as part of future economic development efforts*

Mason County's Journey to Work

Exhibit 1. Mason County Inflow-Outflow, 2014



Source: U.S. Census Bureau. 2016. OnTheMap Application. LEHD.

According to LEHD data, **32%** of Mason County's employed residents also work in Mason County. To compare, in Kitsap County **49%** of employed residents also work in Kitsap County.

LEHD data does not include sole proprietorships and other less traditional employment scenarios. As a result, the true portion of people who live and work in Mason County is higher. Whether this uncounted portion is higher relative to the uncounted portion in other counties is another question.

Exhibit 2. Top Commute Destinations for Employed Mason County Residents, 2014

COUNTIES

	Count	Share
Mason County, WA	6,766	32.6%
King County, WA	3,468	16.7%
Thurston County, WA	2,974	14.3%
Pierce County, WA	2,109	10.2%
Kitsap County, WA	2,000	9.6%
Snohomish County, WA	827	4.0%
Grays Harbor County, WA	586	2.8%
Clallam County, WA	250	1.2%
Skagit County, WA	220	1.1%
Lewis County, WA	218	1.0%
All Other Locations	1,355	6.5%

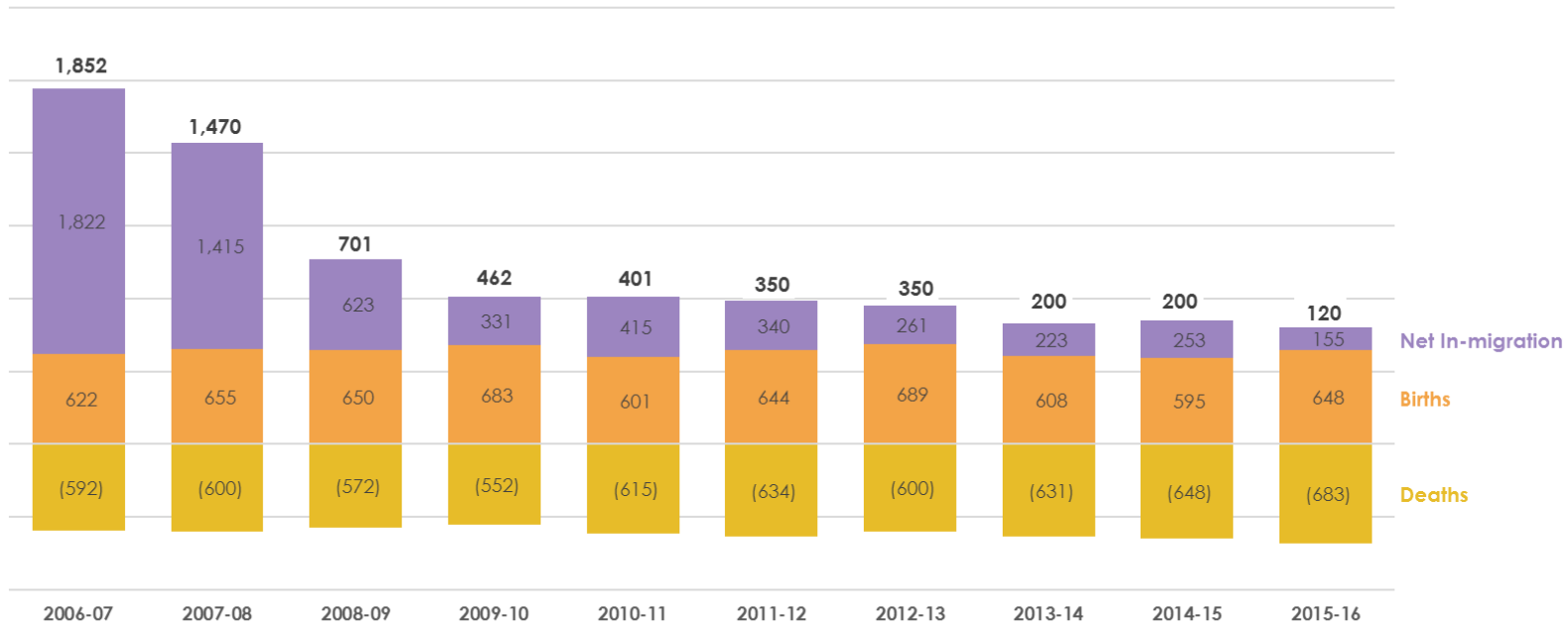
CITIES

Shelton, WA	3,019	14.5%
Olympia, WA	1,418	6.8%
Seattle, WA	1,242	6.0%
Tacoma, WA	763	3.7%
Bremerton, WA	707	3.4%
Tumwater, WA	557	2.7%
Lacey, WA	469	2.3%
Bellevue, WA	402	1.9%
Belfair CDP, WA	293	1.4%
Silverdale CDP, WA	286	1.4%
All Other Locations	11,617	55.9%

Source: U.S. Census Bureau. 2016. OnTheMap Application. LEHD.

Migration into Mason County

Exhibit 3. Components of Population Change, Mason County, 2010-2016



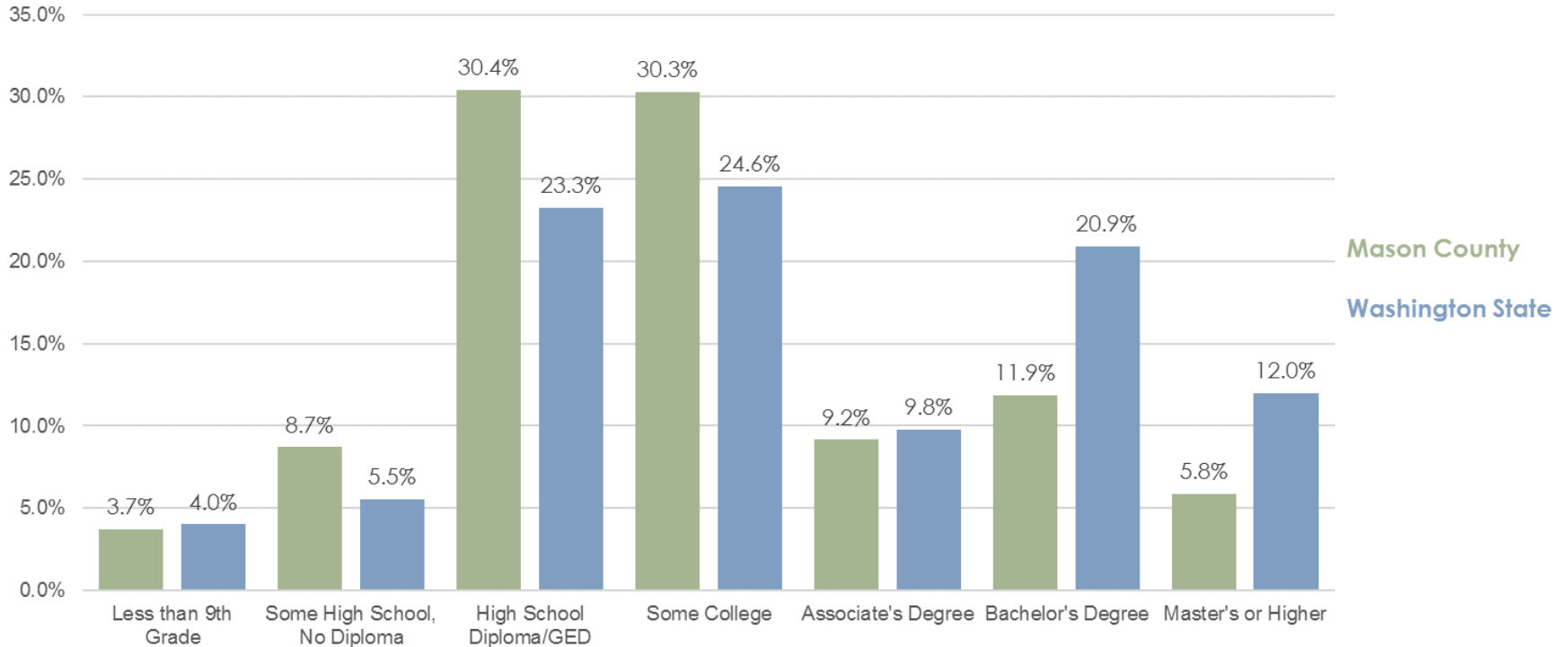
Sources: Washington Office of Financial Management, 2017; Community Attributes Inc., 2017

