

RESOLUTION NO. 3-89

WHEREAS, members of the Board of Directors of the Economic Development Council of Mason County have been designated by the Mason County Board of Commissioners as the Overall Economic Development Program Committee for Mason County, Washington; and

WHEREAS, the Overall Economic Development Program Committee has written and accepted an initial Overall Economic Development Plan (OEDP) for Mason County, Washington; and

WHEREAS, this OEDP shall be updated each year; and

WHEREAS, this OEDP is required before U. S. Department of Commerce funding for infrastructure projects in Mason County can be considered; and

WHEREAS, a public hearing was held to consider adoption of the Overall Economic Development Plan.

NOW, THEREFORE BE IT RESOLVED, that the Mason County Board of Commissioners does hereby accept the Overall Economic Development Plan for Mason County, Washington, and request that the document be forwarded to the Region 10 Office of the Economic Development Administration, U. S. Department of Commerce.

DATED this 4th day of January, 1989.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Chairperson McGee


Commissioner Gibson


Commissioner Hunter

ATTEST:


Clerk of the Board

xc: File
EDC

3

OVERALL ECONOMIC
DEVELOPMENT PLAN
MASON COUNTY, WASHINGTON
1988

THE
ECONOMIC DEVELOPMENT
COUNCIL OF
MASON COUNTY



Addendum

Page

- ii Minority in Area, Other is 1% not .01%.
- 1 Section 1.1. Add. Mason County's economic development goals also include retaining existing jobs by supporting and encouraging existing businesses.
- 1 Add Section 2.1.3. Continue discussions with all entities within Mason County to plan most effectively for economic growth and development.
- 2 Add Section 2.1.4. Address the economic development needs of the many small communities located in Mason County.
- 2 Add Section 2.1.5. Maintain the present tax base available to County government.
- 2 Section 2.3. Add parenthesis (Sanderson and Johns Prairie Industrial Parks).
- 6 Section 2.6.2.1. Delete. sub-area planning committee for Harstene Island seek. Add. Harstene Resource Planning Committee seeks.

OVERALL ECONOMIC DEVELOPMENT PLAN COMMITTEE FOR MASON COUNTY, WASHINGTON

ECONOMIC DEVELOPMENT COUNCIL OF MASON COUNTY

Harry Martin,
President

Tim Sheldon, Director

Ms Gerry Geist,
Membership
& Education Committee

MANUFACTURING

Keith Chamberlain,
Owner
Ornamental Stone
Manufacturing

Ward Forrer,
Controller
Simpson Timber Co.

Terry Atkins, VP
Certified Aerospace
Inc.

PROFESSIONAL

Richard T. Hoss,
Attorney at Law

BUSINESS

Terry Shaw, Manager
Land Title Co.

Tom Spikes, VP
1st Olympic Bank

Jim Leggett, Owner
Retail Office Supply

Dave Bayley, Owner
Mason County Title Co.

Harley Somers, Owner
Purdy Realty

Jef Conklin, Broker
Angle Realty

JOURNALISM

Ms Carol Wentlandt,
Mgr, Writer; Belfair
Herald /Shelton
Journal

LOCAL GOVERNMENT

Chuck Ruhl,
Commissioner
City of Shelton

M.M. Lyon,
Commissioner
Port of Shelton

Mike Gibson,
Commissioner
Mason County

Harvey Warnaca,
Commisioner,
Mason County
Public Utility
District (PUD) 3

EDUCATION

Ms Sandy Miller, Board
Member
Shelton School
District

SKOKOMISH INDIAN TRIBE

Edward H. Binder,
Economic Development
Planner

The OEDP Committee meets on the fourth Tuesday each month at the office of the Economic Development Council of Mason County. The authority to undertake the OEDP project was granted to the EDC of Mason County by the commissioners of Mason County, the Port of Shelton, and the City of Shelton.

The OEDP document for Mason County was developed and written by John Hill, 6912 Hillgrove Ln SW, Tacoma, Wa. 98499, Phone: (206) 582 4466 under the direction and authority of the Economic Development Council of Mason County.

MINORITY REPRESENTATION ON OEDP COMMITTEE

Date: November 22, 1988

State: Washington
County: Mason
Prepared By: John Hill
Title: OEDP Consultant

1. Minority in Area or District:

Number %

Total Population:	35,985	100%
Black Population:	56	.001%
Female Population:	17,426	50%
Spanish Origin:	456 ^a	1.3%
Native American:	1,238	3.4%
Asian Population:	337 ^a	1%
Other:	383	.01%

a) Includes migratory seasonal workers

2. Executive Committee of the OEDP:

Harry Martin, Chairman
Tim Sheldon, Director
Economic Development Council
of Mason County
Ms Gerry Geist, Membership
& Education Committee

3. OEDP Committee Members:

See OEDP Committee for Mason County Washington, next page.

4. Summary:

<u>OEDP Committee</u>		<u>Executive Committee</u>
Total Members:	20	3
Caucasion Members:	20	3
Minority Members:	4	1

5. Method by which Minority Representatives
were Selected:

There are few minority representatives available to work in economic development in the Mason County region. Black representatives are non-existent due mainly to the low residency rate. The Indian Tribes are well represented through their own tribal offices and have established individual OEDP documents to meet their specific community and economic development needs. There are few representatives from the Asian and Spanish residents because they are typically migratory seasonal workers that do not establish year-round residency.

Therefore the minority members of the OEDP Committee are year-round residents who have expressed their desire and interest in enhancing the quality of life for their community. They have been selected for their active leadership in community affairs and their willingness to work for sustained community and economic development for the benefit of the Mason County community as a whole. All are respected members of the community, all have the power derived through self-determination and equality, and all have demonstrated their abilities through their community involvement.

Mr. Edward Binder, economic development planner for the Skokomish Indian Tribe, speaks for the efforts and concerns of the Native American and American Indian Community within the boundaries of Mason County.

There are two reservations, one is represented by the Skokomish Indian Tribe, the second, The Squaxin Island Indian Tribe. Each is included in the Overall Development Plan of Mason County with data provided through their Tribal Economic Development Offices; Skokomish Tribe, Edward Binder, Squaxin Island Tribe, Jim Tail.

Ms. Carol Wentlandt is one of two represents the N/NE Mason County Region. She is a reporter for the Belfair Herald/Shelton Journal and is active in local community affairs, e.g. Theler Community Center in Belfair and the EDC of Mason County.

Ms. Sandy Miller is a school board member for the Shelton School District in addition to serving on the education committee for the EDC of Mason County.

In addition to her involvement on the OEDP Committee, Gerry Geist is also an active member of the EDC of Mason County and is the chairperson for the membership committee.

With the exception of the OEDP Chairman and the EDC Director the balance of the OEDP Committee for Mason County are representatives of local government and the commercial/industrial/retail business community.

Harry Martin, a retired real estate executive, serves as the OEDP Chairman and is an active community leader in Mason County. In addition to his involvement with the EDC and OEDP Committees Mr. Martin serves as Chairman of the PIC Board, and as a community activist at Public Utility District (PUD) and Mason County Commissioners meetings. He is also a member of the North Mason County Sub-Area Planning Committee and an active administrator for the Theler Community Center in Belfair. All are non-paid positions.

TABLE OF CONTENTS

1. EXECUTIVE ECONOMIC DEVELOPMENT GOAL	1
1.1. SHORT-TERM ECONOMIC DEVELOPMENT GOALS AND STRATEGIES	1
2. MASON COUNTY OBJECTIVES	1
2.1. COUNTY	1
2.2. PORT OF SHELTON	2
2.3. PORT OF SHELTON, SANDERSON and JOHNS PRAIRIE INDUSTRIAL PARKS . . .	2
2.4. CITY OF SHELTON	3
2.5. SHELTON ACTION PLAN GOALS	4
2.6. CITIZEN SUB-AREA PLANNING	6
2.6.1 NORTH (NE) MASON COUNTY	6
2.6.2 HARSTENE ISLAND REGION	6
2.6.3 TOTTEN/LITTLE SKOOKUM REGION	6
2.7 UNION, TOWN OF	6
2.8. SKOKOMISH INDIAN TRIBE	7
2.9 SQUAXIN ISLAND INDIAN TRIBE	13
3. BACKGROUND ON MASON COUNTY ECONOMIC POLICY	14
4. ECONOMIC DEVELOPMENT STRATEGIES	16
4.1 PROJECT PRIORITY LIST	18
PRIORITIES FOR MASON COUNTY ECONOMIC DEVELOPMENT	18
4.2 PORT OF SHELTON, SANDERSON & JOHNS PRAIRIE INDUSTRIAL PARKS	18
4.3 CITY OF SHELTON	19
4.3.4.0.0.0.0.1 Sub-Area Planning	20
4.4 SKOKOMISH INDIAN TRIBE	20
4.5 SQUAXIN INDIAN TRIBE	20
5. ASSESSMENT OF MASON COUNTY ECONOMY	20
5.1 LAND AND ENVIRONMENT	20

3

TABLE OF CONTENTS
(CONTINUED)

5.1.1 LOCATION	20
5.1.2 CLIMATE	20
5.1.3 TOPOGRAPHY	20
5.1.4 LAND USAGE	20
5.1.4.1 ZONING	20
5.1.4.2 SUPERFUND SITES	21
5.1.5 PUBLIC SERVICES	21
5.1.5.1 SEWAGE COLLECTION/TREATMENT PLANTS	21
5.1.5.3 SOLID WASTE HANDLING AND DISPOSAL	21
5.1.5.4 FLOOD PLAINS AND/OR WETLANDS	22
6. POPULATION	22
6.2. POPULATION BY AGE AND SEX	24
6.3 COMPONENTS OF POPULATION CHANGE	24
6.4 LABOR FORCE AND EMPLOYMENT	25
7. INCOME	27
7.1 PERSONAL INCOME COMPONENTS	27
COUNTY TAX BASE	30
7.2 EDUCATION	32
7.3 COMMERCE AND INDUSTRY	33
7.3.1 PROMINENT PRIVATE SECTOR EMPLOYERS	33
7.4 Major and Secondary Growth Centers	33
8. ECONOMIC DEVELOPMENT CONSTRAINTS AND POTENTIALS	34
8.1 CONSTRAINTS	34
8.2 POTENTIALS	35

TABLES

Table 2.8.1	7
Table 2.8.2	10
Table 2.8.3	12
Table 3.0.4	17
Table 6.2.	24
Table 6.3	24
Table 6.4.1	25
Table 6.4.2	25
Graph 6.4.3	27
Table 7.1	28
Table 7.3	29
Table 7.4.1	30
Table 7.4.2	31
Table 7.4	31
Table 7.5	32

GRAPHS

Map 1	5
Map 2	8
Graph 2.8.2	9
Graph 2.8.3	11
Graph 6.4.2	25
Graph 7.1	28
Graph 7.2	28
Graph 7.3	29
Graph 7.4.1	32
Graph 7.4.2	32

4

OVERALL ECONOMIC DEVELOPMENT PLAN

ECONOMIC DEVELOPMENT GOALS AND STRATEGIES

1. EXECUTIVE ECONOMIC DEVELOPMENT GOAL

Overall, economic goals serve as guidelines and provide direction for present and future economic development. The goals and objectives outlined below are those established by the OEDP committee for Mason County.

The overall goal for Mason County is to develop a diversified economic base with legislative guidelines that will enhance and protect the quality of life for its residents. Working as an integrated unit, citizen, business, and local government organizations seek to produce a sound foundation for fostering a more cosmopolitan retail, commercial/industrial complex that can provide year-round employment opportunities.

