



CITY OF  
BAINBRIDGE ISLAND

**CITY COUNCIL STUDY SESSION  
TUESDAY, SEPTEMBER 21, 2021**

REMOTE MEETING ON ZOOM

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WEBINAR ID: 929 4733 8351

**AGENDA**

1. **CALL TO ORDER / ROLL CALL - 6:00 PM**
2. **APPROVAL OF AGENDA/ CONFLICT OF INTEREST DISCLOSURE - 6:05 PM**
3. **PRESENTATIONS**
  - 3.A **(6:10 PM) Receive Presentation from Suquamish Tribal Chairman**, 20 Minutes  
[MOU - Suquamish Tribe & COBI.pdf](#)
  - 3.B **(6:30 PM) Introduce Building and Development Study and Authorize Public Review of Building and Community Development Fees - Planning**, 30 Minutes  
[Fee Study Memo to Council.pdf](#)  
[Full Cost Development Fee Study 20210827](#)  
[Presentation - Fee Study.pdf](#)
  - 3.C **(7:00 PM) Preview of Police/Court Facility Educational Video - Executive**, 20 Minutes
4. **UNFINISHED BUSINESS**
  - 4.A **(7:20 PM) Discuss Groundwater Management Plan Kickoff - Public Works**, 30 Minutes  
[Presentation - Ground Water Management Plan 092121.pdf](#)
  - 4.B **(7:50 PM) Discuss Neighborhood Traffic Calming and Safety Project Part 1 - Public Works**, 20 Minutes  
[Presentation - Traffic Calming 092121.pdf](#)

- 4.C **(8:10 PM) Discuss Draft 2013-2019 Buildable Lands Report - Planning,** 30 Minutes  
Staff Memo\_Buildable Lands Report.pdf  
DRAFT Buildable Lands Report - August 2021 Only Bainbridge Relevant Pages.pdf  
Bainbridge Island 2020 Census Tracts.pdf

## 5. COMMUNICATIONS

- 5.A **(8:40 PM) Request from Councilmember Deets to Schedule a Discussion on the Process for Placing Coastal Salish Art in One or Both of the Future Hwy 305 Roundabouts on a Future Council Agenda,** 10 Minutes  
Agenda Item Request from Councilmember Deets.pdf
- 5.B **(8:50 PM) Receive Planning Commission's Recommendation on proposed amendment to Chapter 16.18 BIMC related to Tree Removal, Forest Stewardship and Vegetation Maintenance, regarding permit exemption for defensible space wildfire mitigation activities (Ordinance No. 2021-07, Exhibit A) - Planning,** 5 Minutes  
Draft Ordinance No. 2021-07 Wildfire Mitigation - Planning Commission Public Hearing Draft Ex. A to Draft Ordinance No. 2021-07 Sept 2021

## 6. ADJOURNMENT - 8:55 PM

### GUIDING PRINCIPLES

**Guiding Principle #1** - Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.

**Guiding Principle #2** - Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.

**Guiding Principle #3** - Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.

**Guiding Principle #4** - Consider the costs and benefits to Island residents and property owners in making land use decisions.

**Guiding Principle #5** - The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

**Guiding Principle #6** - Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

**Guiding Principle #7** - Reduce greenhouse gas emissions and increase the Island's climate resilience.

**Guiding Principle #8** - Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.



**City Council meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the City Clerk's Office at 206-780-8604 or [cityclerk@bainbridgewa.gov](mailto:cityclerk@bainbridgewa.gov) by noon on the day preceding the meeting.**



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 20 Minutes

**AGENDA ITEM:** (6:10 PM) Receive Presentation from Suquamish Tribal Chairman,

**SUMMARY:** Members of the City Council have invited the Chair of the Suquamish Tribe, Leonard Forsman to speak before the City about opportunities for collaboration between the Suquamish Tribe and the City of Bainbridge Island.

In November 14, 2001, the Tribe and the City entered into a Memorandum of Understanding (MOU). Emphasis will be placed upon updating the MOU and renewing government-to-government ties.

**AGENDA CATEGORY:** Presentation

**PROPOSED BY:** City Council

**RECOMMENDED MOTION:** Receive presentation from Chairman of the Suquamish Tribe, Leonard Forsman.

**STRATEGIC PRIORITY:** Good Governance

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	

**BACKGROUND:** Leonard Forsman is Chairman of the Suquamish Tribe, a position he has held since 2005. As Tribal Chairman, Forsman serves as the leader of the federally recognized sovereign tribe and the government's seven-member Tribal Council. In 2017, Forsman was elected President of the Affiliated Tribes of Northwest Indians, which represents 57 Northwest Tribal governments from Oregon, Idaho, Washington, southeast Alaska, Northern California, and Western Montana. In 2013, President Obama appointed Chairman Forsman to the Advisory Council on Historic Preservation (ACHP); he recently completed his tenure on the ACHP. More recently, he served on Governor Inslee's Southern Resident Orca Task Force.

In November of 2001, the City of Bainbridge Island and the Suquamish Tribe entered into an MOU through which the parties pledged to meet regularly and work cooperatively together. (Copy attached.)

Today, the City provides and receives law enforcement mutual aid from the Suquamish Tribal Police. The City of Bainbridge Island Police Department is the recipient of a \$15,000 grant from the Suquamish Tribe, and the City is working cooperatively on emergency preparedness with the Suquamish Tribe.

**ATTACHMENTS:**

[MOU - Suquamish Tribe & COBI.pdf](#)

**FISCAL DETAILS:**

**Fund Name(s):**

**Coding:**

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE SUQUAMISH INDIAN TRIBE  
AND  
THE CITY OF BAINBRIDGE ISLAND**

**GUIDING PRINCIPLES**

This memorandum of understanding (hereinafter referred to as MOU) dated November 14, 2001, is executed between the Suquamish Indian Tribe (hereinafter referred to as "the Tribe") and the City of Bainbridge Island (hereinafter referred to as "the City") in order to better achieve mutual goals through an improved relationship between sovereign Tribal government and local city government. This MOU provides a framework for strengthening the government-to-government relationship that exists today.

The Parties to this MOU respect the sovereignty and political integrity of the Tribal government and the political integrity of the City government. The respective sovereignty of a federally recognized Tribe and the decision-making authority of the City, as a political subdivision of the State of Washington, provide authority for that party to exist and govern. The Parties share respect for the values and culture represented by the Tribal government and the City, and desire an agreement between the City and the Tribe reflecting a full government-to-government relationship and will work in good faith to achieve the goals of such an MOU.

**PARTIES**

The Tribe is a federally recognized Indian tribe located on the Port Madison Indian Reservation (hereinafter referred to as "the Reservation") in Kitsap County, Washington. The Tribe is a party to the Treaty of Point Elliott. The Tribe has a vital interest in, and responsibility for, the planning and protection of the public health, safety, economic welfare, and resource management needs and interests of their members, the residents of the Reservation, and the Reservation itself.

The City is a municipal corporation in the State of Washington. The City has a vital interest in, and responsibility for, the planning and protection of the public health, safety, economic welfare, and resource management needs and interests of its residents.

## GOALS

This MOU is a testament to the commitment by the Parties to strengthen their government-to-government relationship. This relationship respects the sovereign status of the Tribe and decision-making roles of the City, enhances and improves communications between them, and seeks to facilitate the resolution of issues.

This MOU intends to implement a forum in which to discuss, review, and recommend procedures to strengthen the government-to-government relationship. This MOU also provides a foundation for subsequent agreements between the governments of a more specific nature which outline specific tasks to address or resolve specific issues.

The Parties recognize the contributions, both unique to and shared by the Parties, that each make to a broad cultural, economic, and historical heritage. Better communication and more systematic opportunities to work and celebrate together are understood by both Parties to further basic goals of a regional community such as promoting respect for different cultures, linking people to their heritage, fostering a sense of place, deepening community pride, encouraging civility, fostering empathy, and offering hope for the future.

The Parties acknowledge that certain of the actions on the part of either the City or the Tribe have the potential to affect aquatic habitats, fisheries, or cultural resources, security, or economic well-being of the Parties.

The Parties recognize that the Tribe has a vital economic, cultural, and/or spiritual interest which may be affected by City activities. Further, the City's own economic and cultural interests may be influenced by activity of the Tribe.

The Parties acknowledge that success in achieving their respective goals, responsibilities, and interests can be significantly affected by the actions of the other, and it is therefore in the interests of both parties to establish a process that facilitates cooperation between the Parties, and provides methods for better communication, continued education, and resolution of various issues.

The parties recognize that implementation of this MOU may require educational efforts to promote understanding of the government-to-government relationship within their respective organizations and with the public.

## IMPLEMENTATION PROCEDURES

This MOU addresses the relationship between the Parties, its ultimate purpose being to improve communication and mutual understanding so that people are better served by decisions made by these governments.

### PROVISIONS AND DUTIES OF INTERGOVERNMENTAL COMMITTEE

**Formation:** The Tribe and the City agree to form an Intergovernmental Committee to be comprised of elected officials, or their designated representatives, of the Parties. The Tribe and the City recognize this Intergovernmental Committee as the appropriate forum for discussion and resolution of issues. It will be the Intergovernmental Committee's responsibility to review issues and propose specific agreements for their respective government's action that outline actions, initiatives, and/or policies to address and/or resolve issues of mutual concern. The Intergovernmental Committee shall be formed and conduct its first meeting within sixty (60) days of the date of the execution of this MOU.

**Membership:** The Intergovernmental Committee shall include up to three (3) elected officials of the Tribe, or their designees, and up to three (3) elected officials of the City or their designated representatives. The Committee members will be selected and subject to removal and replacement by their respective governments.

**Meetings:** The Intergovernmental Committee shall meet quarterly for two years following adoption of this MOU, at the end of which time the Committee will evaluate the effectiveness of the MOU. The Intergovernmental Committee may opt by mutual agreement to alter the frequency of meetings as circumstances warrant. The Intergovernmental Committee shall be co-chaired by a member from each Party. The Tribe and the City will each appoint a co-chair at the Intergovernmental Committee's first meeting. These co-chairs may be replaced by their appointing government at any time. The co-chairs and their designees and/or staff will be responsible for setting meeting dates and places, developing agendas, and producing and distributing any materials required for meetings. The meetings will be conducted at a mutually agreed upon location. At least two representatives of each Party must be present for an Intergovernmental Committee action to be considered valid. Meeting summaries shall be prepared and reviewed by each Party for amendments. The responsibility for preparing meeting summaries shall be decided by the Intergovernmental Committee.

**Scope of Issues:** Matters brought before the Intergovernmental Committee will be issues of intergovernmental interest to the Tribe and the City and may include, but are not limited to matters such as economic well-being, environmental protection, cultural events, cultural resource protection, fisheries, and habitat restoration. The Intergovernmental Committee will decide based on mutual agreement whether it will address a particular matter.

**Decision-Making:** The Intergovernmental Committee shall have wide flexibility in the manner in which matters before the Intergovernmental Committee are handled. Both Parties agree to attempt to achieve consensus on matters requiring action by their respective governments. The Intergovernmental Committee need not, but may, elect to facilitate its discussions by a qualified and neutral individual who is jointly selected, equally paid by, and agreeable to both Parties.

**Technical Subcommittees:** The Intergovernmental Committee may elect to delegate specific technical issues to subcommittees for information gathering, study, and/or analysis prior to the Intergovernmental Committee reaching agreement on an issue. The composition, scope, and responsibilities of the subcommittees will be determined by mutual agreement of the Intergovernmental Committee at the time of its decision for the need for such a subcommittee.