The exhibit above shows the components of population change in Mason County from 2006 through 2016 – births, deaths, and in-migration. The local birth rate has roughly matched the death rate for most of this time.

Net in-migration has fallen from a high of 1,822 new migrants in 2006 to a low of 155 in 2016. Combining all of these components, net population growth has dropped from a total of 1,852 net new residents in 2006-07 to just 120 new residents in 2015-16.

Educational Attainment in Mason County

Exhibit 4. Educational Attainment for Adults over 25, Mason County, 2015

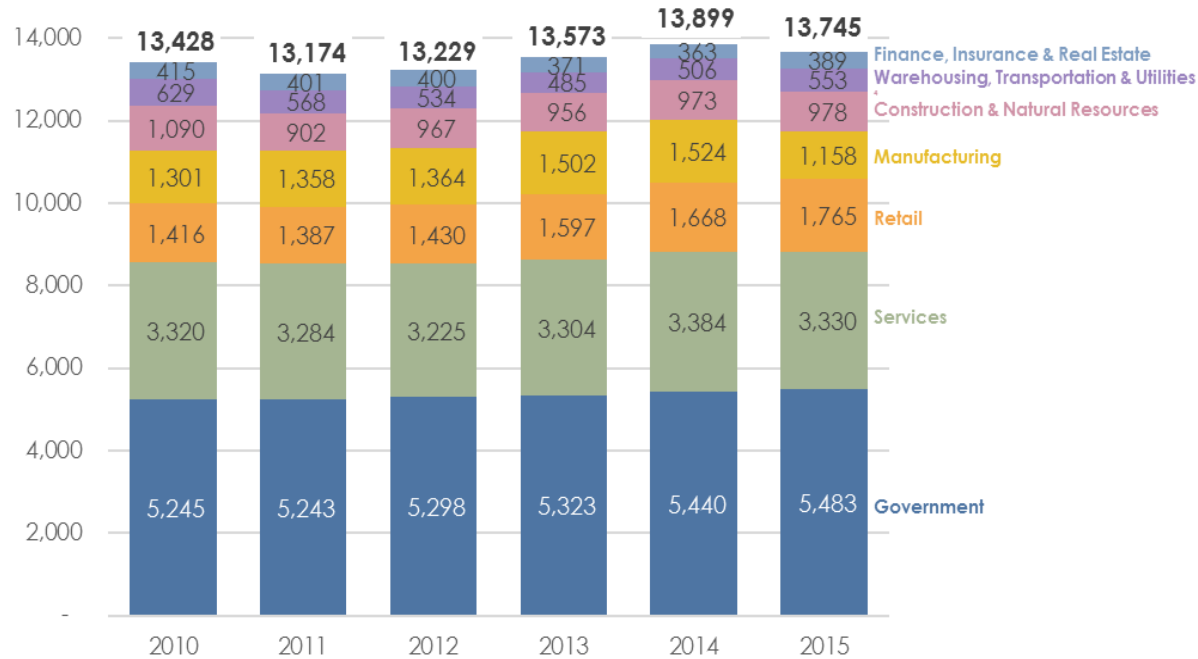


Sources: United States Census Bureau, 2017; Community Attributes Inc., 2017

Mason County residents have a lower level of education attainment relative to region and state. Fewer individuals have completed any kind of degree in Mason County, though a higher portion have completed at least some college.