The most important immediate physical requirement is the need to update and expand certain *utilities infrastructure* for continued residential/business development.

1.1. SHORT-TERM ECONOMIC DEVELOPMENT GOALS AND STRATEGIES

Mason County's economic development goals for the near future are to enhance and improve the retail, commercial and industrial business environment to create new jobs for its residents. An integral segment of this task revolves around the improvement of legislative guidelines and *utilities infrastructure*. i.e. water distribution, sewage disposal, roads to protect water quality.

2. MASON COUNTY OBJECTIVES

2.1. COUNTY

- 2.1.1 Continue efforts with state government to attract state to have the *Washington State Criminal Justice System Training* facility located adjacent to the present Washington State Patrol Training site.
- 2.1.2 Become the lead agency in establishing formal communications between governing bodies in Mason County to develop the guidelines appropriate to legislative policy infrastructure. eg. supervise county efforts that build the legal/environmental settings

conducive to the development of new business and the creation of new employment opportunities.

2.2. PORT OF SHELTON

- 2.2.1 Establish *formal* dialogue with Mason County and City of Shelton officials to develop strategies for near and long-term legislative needs. i.e. land-use protection for industrial sites to prevent residential encroachment; municipal services.
- 2.2.2 Develop a formal marketing package that outlines the strategy and actions that will be used for *Marketing* Port of Shelton commercial/industrial properties.
- 2.2.3 Study feasibility of acquiring additional *raw land* for addition to Port property inventory.

2.3. PORT OF SHELTON, SANDERSON and JOHNS PRAIRIE INDUSTRIAL PARKS

- 2.3.1 Develop plans for new Port office facilities with enlarged public space for commission meetings and a conference room for conducting business. A building location near the present entrance to Sanderson Industrial Park could be designed with lease space for two or more firms.
- 2.3.2 Build additional magnet buildings for small commercial or manufacturing firm(s).
- 2.3.3 Add 200,000 gallon elevated water storage tank at Sanderson site. Drill second well for increased water capacity at Johns Prairie site.¹ Expand and loop existing water distribution system at both sites for fire protection enhancement; necessary for further commercial/industrial growth. Long-term, add six miles of looped water distribution to industrial parks.
- 2.3.4 Begin study of alternatives for near future development of a sewage system for industrial waste disposal and protection of water quality, particularly at Sanderson site.
- 2.3.5 Widen and harden selected existing roadways in industrial parks for anticipated increase of heavy commercial transportation vehicles. Add three miles at Sanderson facility, one-half mile at Johns Prairie facility. Long term objective; Add two miles of roadway to open next phase of commercial/industrial expansion.
- 2.3.6 Add second entrance to Sanderson Industrial Park for enhanced access by commercial traffic. Requires one-half mile of new 24 foot wide roadway.

¹ Present 600,000 gallon storage facility at Johns Prairie adequate for near-future needs.

- 3
- 2.3.7 Obtain Federal Aviation Administration (FAA) grant to develop action plan for expansion of Sanderson Airfield. Lengthen runway to 10,000 feet to accommodate industrial development of commercial/military aircraft maintenance and modification enterprise proposed by Certified Aerospace, Inc.. Potential of 100 new job opportunities projected. Opens airport to airfreight and other air related businesses.
 - 2.3.8 Realign and lengthen, by one-quarter mile, private rail system at Johns Prairie. This will open more developed commercial sites to lease for clients requiring rail transportation frontage.
 - 2.3.9 Clear and develop additional 100 acre site at Johns Prairie site. Install appropriate infrastructure for next phase of commercial/industrial expansion.

2.4. CITY OF SHELTON

- 2.4.1 Establish *formal* dialogue with Mason County and Port of Shelton officials to develop solutions to near and long-term local legislative concerns, including expansion of municipal services. i.e. land-use planning, residential encroachment protection at commercial/industrial sites, etc..
- 2.4.2 Build Wallace Boulevard ², a new 3 to 5 lane arterial,³ that will extend from Olympic Highway North to Johns Prairie Road, intersecting Shelton Springs Road. The road will provide direct access to Johns Prairie Road from SR101 and opens approximately 80 acres of retail/commercial properties to near future development. In addition to eliminating dangerous *heavy commercial traffic* through residential areas, the roadway enhances the development potential of the Johns Praire Road industrial corridor.

2.5. SHELTON ACTION PLAN GOALS ⁴

- 2.5.1 Develop Shelton's downtown as the major retail-business resource center of the Shelton Trade Area.
- 2.5.2 Implement *Downtown Revitalization/Beautification*, as per Shelton Action Plan.
- 2.5.3 Preserve Shelton's small town character through sound land use management.
- 2.5.4 Stabilize and expand existing timber related industries.

² A cooperative proposal of Mason County and the City of Shelton; Strongly supported by Port of Shelton.

³ Either configuration includes center left-turn lane.

⁴ Extracted from Shelton Action Plan; published January 1987

3

2.5.5 Attract new industry within the Shelton Trade Area.

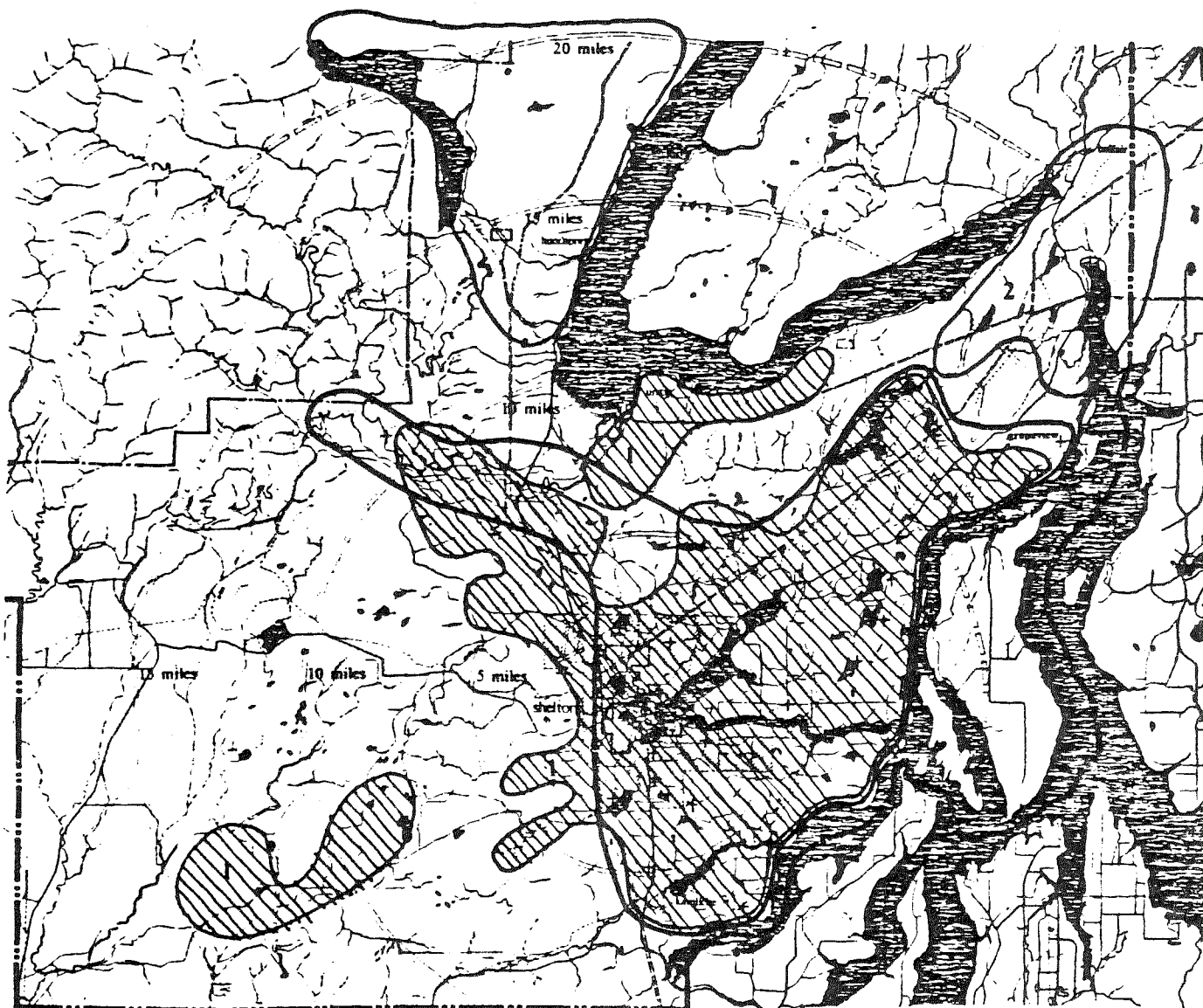
See map, page 5.

2.5.6 Investigate feasibility of annexing and providing municipal services to the following lands for industrial development:

2.5.6.1 All Port of Shelton lands, Both Sanderson and Johns
Prairie Industrial Parks; to include Sanderson
Airfield/Shelton Airport and property between the Airfield
and existing City limits.

2.5.6.2 All lands east of Highway 101 to the western city limits
from the old Highway 101 city exit to the south, north to
the Mountain View exit with Highway 101.

Map 1



TRADE AREA



Map source: Regional development plan



- trade area identified in survey
- area of response from survey
- primary trade area based on physical capability of land
- secondary trade area based on physical capability of land
- shelton urban area
- radius 10 miles from shelton

SOURCE: COPIED FROM SHELTON ACTION PLAN

2.6. CITIZEN SUB-AREA PLANNING

2.6.1 NORTH (NE) MASON COUNTY

2.6.1.1 The sub-area planning committee of Allyn and Belfair seek a professional county planner for assistance in developing appropriate planning for regional water-quality protection. Their primary goal is water quality protection via stronger regulations governing the use and monitoring of on-site septic disposal systems⁵ in future building development.

2.6.1.2 Study potential of moving locus of business district to new location suitable for on-site septic disposal.

2.6.1.3 Develop 75 acre wetland site at *Theler Community Center* in Belfair as an ecological study site for educational institutions and local tourism attraction.

2.6.2 HARSTENE ISLAND REGION

2.6.2.1 The sub-area planning committee for Harstene Island seek to gain access to a professional county planner for assistance in developing appropriate strategies for protection of water-quality in their region of the county. Their primary goal is water quality protection via stronger regulations governing the use and monitoring of on-site septic disposal systems⁶ in future building development.

2.6.3 TOTTEN/LITTLE SKOOKUM REGION

2.6.3.1 The sub-area planning committee for the unincorporated Totten/Little Skookum community is working to develop guidelines for governing regional water-quality protection. Their primary goal is water quality protection via stronger regulations governing the use and monitoring of on-site septic disposal systems⁷ in future building development.

2.7 UNION, TOWN OF

2.7.1 Implement a local community planning process to enhance and protect the water and physical resources. The primary goal is to protect the local environment for the enjoyment and use of present and future generations of community members.

2.7.2 Maintain and expand the recreational facilities and play areas at the Union Community Park.

⁵ Any on-site local-use soil absorption system. e.g. septic-tank, dosing systems, mound/fill systems.

⁶ Any on-site local-use soil absorption system. e.g. septic-tank, dosing systems, mound/fill systems.

⁷ Any on-site local-use soil absorption system. e.g. septic-tank, dosing systems, mound/fill systems.

2.7.3 Develop tourist and recreation related potentials when environmentally feasible with current commercial development efforts.

2.7.4 Secure a land base adjacent to the Hood Canal for assuring public access to the water through the establishment of a Port of Union.

