

SENATE BILL REPORT

SB 5909

**AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &
ECONOMIC DEVELOPMENT, MARCH 2, 1993**

Brief Description: Requiring a study of the economic diversification of Kitsap county.

SPONSORS: Senators Sheldon, Oke and Owen

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5909 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

Staff: Midori Okazaki (786-7444)

Hearing Dates: March 2, 1993

BACKGROUND:

Kitsap County is home to the Puget Sound Naval Shipyard, the Bangor nuclear submarine base and other federal military installations. Reductions in federal defense spending will have a significant impact on the defense-dependent Kitsap County economy. The future economic health of the county will depend on its ability to diversify its economy.

SUMMARY:

The Department of Trade and Economic Development, in conjunction with the Department of Community Development, is directed to study the state's role in the diversification of the Kitsap County economy. The study is to focus on the need for higher education capabilities and access, methods to utilize the county's current economic development assets, potential markets of the county's goods and services, access to capital, transfer of federally developed technology for commercial uses, and a plan for diversification. The department must consult local economic development officials and business interests and submit its report to the Legislature by January 1, 1994.

EFFECT OF PROPOSED SUBSTITUTE:

The Department of Community Development works with defense-dependent communities to develop a community diversification plan, with specific strategies for each community or county to the extent practicable. The sum of \$49,000 is appropriated for the current biennium to DCD to assist Kitsap County in its diversification efforts, and any funds remaining at the end of the biennium are reappropriated.

Appropriation: \$49,000

Revenue: none

Fiscal Note: requested

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

Kitsap County is the most heavily defense-dependent county in the state. It has attempted to anticipate reductions in defense spending and the associated impacts on the county's economy and is currently planning an economic summit. These efforts have strained the community's available resources. State assistance would be used to implement the plans which are currently being developed.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Senator Betti Sheldon; Earle Smith, Kitsap County Economic Development Council; Warren Olsen, Silverdale Chamber of Commerce; Andrew Huff, Kitsap County Commissioners' Office