Major Employment Sectors in Mason County

Exhibit 5. Covered Employment in Mason County, 2010-2015



Sources: Washington Employment Security Department Covered Employment, 2017; Community Attributes Inc., 2017

Aquaculture and Forest Products Industries:

Mason County has strong economic ties with both the aquaculture and forest products industries. Much of the employment in these two industries is not captured adequately under covered employment.

The Port of Shelton serves as a hub for a variety of aquaculture activities, with a total harvest value of \$34.2 million in 2015 which supported approximately 320 jobs.

Similarly, forest products provide an important employment base for Mason County. Timber harvests in Mason County totaled 96.1 million board feet in 2015. Revenue transfers from timber operations on state forests within Mason County totaled just over \$8 million in 2015. Total revenues from timber harvested in Mason County were about \$34.3 million which supported an estimated 97 timber jobs.

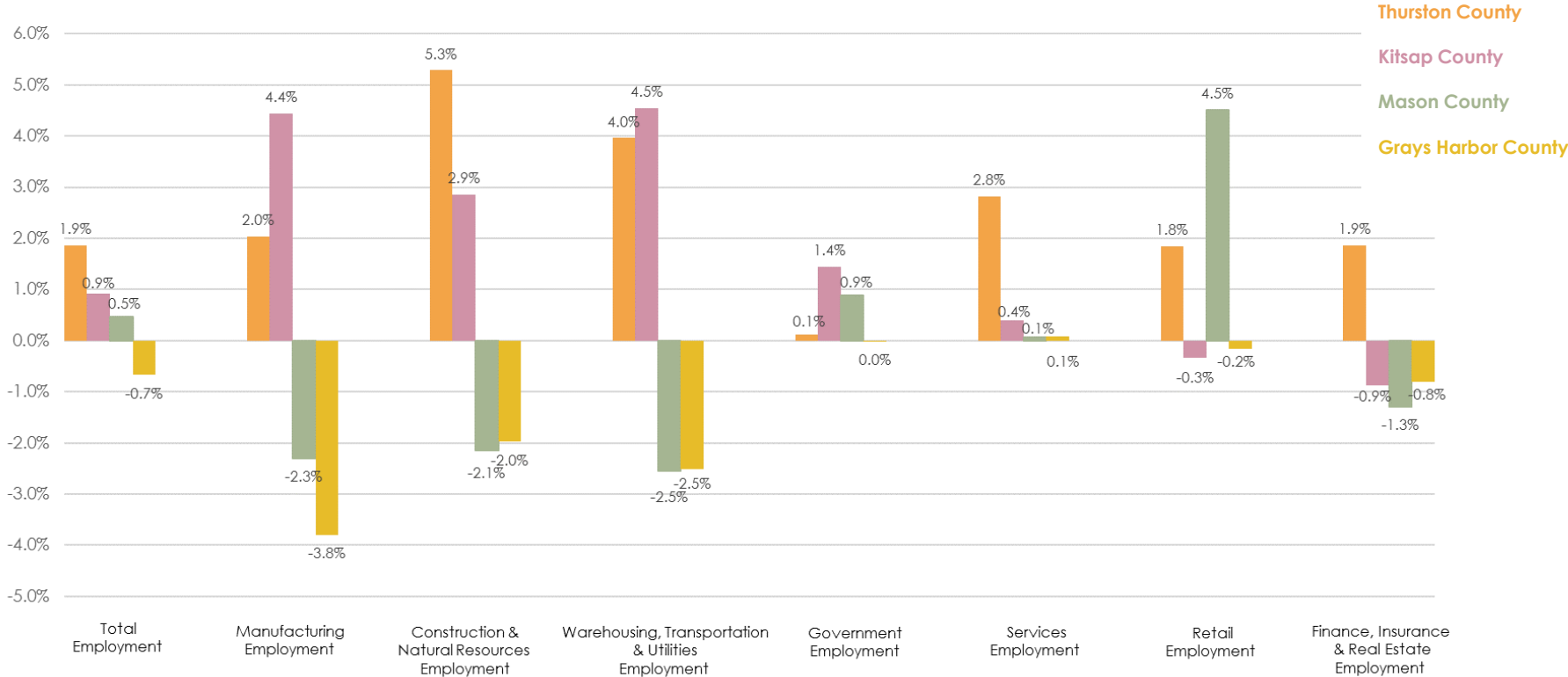
Sources: Community Attributes, 2017; NOAA, 2017; Washington Department of Natural Resources, 2016; Washington Office of Financial Management, 2017