2.8. SKOKOMISH INDIAN TRIBE

The Skokomish Indian Reservation is located in Mason County, Washington (See map on page 8). The Reservation boundaries include a total of 4,987 acres, or about 7.5 square miles. The Skokomish Reservation was created by the *Point No Point Treaty*, created on January 26, 1855 and ratified by Congress on March 8, 1895. It was enlarged by Executive Order on February 25, 1874. The tribe is a federally recognized tribal government; organized under the Indian Reorganization Act of 1934.

STATISTICAL SUMMARY OF POPULATION

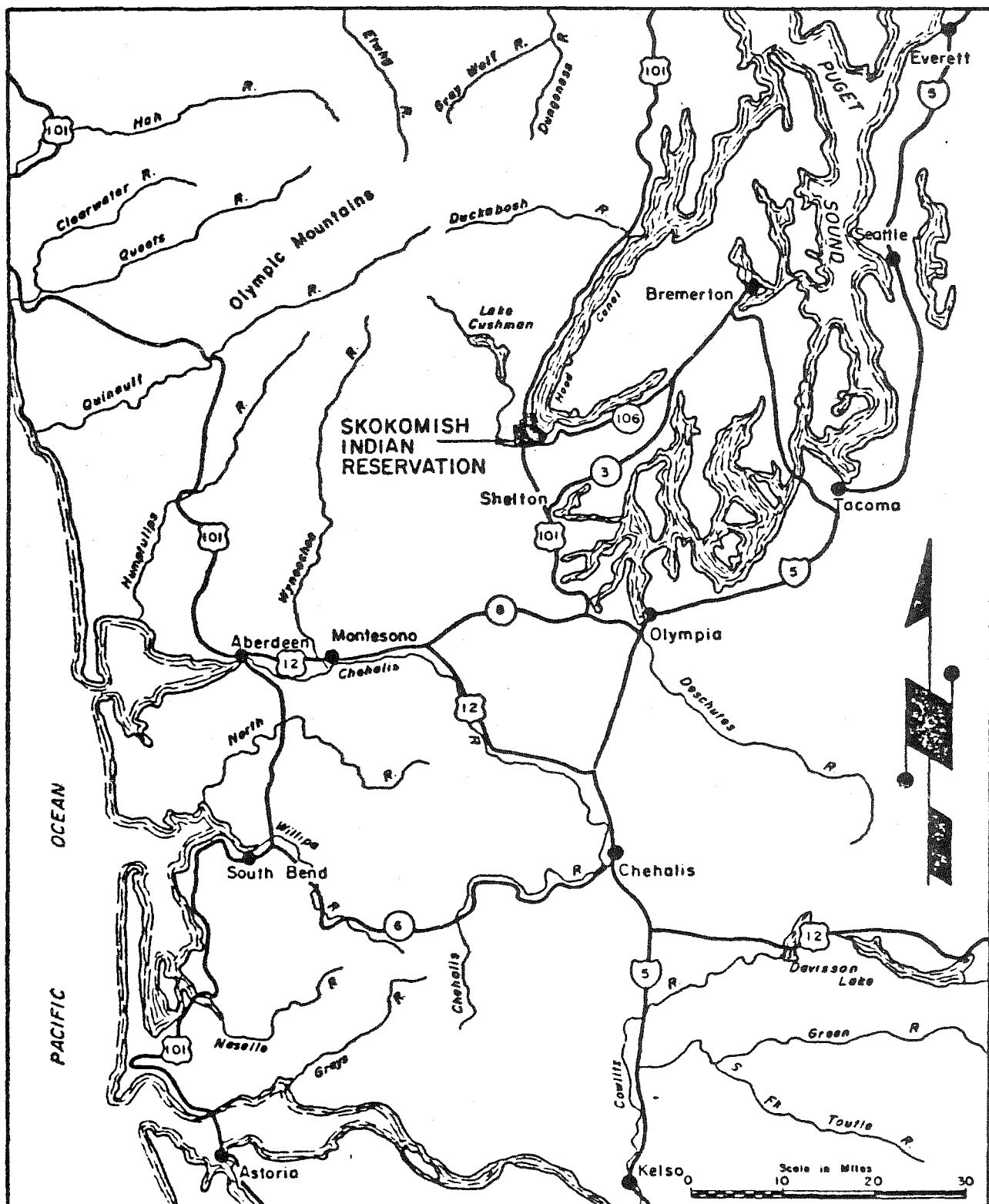
TOTAL SERVICE POPULATION	829
TRIBAL ENROLLMENT	618
NUMBER OF FAMILIES	242
NUMBER OF HOUSEHOLDS	217
PER CAPITA INCOME	\$3,953
UNEMPLOYMENT RATE - MALES	36%
UNEMPLOYMENT RATE - FEMALES	26%
% OF POPULATION OVER 16 COMPLETING HIGH SCHOOL	53%

Table 2.8.1

Based on statistical data from the Tribe's 1984/85 *Skokomish Human Resources Survey* and the 1988 BIA *Indian Service Population and Labor Force Estimates* there are currently 829 Skokomish Tribal Members included in the service population (see Table 2.8.1). Out of 829 tribal members surveyed, there were a total of 414 tribal members living on the Reservation with an additional 415 living adjacent to the Reservation. The Skokomish Indian population is youthful, with 53% under the age of 25, 37% under 15 years of age. Currently there are over 130 children at, or under, 5 years of age.

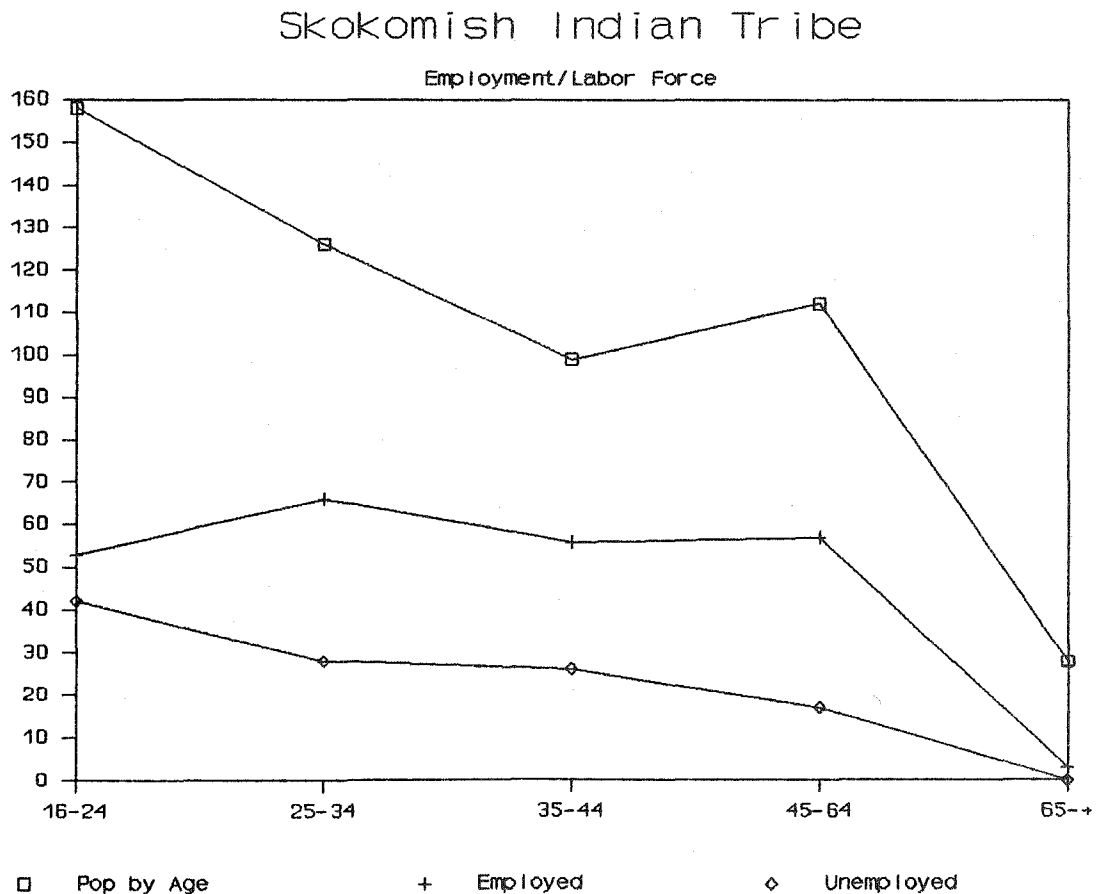
3

Map 2



3

Located in an isolated and rural locale, economic activity on the reservation is related principally to the abundant water, fish, and timber resources, and to tourist activities on and adjacent to tribal lands. The seasonal and cyclical nature of the Skokomish Tribe's fishing economy (and surrounding Mason County economy), and the fact that Tribal members are strongly tied to their reservation land and culture and are unwilling to leave the area, even though faced with inadequate housing, has significantly reduced employment opportunities for Tribal members. Average Tribal unemployment for 1987 was 32%; 26.6% female; 36.4% male. Table 2.8.2 and the accompanying graph below provides population and labor force data by age group.



Graph 2.8.2

C:\MASON\SKOK_EMP.PIC

Skokomish Indian Employment/Labor Force

	Sex		Age Groups:				
	M	F	16-24	25-34	35-44	45-64	65-+
Population age 16 +/-	269	254	158	126	99	112	28
Employed	133	102	53	66	56	57	3
Unemployed	76	37	42	28	26	17	0
Labor Force	209	139	95	94	82	74	3
Not in Labor Force	60	115	63	32	17	38	25
Unemployment Rate	36.4%	26.6%	44.2%	29.8%	31.7%	23.0%	0.0%
Participation Rate	77.7%	54.7%	60.1%	74.6%	82.8%	66.1%	10%

Table 2.8.2

C:\MASON\SKOK_EMP.PRM

A high unemployment rate and low educational level, combined with primarily seasonal employment, present an unattractive picture. According to demographic data extrapolated from the 1984-85 survey, the Tribal service population (829) unemployment rate is higher on the reservation (37.5%) than off the reservation (24.2%) and contrasts sharply with Mason County's (pop. 36,000) April 1988 unemployment rate of 7.9% (Preliminary rate, not seasonally adjusted). Data generated by the Tribe also documented an unemployment rate of 44.2% for tribal members 16-24 years of age.