**Amendment Procedures:** The provisions of this MOU may be amended by mutual written agreement of the Parties duly executed by the lawfully authorized officers or officials of each Party.

## SOVEREIGNTY AND DISCLAIMERS

Each of the Parties respects the sovereignty of the other. In executing this MOU, no Party waives any rights, including treaty rights, immunities, or jurisdiction. This MOU does not diminish any rights or protections; rather, it seeks to strengthen a collective ability to successfully resolve issues of mutual concern.

While the relationship described in this MOU provides increased ability to solve problems, it is not expected to resolve all issues. Inherent in the relationship is the right of each of the parties to elevate an issue of importance to any decision-making authority of another party. Consistent with intergovernmental courtesy, such decision to elevate an issue of importance to any decision-making authority of another party will only be made after reasonable notification to the other party of this MOU.

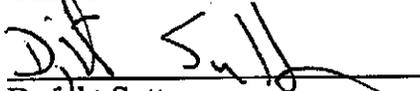
## TERMINATION OF AGREEMENT

Either party may terminate this MOU upon one hundred and twenty (120) days written notice. Recommendations made by the Intergovernmental Committee and all specific agreements executed by the Parties pursuant to this MOU shall survive the termination of this MOU and shall be binding on both parties and their successors.

## EFFECTIVE DATE

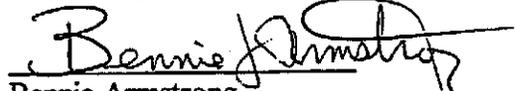
This MOU shall become effective upon authorized signatures by the Parties below.

THE CITY OF BAINBRIDGE ISLAND



Dwight Sutton  
Mayor  
City of Bainbridge Island

THE SUQUAMISH TRIBE



Bennie Armstrong  
Tribal Council Chairman  
Suquamish Tribe



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 30 Minutes

**AGENDA ITEM:** (6:30 PM) Introduce Building and Development Study and Authorize Public Review of Building and Community Development Fees - Planning,

**SUMMARY:** FCS will present a draft, revised fee schedule for planning and building permits based on the City Council's direction of 100% cost recovery. Adjustments to the fee schedule will be adopted by a subsequent resolution.

**AGENDA CATEGORY:** Presentation

**PROPOSED BY:** Planning & Community Development

**RECOMMENDED MOTION:** Present fee study and return to adopt a resolution amending building permit and planning land use fees to reflect Council's direction of 100% cost recovery.

**STRATEGIC PRIORITY:** Good Governance

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	No

**BACKGROUND:** In 2019, the City Council directed Planning and Community Development (PCD) to engage in a 100% cost recovery fee study (i.e., fully burdened rate). Currently, the permit fee structure has varying flat fee rates for planning and building permit reviews that have not been adjusted since 2006. The fee rates were designated for a 2/3 ratio to full cost recovery for building and development services less enforcement.

Following a RFP in late 2019, the City engaged in a contract with FCS to perform the fee study update. FCS has gathered information from staff on the amount of time it takes to perform each step of the permitting review process and has estimated the rates of 100% cost recovery for each permit type.

**ATTACHMENTS:**

[Fee Study Memo to Council.pdf](#)

[Full Cost Development Fee Study 20210827](#)

[Presentation - Fee Study.pdf](#)

**FISCAL DETAILS:**

**Fund Name(s):**

**Coding:**



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

**Date:** September 17, 2021  
**To:** City Council  
 via Blair King, City Manager  
**From:** Heather Wright, AICP PCD Director  
**Subject:** PCD 100% Cost Recovery Fee study – Summary, Sampling and Proposed Schedule

**I. EXECUTIVE SUMMARY**

The last fee study for Planning and Community Development was done in 2006 by our current consultants, FCS Group. At that time, the City Council directed a recovery target of 2/3 or 66% of eligible permit related expenses. In 2019, the City Council engaged in conversations and ultimately made a motion for Planning and Community Development to perform an updated fee study with the goal of recovering 100% cost recovery. The City contracted with FCS Group in 2020 and a combination of planning, building, engineering, and finance staff have been meeting at least monthly and at times weekly since then. Ultimately, the majority of land use and building permit fees are projected to increase as a result of the study.

**II. PERMIT FEE SAMPLING**

As stated above, the majority of building and permit fees and all engineering fees will increase, with the increase being less significant in building compared to the other fees. Currently, cost recovery (or the amount we will collect by permits to cover the cost of service) for Planning (review of building permits and site plan and conditional use permits, subdivisions, boundary line adjustment, etc.) is 32%, Building (reviewing plans, performing field inspections, processing permits) is 89%, and Engineering (traffic, surveying, water and sewer reviews) is 3%. This is the first time the Engineering department has participated in cost recovery for land use and building permits.

Below is a sampling of Planning, Engineering and Building permit fee percent increases compared to the current 2006 fee. Lists of all proposed 2021 permit fees by department and the price difference can be found on pages 28 (Building), 29 (Planning) and 30 (Engineering) of the Full Cost Development Fee Study dated August 27, 2021.

PLANNING PERMIT	CURRENT FEE	2021 TARGET FEE	PERCENT INCREASE
Boundary Line Adjustment	\$954	\$1,810	90%
Conditional Use Permit	\$10,494	\$17,978	71%
Long Subdivision	\$17,363	\$27,398	58%
Short Subdivision	\$6,063	\$15,070	1.48%

Tree Removal Permit	\$180	\$1,210	15%
<b>Engineering Permit</b>	<b>CURRENT FEE</b>	<b>2021 TARGET FEE</b>	<b>PERCENT INCREASE</b>
Plat Utility – Ph 1	New Fee	\$4,992	100%
Grading – 101 to 1001 Cubic Yards	\$37.00	\$1,383	3,637%
<b>Building Permit</b>	<b>CURRENT FEE</b>	<b>2021 TARGET FEE</b>	<b>PERCENT INCREASE</b>
Mobile Home Permit	\$150.00	\$1,630	986%
Mechanical – Misc	\$7.25 - \$92.65	\$41.08 - \$271.04	192 - 466%

### III. PROPOSED ADOPTION SCHEDULE, OUTREACH PLAN AND PREPARATION

Staff is proposing the following adoption schedule and outreach plan that will include a minimum of three touches with the Council.

Following tonight’s meeting, staff proposes to introduce the fees to the community for input. Once staff has heard from the community, they will return to the City Council with their findings and request adoption of the fees with or without changes.

<b>Steps:</b>	<b>Date:</b>	<b>Method:</b>
Introduction	September 16, 2021	City Council Meeting
Launch Public Outreach	September 16, 2021 – January 2022	Committee Meetings, Email, Webpage, City Manager Report
2 <sup>nd</sup> Review	October 19, 2021	Council Meeting
Adoption	November 23, 2021	City Council Meeting
Effective Date	January 1, 2022	Passing a Resolution

Additionally, to prepare for a potential permit surge and to update all the fees in our permit database, staff has done the following to prepare for the fee study update and adoption:

- 1) Provided additional building permit appointments each week; and
- 2) Created new building permit types that do not require an appointment for submittal; and
- 3) Purchased a software that will provide readily available permit data for the public 24/7.

In conclusion, staff would like Council’s input on the proposed adoption schedule and seeks to inform the Council of the steps we are taking to prepare for the adjusted fees.

# City of Bainbridge Island

## FULL COST DEVELOPMENT FEE STUDY

FINAL REPORT  
August 27, 2021

### Washington

7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.867.1802

### Oregon

5335 Meadows Road, Suite 330  
Lake Oswego, OR 97035  
503.841.6543

### Colorado

1320 Pearl St, Ste 120  
Boulder, CO 80302  
719.284.9168

[www.fcsgroup.com](http://www.fcsgroup.com)

This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.



**FCS GROUP**  
Solutions-Oriented Consulting

August 27, 2021

Heather Wright, AICP, Planning Director  
City of Bainbridge Island  
280 Madison Avenue North  
Bainbridge Island, WA 98110

Subject: Full Cost Development Fee Study

Dear Heather:

Attached is our final report on the results of the Full Cost Development Fee Study. We want to thank you and staff from the City for your assistance and participation in both gathering information and discussing the various issues. If you have any questions, please feel free to contact Martin at (425) 274-2853.

Yours very truly,



John Ghilarducci  
President and Principal



Martin Chaw  
Project Manager



Matt Hobson  
Technical Advisor



Paul Quinn  
Project Consultant

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# APPENDICES

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Appendix A – 2019 Time Estimating Form

Appendix B – 2019 Employee Timesheets

Appendix C – Fees reviewed

## Section I. INTRODUCTION

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In 2020, the Planning and Community Development Department (PCD or Department) of the City of Bainbridge Island (City) initiated a cost-of-service study for its plan review and permit services related to building, land use planning, and development engineering-related activities. The City engaged FCS GROUP to perform the cost-of-service and fee study. The study identifies the labor and non-labor resources that support development permit services. It also establishes the full cost of service and cost recovery level for these services. The technical results of the study provide a rational and defensible foundation for changes to fees that support the City’s cost recovery and other development goals.

The approach used to conduct the study included:

- Working with City management and staff who are involved with permit and non-permit related services for building, land use planning, and development engineering services,
- Analyzing 2019 financial documentation and data associated with development related services and fees,
- Working with City staff to both analyze the existing fees and estimate the direct labor time needed to provide each permit service,
- Reviewing the direct and indirect labor estimates, non-labor and overhead cost allocations, and historical permit data that support the technical results of the study,
- Forecasting permit volumes and fee revenue based on existing and recommended fee levels,
- Reviewing the cost of service and cost recovery for each permit service with City staff,
- Presenting the cost-of-service analysis and cost recovery results to the City Council.

The process used for collecting and analyzing the data required active participation by City staff. We want to take the opportunity to recognize the time, participation, and effort that the City project team devoted to the study and for scheduling and organizing the meetings.

### I.A. DEVELOPMENT SERVICES BACKGROUND

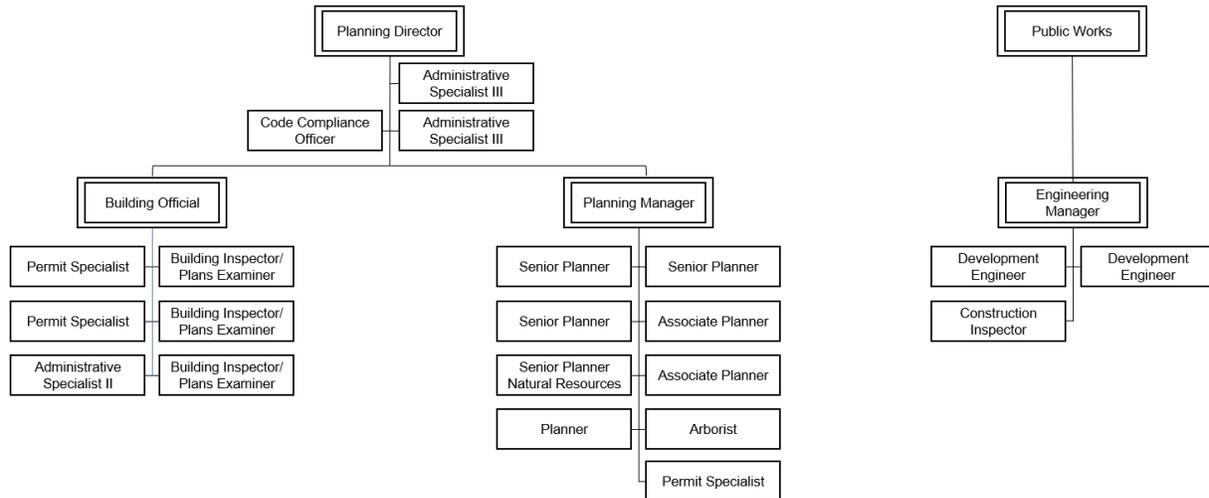
The City provides plan review, inspection, and environmental review on permits for construction and land development. This process ensures that development within the City aligns with local, regional, and state plans, rules, and regulations. These services also ensure that public infrastructure is available to support development.

