



## Rural Economics

### Objective:

Preserve the unique character of our rural communities in collaboration with rural residents

### Strategy:

Support rural economic development that maintains the character of the rural area

### Why is this strategy important?

King County is committed to sustaining and enhancing the long-term economic viability of the rural area and resource lands. Many of our rural communities still reflect the rural industry from which they originated including forestry, agriculture, mining, or rail connections. For example, the rural community of Preston was one of the county's major saw mill operations with associated employment opportunities, lodging, traffic, and noise. The Enumclaw Plateau was known for its dairy industry and today has the majority of the few dairies left in the county. Both the rural cities of Skykomish and Snoqualmie still have evidence of their active railroad history.

However, businesses in King County's rural area have been forced to evolve since the early 1900s in response to many factors including but not limited to:

- Regional population, housing, and economic growth, along with increasing land values, into traditional rural areas with easy access to Seattle and along the major west coast highways.
- Expansion of transportation corridors, both the north-south I-5 corridor and the I-90 corridor to the east, supporting increasing truck traffic, which combined with increasing use of air freight has resulted in decreasing rail transportation use.
- Increasing environmental regulations that have impacted county agricultural and forestry uses and practices. One example is the decrease in the number of dairies in King County due in part to increasingly stringent water quality and manure management standards.
- Evolving communication, technology, and high tech industries.

### How is our performance?

Overall, it is difficult to measure economic activity in King County's rural areas. Many important industries, including agricultural, equestrian, and home based businesses, are not included in the employment estimates provided by the Puget Sound Regional Council. Retail sales revenue is only available by incorporated and unincorporated geographies, which also impedes analysis of truly rural economic activity. King County will continue to work closely with rural residents to define economic strategies that make sense for the rural area.

While retail sales revenues in unincorporated King County have increased four percent from 2009 to 2011, the number of jobs has decreased in our rural areas (defined in the employment table as all rural and resource lands outside the county's designated urban growth areas). This trend mirrors national data showing increases in productivity that outpace increases in employment. In addition, employment may not return to 2008 levels for two reasons. First, the employment data from that time is likely the peak employment seen in King County immediately before the recession. Second, construction employment, which is particularly important in the rural area may be slower than other sectors to regain strength. While construction only represented seven percent of metro employment, it was a full quarter of rural covered employment. Most recent data, from 2010, still reflect the recession.

King County, including its citizens, has a long history of commitment to preserving our rural economic base, particularly agriculture and forestry. In the 1970s, the citizens of King County came together to save the Pike Place Market, an important market for our agricultural and fisheries products. In 1979, citizens passed the Farmlands and Open Space Preservation Bond to purchase development rights in an attempt to curb development of the rural area they had seen over the past few decades. The adoption of the first County Comprehensive Plan in 1994, in response to the State of Washington's Growth Management Act, established the Urban Growth Area and Boundary Line between urban and rural land areas. The Plan also created the Agriculture and Forestry Production Districts to protect lands with soils highly suitable for agriculture and the extensive forested land base.

Today, the Agriculture and Rural Forestry Commissions represent the various types of agriculture and forestry still found in King County and provide input into policy and regulatory issues related to their economic clusters. These Commissions were created to advise county leaders and staff about opportunities and concerns in an attempt to retain those traditional rural industries.

In addition to forestry and agriculture, as part of the development of the Rural Economic Strategies program, the county identified four other key economic clusters: equestrian, home-based business, rural tourism/recreation, and rural commercial/industrial. The mission of the Rural Economic Strategies program is to "Sustain and enhance the long-term economic viability of the Rural Area and Natural Resource Lands." King County provides staff support to those industries. For example, King County is exploring opportunities to retain Preston's original saw mill site and create either a new smaller mill or a museum on the site, based on the Rural Forestry Commission's recommendation. This would not only help retain the historic character of the Preston area, it would provide additional employment opportunities. During 2009, both the Agriculture Commission and Rural Forestry Commission developed reports on their industry.

## **Moving forward**

Today, the Agriculture and Rural Forestry Commissions represent the various types of agriculture and forestry still found in King County and provide input into policy and regulatory issues related to their economic clusters. These Commissions were created to advise county leaders and staff about opportunities and concerns in an attempt to retain those traditional rural industries.

- Promote, enhance, and support programs that support agricultural production and markets using the expertise of the Agriculture Commission and other agriculture stakeholders.
- Promote, enhance, and provide support for businesses in the forestry market and infrastructure using the expertise of the Rural Forest Commission and other forestry stakeholders.