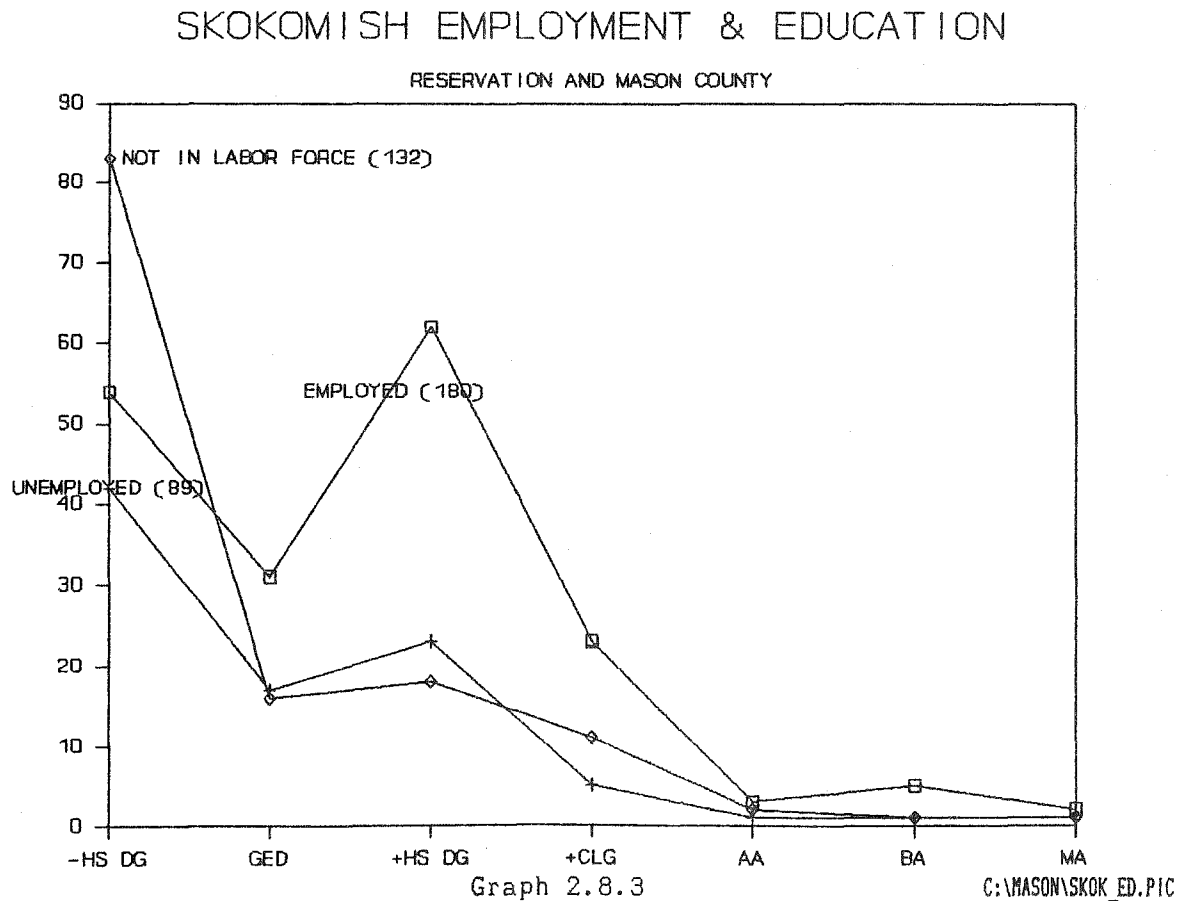
Data from the 1984-85 tribal demographic survey clearly points to the relationship between the low educational achievements and the employment status of Tribal members. Forty-seven percent (47%) of those Tribal labor force members unemployed had not completed high school. Table 2.8.3 and the accompanying graph on page 11 is a pictorial breakdown of employment vs education statistics.

To achieve the overall strategy of self-determination as a people and a nation, the Skokomish Tribe has undertaken a comprehensive effort to develop, maintain, and strengthen a diversified economic base and tribal human delivery system for tribal community members. The efforts to promote economic and community development have been encouraging within the last fifteen years, but have also been a source of frustration and discouragement. This is; in part,

3

because the Reservation's small population and land base lacks the critical mass to create a larger tax base necessary for expanding and strengthening the development of a diversified and viable tribal economy.

The development of housing, governmental and community services, and the movement of tribal members back to the reservation (increasing critically needed support services) has had a major impact on increasing the Tribe's operating needs from the early 1970s to present. The greater administrative and governmental responsibilities, coupled with critically needed support services, has left the Skokomish Tribe without the necessary financial resources to impact unmet community and social service needs.



EMPLOYMENT AND EDUCATION
Reservation and Mason County

Educational Achievement	EMP	%	UNEMP	%	Not In Labor Frc	%
Less than HS	54	30.0%	42	47.2%	83	69.9%
G.E.D.	31	17.2%	17	19.1%	16	12.1%
HS Degree	62	34.4%	23	25.8%	18	13.6%
Some College	23	12.8%	5	5.6%	11	8.3%
2 yr Degree	3	1.7%	1	1.1%	2	1.5%
4 yr Degree	5	2.8%	1	1.1%	1	0.8%
Grad. Degree	2	1.1%			1	0.8%
Total	180		89		132	

Table 2.8.3

C:\MASON\SKOK_ED.PRN

In order for the Tribe to successfully generate an independent source of income for tribal operations, the Tribe has prioritized the following developmental strategies:

SKOKOMISH INDIAN DEVELOPMENT STRATEGIES

- 2.8.1 Phase II expansion of Tribe's *Twana Trade Center* for commercial services, 1989-90.
- 2.8.2 Development of twenty-one (21) new homes, 1988-89.
- 2.8.3 Implementation of development permits, land-use ordinance, and B&O tax, 1988-89.
- 2.8.4 Expansion of Tribe's fish processing facility for increased smoking and storage, 1988-89.
- 2.8.5 Negotiations and litigation efforts for protecting treaty rights and the Tribe's resources, 1989-93.

Source: Abstract, Skokomish Indian Tribe 1988 OEDP.
Prepared by: Edward Binder, Economic Development Planner

2.9 SQUAXIN ISLAND INDIAN TRIBE

- 2.9.1 The Squaxin Island Indian Tribe is in the early implementation stages of a five year business plan (1988-1989). The plan is aimed at growing and developing aquaculture businesses for the benefit of the Tribal community. The Tribe's natural resources in aquaculture offer excellent opportunities for improving sales volume. The Tribe projects sales volume in the planned period from \$2,000,000 to \$6,700,000 with operating profit margins from 20-30 percent.
- 2.9.2 The Harstene Oyster Company presents a unique Tribal business opportunity for expanding aquaculture into foreign markets and domestic sales. The Tribe has selected American Farmed Seafood Inc., a Seattle based company, as the broker for its aquaculture products.
- 2.9.3 A joint venture alliance has been created to buy, process, and market Tribal members catch of commercial wild-caught salmon. The venture brings with it the technical assistance which can vertically integrate the Tribe's aquaculture activities.
- 2.9.4 Capital equipment cost for the planning period is set at \$700,000. The first installment of \$200,000 is required in August 1988 for processing wild-caught salmon. The second investment phase requires \$250,000 in January 1989 to double the production at the Harstene Oyster Company. The final \$250,000 will be required in June 1989 to build pen complexes for a farm-raised finfish program.

3. BACKGROUND ON MASON COUNTY ECONOMIC POLICY

Mason County has been dependent on timber, lumber products, and, to a lesser extent, aquaculture as the foundation of its economic strength since the turn of the century. While they remain important industries to Mason County's economic health, both are in a state of change. Though aquaculture is again gaining importance, the timber industry is gradually declining as a source of new *high paying* employment opportunities.

The aquaculture industry, decimated by water pollution in the 1920s, is in a rehabilitative and reconstruction phase as water quality in the region continues to improve. These locally owned businesses are particularly valuable to Mason County. They export over 65 percent of their products to California and east-coast states and bring new money into the local economy. Employment among the larger shellfish processing companies is growing annually as new acreage is added to increase production. Direct and indirect employment currently stands at approximately 615.

Unlike the aquaculture industry the timber and lumber products industry has been in decline since the late 1960s when industry employment was at a peak. Simpson Timber Company, long the county's largest non-government employer, has steadily decreased employment since 1965. As market conditions have changed, so have Simpson's operations. While plant modernization keeps Simpson lumber processing profitable, declines in Pacific Northwest lumber markets threaten to increase layoffs of production workers whose salaries are the highest in the county. An example of the economic impact Simpson Timber Company has in the county was dramatically illustrated by the permanent layoff of approximately 350 full-time sawmill workers in 1985. The layoff pointed vividly to the need for broadening the county's industrial base to other manufacturing sectors to protect the future stability of its workforce.

Certified Aerospace has provided the seed for the development of a new burgeoning manufacturing industry in Mason County. Located at the Port of Shelton's (POS) Sanderson Industrial Park (SIP) Certified has operated as a

3

sub-contractor to Boeing, Douglas, and other large aerospace firms throughout the United States. Though salary levels are lower than Simpson's sawmill operations⁸ Certified employs 400 full-time workers and aspires to a goal of becoming a *prime contractor* to the federal government. Additionally, Certified has proposed the creation of a new business to the Port of Shelton. The project requires that the current airstrip at Sanderson Industrial Park (Shelton Airport) be lengthened and hardened from its present 5,000 feet to 10,000 feet. If successful Certified would establish a commercial and military aircraft maintenance and modification business that could create an additional 100 employment opportunities.

Additionally, Certified's presence in Mason County has created opportunities for the development of other local manufacturing firms. Barnes Machine Shop, with 30 employees, was created by an employee of Certified. Now a second, new, manufacturing firm, Olympic Tool and Engineering is beginning operations in a recently completed magnet building at POS's Sanderson Industrial Park. Olympic Tool and Engineering will act as a sub-contractor to Certified Aerospace for part of their work.

Mason County is home to several Christmas tree growers and brush gathering operations that provide a significant number of seasonal job opportunities each year. These businesses are responsible for reducing unemployment by one to three percent annually in the in the second half of the year. Though wage and salary levels are lower than other Mason County industries, these employment opportunities provide large numbers of seasonal jobs. Douglas Fir Company, for example, has a year-round staff of 70 but hires approximately 300 seasonal workers each fall to harvest its Christmas tree crop. Hiawatha, another large tree grower has similar operations that employ 300+ seasonal workers each year. These and other significant allied companies share over \$30,000,000 in annual sales from Christmas tree and floral industry sales.

⁸ Salary differential ratios generally require 3 Certified average salary jobs for each 2 Simpson sawmill jobs.

3

The largest Mason County employer is represented by federal, state, and local government rather than private industry. Together government agencies employ 2,334 workers in Mason County. The Washington State Corrections Center at Shelton and the Washington State Patrol Training facility are just two source's for state government employment. Mason County is working to open more opportunities for government jobs and is a prime candidate as the new site for the Washington State Criminal Justice Training facility. A study is currently under way that focuses on locating the facility adjacent to the present Washington State Patrol training center on Port of Shelton property. If successful in attracting the new state agency as many as 80 new families could relocate to Mason County.

4. ECONOMIC DEVELOPMENT STRATEGIES

Mason County's efforts toward economic development will continue to be difficult without a closer bond between business and local government. Retail businesses must be more energetic in their daily operations to recover sales which have migrated to other business centers.

Commercial/industrial businesses currently in Mason County need timely, if not immediate, assistance to train unskilled workers in newer technology to continue orderly growth.

New business and industry require well developed infrastructure of physical utilities before locating in a new community. Economic development efforts can not be successful where fragmented and restrained by political barriers to growth. i.e. inadequate legal/environmental climate for business investment.

A proactive economic development strategy must be adopted by both the business community and the county's legislative bodies to overcome this barrier.

County, City, and Port Commissions partially fund the non-profit Economic Development Council (EDC) of Mason County. As development activities have grown, funding has not. Though the EDC has identified significant areas of growth potential for the county it must have a commitment that funds the development of the staff and physical space to continue meeting the needs of the county. The County, City of Shelton, Port of Shelton, Public Utility Districts, and the business community must assess their commitment to economic

development from both physical and financial perspectives. There are essentially three alternatives for each government and business member desiring effective economic development:

- 4.0.1 Individually creating and funding an Office of Economic Development.
- 4.0.2 Committing substantially increased physical, and financial support to the present non-profit Economic Development Council. i.e. to add staff, modernize office, upgrade office equipment.
- 4.0.3 Do nothing, retain existing conditions. status quo.

To achieve new economic development, strategies should be considered that respond to new development situations. Table 4.0.4 below provides a contrast between older ideas and fresh alternative strategies that could be used by Mason County to upgrade economic development efforts.