The City provides these services with a team of staff from the Planning and Community Development Department and the Public Works Department. The Planning and Community Development Department is organized into five divisions: administrative, building, current planning, long-range planning, and code enforcement. The Development Engineering division within the Public Works Department supports engineering-related review and inspections for permit services.

The permitting services provided by the City are supported by fees paid by permit applicants as well as other resources from the City’s General Fund. The City maintains an enterprise fund “Building & Development Fund” or “Fund 407” to account for permit-related revenues and expenditures.

Department expenditures unrelated to permit services are accounted for within the General Fund and are not supported by permit fees. **Exhibit 1** details the Department’s organizational structure and the four staff that work on development engineering permits as published in the City’s 2021-2022 adopted budget.

**Exhibit 1**  
**Department Organizational Chart**



## I.B. COST BASIS FOR DEVELOPMENT FEES

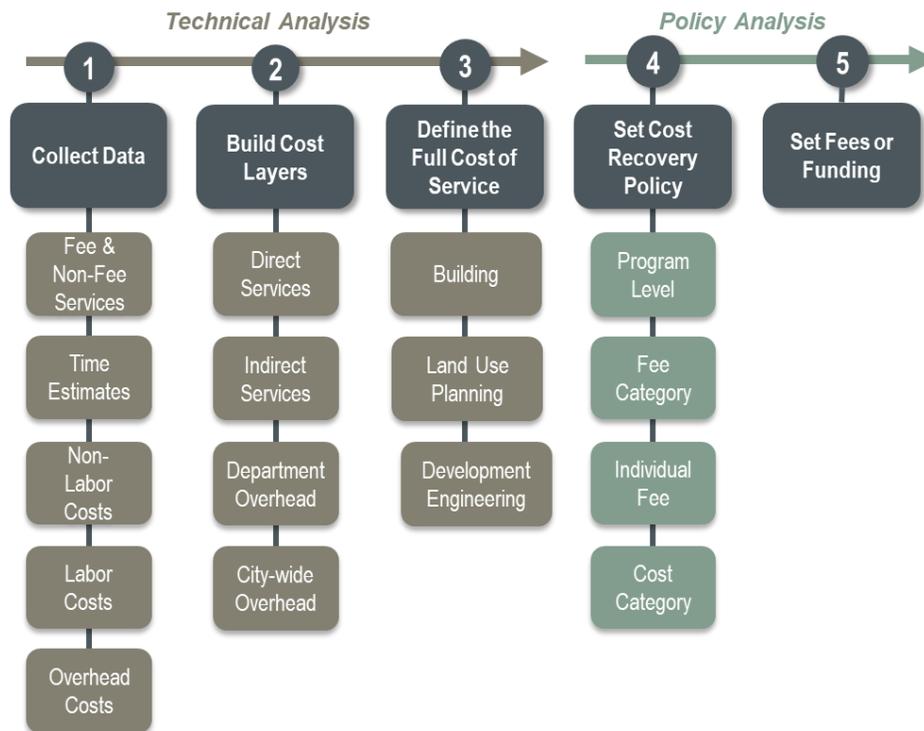
Development permit fees are regulated by the State of Washington through RCW 82.20.020 which states that a city may “collect reasonable fees from an applicant for a permit or other governmental approval to cover the cost...of processing applications, inspecting and reviewing plans, or preparing detailed statements [related to SEPA reviews]”. The cost basis for fees reviewed in the study is primarily supported by actual financial activity in 2019 related to labor and non-labor expenses for the Community Development Department and the Development Engineering Division within the Public Works Department. Personnel expenditures for 2019 are adjusted to reflect the current organizational structure for the Department. The study also relies on the following regulatory and industry publications to establish a cost basis for fees:

- “Performance Audit Report of Eight Counties’ Building Permit and Inspection Fees” by Washington State Auditor. Report No. 1002634. Published December 29, 2009.
- International Conference of Building Officials Uniform Building Code
- International Conference of Building Officials Uniform Administrative Code

## Section II. METHODOLOGY

To determine the cost of service and the appropriate fees, a defined task plan was followed as outlined below in **Exhibit 2**. The methodology identifies both the labor and non-labor resources that are required to perform the services and analyzes the cost of service for each of the permit and non-permit services performed by City staff. The analysis provides the City’s elected officials, management, and City staff the cost basis for its services and fees.

**Exhibit 2**  
**Cost of Service Methodology**



The following sections summarize the assumptions and methodology that support each step in the cost-of-service analysis.

### II.A. STEP 1: COLLECT DATA

#### II.A.1. Identify Fee and Non-Fee Services

The first part of the study process identifies the plan review and permit services to be evaluated. In addition to establishing the framework for the study, this step also provides the opportunity to review the existing permit services and identify potential efficiencies and/or consolidations in the fee schedule. During this step, City staff also provided a list of public and applicant services for which no fee is assessed. The cost of these services was also evaluated during the study process.

Based on the fee schedules and discussions with staff, three permit service groups were established: building, land use planning, and development engineering. **Appendix C-1** lists the existing building

services that were evaluated within the study. In total, City staff identified 57 building fees to review. Of these fees, seven were excluded and five fees were consolidated into two new fees. The excluded and consolidated fees are detailed in **Appendix C-2**.

The study also included 83 land use planning fees, which are detailed in **Appendix C-3**. Through the review process, City staff recommended five existing permit fee services to exclude from the fee study as well as an additional seven permit fee services to be consolidated. The excluded and consolidated permit services are detailed in **Appendix C-4**. City staff also identified eight new land use planning fee services to be evaluated within the study.

The study also included 16 development engineering fees, which are detailed in **Appendix C-5**. Through the review process, City staff recommended to consolidate seven permit services and introduce three new permit services. These fees are detailed in **Appendix C-6**.

## II.A.2. Identify Staff Time Requirements for Services

With the fee services identified, the data collection effort focused on gathering financial and time data from all staff involved in development services and activities. City staff provided two sets of timekeeping records for each staff member for 2019. The first data set included total work hours, leave hours, and paid hours for each employee. The second data set provided detailed work hours by activity for each employee. These two data sets were used as the basis for establishing the total number of annual work hours available and the distribution of work hours by activity. **Appendix A** provides an example of the timesheet used to estimate work activities. Each work activity was organized into the following broad categories.

- **Direct Services** – Services provided as the result of a project, permit application, or specific related activity and that are often tied to a specific permit service (e.g. plan review). Direct services also include services provided directly for or to the public that are not fee-related (e.g., code enforcement and long-term planning). Staff time spent on non-fee related activities are not eligible to be recovered from permit fees.
- **Indirect Services** – Services provided to support direct services (e.g. customer service or administrative duties) and that cannot be assigned to a specific project, application, or activity. Staff time assigned to indirect services is then allocated between fee and non-fee services based on the proportion of direct service hours assigned to fee and non-fee services. City staff reviewed the work activities in 2019 and the following activities were assigned as indirect services:
  - » Public Information and Customer Service – Time spent assisting customers and the public with information and questions about Department services.
  - » Training and Certification – Time spent receiving training.
  - » General Administration & Management – Time spent on general office tasks, such as organizational management, supervision, internal meetings/calls/e-mails, filing, and other miscellaneous activities.
  - » Breaks – Two 15-minute breaks per day.
- **Overhead Services** – Department and Citywide general management and administrative time.
  - » The Department overhead expenses include the labor and non-labor expenses for the Department’s Administrative and Code Enforcement divisions that are not specifically assigned to direct services. Administrative overhead expenses are allocated to building, land use planning, and development engineering direct services in proportion to total direct service hours. Code Enforcement overhead expenses are allocated to building, land use

planning, and development engineering direct services in proportion to reported code enforcement support to each permit category.

- » Citywide overhead expenses include labor and non-labor expenses from other City Departments/Divisions that provide administrative support for permit services. These Departments include Executive, Legal, Human Resources, City Clerk, Information Technology, and Facilities. The allocation of these expenses to permit services is discussed in Section II.B. of the report.

The combined annual work hours for direct services that support permit services and non-fee services for each employee in 2019 were then compared to, and reconciled with, the timekeeping data for each employee's reported work hours for the year. An annual summary of direct service hours that support permit fee services and non-fee services is outlined in **Exhibit 3**. Direct service hours across the City organization totaled 26,844 in 2019. Permit fee direct services accounted for 14,745 of these hours or approximately 55 percent of direct service hours. The remaining direct service hours (12,099 or 45 percent) supported non-permit fee services such as long-range planning and code development. The distribution of direct service hours between permit fee and non-fee services varied by service category:

- Permit fee direct services account for 89 percent of all Building direct service hours.
- Permit fee direct services account for 37 percent of all Land Use direct service hours.
- Permit fee direct services account for 52 percent of all Development Engineering direct service hours.

**Exhibit 3**  
**Direct Service Hours by Category and Division**

**Permit Fee Direct Service Hours**

Development Service Category	Division					Total Permit Fee Direct Service Hours
	Land Use		Development		Public Works	
	Building	Planning	Engineering	Administration		
Building	6,897	966	837	41	10	8,750
Land Use Planning	268	3,014	633	678	150	4,743
Development Engineering	-	12	1,166	-	75	1,252
Administration	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
<b>Total</b>	<b>7,165</b>	<b>3,991</b>	<b>2,635</b>	<b>719</b>	<b>235</b>	<b>14,745</b>

**Non-Fee Direct Service Hours**

Development Service Category	Division					Total Non-Fee Direct Service Hours
	Land Use		Development		Public Works	
	Building	Planning	Engineering	Administration		
Building	593	83	24	399	-	1,099
Land Use Planning	275	5,042	180	2,502	10	8,009
Development Engineering	-	55	962	119	-	1,136
Administration	309	32	-	80	30	451
Public Works	-	-	24	178	1,202	1,405
<b>Total</b>	<b>1,177</b>	<b>5,212</b>	<b>1,190</b>	<b>3,278</b>	<b>1,242</b>	<b>12,099</b>

**Total Direct Service Hours**

Development Service Category	Division					Total Direct Service Hours
	Land Use		Development		Public Works	
	Building	Planning	Engineering	Administration		
Building	7,490	1,048	861	440	10	9,849
Land Use Planning	543	8,056	813	3,180	160	12,751
Development Engineering	-	67	2,128	119	75	2,389
Administration	309	32	-	80	30	451
Public Works	-	-	24	178	1,202	1,405
<b>Total</b>	<b>8,341</b>	<b>9,203</b>	<b>3,825</b>	<b>3,997</b>	<b>1,477</b>	<b>26,844</b>

### II.A.3. Staff Time Requirements for Individual Permit Services

Staff focus groups were conducted to identify the processing times for individual permit services. City staff identified the time required to process permit applications, review plan documents, write staff reports, conduct inspections, prepare Council and Hearing Examiner presentations, and finalize post-issuance documentation. Time estimates provided by City staff varied by the permit service and by position class and represent the average or expected work time to complete an individual permit service. City staff met several times to discuss, identify, review, and revise the estimates for each fee service.