Total employment growth in Mason County has been stagnant since 2010. This stagnation is true across all the major employment sectors. The fastest growing employment sector over the past five years was Retail with an annualized CAGR of 0.4%, while the employment sector experiencing the most negative growth was Warehousing,

Transportation and Utilities with a five year CAGR of -0.3%. The largest employment sector is Government, which represents 39.8% of all jobs in Mason County. Government employment includes public education and public health services.

Total and Industry Employment Growth Comparisons

Exhibit 6. Total and Industry Employment Growth; Comparison Counties; 2010-2015



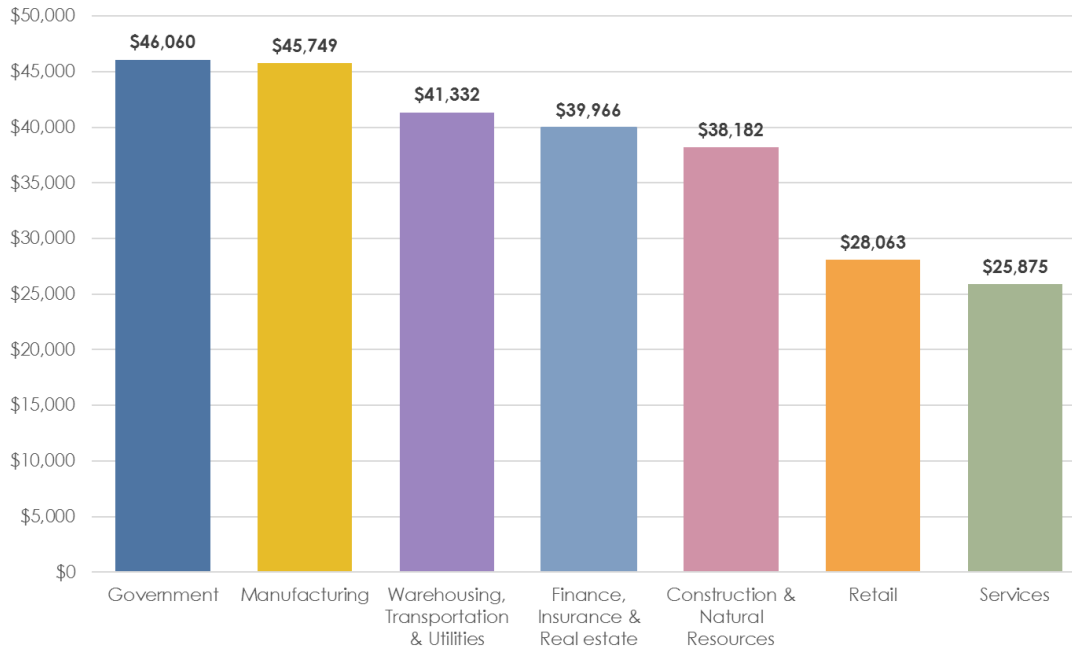
Sources: Washington Employment Security Department, 2017; Community Attributes Inc., 2017

Total employment in Mason County has not grown as fast as in Thurston or Kitsap Counties, but hasn't shrunk as in Grays Harbor. Mason County has experienced significant growth in government sector employment compared to Thurston and Grays Harbor counties, and has seen the strongest growth in retail employment. Mason and Grays Harbor Counties experienced negative growth in a

number of industries that often provide higher wages, including manufacturing, construction, and finance. This is contrasted with strong positive growth in the same areas in Kitsap and Thurston Counties.