CHANGES IN STRATEGIC APPROACHES IN ECONOMIC DEVELOPMENT

OUTDATED STRATEGIES	NEW STRATEGIES
* Industrial attraction and plant relocation	* Local, <i>homegrown</i> business enterprise development.
* Focusing on large manufacturing firms.	* Focusing on smaller and younger firms.
* Providing low-cost labor.	* Providing skilled and flexible labor.
* Providing low-cost land and tax subsidies.	* Providing accessibility to advanced technology and financial capital.
* Expansion into regional and national markets.	* Expansion into international, global markets.
* Increasing jobs and employment opportunities.	* Wealth creation and increasing the number of employers.

Table 3.0.4

C:\MASON\STRATEGY.EDC

4.1 PROJECT PRIORITY LIST

There are several separate organizations, both private and public sector, represented in this Overall Economic Development Plan. The values and concerns of each have been discussed at length in the process of developing this document. It represents a community effort to bring into the open the primary concerns of the citizens of Mason County. The diversity of the organizations make it impossible to prioritize the objectives into one list, nor is it necessary. Each may well be at different levels, but inter-connected, and therefore dependent on one another. The need for cooperation between agencies and citizen groups are reflected by the dependence each has on the other for specific tasks. For example, the North Mason County sub-area planning committee, a citizen organization, may well develop a water quality standard that requires stronger controls on local on-site septic systems in their region. They may also have sufficient local support for the new standards, but they must have the cooperation of Mason County Commissioners for legal adoption. The county may identify an area for development of residential and retail business growth but can fail without the support of the local Public Utility District (PUD) to install the electrical lines to service the area.

Mason County has several hard decisions to face soon as it formulates its economic development strategies for measured growth and economic independence. The primary focus is on utility infrastructure in business/industrial regions to provide sites that meet fire safety, water quality, and commercial/industrial waste disposal needs. Second are those tasks which enhance the legal/environmental. These guidelines should provide safe, separate, expansion of residential and business communities.

PRIORITIES FOR MASON COUNTY ECONOMIC DEVELOPMENT

4.2 PORT OF SHELTON, SANDERSON & JOHNS PRAIRIE INDUSTRIAL PARKS

- 4.2.1 Build second magnet building for small commercial or manufacturing firm(s). (Sanderson Ind Pk)

- 3
- 4.2.2 Upgrade water distribution system to enhance *fire flow* and meet near future expansion requirements. (Both facilities)
 - 4.2.3 Realign and lengthen, by one-quarter mile, private rail system at Johns Prairie. This project will open additional developed commercial sites to lease for clients requiring rail transportation frontage.
 - 4.2.4 Widen and harden selected existing roadways in both industrial parks for anticipated increase of heavy commercial transportation vehicles. This project will involve three miles of roadway at the Sanderson facility, and one-half mile at Johns Prairie facility.
 - 4.2.5 Add second entrance to Sanderson Industrial Park for enhanced access by commercial traffic. Requires one-half mile of new 24 foot wide roadway.
 - 4.2.6 Create a second staff position, *Marketing Representative*, with specific responsibilities for marketing Port of Shelton commercial and industrial properties.
 - 4.2.7 Obtain FAA grant for study to expand airstrip at Sanderson Industrial Park to 10,000 ft..
 - 4.2.8 Develop plans for new Port of Shelton office building.
 - 4.2.9 Clear and develop additional 100 acre site at Johns Prairie site. Install appropriate infrastructure for next phase of commercial/industrial expansion.

4.3 CITY OF SHELTON

- 4.3.1 Implement *Downtown Beautification*; per Shelton Action Plan, as a step toward increasing Shelton's importance as the retail-business resource center of the *Shelton Trade Area*.
- 4.3.2 Investigate feasibility of annexing and providing municipal services to the following lands for residential/industrial development:
 - 4.3.2.1 All Port of Shelton lands, both Sanderson and Johns Prairie Industrial Parks, including Shelton Airport to the Shelton city limits.
 - 4.3.2.2 All lands east of Highway 101 to the western city limits from the old Highway 101 city exit to the south; north to the Mountain View exit with Highway 101.
- 4.3.3 Develop Waterfront Plan that enhances public access to water related activities.
- 4.3.4 Build Wallace Boulevard, a new 3 to 5 lane arterial that will extend from Olympic Highway North to Johns Prairie

3

Road, intersecting Shelton Springs Road. The road will provide direct access to Johns Prairie Road from SR101 and open approximately 80 acres of retail/commercial properties to near future development.

4.4 Sub-Area Planning

- 4.4.1 Enhance water quality in sub-area regions through local ordinance legislation that requires stricter controls on local use septic systems.

4.5 SKOKOMISH INDIAN TRIBE

- 4.5.1 See Skokomish OEDP Document

4.6 SQUAXIN INDIAN TRIBE

- 4.6.1 See Squaxin OEDP Document

5. ASSESSMENT OF MASON COUNTY ECONOMY

5.1 LAND AND ENVIRONMENT

5.1.1 LOCATION

Mason County is located approximately 30 miles west of the *Interstate 5* corridor on the southwestern end of Hood Canal and Puget Sound. It is 962.3 square miles of mostly forested land extending to the Olympic Mountains to the north. It is bordered by Jefferson County on the north, Kitsap County to the northeast, Grays Harbor County to the west-southwest, and Thurston County to the southeast. State Route (SR) 101 travels north and south along the Puget Sound Waterways and Hood Canal. SR 3 and SR 106 branch off of SR 101 toward Kitsap County.

5.1.2 CLIMATE

Climatic conditions are mild year-round. Average annual minimum temperature is 41.5 °. Average annual maximum temperature is 60.5 °. The average annual rainfall in Mason County is 65.6 inches.

5.1.3 TOPOGRAPHY

Topographic elevations in the county vary from sea level at the Hood Canal to 6,000 feet in the Olympic Mountain range. Soil conditions vary from estuary type wetlands to deep stratas of gravelly loam soil.

5.1.4 LAND USAGE

5.1.4.1 ZONING

Mason County does not have a zoning ordinance. All commercial/industrial and multiple residential developments are

subject to Planning and County Commission approval based on conformance to county regulations. The *Shorline Master Program* designates areas of development into urban or rural, conservancy and natural. Each has its particular restrictive regulations for development.

5.1.4.2 SUPERFUND SITES U.S. EPA SUPERFUND PROGRAM

A. EPA ID: WAD980723159

GOOSE LAKE: NW of Shelton, off HWY 101, Shelton, WA 98584

EVENT TYPE:	START:	COMPLETE:	EVENT LEAD:
DS1	XXX	01 OCT 79	EPA (FUND)
PA1	26 AUG 85	11 AUG 86	STATE (FUND)
SI1	01 APR 80	01 APR 80	STATE (FUND)

B. EPA ID: WAD980383376

SHELTON LANDFILL, Front & Pine St, Shelton, WA 98584

EVENT TYPE:	START:	COMPLETE:	EVENT LEAD:
DS1	XXX	24 MAR 80	OTHER
PA1	14 NOV 87	30 NOV 87	EPA (FUND)

5.1.5 PUBLIC SERVICES

5.1.5.1 SEWAGE COLLECTION/TREATMENT PLANTS

5.1.5.2 Harstene Pointe Wastewater Treatment Plant, Harstene Island.

Design Capacity 550 Residences
Current Load 310 Residences
1991: construction will begin for secondary treatment.

5.1.5.2.1 Rustlewood Collection/Treatment Plant, Pickering Passage.

Design Capacity 350 Residences
Current Load 230 Residences
Secondary Treatment Plant

5.1.5.2.2 All areas with on site treatment plants are currently in compliance.

5.1.5.3 SOLID WASTE HANDLING AND DISPOSAL

5.1.5.3.1

Current landfill site (active area within 80 acres) will close in 1991. A second site will be constructed on the 80 acre site in accordance with Washington State minimum functional

standards guidelines. Life of entire site is approximately 25 years.

5.1.5.4 FLOOD PLAINS AND/OR WETLANDS

5.1.5.4.1 FEMA Floodplain Maps, 17 May 1988 ed.

5.1.5.4.2 Wetland Inventory

No mapped inventory. Mason County *Shoreline Master Program* controls activities within the floodplains and wetlands. Wetlands determined by *Shoreline Master Program* definitions.

Table 5.1 illustrates the control of government and private business over large regions of Mason County Forest lands.

MASON COUNTY LANDS/FORESTS

TOTAL	962.3 Sq Miles	615,872 ACRES
FEDERAL CONTROL	26.6%	163,889 ACRES
STATE CONTROL	9.7%	60,066 ACRES
LOCAL GOVT	0.8%	5,220 ACRES
SIMPSON TIMBER COMPANY	25.8%	159,000 ACRES

Table 5.1

The major components of Mason County natural resources are its forests and the 90 square miles of water in the county that support aquaculture industries and tourism. The forest lands in the county are controlled largely by the U.S Forest Service and Simpson Timber Company. Under a unique agreement with the federal government, Simpson manages both its own forest resources and those of the federal government in Mason and portions of Grays Harbor counties. Established in 1946, the arrangement, known as *The Cooperative Sustained Yield Unit (CSYU)* agreement gives Simpson *exclusive first right purchasing privileges* to all federal government timber in the CSYU.

6. POPULATION

Washington State figures for 1987 place Mason County population at 35,985. Shelton is the highest population center of Mason County with 7,660; the State Corrections facility a prison population of 1,178. The Belfair/Allyn communities and surrounding residential developments could be called the next

largest population center of the counties N-NE region. It has a dispersed population estimated at 10,000.

SHELTON	Principal City & County Seat	7,660
NORTH MASON COUNTY	Unincorporated Region	10,000
SHELTON CORRECTIONS FACILITY		1,178

The tables below, and on the following page provide the ethnic breakdown of the county's population. Washington State population demographics include the Corrections Facility at Shelton and the Mission Creek Youth Camp in No Mason County. The figures below clarify both the population and ethnic picture of Mason County.

6.1 ETHNIC BREAKDOWN

MASON COUNTY	% of Ttl	Number
White	93%	32,337
Black	0.1%	56
Native American	3.4%	1,238
Asian	1%	337*
Other	1%	383
Spanish Origin	1.3%	456*
<u>Total</u>		34,807

Table 6.1.1

* includes seasonal workers

+ 63

SHELTON CORRECTIONS FACILITY

White	798
Black	218
Native American	36
Asian	12
Other	12
Spanish Origin	102
<u>Total</u>	1,178

Table 6.1.2

MISSION CREEK YOUTH CAMP

White	37
Black	16
Indian	6
Hispanic	2
Asian	2
<u>Total</u>	63

Table 6.1.2 a

6.2. POPULATION BY AGE AND SEX

AGE	TOTAL	MALE	FEMALE	AGE	TOTAL	MALE	FEMALE
0-4	2,674	1,359	1,315	45-49	1,816	904	912
5-9	2,529	1,303	1,226	50-54	1,944	931	1,013
10-14	2,237	1,154	1,083	55-59	1,893	961	932
15-19	2,603	1,435	1,168	60-64	2,247	1,058	1,189
20-24	2,350	1,343	1,007	65-69	1,927	1,027	900
25-29	2,607	1,405	1,202	70-74	1,362	688	674
30-34	2,800	1,516	1,284	75-79	893	430	463
35-39	2,760	1,388	1,372	80-84	582	292	290
40-44	2,425	1,263	1,162	85+	347	113	234
				<u>TOTAL</u>	36,000	18,570	17,426

SOURCE: WASH ST OFM, Apr 87

Table 6.2.