Individual permit work time estimates were then multiplied by the average annual permit volumes from 2015 to 2019 as a check to the annual direct service time estimates provided by City staff as described in Section II.A.2. The difference in annual time between the two methodologies presumably accounts for work performed by staff in support of permit services that was not explicitly identified by City staff in the focus groups. This time is defined as “implicit support” throughout the report.

## II.B. STEP 2: BUILD COST LAYERS

The next stage in the process was to develop an analytical model for calculating the costs related to development service categories. The design and structure for the analytical model were based on the services and activities identified in Step 1. Costs were also itemized into four time categories: direct, indirect, department overhead, and Citywide overhead. Costs were then itemized between labor and non-labor components.

### II.B.1. Labor Costs

To build the labor cost layer, the staff time allocations for each activity (i.e. direct, indirect, and overhead) were multiplied by each staff member’s loaded hourly rate. The loaded hourly rate for one staff member equals the person’s annual salary and benefits divided by the available work hours (i.e. total annual hours minus leave) in 2019. The allocation of Department overhead and Citywide overhead labor expenses is discussed below.

#### II.B.1.a Department Overhead Labor

Department overhead labor expenses for the Department Director and two Administrative Specialists are allocated to the development service categories in proportion to total direct service hours: Building (37 percent), Land Use Planning (48 percent), and Development Engineering (9 percent). The Administrative Specialists also supports the Public Works Department (5 percent).

Overhead labor expenses for the Code Compliance Officer are allocated to the development service categories in proportion to the reported hours that the Officer supports each category: Building (49 percent), Land Use Planning (9 percent), and Development Engineering (20 percent). The Code Compliance Officer also supports the Public Works Department (22 percent).

#### II.B.1.b Citywide Overhead Labor

Citywide overhead labor expenses include portions of salary and benefit expenses from several Departments/Divisions that provide administrative support for permit services. Historically, these expenses have been distributed to the Building and Development Fund based on several internal cost allocation measures such as FTEs and Council agenda items. FCS GROUP reviewed the cost

allocation metrics with City staff and determined that the allocated salary and benefit expenses from the Finance, Information Technology, and Facilities departments would be included in the analysis as fee-eligible expenses. These labor expenses are allocated to the development categories based on FTEs: Building (33 percent), Land Use Planning (48 percent), and Development Engineering (19 percent).

Some overhead expenses that have been historically allocated to the Building and Development Fund were not included in the analysis. The cost allocation measures used by the City for these expenses tend to correlate to overall development activities instead of fee-related development activities. The allocated salary and benefit expenses from the Executive and Legal Departments were not included in the cost-of-service analysis. Even though these overhead expenses were excluded from the analysis, it is likely that a portion of these expenses do support fee-related services. FCS GROUP was unable to determine a reasonable allocation at this time. We do recommend that the City evaluate its existing cost allocation measures and financial recording processes in the future to identify the share of these overhead expenses that support fee-related and non-fee related development services. For example, Legal Department services could be allocated based upon tracked hours legal staff spend on specific projects for the Department and Executive Department services could be allocated based upon the number of City Council agenda items that are attributable to specific projects for the Department.

## II.B.2. Non-Labor Costs

After the labor costs for each staff member and each service were calculated, the non-labor costs were analyzed. The Department accounts for non-labor costs for building, land use planning, and development engineering services separately. Each non-labor account was analyzed and reviewed with City staff to determine the appropriate allocation.

### II.B.2.a Building

Most of the building division's non-labor costs support permit review and inspection services (e.g., supplies and training) and are allocated to permit fee and non-fee services in proportion to reported direct service hours. Contract expenses to conduct third-party reviews of building plans are allocated 100 percent to permit fee services.

### II.B.2.b Land Use Planning

Training, supplies, advertising, membership dues, and intergovernmental non-labor expenses are allocated in proportion to reported direct service hours. Contract expenses to support comprehensive long-range planning are allocated 100 percent to non-fee services.

### II.B.2.c Development Engineering

The City provided non labor expenses that were directly related to fee activities. As such, they are allocated 100 percent to fee services.

### II.B.2.d Department Overhead Non-Labor

Administrative division non-labor expenses were allocated to the development service categories in proportion to total direct service hours: Building (37 percent), Land Use Planning (48 percent), and Development Engineering (99 percent). The Administrative division also supports the Public Works Department (5 percent).

Overhead non-labor expenses for the Code Compliance division are allocated to the development service categories in proportion to the reported hours that the Officer supports each category: Building (49 percent), Land Use Planning (9 percent), and Development Engineering (20 percent). The Code Compliance Officer also supports the Public Works Department (22 percent).

#### II.B.2.e Citywide Overhead Non-Labor

Similar to Citywide overhead labor expenses, non-labor expenses have been historically distributed to the Building and Development Fund based on several internal cost allocation measures such as FTEs and Council agenda items. FCS GROUP reviewed the cost allocation metrics with City staff and determined that the following overhead expenses would be included in the analysis:

- Allocated telephone/fax and insurance expenses from Facilities.
- Allocated interfund rent expenses from Planning, Public Works, Finance, and Information Technology.

These non-labor expenses are allocated to the development categories based on FTEs: Building (33 percent), Land Use Planning (48 percent), and Development Engineering (19 percent).

Contracted legal expenses and the allocated cost of interfund rent expenses to the Building and Development Fund from the Executive and Legal departments were excluded from the analysis. We do recommend that the City evaluate its existing cost allocation measures and financial recording processes in the future to identify the share of these overhead expenses that support fee-related and non-fee related development services.

## II.C. STEP 3: DEFINE THE FULL COST OF SERVICE

The cost of service was calculated for the building, land use planning, and development engineering service categories. The cost of service was also calculated for individual permit fee services within each of these categories.

### II.C.1. Cost of Service by Development Service Category

After establishing the different cost layers, the full cost of service was calculated for building, land use planning, and development engineering permit fee services. The full cost of service includes labor and non-labor costs for direct permit fee services as well as the allocated share of indirect service and overhead expenses.

The cost-of-service analysis was compared to the 2019 actual expenses for the Building and Development Fund. FCS GROUP coordinated with City staff to identify potential reasons for differences in the cost of service and how costs have historically been allocated to the Building and Development Fund. Recommendations and adjustments to these cost allocations are included in Section IV “Recommended Cost Recovery Strategies.”

### II.C.2. Cost of Service by Individual Permit Services

Fully loaded hourly rates were calculated for each City staff member. Fully loaded hourly rates differ from the loaded hourly rates defined in Section II.B.1:

- **Loaded hourly rates** divide a staff member’s annual salaries and benefit costs by available work hours.

- **Fully loaded hourly rates** divide a staff member’s annual salaries and benefit costs plus a proportionate share of non-labor and overhead expenses by available work hours. The methodology for the fully loaded hourly rate is outlined in **Exhibit 4**.

**Exhibit 5** details the fully loaded hourly rate calculation for a Planner as an example. In this example, direct labor expenses for the planner are based on the staff member’s annual salary and benefit costs divided by available work hours (\$54.33 per hour). Direct service non-labor (\$6.45 per hour), indirect service labor (\$53.28 per hour), overhead labor (\$21.19 per hour), and overhead non-labor (\$20.73 per hour) rates are then layered on top of the loaded hourly rate to generate the fully loaded hourly rate (\$155.99 per hour).

The fully loaded hourly rates were then applied to the time estimates provided by City staff to perform individual fee services to determine the cost of service for each fee service. This unit cost estimate was then adjusted by an implicit support multiplier to estimate the total cost of service. As discussed in the previous section, implicit support accounts for annual worktime identified by staff in support of permit services that was not explicitly identified for individual permit services by City staff during the focus group interviews.

**Exhibit 4**  
**Fully Loaded Hourly Rate Components**

	Labor	Non-Labor
Direct Service	Based on employee's total salary and benefits divided by annual work hours	Based on allocation of non-labor costs to permit fee category divided by direct service fee hours within the permit fee category
Indirect Service	Based on indirect service labor costs allocated to the permit fee category divided by the direct service hours within the permit fee category	Based on indirect service non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category
Overhead Service	Based on overhead labor costs allocated to the permit fee category divided by direct service hours within the permit fee category	Based on overhead non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category

**Exhibit 5**  
**Fully Loaded Hourly Rate for Planner Position (Example)**

Component	Allocated Cost	Divided by	Hourly Rate
Direct Service Labor for Planner	\$ 98,952	1,821 work hours	\$ 54.33
Direct Service Non-Labor	30,570	4,743 direct service hours	6.45
Indirect Service Labor	252,706	4,743 direct service hours	53.28
Indirect Service Non-Labor	-	4,743 direct service hours	-
Overhead Labor	100,521	4,743 direct service hours	21.19
Overhead Non-Labor	98,338	4,743 direct service hours	20.73
<b>Total</b>			<b>\$ 155.99</b>

## II.D. STEP 4: SET COST RECOVERY POLICY

Once the full cost of service is identified and the fully loaded hourly rates are established, the next step is to identify the cost recovery levels and to establish cost recovery objectives. Overall cost recovery levels for development services were determined by comparing each fee category’s total cost of service to the respective permit fee revenue in 2019. Cost recovery levels for individual fees were also determined by comparing the costs of the various services to the individual fees charged

(e.g. percentage of full costs compared to revenue generated). Each fee category's cost of service provides a general cost estimate, and the cost recovery levels might also be affected by these estimates. When services cost more than the revenue generated, funding from the General Fund or other funds is needed to cover the gap between costs and revenues.

Cost recovery objectives can be based on a variety of factors, including the public versus private benefit provided by the service. For this reason, the target cost recovery policy for a fee service is a decision generally made by City Council. If a permit has a public benefit, it might be more appropriately supported by the General Fund. Conversely, if a permit has mostly private benefits, it might be more appropriately supported 100 percent by fees. Permits and applications that have a mix of public and private benefits might be supported by a combination of fees and the General Fund.

## II.E. STEP 5: SET FEES

The final step of the cost of service and fee analysis was to calculate the fees and potential revenues based on the cost recovery policies. Section IV of the report summarizes the proposed fee adjustments and projected annual permit revenue over the next five years.

## Section III. COST OF SERVICE AND RECOVERY ANALYSIS

Based on the methodology described in the previous section, the estimated 2019 full cost of service and cost recovery levels were determined for building, land use planning, and development engineering fee services. The analysis shows the cost of service by permit service category and individual permit service. **Exhibit 6** details the direct service labor expenses for each permit service category.

The cost-of-service study focuses on City expenses that are eligible to assess permit fees to applicants. The direct service labor expenses that are eligible for fee recovery are itemized in the first table of **Exhibit 6**. The second table itemizes direct service labor expenses for non-fee services. The expense detail between the first and second tables are added and summarized in the third and last table, to produce total direct service labor expenses for development services – whether fee or non-fee related.