Industry Average Wages

Exhibit 7. Industry Average Wage, Mason County, 2015



Sources: Washington Employment Security Department, 2017; Community Attributes Inc., 2017

Government and Manufacturing pay the highest wages in Mason County. In contrast, Retail and Service sector jobs pay significantly lower wages compared to other industry clusters.

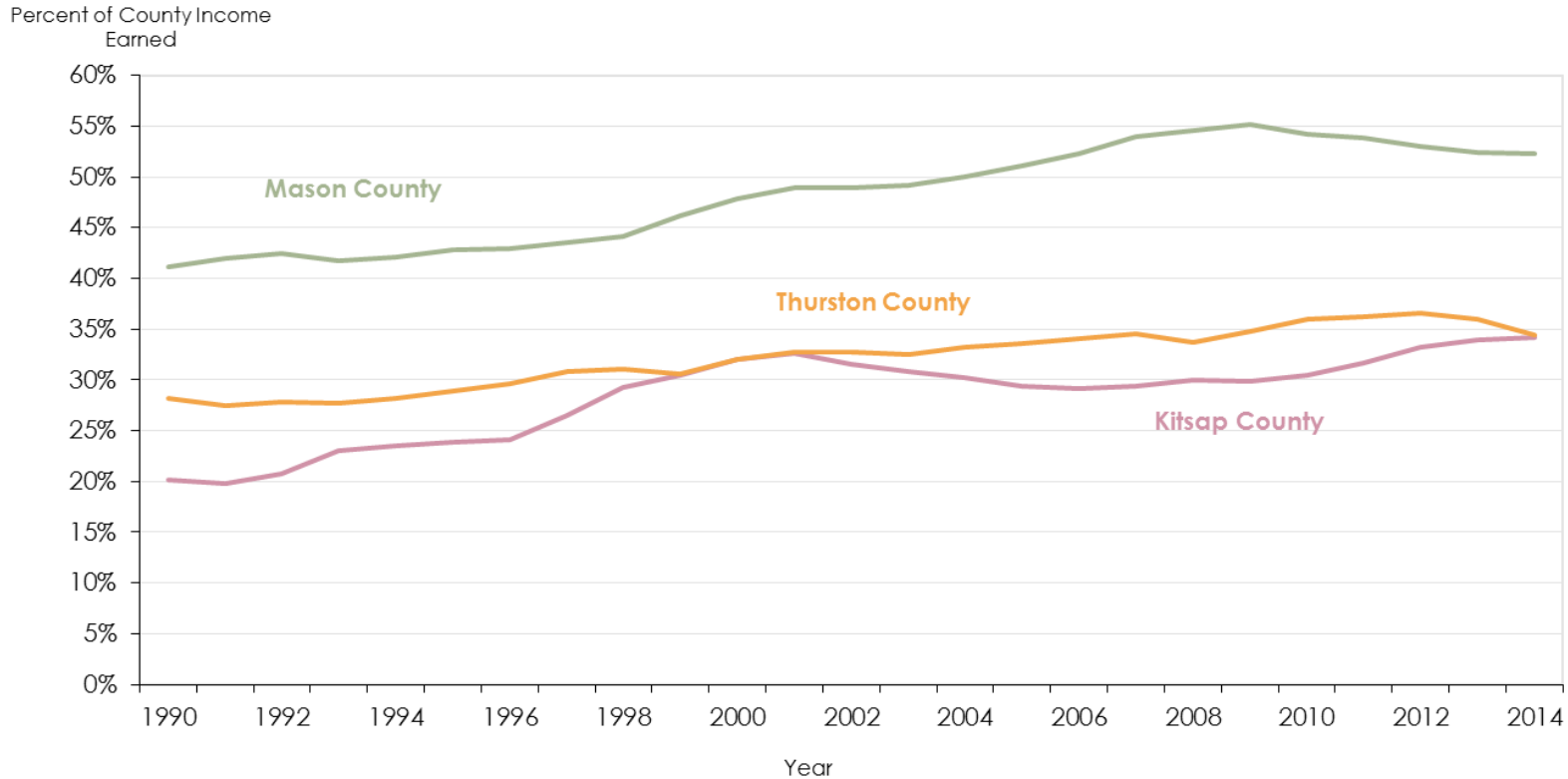
Government wages, adjusted to 2015 dollars, have shown a steady upward climb since 2010. Average annual government wages were \$46,060 in 2015—an annualized growth rate of 2.2% since 2010. Average annual wages in the manufacturing sector have grown at a somewhat uneven rate since 2010 to 2015. Real manufacturing wages grew at an annualized rate of 3.3%, despite falling by \$295 dollars from 2015 to 2014.