6.3 COMPONENTS OF POPULATION CHANGE

1980 - 1987

Estimated Births	3,462
Estimate Deaths	2,054
Natural Increase	1,408
Net Migration	3,408
<u>Total Change</u>	4,816

Table 6.3

6.4 LABOR FORCE AND EMPLOYMENT

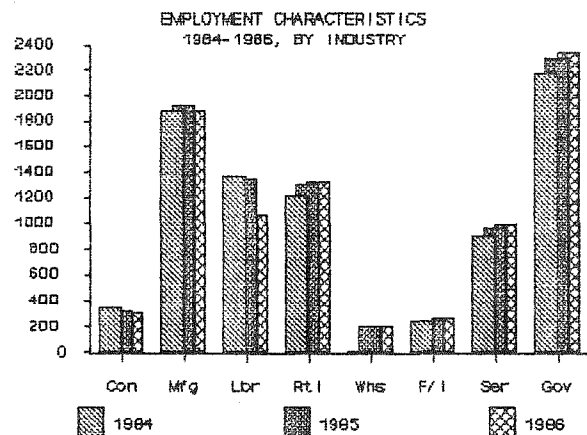
WORKFORCE RESIDENT EMPLOYMENT STATISTICS

	1984	1985	1986	1987
Resident Workforce	12,149	12,350	12,830	12,650
Total Employment	10,930	11,310	11,610	11,540
Number Unemployed	1,210	1,040	1,220	1,110
Unemp Rate (%)	10.0	8.4	9.5	8.8

Table 6.4.1

EMPLOYMENT CHARACTERISTICS

	1984	1985	1986
CONSTRUCTION	343	311	299
MANUFACTURING	1,869	1,916	1,870
LUMBER & WOOD	1,363	1,343	1,060
RETAIL TRADE	1,209	1,296	1,324
WHOLESALE TRADE	N/A	197	199
FIN, INS, RL EST	244	246	264
SERVICES	900	953	985
GOVERNMENT	2,170	2,286	2,334
TOTAL EMPLOYMENT:			
IN COUNTY:	8,098	8,548	8,335
OUT OF COUNTY:	2,832	2,762	3,275



C:\MASON\EMP_PTRN.WPP

Table 6.4.2

Graph 6.4.2

Table 6.4.2 and the accompanying graph point to a general stagnation in higher paying jobs in manufacturing and particularly in lumber & wood products industries. Replacement job opportunities are in retail and service sectors where salaries are typically at or near minimum wage. Table 6.4.3 and Graph 6.4.3 on pages 26-27 affords a seven year view of the employment patterns of Mason County's resident civilian labor force. This data provides a vivid picture of the cyclic nature of annual employment in Mason County. In this picture employment appears strongly influenced by seasonal hiring in both Christmas tree and floral brush gathering industries.

RESIDENT CIVILIAN LABOR FORCE & EMPLOYMENT IN MASON COUNTY
(BENCHMARK: MARCH 1987)

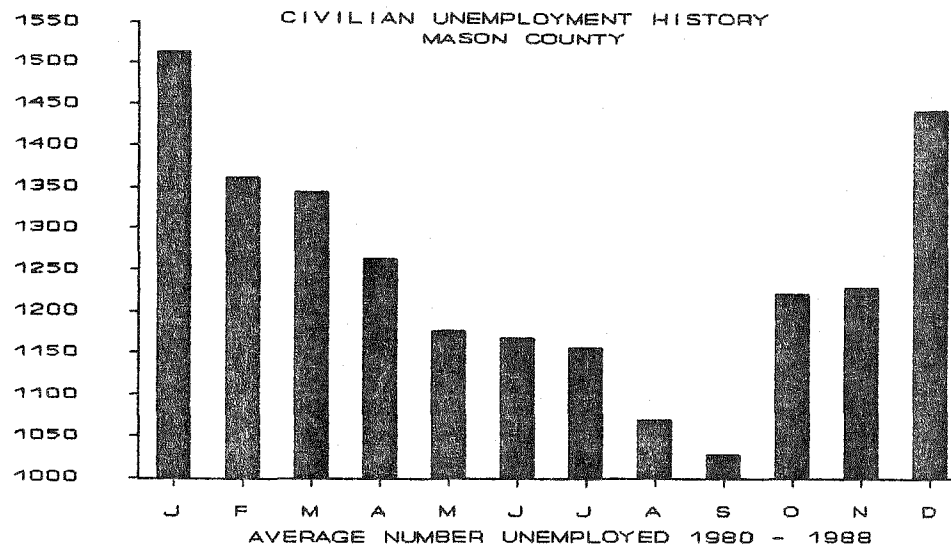
1987	AN AVE	JAN	FEB	MAR	APR	MAY	JNE	JLY	AUG	SEPT	OCT	NOV	DEC
CVLN LABOR FORCE	12,650	12,050	11,970	12,110	12,470	12,560	12,780	13,070	12,890	12,950	13,050	12,950	12,980
TOTAL EMPLOYMENT	11,540	10,650	10,650	10,900	11,380	11,500	11,720	12,070	12,000	12,010	11,920	11,950	11,770
TTL UNEMPLOYMENT	1,110	1,400	1,320	1,210	1,090	1,060	1,060	1,000	890	940	1,130	1,000	1,210
% OF LABOR FORCE	8.8%	11.6%	11.0%	10.0%	8.7%	8.4%	8.3%	7.7%	6.9%	7.3%	8.7%	7.7%	9.3%
<u>1986</u>													
CVLN LABOR FORCE	12,830	12,150	12,070	12,210	12,570	12,630	12,880	13,290	13,070	12,700	12,640	14,020	13,700
TOTAL EMPLOYMENT	11,610	10,730	10,740	10,970	11,340	11,460	11,730	12,080	11,930	11,600	11,530	12,810	12,380
TTL UNEMPLOYMENT	1,220	1,420	1,330	1,240	1,230	1,170	1,150	1,210	1,140	1,100	1,110	1,210	1,320
% OF LABOR FORCE	9.5%	11.7%	11.0%	10.2%	9.8%	9.3%	8.9%	9.1%	8.7%	8.7%	8.8%	8.6%	9.6%
<u>1985</u>													
CVLN LABOR FORCE	12,350	11,880	11,820	11,770	11,900	12,150	12,100	12,840	12,440	12,370	12,860	13,310	12,840
TOTAL EMPLOYMENT	11,310	10,300	10,330	10,590	10,940	11,290	11,260	11,790	11,620	11,580	12,020	12,320	11,720
TTL UNEMPLOYMENT	1,040	1,580	1,490	1,180	960	860	840	1,050	820	790	840	990	1,120
% OF LABOR FORCE	8.4%	13.3%	12.6%	10.0%	8.1%	7.1%	6.9%	8.2%	6.6%	6.4%	6.5%	7.4%	8.7%
<u>1984</u>													
CVLN LABOR FORCE	12,140	11,800	11,710	11,760	11,870	11,810	12,180	12,680	12,490	11,960	12,510	12,720	12,220
TOTAL EMPLOYMENT	10,930	10,120	10,320	10,550	10,570	10,670	11,030	11,530	11,440	10,960	11,540	11,490	10,950
TTL UNEMPLOYMENT	1,210	1,680	1,390	1,210	1,300	1,140	1,150	1,150	1,050	1,000	970	1,230	1,270
% OF LABOR FORCE	10.0%	14.2%	11.9%	10.3%	11.0%	9.7%	9.4%	9.1%	8.4%	8.4%	7.8%	9.7%	10.4%
<u>1983</u>													
CVLN LABOR FORCE	12,320	11,720	11,650	12,020	12,270	12,470	12,930	12,650	12,630	12,270	12,100	12,450	12,610
TOTAL EMPLOYMENT	10,750	9,730	9,730	10,160	10,590	10,590	11,450	11,190	11,290	11,030	10,740	11,170	10,930
TTL UNEMPLOYMENT	1,570	1,990	1,920	1,860	1,680	1,880	1,480	1,460	1,340	1,240	1,360	1,280	1,680
% OF LABOR FORCE	12.7%	17.0%	16.5%	15.5%	13.7%	14.5%	11.7%	11.6%	10.9%	10.2%	10.9%	10.2%	13.3%
<u>1982</u>													
CVLN LABOR FORCE	10,990	10,630	10,490	11,010	11,020	11,110	11,100	10,970	10,850	11,000	11,220	11,410	11,090
TOTAL EMPLOYMENT	9,730	8,830	8,880	9,080	9,380	9,550	9,610	9,560	9,540	9,620	9,440	9,750	9,210
TTL UNEMPLOYMENT	1,260	1,800	1,610	1,930	1,640	1,560	1,490	1,410	1,310	1,380	1,780	1,660	1,880
% OF LABOR FORCE	11.5%	16.9%	15.3%	17.5%	14.9%	14.1%	13.6%	13.0%	11.9%	12.3%	15.6%	15.0%	17.0%
<u>1981</u>													
CVLN LABOR FORCE	11,090	10,700	10,660	11,100	11,270	10,900	11,530	11,160	11,200	10,950	11,420	11,170	11,030
TOTAL EMPLOYMENT	9,750	9,600	9,600	9,810	10,010	9,870	10,040	9,930	9,860	9,910	9,600	9,570	9,240
TTL UNEMPLOYMENT	1,340	1,100	1,060	1,290	1,260	1,030	1,490	1,230	1,340	1,040	1,820	1,600	1,790
% OF LABOR FORCE	12.1%	10.3%	9.9%	11.6%	11.2%	8.9%	13.4%	11.0%	12.2%	9.1%	16.3%	14.5%	16.2%
<u>1980</u>													
CVLN LABOR FORCE	11,020	10,880	10,590	10,720	11,190	11,010	11,100	11,300	11,120	11,150	10,880	11,150	11,210
TOTAL EMPLOYMENT	10,180	9,750	9,820	9,890	10,250	10,300	10,420	10,560	10,460	10,410	10,120	10,290	9,940
TTL UNEMPLOYMENT	840	1,130	770	830	940	710	680	740	660	740	760	860	1,270
% OF LABOR FORCE	7.6%	10.4%	7.3%	7.7%	8.4%	6.4%	6.0%	6.7%	5.9%	6.8%	6.8%	7.7%	11.3%
<u>1980-87 AVERAGES</u>													
CVLN LABOR FORCE	11,924	11,476	11,370	11,588	11,820	11,830	12,075	12,245	12,086	11,919	12,085	12,398	12,210
TOTAL EMPLOYMENT	10,725	9,964	10,009	10,244	10,558	10,654	10,908	11,089	11,018	10,890	10,864	11,169	10,768
TTL UNEMPLOYMENT	1,199	1,513	1,361	1,344	1,263	1,176	1,168	1,156	1,069	1,029	1,221	1,229	1,443
% OF LABOR FORCE	10.1%	13.2%	12.0%	11.6%	10.7%	9.9%	9.7%	9.4%	8.8%	8.6%	10.1%	9.9%	11.8%

Source: Washington State Employment Security; Labor Market & Economic Analysis 7 Mar 88

Table 6.4.3

C:\MASON\M_C_LBR.PLN

Since 1980, unemployment has rarely dipped below eight percent (8%) before August. It begins rising in September and climbs dramatically in December each year, returning to double digit unemployment in January



Graph 6.4.3

C:\MASON\UNEMP.WPP

7. INCOME

Both *DIVIDENDS-INTEREST-RENT* and *TRANSFER PAYMENTS* have increased over one-hundred percent (100%) during the period between 1979 and 1986. During the same period *WAGES & SALARIES* have risen thirty three percent (33%) overall.