**Exhibit 6  
Direct Service Labor Costs by Category and Division**

**Permit Fee Direct Service Labor Cost**

Development Service Category	Division					Total Permit Fee Direct Service Hours
	Building	Land Use Planning	Development Engineering	Administration	Public Works	
Building	\$ 432,510	\$ 58,753	\$ 57,915	\$ 2,655	\$ 894	\$ 552,726
Land Use Planning	17,690	168,386	48,454	54,546	13,406	302,481
Development Engineering	-	930	79,411	-	6,703	87,043
Administration	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
<b>Total</b>	<b>\$ 450,200</b>	<b>\$ 228,069</b>	<b>\$ 185,779</b>	<b>\$ 57,201</b>	<b>\$ 21,003</b>	<b>\$ 942,251</b>

**Non-Fee Direct Service Labor Cost**

Development Service Category	Division					Total Non-Fee Direct Service Hours
	Building	Land Use Planning	Development Engineering	Administration	Public Works	
Building	\$ 44,985	\$ 5,734	\$ 1,711	\$ 26,035	\$ -	\$ 78,464
Land Use Planning	16,379	350,523	14,962	177,399	894	560,156
Development Engineering	-	3,564	73,844	6,998	-	84,407
Administration	17,753	2,113	-	4,827	2,681	27,373
Public Works	-	-	1,711	10,497	107,468	119,675
<b>Total</b>	<b>\$ 79,116</b>	<b>\$ 361,935</b>	<b>\$ 92,227</b>	<b>\$ 225,755</b>	<b>\$ 111,042</b>	<b>\$ 870,076</b>

**Total Direct Service Labor Cost**

Development Service Category	Division					Total Direct Service Hours
	Building	Land Use Planning	Development Engineering	Administration	Public Works	
Building	\$ 477,495	\$ 64,487	\$ 59,625	\$ 28,690	\$ 894	\$ 631,190
Land Use Planning	34,069	518,909	63,416	231,945	14,300	862,638
Development Engineering	-	4,494	153,255	6,998	6,703	171,450
Administration	17,753	2,113	-	4,827	2,681	27,373
Public Works	-	-	1,711	10,497	107,468	119,675
<b>Total</b>	<b>\$ 529,316</b>	<b>\$ 590,003</b>	<b>\$ 278,007</b>	<b>\$ 282,956</b>	<b>\$ 132,045</b>	<b>\$ 1,812,327</b>

### III.A. BUILDING PERMIT SERVICES

As shown in **Exhibit 7**, the full cost of building permit fee services is estimated at \$1,110,119. Within the building fee services, direct services were about 55 percent of the full cost of service, while indirect services were 26 percent of the full cost of service. Department and Citywide overhead costs represented the remaining 19 percent of the full cost of service. The total of the estimated shares of expenses to each cost layer may not add to 100 percent due to rounding.

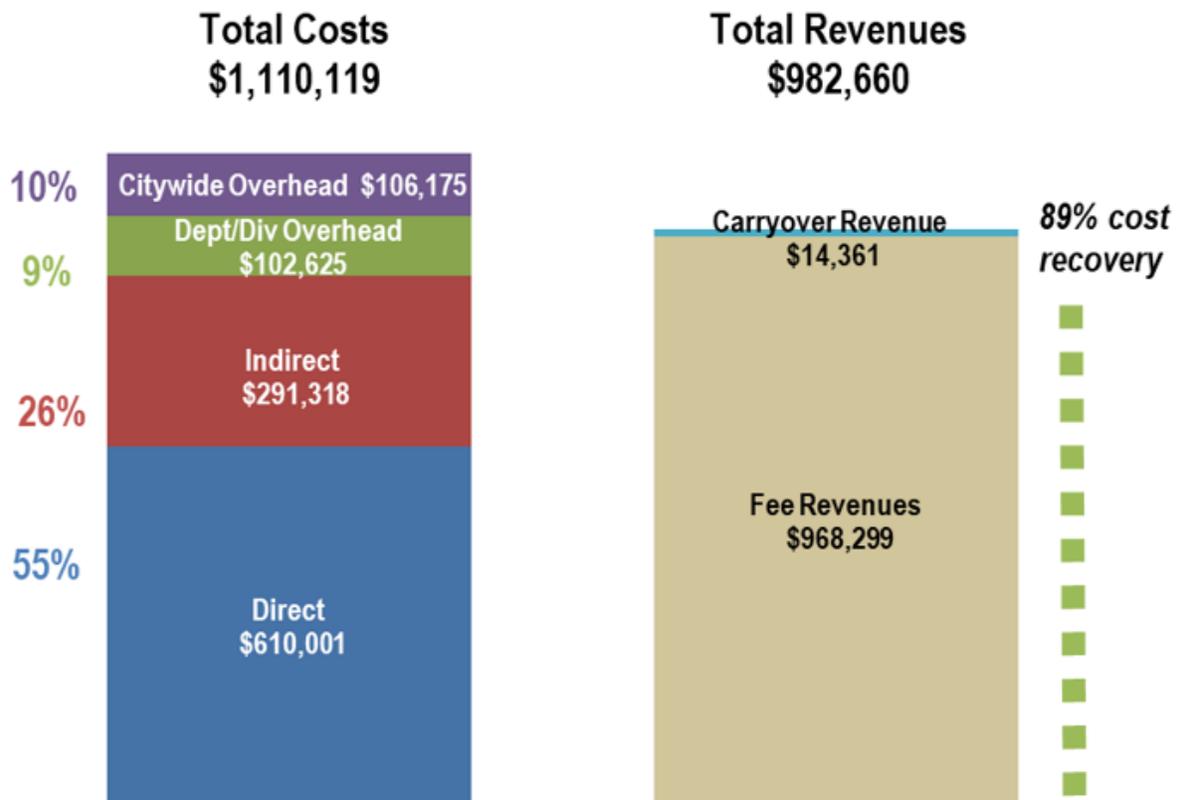
**Exhibit 7**  
**2019 Full Cost of Service for Building Permit Fee Services**

<i>Building</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 552,726	\$ 13,667	\$ 566,393	51%
	Contract Services		\$ 43,608	\$ 43,608	4%
<b>Subtotal Direct Costs</b>		<b>\$ 552,726</b>	<b>\$ 57,275</b>	<b>\$ 610,001</b>	<b>55%</b>
Indirect Costs	Public Information & Customer Service	\$ 95,700	\$ 2,505	\$ 98,205	9%
	Training & Certification	21,639	491	22,130	2%
	General Administration & Management	76,646	1,665	78,311	7%
	Breaks	34,099	907	35,006	3%
	Engineering Indirect Cost Adjustment	57,667	-	57,667	5%
<b>Subtotal Indirect Costs</b>		<b>285,750</b>	<b>5,568</b>	<b>\$ 291,318</b>	<b>26%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 76,840	\$ 25,784	\$ 102,625	9%
	Citywide OH - Fee Related	46,967	59,208	106,175	10%
		-	-	-	-
<b>Subtotal Overhead Costs</b>		<b>\$ 123,808</b>	<b>\$ 84,992</b>	<b>\$ 208,800</b>	<b>19%</b>
<b>Total Building Costs</b>		<b>\$ 962,285</b>	<b>\$ 147,835</b>	<b>\$ 1,110,119</b>	<b>100%</b>

**Exhibit 8** compares the cost-of-service results from **Exhibit 7** with the revenue generated from permit fee services. Permit fee revenue in 2019 generated \$968,299, resulting in an overall cost recovery rate of 89 percent compared to building permit service expenditures.

Most revenue from building permits is determined by the value of construction. Periods of relatively strong development and/or major construction projects will result in higher than normal revenue. Conversely, periods of low development will result in lower than normal revenue levels. A single multi-family or commercial construction project will generate substantial permit fee revenue. For example, a multi-family residential project in 2017 generated \$122,000 in permit fees – equivalent to 11 percent of all building permit revenue that year. While major construction projects generate significant permit revenue, they do not occur every year and should not be relied upon as a recurring revenue source to offset the cost of the City’s fee services. Due to the impact of the ebb and flow of development activity on permit revenue, we recommend that the City evaluate building revenues over a multi-year period before considering significant changes to its building valuation fee schedule.

**Exhibit 8**  
**2019 Cost Recovery for Building Permit Fee Services**



**III.A.1. Individual Building Permit Services**

In addition to the building fee services that are based on construction value, the City also provides building, mechanical, and plumbing permit services that are fixed or assessed on an hourly basis. Based on the time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service for these permit services was calculated. The cost of service for each permit was then compared to the current fee to determine cost recovery levels. The cost of service for all but one of these permit services exceeded existing fee levels. Cost recovery levels ranged from 1 percent to 141 percent.

The estimated time and cost of service for many of these permit services are small relative to valuation-based building permit services. As a result, the cost recovery rate when measured as a percentage for these permit services may suggest significant differences between existing fees and cost of service; however, the actual difference in dollars may be relatively minor. As an example, the cost of service for new furnace inspection is \$38.72 while the existing fee is \$14.80.

The current cost recovery level for the building, mechanical, and plumbing permit services that are assessed a fixed fee or hourly rate are shown in **Exhibit 9**.

**Exhibit 9**  
**2019 Cost of Service and Cost Recovery by Individual Building Fee**

Permit Service	Work Time (in hours)	Current Fee	Cost of Service	Cost Recovery (%)
Enforcement	1.00	\$ 180.00	\$ 127.74	141%
Mobile Home Permit	13.00	150.00	1,536.80	10%
Mechanical - Permit Issuance	2.00	23.50	238.49	10%
Mechanical - Each Additional Permit Issuance	1.00	7.25	121.15	6%
Mechanical - Furnace upto 100,000 BTU/h	0.33	14.80	38.72	38%
Mechanical - Furnace > 100,000 BTU/h	0.33	18.20	38.72	47%
Mechanical - Installation of each floor furnace, including vent	0.33	14.80	38.72	38%
Mechanical - Installation of each suspended heater	0.33	14.80	38.72	38%
Mechanical - installation of each appliance vent	0.33	7.25	38.72	19%
Mechanical - Repair or addition	0.33	13.70	38.72	35%
Mechanical - Boiler or compressor upto 100,000 BTU/h	0.33	14.70	38.72	38%
Mechanical - Boiler or compressor 100,001 to 500,000 BTU/h	1.00	27.15	117.33	23%
Mechanical - Boiler or compressor 500,001 to 1,000,000 BTU/h	1.00	37.25	117.33	32%
Mechanical - Boiler or compressor 1,000,001 to 1,750,000 BTU/h	1.00	55.45	117.33	47%
Mechanical - Boiler or compressor > 1,750,000 BTU/h	1.00	92.65	117.33	79%
Mechanical - Air Handlers up to 10,000 cfm	0.33	10.65	38.72	28%
Mechanical - Air Handlers > 10,000 cfm	0.33	18.10	38.72	47%
Mechanical - Evaporative coolers	0.33	10.65	38.72	28%
Mechanical - Ventilation fan to single duct	0.33	7.25	38.72	19%
Mechanical - Ventilation system not part of any heating or AC	0.33	10.65	38.72	28%
Mechanical - Hood installation	0.33	10.65	38.72	28%
Mechanical - Domestic-type incinerator	0.33	18.20	38.72	47%
Mechanical - All other pieces of equipment	0.33	10.65	38.72	28%
Mechanical - Inspections outside of normal business hours	2.00	49.50	255.48	19%
Mechanical - Reinspections	1.00	49.50	117.33	42%
Mechanical - Inspections for which no fee is specified	1.00	49.50	117.33	42%
Mechanical - Additional plan review	1.00	49.50	117.33	42%
Plumbing - Permit Issuance	2.00	23.50	238.49	10%
Plumbing - Each additional permit issuance	1.00	7.25	121.15	6%
Plumbing - Fixtures and vents on one trap	0.33	9.80	38.72	25%
Plumbing - Repair or alteration of drainage or vent piping	0.33	4.75	38.72	12%
Plumbing - Sewers, disposal systems, and interceptors: building sewer	1.00	24.65	117.33	21%
Plumbing - Sewers, disposal systems, and interceptors: cess pool	1.00	37.25	117.33	32%
Plumbing - Sewers, disposal systems, and interceptors: private sewage system	1.00	74.50	117.33	63%
Plumbing - Sewers, disposal systems, and interceptors: industrial waste pretreatment interce	1.00	19.90	117.33	17%
Plumbing - Sewers, disposal systems, and interceptors: rainwater system	10.00	9.80	1,557.60	1%
Plumbing - Water piping installation	1.66	4.75	194.77	2%
Plumbing - Water heater installation, including vent	0.33	12.30	38.72	32%
Plumbing - Gas piping system of one to five outlets	1.66	6.15	194.77	3%
Plumbing - All other pieces of equipment	1.00	9.80	117.33	8%
Plumbing - Inspections outside of normal business hours	2.00	49.50	255.48	19%
Plumbing - Reinspections	1.00	49.50	127.74	39%
Plumbing - Inspections for which no fee is specified	1.00	49.50	127.74	39%
Plumbing - Additional plan review	1.00	49.50	127.74	39%
Plumbing - Sewers, disposal systems, and interceptors: rainwater system w/ Easement	25.00	9.80	2,234.31	0%
REPLACEMENT FEE - Plumbing system with atmospheric-type vacuum breakers	5.00	REPLACEMENT	783.25	0%
REPLACEMENT FEE - Plumbing system with all other types of backflow protection devices	10.00	REPLACEMENT	1,566.49	0%