- Promote and encourage home-based businesses by working with area Chambers of Commerce and other interested organizations to address the needs of those businesses.
- Promote and encourage the equestrian industry by continuing to work with equestrian organizations to address identified needs as appropriate.
- Promote and encourage recreation, tourism, and small scale commercial businesses by working with King County Parks Department, area Chambers of Commerce, and other interested entities to address identified needs.

## **Related Links**

[King County Agriculture Report](#)

[King County Forestry Report](#)

[King County Rural Economic Strategies](#)

[Washington State Department of Revenue Taxable Retail Sales and other Data](#)

[Puget Sound Regional Council Covered Employment and other Reports](#)

## **Moving forward**

- Retail sales revenue collected and reported by the Washington State Department of Revenue. Taxable retail sales based upon Local 0.5 - 1.0% County/City Sales Tax Collections categorized by the North American Industrial Classification System (NAICS).
- Employment numbers from Puget Sound Regional Council, Covered Employment Estimates. Data for the employment table includes only Rural Regional Growth Strategy (RGS) category employment estimates. Rural lands (as defined by GMA) are all rural and resource lands outside the county's designated urban growth areas (UGA). RGS categories include Growth Centers, Metropolitan Cities, Core Suburban Cities, Larger suburban Cities, Smaller Suburban Cities, Unincorporated Urban Growth Area, and Rural. These categories were developed by the Puget Sound Regional Council for use in comprehensive planning and specifically, the Vision 2040 Plan. The major ity of the region's employment and housing growth is allocated to "Metropolitan Cities" and "Core Cities", which together contain the more than two dozen designated regional growth centers. Larger Cities also play an impor tant role over time as places that accommodate growth. "Small Cities" provide jobs and housing that support vital and active communities at a less intensive scale. Growth in the "Unincorporated Urban Growth Area" is prioritized for areas that are identified for annexation into adjacent cities. Significantly less growth is allocated to the "Rural" areas than has occurred in the past.
- The employment figures are based on the Washington State Employment Security Department's (ESD) Quarterly Census of Employment and Wages (QCEW) series (formerly known as ES-202). This series consists of employment for those firms, organizations and individuals whose employees are covered by the Washington Unemployment Insurance Act. Covered employment excludes self-employed workers, proprietors, CEOs, etc., and other non-insured workers. Typically, covered employment has represented 85-90% of total employment. Note that this includes part-time and temporary employment, and if a worker holds more than one job, each job would appear in the database.

## Charts and Maps

### Rural Area Employment Estimates

	2008	2010	Change
<b>Construction and Resources</b>	5,272	3,347	-37%
<b>Finance, Insurance, and Real Estate</b>	327	268	-18%
<b>Manufacturing</b>	922	796	-14%
<b>Retail</b>	1,203	1,042	-13%
<b>Services</b>	7,167	6,907	-4%
<b>Wholesale, Transportation, and Utilities</b>	2,034	2,013	-1%
<b>Government</b>	1,988	1,946	-2%
<b>Education</b>	2,321	2,412	4%
<b>Total</b>	<b>21,232</b>	<b>18,732</b>	<b>-12%</b>

Data from Puget Sound Regional Council, based on the 2007 Regional Growth Strategy boundaries.

### Retail Sales Revenue in Unincorporated King County

#### Selected Economic Clusters

	2009	2010	2011	Change 2009-2011
<b>Construction</b>	\$425,641,843	\$386,402,454	\$415,090,108	-2%
<b>Retail</b>	\$396,729,818	\$396,587,581	\$411,828,369	4%
<b>Wholesale Trade</b>	\$104,540,774	\$95,064,279	\$182,648,698	75%
<b>Information</b>	\$161,175,328	\$183,430,515	\$164,027,505	2%
<b>Accommodations and Food Services</b>	\$79,610,381	\$81,251,609	\$75,047,578	-6%
<b>Arts, Entertainment, and Recreation</b>	\$59,954,079	\$60,253,766	\$57,960,358	-3%
<b>Management, Education, and Health Services</b>	\$60,777,541	\$58,711,878	\$56,612,639	-7%
<b>Agriculture, Forestry, Fishing</b>	\$5,984,698	\$5,565,213	\$4,873,440	-19%
<b>Total Retail Sales from all Sectors</b>	<b>\$1,468,084,325</b>	<b>\$1,439,610,094</b>	<b>\$1,531,923,695</b>	<b>4%</b>

Data Source: Puget Sound Regional Council