7.1 PERSONAL INCOME COMPONENTS

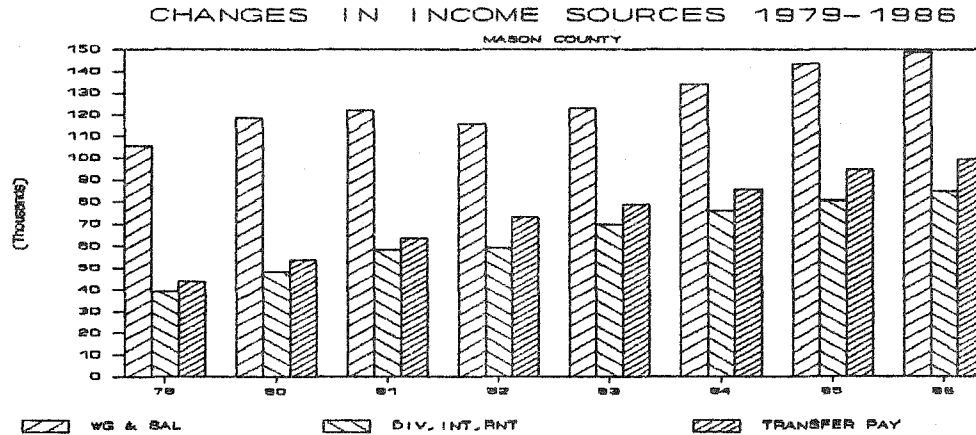
(IN \$1000)		%	DIVIDENDS	%	TRANSFER	%	TOTAL
YEAR	WG & SAL	CHG	INT & RNT	CHG	PAYMENTS	CHG	PERS INC
1979	\$105,727	15.0%	\$39,440	19.9%	\$43,665	13.8%	\$244,116
1980	\$118,243	10.6%	\$48,178	18.1%	\$53,965	19.1%	\$279,339
1981	\$121,840	3.0%	\$58,762	18.0%	\$63,655	15.2%	\$306,617
1982	\$115,454	-5.5%	\$59,536	1.3%	\$72,943	12.7%	\$313,477
1983	\$122,899	6.1%	\$70,101	15.1%	\$78,972	7.6%	\$342,650

CONTINUED ON FOLLOWING PAGE

(IN \$1000)		%	DIVIDENDS	%	TRANSFER	%	TOTAL
YEAR	WG & SAL	CHG	INT & RNT	CHG	PAYMENTS	CHG	PERS INC
1984	\$133,722	8.1%	\$76,137	7.9%	\$85,725	7.9%	\$367,340
1985	\$143,472	6.8%	\$80,271	5.2%	\$94,573	9.4%	\$393,099
1986	\$149,140	3.8%	\$85,062	5.6%	\$99,787	5.2%	\$417,686

C:\MASON\INC_CHG.PRN

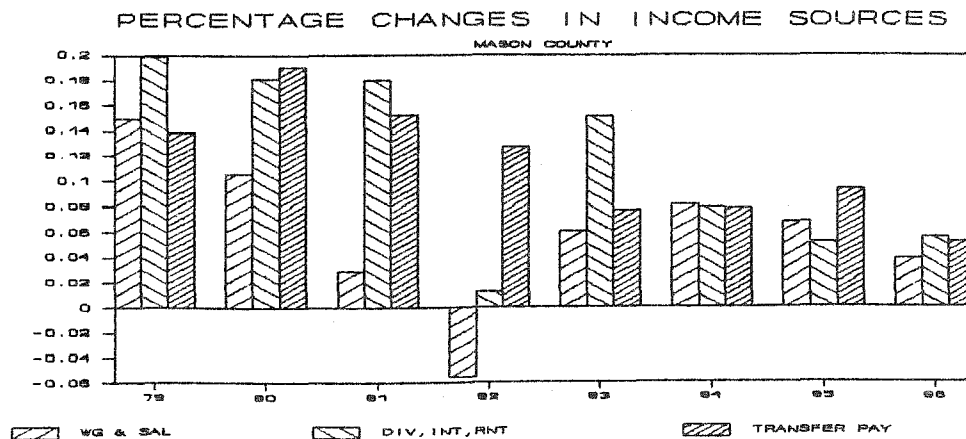
Table 7.1



Graph 7.1

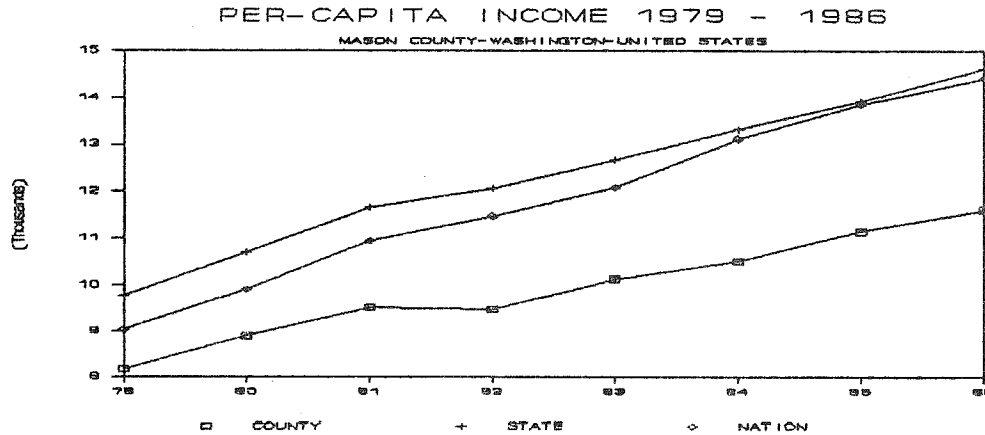
INC_CHG.PIC

Graph 7.1 illustrates income component changes. It implies the possibility of an increase in a retirement population making permanent residences in what were summer homes in Mason County. Graph 7.2 provides percentage changes between wage & salary, dividends-interest-rent, and transfer payments for the same period indicated in graph 7.1.



Graph 7.2

Graph 7.3 advances a view of poor wage and salary performance over the period as annual percentage growth have lagged behind other income sources in six of the past eight years. Per-Capita Income in Mason County is currently just seventy-nine percent (79%) of the average per-capita wage for Washington State; lower if transfer income is removed as an income source. Per-capita wage disparities between state and local work forces widened during the recession of 1981-1982 and have not recovered.



Graph 7.3

PER-CAPITA INCOME 1979-1986
MASON COUNTY-WASHINGTON-UNITED STATES

YEAR	1979	1980	1981	1982	1983	1984	1985	1986
POP	29,900	31,400	32,200	33,100	33,800	35,000	35,300	36,000
PER CAP								
INC MC	\$8,171	\$8,895	\$9,518	\$9,477	\$10,123	\$10,504	\$11,144	\$11,615
% Chg	9.0%	8.1%	6.5%	-0.4%	6.4%	3.6%	5.7%	4.1%
PER CAP								
INC WA	\$9,783	\$10,694	\$11,663	\$12,067	\$12,671	\$13,304	\$13,914	\$14,625
% Chg	10.0%	8.5%	8.3%	3.3%	4.8%	4.8%	4.4%	4.9%
PER CAP								
INC US	\$9,038	\$9,912	\$10,947	\$11,480	\$12,083	\$13,115	\$13,844	\$14,421
% Chg	9.9%	8.8%	9.5%	4.6%	5.0%	7.9%	5.3%	4.0%

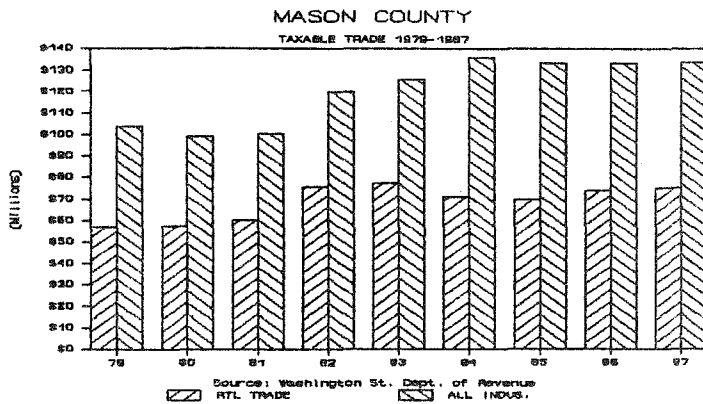
Source: Wash St Univ Coop Ext Service

C:\MASON\PERCPINC.PRN

Table 7.3

COUNTY TAX BASE

Department of Revenue data indicates that retail tax revenues have been slowly declining since 1984. If this trend continues it could threaten reductions in county services, particularly if revenue declines in other tax generating areas are considered. Graph 7.4, Tables 7.4 and 7.4.1 illustrate the pattern of stagnation.



Graph 7.4

MASON COUNTY TAXABLE TRADE

	RETAIL	ALL IND	TOTAL
79	\$56,931,574	\$103,621,493	\$160,553,067
80	\$57,289,200	\$99,035,958	\$156,325,158
81	\$60,232,766	\$100,441,217	\$160,673,983
82	\$75,855,889	\$119,937,621	\$195,793,510
83	\$77,498,208	\$125,718,967	\$203,217,175
84	\$70,958,459	\$135,896,395	\$206,854,854
85	\$69,881,802	\$133,338,470	\$203,220,272
86	\$74,036,557	\$133,317,296	\$207,353,853
87	\$75,289,888	\$133,700,007	\$208,989,895

Source: Wash. St. Dept. of Revenue, 10 MAY 19

Table 7.4

MASON COUNTY/SHELTON TAX REVENUES

MASON COUNTY

YEAR

1

2

3

4

1) TAXABLE
RETAIL SLS

2) LCL SALES/USE
TAX DIST

3) HOTEL/MOTEL
TAX DIST

4) REAL ESTATE
EXCISE TAX
COLLECTIONS

1979	:	\$103,621,493	:	\$308,966	:	\$18,803	:	\$900,576
1980	:	\$99,035,958	:	\$288,520	:	\$31,120	:	\$824,450
1981	:	\$100,441,217	:	\$311,986	:	\$21,976	:	\$700,598
1982	:	\$119,937,621	:	\$327,401	:	\$20,255	:	\$495,015
1983	:	\$125,718,976	:	\$361,454	:	\$21,751	:	\$620,842
1984	:	\$135,896,395	:	\$386,899	:	\$30,660	:	\$623,390
1985	:	\$133,338,470	:	\$433,909	:	\$17,340	:	\$546,118
1986	:	\$133,317,296	:	\$418,350	:	\$16,546	:	\$663,565
1987	:	\$133,700,007	:	\$723,876	:	\$50,618	:	\$947,953

Table 7.4.1

Except for *out of period collections* other categories, particularly hotel/motel & real estate excise taxes, provide patterns similar to retail tax revenue performance. When all industries are considered the picture is one of

stagnation beginning in 1984 with a decline, and remaining flat in the period 1985 through 1987.