### III.B. LAND USE PLANNING REVIEW SERVICES

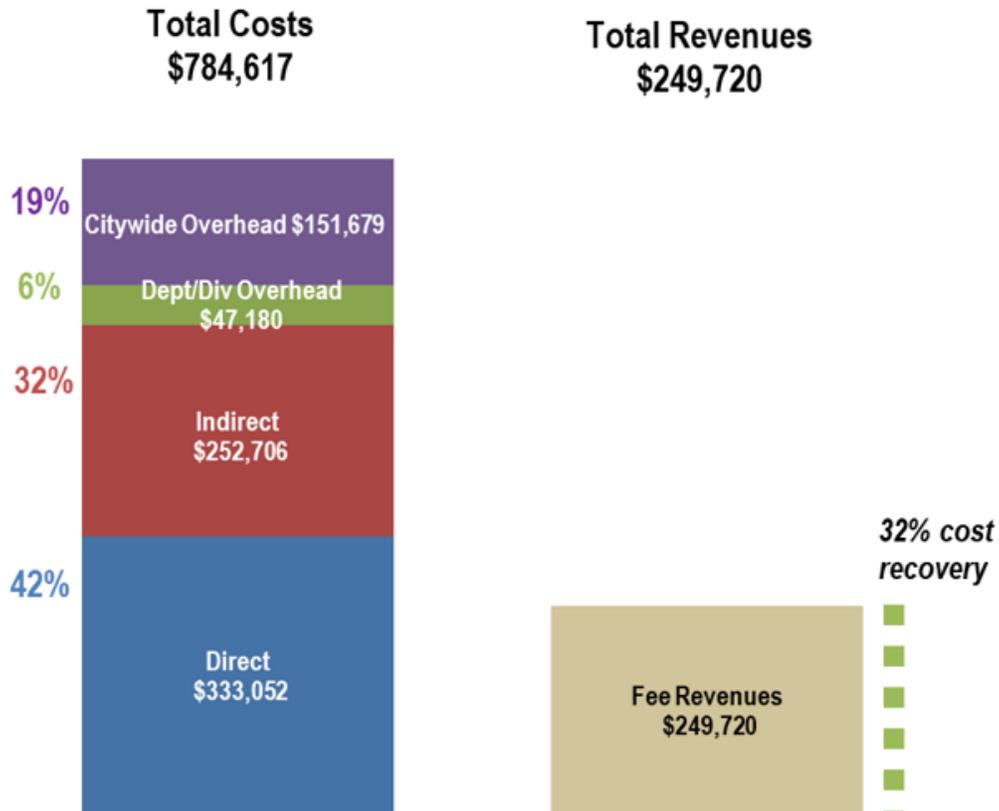
As shown in **Exhibit 10**, the full cost of land use planning permit services is estimated at \$784,617. Direct services were about 42 percent of the full cost of service, while indirect services were 32 percent of the full cost of service. Department and Citywide overhead costs represented the remaining 25 percent of the full cost of service. The total of the estimated shares of expenses to each cost layer may not add to 100 percent due to rounding.

**Exhibit 10**  
**2019 Full Cost of Service for Land Use Planning Services**

<i>Land Use Planning</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 302,481	\$ 30,570	\$ 333,052	42%
	Contract Services		\$ -	\$ -	-
<b>Subtotal Direct Costs</b>		<b>\$ 302,481</b>	<b>\$ 30,570</b>	<b>\$ 333,052</b>	<b>42%</b>
Indirect Costs	Public Information & Customer Service	\$ 90,381	\$ -	\$ 90,381	12%
	Training & Certification	15,493	-	15,493	2%
	General Administration & Management	80,676	-	80,676	10%
	Breaks	22,567	-	22,567	3%
	Engineering Indirect Cost Adjustment	43,588	-	43,588	6%
<b>Subtotal Indirect Costs</b>		<b>252,706</b>	<b>-</b>	<b>\$ 252,706</b>	<b>32%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 33,425	\$ 13,756	\$ 47,180	6%
	Citywide OH - Fee Related	67,096	84,583	151,679	19%
<b>Subtotal Overhead Costs</b>		<b>\$ 100,521</b>	<b>\$ 98,338</b>	<b>\$ 198,859</b>	<b>25%</b>
<b>Total Land Use Planning Costs</b>		<b>\$ 655,708</b>	<b>\$ 128,909</b>	<b>\$ 784,617</b>	<b>100%</b>

**Exhibit 11** compares the cost-of-service results in **Exhibit 10** with the 2019 revenues for land use planning services. In 2019, permit revenue totaled \$249,720 compared to \$784,617 in fee-related expenditures, resulting in an overall cost recovery rate of approximately 32 percent.

**Exhibit 11**  
**2019 Cost Recovery for Land Use Planning Fee Services**



### III.B.1. Individual Land Use Planning Permit Review Services

The full cost of service for individual land use planning permit review services is based on the time estimates for each permit service, the fully loaded-hourly rates for each employee, and implicit support costs. The cost of service for each service was then compared to the current fee to determine cost recovery levels. Fees for four permit services exceeded the cost of service. The remaining permit services are assessed fees below cost of service or are new fees proposed as part of this study. The cost recovery level for each land use planning fee is shown in **Exhibit 12**.

A summary of cost recovery levels for common land use planning review permit services is listed below:

- Boundary Line Adjustment: 56 percent.
- Consultation: 28 percent.
- Minor Adjustment: 26 percent.
- Pre-Application Conference (minor): 21 percent.
- Pre-Application Conference (all other): 41 percent.
- Shoreline Exemption (without SEPA): 45 percent.
- Short Subdivision: 43 percent.
- Sign Permit: 8 percent.

**Exhibit 12**  
**2019 Cost of Service and Cost Recovery by Individual Planning Fee**

Permit Service	Work Time (in hours)	Current Fee	Total Cost of Service	Cost Recovery (%)
Administrative Code Interpretation	8.50	\$ 382	\$ 1,924.78	20%
Agricultural Conditional Use	13.00	1,080	3,112.06	35%
Agricultural Retail Plan	6.75	191	1,600.97	12%
Appeal of Administrative Decisions	34.75	530	6,731.78	8%
Appeal of EIS Adequacy	34.75	530	6,731.78	8%
Appeal of Hearing Examiner or Planning Commission Decision	34.75	530	6,731.78	8%
Appeal of SEPA Determination	34.75	530	6,731.78	8%
Boundary Line Adjustment	8.50	954	1,701.80	56%
Comprehensive Plan Amendment - Site Specific	29.00	1,526	7,103.64	21%
Comprehensive Plan Amendment - Not Site Specific	28.00	265	6,808.27	4%
Conditional Use Permit - Minor	12.00	4,770	3,062.65	156%
Conditional Use Permit - Major	70.00	10,494	16,946.09	62%
Consultation	2.25	180	634.24	28%
Critical Areas - Buffer Enhancement Plan Review	11.25	1,526	2,790.36	55%
Critical Areas - Site Investigation	2.00	180	495.75	36%
Critical Areas - Major	12.00	1,526	2,996.48	51%
Critical Areas - Minor	6.50	-	1,486.58	0%
Geologically Hazardous Area - Third Party Review Deposit	2.00	-	508.26	0%
Reasonable Use Exception - Single Family Residence	34.00	3,816	8,289.23	46%
Reasonable Use Exception - All Other	44.00	6,106	11,129.19	55%
SEPA Review (no EIS)	6.50	763	1,383.19	55%
SEPA Review (with EIS)	1.00	763	262.88	290%
EIS Addendum	1.00	763	262.88	290%
EIS Supplement	1.00	763	262.88	290%
Large Lot Subdivision	65.65	16,027	14,915.52	107%
Large Lot Subdivision - Minor	12.75	360	1,855.28	19%
Legislative Review of Development Regulations	72.00	3,053	16,240.59	19%
Long Subdivision	117.50	17,363	27,397.95	63%
Long Subdivision - Minor Alteration	13.25	360	2,372.90	15%
Long Subdivision - Minor Replat or Amendment	21.00	1,336	4,257.56	31%
Minor Adjustment	16.00	900	3,425.86	26%
Open Space Review	6.00	265	1,478.84	18%
Pre-Application Conference - Minor Land Use Permits	10.00	500	2,413.65	21%
Pre-Application Conference - All Other Land Use Permits	10.00	1,000	2,413.65	41%
Pre-Application Conference (DRB) - Meeting & Committee Meeting	4.50	250	786.55	32%
Pre-Application Conference - Meeting & Public Participation Meeting	4.50	250	786.55	32%
Removal of Landmark Tree Permit	6.75	180	1,525.58	12%
Renoticing Fee	2.25	200	330.34	61%
Rezone	29.00	3,053	7,103.64	43%
Shoreline - Buoy (Programmic Review)	5.50	450	1,275.74	35%
Shoreline - Exemption without SEPA	5.50	572	1,275.74	45%
Shoreline - Exemption with SEPA	7.00	1,908	1,640.83	116%
Shoreline - Conditional Use Permit	38.95	8,014	9,121.08	88%
Shoreline - Variance	39.95	8,014	9,263.10	87%
Shoreline - Clearing Permit	6.25	180	1,291.86	14%
Short Subdivision - 2 to 4 Lots	60.65	6,063	14,205.42	43%
Short Subdivision - Minor Plat Amendment	9.50	763	1,949.68	39%
Short Subdivision - Minor Alteration	8.25	360	1,662.80	22%
Sign Permit	2.50	50	616.96	8%
Site Plan Review - Minor	31.00	3,816	8,046.52	47%
Site Plan Review - Major	60.58	8,586	14,836.89	58%
Temporary Construction Staging	5.50	720	1,275.74	56%
Tree Removal/Vegetation Maintenance Permit	5.00	180	1,137.58	16%
Tree Removal/Vegetation Maintenance Permit (after-the-fact)	5.50	500	1,275.74	39%
Variance - Minor	23.25	3,434	5,362.37	64%
Variance - Major All Other (Hearing Examiner)	70.00	10,303	16,946.09	61%
Variance - Sign	4.00	382	979.02	39%
Wireless Facilities - Eligible Facility Request	5.50	185	1,275.74	15%
Wireless Communication Facility	4.00	370	976.78	38%
Zoning Verification Letter	3.00	100	770.19	13%
NEW FEE - Support for Wetland Consultant Review	2.00	NEW FEE	508.26	
NEW FEE - Arborist Review (in the field of dead/hazardous trees)	1.00	NEW FEE	232.66	
NEW FEE - Minor or Major Revision to Permit Under Review, as Determine by Director	12.00	NEW FEE	2,857.78	
NEW FEE - Reasonable Use Exception - All Other w/ SEPA Review	30.50	NEW FEE	7,261.48	
NEW FEE - Short Subdivision - 2 to 4 Lots w/ SEPA	24.25	NEW FEE	5,591.23	
NEW FEE - FEMA Review	1.75	NEW FEE	432.99	
NEW FEE - Shoreline - Administrative Review	29.75	NEW FEE	7,169.79	
NEW FEE - Reasonable Use Exception - Single Family Residence w/ SEPA Review	30.50	NEW FEE	7,261.48	
REPLACEMENT - Major Adjustment/Amendment	85.13	REPLACEMENT	20,122.40	
REPLACEMENT - Adjustment/Revision to Approved Shoreline Permit	12.00	REPLACEMENT	2,857.78	
REPLACEMENT - Shoreline - Conditional Use Permit Administrative	29.75	REPLACEMENT	7,169.79	