Services wages grew from \$22,262 in 2014 to \$25,875 in 2015, but were otherwise relatively stable. The annualized growth of Service wages from 2010 to 2014 was only 1.7% while growth from 2014 to 2015 was 16.2%.

Retail experienced steady wage growth from 2013 to 2015. Wage growth from 2010 through 2012 was uneven, with an average wage increase of \$629 from 2010 to 2011 before falling \$235 dollars in 2012. The annualized growth rate in wages in the Retail sector was 1.6% from 2010-2015.

Income from Outside Mason County

Exhibit 8. Percent of County Incomes Earned Outside of County, Mason, Thurston, Kitsap Counties, 1990-2014



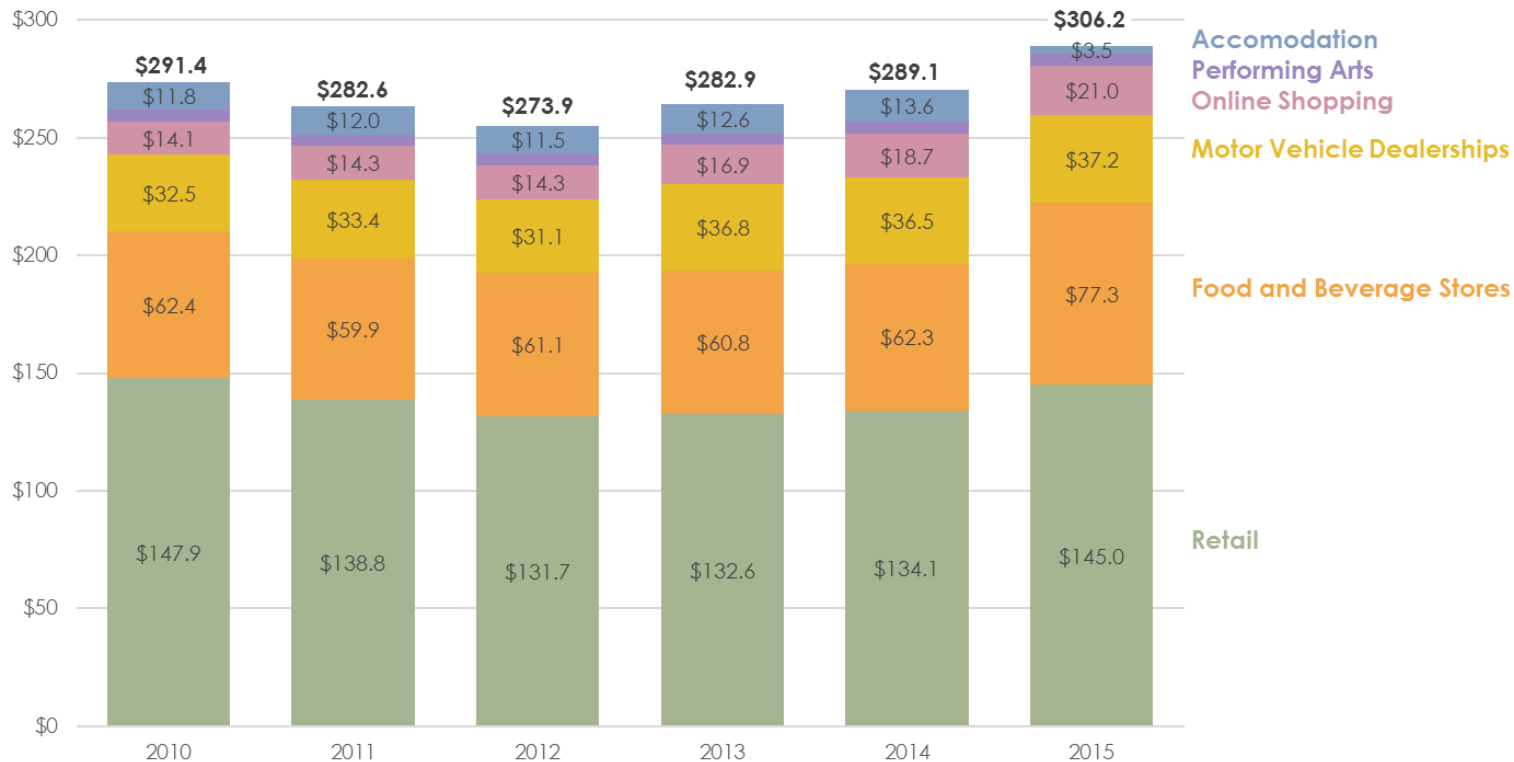
Sources: United States Census Bureau, 2017; Community Attributes Inc., 2017