CITY OF SHELTON

YEAR 1 2 3

1979 :		\$294,543		1) TAXABLE RETAIL SALES
1980 :		\$265,232	\$4,582	
1981 :	\$58,398,314	\$289,406	\$6,624	2) LOCAL SALES/USE
1982 :	\$69,149,030	\$308,189	\$4,991	TAX DISTRIBUTIONS
1983 :	\$68,657,954	\$533,587	\$7,603	
1984 :	\$74,727,695	\$707,103	\$7,797	3) HOTEL/MOTEL
1985 :	\$66,165,272	\$742,203	\$7,205	TAX DISTRIBUTIONS
1986 :	\$64,929,748	\$687,824	\$9,636	
1987 :	\$71,417,166	\$644,445	\$9,135	Table 7.4.2 C:\MASON\TAXREVS.MC

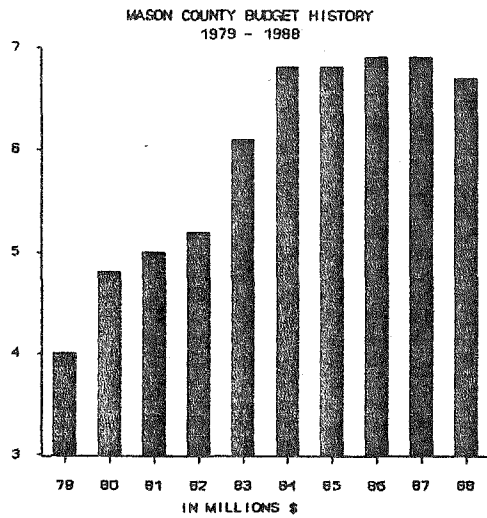
Mason County's annual budget rose rapidly in the period 1979-1984. Since then it has flattened, and in 1988 began declining. (see Table 7.4 and Graph 7.4.1) As would be expected, assessed property values are closely related to budget performance and, in 1988, are both in a state of decline. Other tax revenue performance levels are similarly in decline or still at 1983-84 levels. Unless this trend is reversed or new sources of tax revenues are developed Mason County faces the prospect of reducing already inadequate services.

Revenue gathering for the City of Shelton, like the county, has shown no significant growth. While it's revenues do show improvement, its retail sales have not recovered to the 1984 level to date.

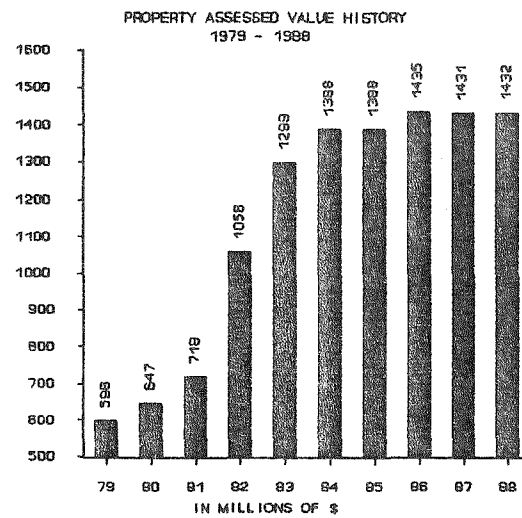
MASON COUNTY
BUDGET & ASSESSED PROPERTY VALUE HISTORY
1979-1988

YEAR	MC BUDGETS	MC ASSESSED VALUE
79 :	\$3,535,323 :	\$597,687,478
80 :	\$4,273,794 :	\$646,662,612
81 :	\$4,527,308 :	\$717,995,185
82 :	\$4,742,399 :	\$1,057,604,919
83 :	\$5,616,056 :	\$1,298,661,550
84 :	\$6,292,405 :	\$1,388,110,392
85 :	\$6,326,745 :	\$1,388,186,198
86 :	\$6,366,745 :	\$1,435,224,345
87 :	\$6,366,745 :	\$1,431,196,925
88 :	\$6,207,342 :	\$1,431,702,471

Table 7.4 C:\MASON\BUGSVALS.MC



Graph 7.4.1



Graph 7.4.2

7.2 EDUCATION

HISTORY OF MASON COUNTY STUDENT POPULATION 1976 - 1987

YEAR	76	77	78	79	80	81
GRAPEVIEW NO 054	76	102	106	118	148	150
HOOD CANAL NO 404	316	334	304	322	340	296
M M KNIGHT NO 311	173	180	184	194	245	246
NO MASON NO 403	1,194	1,160	1,183	1,219	1,253	1,206
PIONEER NO 402	253	271	294	324	339	381
SHELTON NO 309	3,424	3,586	3,579	3,501	3,468	3,338
SOUTHSIDE NO 042	187	196	202	202	221	226
DIST ANNUAL TTLS	5,623	5,829	5,852	5,880	6,014	5,843

YEAR	82	83	84	85	86	87
GRAPEVIEW NO 054	158	125	132	144	152	138
HOOD CANAL NO 404	292	305	313	338	335	349
M M KNIGHT NO 311	242	225	232	219	210	187
NO MASON NO 403	1,211	1,271	1,318	1,393	1,477	1,611
PIONEER NO 402	405	488	536	567	567	637
SHELTON NO 309	3,310	3,250	3,188	3,228	3,308	3,385
SOUTHSIDE NO 042	214	214	194	190	192	199
DIST ANNUAL TTLS	5,832	5,878	5,913	6,079	6,241	6,506

Source: Washington State Superintendent of Schools C:\MASON\STUPOP.MC

Table 7.5

7.3 COMMERCE AND INDUSTRY

7.3.1 PROMINENT PRIVATE SECTOR EMPLOYERS:

BUSINESS	PRODUCT	FT 87 EMP	SALES
1. Simpson Timber . .	Wood products	893 . . .	\$108M
2. Certified Aerospace .	Aircraft Co	400 . . .	\$33M
3. Fir Lane Conv. Inc	Nursing Home	140 . . .	N/A
4. Manke Lumber Co.	Logging & Hauling	130 . . .	N/A
5. Safeway	Super Market	110 . . .	N/A
6. Alderbrook Inn .	Resort	100 . . .	\$2M
7. Delson Lumber . .	Wood Products	110 . . .	\$10+M
8. ITT Rayonier . .	Wood Product Research . .	88 . . .	N/A
9. Taylor United . .	Shellfish . . . . .	.80 . . .	\$4M
10. Douglas Fir . .	Xmas Trees +300 snl wkrs .70.	. . . . .	N/A
11. Olympia Oyster Co.	Shellfish . . . . .	.65 . . .	\$1.25M
12. Pricesetters Market	Groceries . . . . .	.44 . . .	N/A
13. Shelton Binder .	Bindings & Strapping . .	.39 . . .	N/A
14. Asemco	Electronics . . . . .	.34 . . .	N/A
15. Barnes Machine Shop.	Manufacturer	30 . . .	\$1M
16. Hiawatha . . .	Evergreens +300 snl wkrs .	27 . . .	\$5-10M
17. Shelton Journal .	Newspaper . . . . .	.27 . . .	N/A
18. Belfair Thriftway	Groceries . . . . .	.60 . . .	N/A
19. Belfair Cafe . .	Restaurant . . . . .	.23 . . .	N/A
20. Continental Floral	Floral Brush +125 snl .	08 . . .	N/A
21. Cascade Floral .	Floral Brush	N/A . . .	N/A

C:\MASON\DMOGRAPH

7.4 Major and Secondary Growth Centers

The City of Shelton and adjacent unincorporated areas represent the most active growth center for Mason County. Shelton, the county seat, has a population of 7,660. It is bolstered by scattered residential populations in the regions immediately surrounding the city limits. The second most

3

populous region of the county is represented by *North Mason County* where the communities of Belfair and Allyn and other surrounding small communities collectively comprise a population of approximately 10,000. Hoodspport, Union, Twana, et. al. on Hood Canal have smaller groups of county population.

8. ECONOMIC DEVELOPMENT CONSTRAINTS AND POTENTIALS

8.1 CONSTRAINTS

Both political and economic constraints are important aspects that left unchanged affect the future of economic development for Mason County.

Politically the local legislative processes tend to be reactive rather than proactive in land-use issues. In nearly all cases delays in establishing guidelines that protect water quality and land-use stand as roadblocks that business and residential development investors look upon unfavorably.

Furthermore, the reluctance of local government to establishing land-use policy guidelines could be contributing to falling property values within the county.

Weak land-use policies often attract *high-risk* businesses unable to obtain licensing for their operation in counties where even nominal guidelines prevail. Under current guidelines *high-risk* businesses can put the county's opportunity for attracting more appropriate business opportunities in jeopardy. Reactive legislation to stop undesirable business siting in the county can result in expensive litigation and expensive settlements for county government.

Economically, Mason County, like several other Washington State counties, has historically been dependent on the timber/wood products industry as the mainstay of its economy. In recent years a burgeoning manufacturing industry has developed in the machined component manufacturing sector. Certified Aerospace and the resulting *spin-off* firms, manufacturers of aircraft

5

components, represent the beginning of diversification away from dependence on the wood products industry.

A revitalized aquaculture industry, dependent on water quality for increased production, is growing and employing more workers annually.

However, the manufacturing, aquaculture, and Christmas tree and brush industries together lack the depth or strength of the wood products industry in Mason County. With wood products in decline, wages and tax revenues as economic indicators in Mason County are flat or falling. Property values are in decline, wage and salary levels, particularly in retail, service, Christmas tree and floral brush industries, are substantially lower than levels in manufacturing. Except for timber exports the wood industry is in decline in the county. Manufacturing firms (i.e. Certified Aerospace, Barnes Machine, et. al.) are stable but remain subject to government procurement contracts for much of their business, and therefore subject to reduced federal spending. Reduced government spending is possible with the new administration in 1989.

An unskilled labor force adds to the uncertainty of attracting firms using higher levels of technology in their manufacturing processes. The lack of trained journeyman machinists has been a problem for Certified Aerospace. Though not insurmountable, each of these factors inhibit economic growth to some degree.

Training programs that upgrade skills in selected job areas are available and plans are currently under development for establishing an active program; some training has already been accomplished.

Retail sales can be increased using new marketing and management strategies. New businesses, seeking lower fixed operating costs and proximity to the *Interstate 5 corridor*, can be attracted to Mason County.

A concerted and cooperative effort by business and local government leadership can overcome many of the constraints that have been illuminated. A redoubling of commitment to *economic development* will add to the possibilities for future success in Mason County.

8.2 POTENTIALS

The basic ingredients for economic development in Mason County are its current operating businesses, land for new residential-commercial-industrial developments, and its available laborforce.

Mason County enjoys the benefits of a well developed timber-wood products industry which provides important employment and tax revenues. In addition, there is a developing employment potential in the machining industries that are growing in and around Shelton. The Aquaculture industry is growing in importance as water quality improves. Though still at relatively low dollar volumes there are increased employment opportunities provided by the aquaculture industry each year. With its natural beauty, Mason County's tourism industry continues to grow. Finally, there is a thriving Christmas tree and floral brush industry that provides large numbers of seasonal jobs.

Together these industries provide an economic base that cannot be ignored. They provide the foundation from which the county can build new businesses. The emphasis for new businesses should focus on small to medium size enterprises, particularly on those that can build on county resources and provide stable, year-round employment that will help reduce the cyclical nature of the county's annual unemployment levels.

Additionally, the retail business sector, in decline for several years, has the potential for attacking the business slippage that has grown into a tax revenue leakage problem for the county. Agent James Freed, Washington State Cooperative Extension Service Office in Mason County, states:

If retail business in the county were increased by just two percent (2%) 160-200 full and part-time job opportunities could be created for county residents.

When retailers begin to respond to their community obligation of providing selection, shopping hours, and good service, business and jobs will return to the local retail economy.

Water quality and land-use planning are issues that have become major concerns for citizen groups that have formed in several regions of the county. As

these groups gain experience they seek cooperative liaisons with the county to develop and implement measures that will assure the maintenance and enhancement of water quality and continued growth in residential/commercial development in the county.

These, and other factors, point to the potentials upon which the community of Mason County can expand its economy. With the addition of physical infrastructure development in key locations the possibility for success in creating and attracting new business will be enhanced. Combined with the development of the legal/environmental infrastructure through local government action, the economic future of Mason County can grow to meet its needs well into the 21st century.

C:\MASON\OEDP.DOC