### III.C. DEVELOPMENT ENGINEERING PERMIT SERVICES

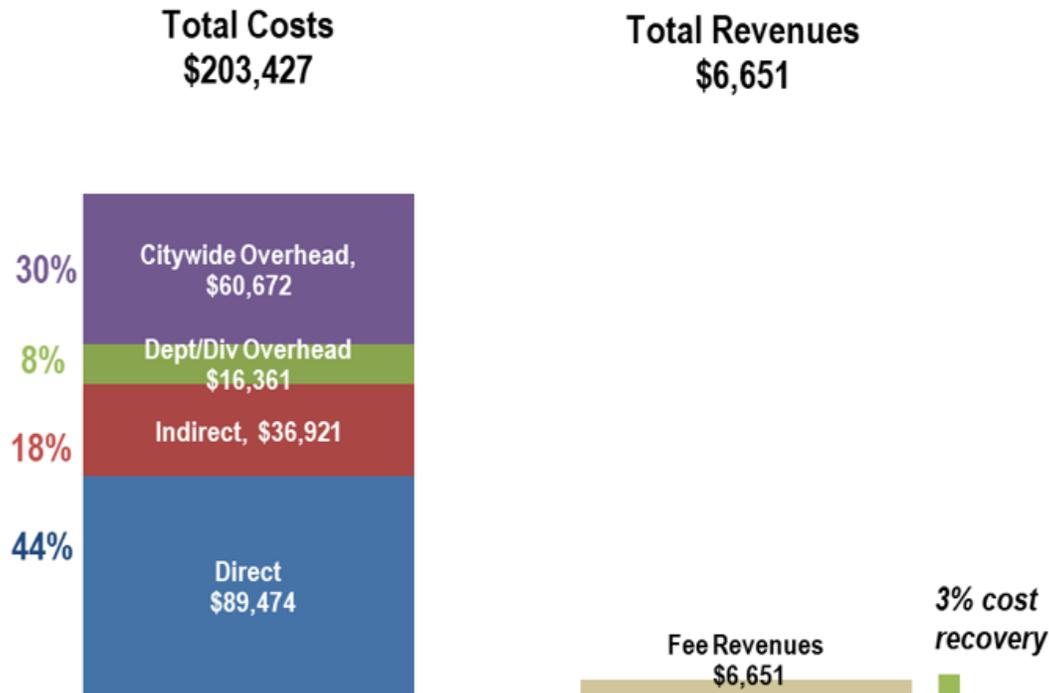
As shown in **Exhibit 13**, the full cost of development engineering permit services is estimated at \$203,427. Direct services were about 44 percent of the full cost of service, while indirect services were 18 percent of the full cost of service. Department and Citywide overhead costs represented the remaining 38 percent of the full cost of service. The total of the estimated shares of expenses to each cost layer may not add to 100 percent due to rounding.

**Exhibit 13**  
**2019 Full Cost of Service for Development Engineering**

<i>Development Engineering</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 87,043	\$ 2,431	\$ 89,474	44%
	Contract Services		\$ -	\$ -	-
<b>Subtotal Direct Costs</b>		<b>\$ 87,043</b>	<b>\$ 2,431</b>	<b>\$ 89,474</b>	<b>44%</b>
Indirect Costs	Public Information & Customer Service	\$ 49,423	\$ -	\$ 49,423	24%
	Training & Certification	8,981	-	8,981	4%
	General Administration & Management	67,448	-	67,448	33%
	Breaks	12,324	-	12,324	6%
	Engineering Indirect Cost Adjustment	(101,255)	-	(101,255)	-50%
<b>Subtotal Indirect Costs</b>		<b>36,921</b>	<b>-</b>	<b>\$ 36,921</b>	<b>18%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 12,627	\$ 3,734	\$ 16,361	8%
	Citywide OH - Fee Related	26,839	33,833	60,672	30%
	-	-	-	-	-
<b>Subtotal Overhead Costs</b>		<b>\$ 39,465</b>	<b>\$ 37,567</b>	<b>\$ 77,032</b>	<b>38%</b>
<b>Total Development Engineering Costs</b>		<b>\$ 163,429</b>	<b>\$ 39,998</b>	<b>\$ 203,427</b>	<b>100%</b>

**Exhibit 14** compares the cost-of-service results from **Exhibit 13** with the 2019 revenues for development engineering permit services. In 2019, permit revenue totaled \$6,651 compared to \$203,427 in fee-related expenditures, resulting in an overall cost recovery rate of approximately 3 percent. The cost recovery rate is discussed in the next section and is largely attributed to permit review services performed by development engineers for which no fee is assessed to applicants.

**Exhibit 14**  
**2019 Cost Recovery for Development Engineering Permit Services**



**III.C.1. Individual Development Engineering Permit Services**

Based on the time estimates for each fee service as well as loaded-hourly rate data for each employee, the full cost of service for individual development engineering permit services were calculated. The cost of service for each service was then compared to the current fee to determine cost recovery levels. No existing fees exceed their full cost of service. The current cost recovery level for each fee is shown in **Exhibit 15**.

**III.C.1.a Grading Permit and Plan Review**

The City is proposing to consolidate the grading permit and plan review fees. The existing fee structure is based on suggested fee structure outlined in the 1997 Uniform Administrative Code. Fees are based on tiers of cubic yards, ranging 0 to 50 cubic yards, 51 to 100 cubic yards, 101 to 1,000 cubic yards, 1001 to 10,000 cubic yards, 10,001 to 100,000 cubic yards, 100,001 to 200,000 cubic yards, and 200,000+ cubic yards.

In practice, the City does not differentiate workload for projects up to 100 cubic yards and rarely permits projects over 100,000 cubic yards. As a result, the City is proposing to consolidate the grading permit and plan review services for the first 100 cubic yards and as well as for any project over 100,000 cubic yards.

**III.C.1.b Plat Utility Review**

Plat utility reviews are performed by Development Engineering staff for land use projects (e.g., subdivisions, commercial and multi-family developments) in between the initial approval and final plat application. Development Engineering staff review and approve the utility plans, serve as the

City’s construction manager during construction, and ultimately inspect, approve, and close-out utility work such as drainage, sanitary sewer, and traffic measures. This work is not accounted for in the City’s land use or building permit fees nor is it included in the time estimates provided by City staff for preliminary subdivision and site plan reviews.

Plat utility reviews account for 58 percent of annual permit service time from Development Engineering staff – about 679 hours per year. To evaluate the cost of service for plat utility reviews, FCS GROUP interviewed Development Engineering staff. Plat utility reviews were organized into three review types:

- Tier 1: Short Plat (2 to 4 lots) and relevant commercial projects
- Tier 2: Subdivision (5 to 15 lots) and relevant commercial projects)
- Tier 3: Subdivision (15+ lots) and large Commercial Development Projects

Staff provided plan review and inspection time estimates to complete each review type – 31 hours for Tier 1, 93 hours for Tier 2, and 155 hours for Tier 3.

**Exhibit 15**  
**2019 Cost of Service and Cost Recovery by Individual Development Engineering Fee**

Permit Service	Work Time (in hours)	Current Fee	Cost of Service	Cost Recovery (%)
Grading - Plan Review for 101 to 1,000 CY	8.50	37.00	1,328.88	3%
Grading - Plan Review for 1,001 to 10,000 CY	16.50	49.25	2,726.99	2%
Grading - Plan Review for 10,001 to 100,000 CY	28.50	171.75	4,857.85	4%
Grading - Permit for 101 to 1,000 CY	5.00	194.50	761.02	26%
Grading - Permit for 1,001 to 10,000 CY	20.00	252.50	3,044.08	8%
Grading - Permit for 10,001 to 100,000 CY	30.00	655.00	4,566.11	14%
REPLACEMENT FEE Grading - Plan Review for 0 to 100 CY	6.50	REPLACEMENT	973.73	
REPLACEMENT FEE Grading - Plan Review per CY >100,000 CY	0.00	REPLACEMENT	0.04	
REPLACEMENT FEE Grading - Permit per CY >100,000 CY	0.00	REPLACEMENT	0.05	
REPLACEMENT FEE Grading - Plan Review/Permit Issuance Fee >100,000 CY	3.00	REPLACEMENT	363.46	
REPLACEMENT FEE Grading - Permit for 0 to 100CY	3.00	REPLACEMENT	456.61	
NEW FEE - Plat Utility Engineering Review Base 1	31.00	NEW FEE	4,794.69	
NEW FEE - Plat Utility Engineering Review Base 2	93.00	NEW FEE	14,384.07	
NEW FEE - Plat Utility Engineering Review Base 3	155.00	NEW FEE	23,973.45	

## Section IV. RECOMMENDED COST RECOVERY STRATEGIES

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City staff and FCS GROUP reviewed the preliminary results of the study, comparative fees from benchmark communities, and historical permit revenue data to establish proposed fees for individual development permit services. The purpose of this section is to summarize the proposed fee adjustments.

### IV.A. GUIDING PRINCIPLES FOR COST RECOVERY

The fee adjustments were developed based on a set of three guiding principles related to cost recovery:

- The City is seeking to recover the full cost of providing development permit-related services through applicant fees.
  - Due to the cyclical nature of development, permit revenue may exceed the cost of service in a particular year. This net revenue can be used to support permit-related services during low development cycles.
- The cost of service for building, land use planning, and development engineering are independently supported by their respective permit review fees.
- The proposed fee adjustments consider comparative fees for similar permit review services provided by neighboring jurisdictions.