Mason County has a significantly higher share of income coming from outside the County. This in part explain why the household income in Mason County is higher than the average wages paid out in Mason County.

Taxable Retail Sales Trends in Mason County

Exhibit 9. Taxable Retail Sales, Mason County (Inflation Adjusted), 2010-2015

Millions \$2015



Sources: Washington Department of Revenue, 2017; Community Attributes Inc., 2017

Total taxable retail sales in Mason County have grown from \$291.4 million in 2010 to \$306.2 million in 2015. This represents an annualized growth rate of 1.0% per year over the five year period. The fastest growing retail sales industries have been in Online Shopping

(8.3%) and Food and Beverage Stores (4.4%). Accommodation sales have fallen dramatically since 2014, from \$13.6 million sales to just \$3.5 million in 2015

DRAFT ELEMENT OVERVIEW

Draft Element Overview

The Economic Development Element provides the framework to guide Mason County's future economic development efforts. This is accomplished through a series of goals and policies which establish priorities. As these goals are intended to serve as guides over time until the next full update, the goal is not to list every potential project, but to provide useful guidance on which potential projects are worth consideration. These goals will be divided between five policies. We have created a draft "vision" for each focus area, and are seeking input on specific goals and policies to consider toward furthering each vision.

Focus Areas Addressed:

- Infrastructure and Capital Improvements
- Development and Permitting
- Education, Training, and Business Development
- Community Development and Quality of Life
- Industry

Draft Element Overview

Infrastructure and Capital Improvements

Draft Vision: Mason County's utilities and transportation networks fully support future commercial, industrial and residential growth while preserving the natural environment and community character.



Goals, Policies, and Key Projects:

Draft Element Overview

Development and Permitting

Draft Vision: Zoning is set to allow new development in the right places to support future business and industry expansion. Conflicting uses are addressed without stifling opportunity. The permitting process is clear, predictable, and efficient.



Goals, Policies, and Key Projects:

Draft Element Overview

Education, Training, and Business Development

Draft Vision: Mason County's workforce is prepared for the opportunities of today and tomorrow. The local business environment welcomes innovation while supporting existing employers.



Goals, Policies, and Key Projects:

Draft Element Overview

Community Development and Quality of Life

Draft Vision: Mason County's communities are healthy, pleasant places to live. Local cities and towns have character and clear identity.



Goals, Policies, and Key Projects:

Draft Element Overview

Industry

Draft Vision: Mason County's economic base is diverse and robust, offering a wide range of employment opportunities, goods and services.

- *The following industry clusters will be specifically addressed, based on past efforts by the EDC: Advanced Manufacturing, Aquaculture, Forest Products, Health and Human Service, Information Technology, Tourism and Recreation Development, Value-Added Agriculture*



Goals, Policies, and Key Projects:

Underway

- Full element draft
- Public comment tool