### IV.B. PROPOSED COST RECOVERY POLICY

Based on discussions with City staff and the guiding principles described above, the following cost recovery policy is recommended for setting fees for individual development services:

The City establishes fees to sustainably recover the full cost of providing development services. The City's approach to fee setting for individual services are evaluated based on several factors, including:

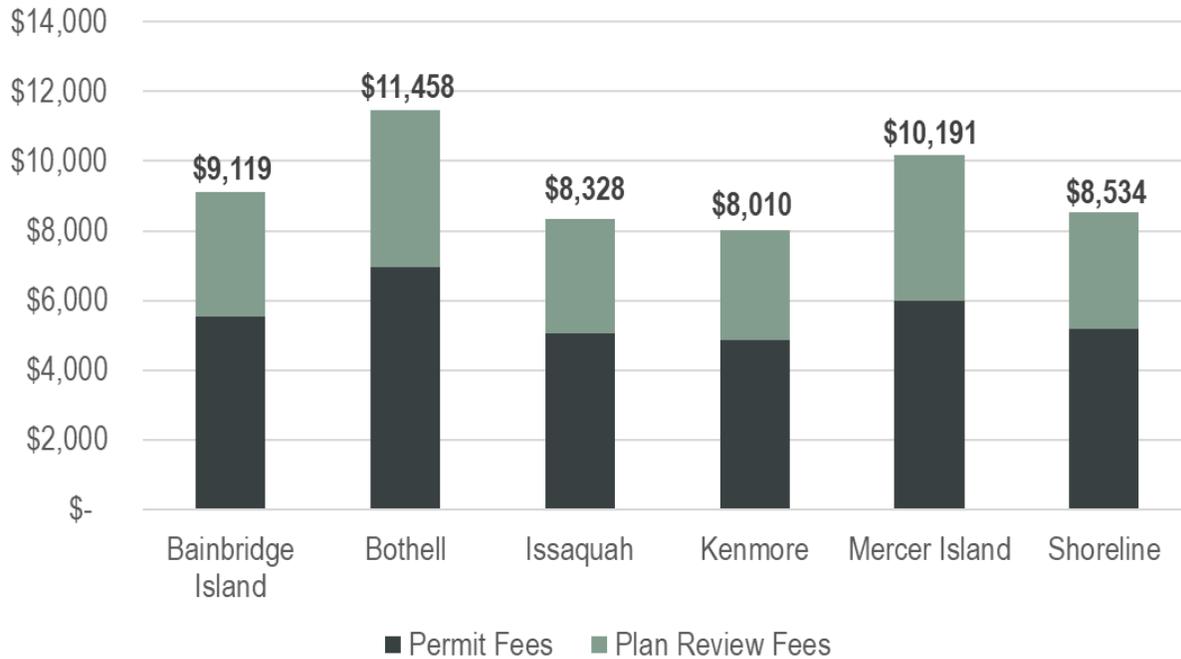
- The cost of issuing the permit.
- Fees for similar services in comparable cities.
- Ensuring that fees do not discourage applicants from the permitting process.

### IV.C. FEE SURVEY

A fee survey was conducted for several services in comparable jurisdictions including Bothell, Issaquah, Kenmore, Mercer Island, and Shoreline. Some of the City's fee services do not have "like-for-like" comparisons in other jurisdictions. Comparable cities may also provide similar fee services; however, the fee structure is different from the City's fee structure (e.g., charging a fixed fee versus an hourly rate). As a result, the survey provides a general benchmark to the City's existing fees.

**Exhibit 18** illustrates the comparative survey for the building permit and plan review fees for a new single-family home. The fees are based on \$750,000 construction value. The City’s proposed building permit and plan review fees are generally aligned with those of comparable cities. The average building permit and plan review fees for the comparative cities is \$9,304 compared to \$9,119 assessed by the City. Permit and plan review fees range from \$8,010 (Kenmore) to \$11,458 (Bothell).

**Exhibit 16**  
**Comparative Building Permit and Plan Review Fees for New Single-Family Home**



**Exhibit 17** details the comparative fee survey for select land use planning and development engineering fees. The planning fees were selected based on the most common permits and applications received by the City from 2015 to 2019 and compared against the cost of service study results. Generally, the City’s surveyed fees were lower compared to those assessed by benchmark cities. Examples include:

- Boundary Line Adjustment: City assesses \$954 compared to \$963 (Bothell), \$4,200 (Issaquah), \$619 (Kenmore), \$4,935 (Mercer Island), and \$1,648 (Shoreline)
- Short Subdivision including final plat: City assesses \$6,063 compared to \$11,150 (Bothell), \$10,000 (Issaquah), \$2,326 (Kenmore), \$19,740 (Mercer Island), and \$9,203 (Shoreline).

**Exhibit 17  
Comparative Land Use Planning Review Fees**

Permit Service	Bainbridge		Bothell	Issaquah	Kenmore	Mercer Island	Shoreline
	Bainbridge Island (existing)	Island (Cost of Service)					
Boundary Line Adjustment	\$ 954.00	\$ 1,701.80	\$ 963.00	\$ 4,200.00	\$ 619.00	\$ 4,934.95	\$ 1,648.00
Consultation	180.00	634.24	N/A	N/A	N/A	N/A	N/A
Minor Adjustment	900.00	3,425.86	762.00	2,000.00	2,663.00	14,100.00	Hourly
Pre-Application Conference - Minor Land Use Permits	500.00	2,413.65	747.00	2,500.00	-	704.85	483.00
Pre-Application Conference - All Other Land Use Permits	1,000.00	2,413.65	747.00	2,500.00	-	704.85	483.00
Shoreline - Exemption without SEPA	572.00	1,275.74	1,823.00	500.00	860.00	2,820.39	516.00
Short Subdivision - 2 to 4 Lots	6,063.00	14,205.42	11,150.00	10,000.00	2,326.00	19,739.81	9,203.00
Sign Permit	50.00	616.96	223.00	500.00	N/A	50.00	436.00
Grading Plan Review - 15,000 Cubic Yards	61.50	4,857.85	4,115.00	2,000.00	1,861.83	718.00	1,756.00
Grading Permit - 15,000 Cubic Yards	357.99	4,566.11					6,180.00

*Notes:*

*Bothell grading permit assumes one acre of disturbed area*

*Issaquah grading permit assumes one - two acres of area to be graded*

*Kenmore grading permit assumes one acre of disturbed area*

*Shoreline grading permit is hourly - amount shown is hourly rate (\$206) x hours required indicated by Bainbridge staff (30)*

#### IV.D. PROPOSED ADJUSTMENTS TO FEES

The following fee adjustments were reviewed with City staff and are recommended for implementation. It is estimated that these adjustments would generate approximately \$726,000 in additional annual revenue to the Building and Development Fund based on forecasted permit volumes: \$468,000 in land use planning review fees, \$210,000 in development engineering review fees, and \$49,000 in building permit fixed fees. Valuation-based building permit and plan review fees are expected to decrease slightly from existing levels to align with cost of service and anticipated building development.

- Effective immediately, increase all building permit fees (excluding those based on valuation) and land use planning review fees to the 2019 cost of service plus a three percent annual inflationary adjustment to account for assumed cost increases in 2020 and 2021. The total inflationary adjustment is 6.09 percent (see **Exhibits 19 to 21** for a detailed list of fee adjustments).
- Annually thereafter, increase all building permit fees (excluding those based on valuation), land use planning review fees, and development engineering fees on an annual basis consistent with annual adjustments to the City’s labor contracts.
- Effective immediately, revise the City’s building valuation fee schedule to itemize the base and variable fees by construction valuation tier as detailed below in **Exhibit 18**, consistent with the Uniform Building Code:

**Exhibit 18**  
**Uniform Building Code Building Valuation Fee Schedule**

TOTAL VALUATION	FEE
\$1.00 to \$500.00	\$29.38
\$500.01 to 2,000.00	\$29.38 for the first \$500.00 plus \$3.81 for each additional \$100.00, or fraction thereof, to and including \$2,000.00
\$2,001.01 to 25,000.00	\$86.56 for the first \$2,000.00 plus \$17.50 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,000.01 to \$50,000.00	\$489.69 for the first \$25,000.00 plus \$12.63 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00
\$50,000.01 to \$100,000.00	\$804.69 for the first \$50,000.00 plus \$8.75 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,000.01 to \$500,000.00	\$1,242.19 for the first \$100,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,000.01 to \$1,000,000.00	\$4,042.19 for the first \$500,000.00 plus \$5.94 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,000.01 and up	\$7,010.94 for the first \$1,000,000.00 plus \$4.56 for each additional \$1,000.00, or fraction thereof

- Include language in the City’s fee schedule that states how building valuation is determined and updated by the City. FCS GROUP recommends “Building permit fees are based on valuation, which is determined from the type of construction and square footage, or from a contractor’s bid. The City updates the construction/square footage factors each year based on square foot construction cost data from the International Code Council.” The ICC updates valuations/SF twice per year in February and August. For the City’s budget process, we suggest referencing the August update of the previous year when setting building valuation for the upcoming budget year (e.g., 2021 adopted budget based on August 2020 ICC building valuation).
- Implement the following adjustments to Development Engineering Fees.
  - » Consolidate the grading permit and planning fees as outlined in III.C.1.a
  - » Introduce the three-tiered fee structure for plat utility review fees within the Development Engineering fee schedule.
  - » Due to the degree of changes in Development Engineering fees, FCS GROUP compared overall projected fee revenues from the proposed grading and plat utility review fees based on cost of service and anticipated permit volumes. If individual permit services were assessed fees based on cost of service in 2019, the Development Engineering permit category would have achieved a cost recovery rate above 100 percent. To ensure that overall revenues do not exceed overall eligible expenses, we recommend setting 2021 Development Engineering fees to 98 percent of 2019 cost of service plus a three percent annual inflationary adjustment to account for assumed cost increases in 2020 and 2021. These adjustments would balance overall Development Engineering revenue and eligible expenses in 2021.
- Establish building hourly rate at \$125 per hour (based on average hourly rate for building permit services rounded down to the nearest \$5 increment).
- Establish land use hourly rate at \$165 per hour (based on average hourly rate for land use planning permit review services rounded down to the nearest \$5 increment).
- Establish development engineering hourly rate at \$160 per hour (based on average hourly rate for development engineering review rounded down to the nearest \$5 increment).

- Implement the following adjustments to cost allocations.
  - Direct Labor: Adjust the cost allocations for Department staff based on the timesheets.
  - Direct Non-Labor: Establish these allocations based upon the results of this study.
  - Citywide Overhead: We suggest the City consider updating its overhead charges through a Citywide indirect cost allocation plan, with annual updates to this plan consistent with industry best practices.
  - Executive cost allocations to Fund 407 could be based on those City agenda items tied to an active development permit/review. As long-term planning activities, City land use policy decision making, and code updates are not a fee recoverable cost, these costs should be allocated to the General Fund. If the decision is made to budget these costs in Fund 407, then a corresponding transfer from the General Fund to Fund 407 could be made.
  - Legal Department costs allocated to Fund 407 could reflect the level of legal support/review of active permit applications. The City already maintains discrete financial accounting codes for different forms of legal support (e.g., advice, litigation, and hearing examiner). We suggest the City leverage these accounting codes to organize legal expenses.

**Exhibit 19**  
**Proposed Building, Mechanical, and Plumbing Permit Fee Adjustments**

Permit Service	Current Fee	Target Fee	\$ Difference
Enforcement	\$ 180.00	\$ 135.52	\$ (44.48)
Mobile Home Permit	150.00	1,630.39	1,480.39
Mechanical - Permit Issuance	23.50	253.01	229.51
Mechanical - Each Additional Permit Issuance	7.25	128.53	121.28
Mechanical - Furnace upto 100,000 BTU/h	14.80	41.08	26.28
Mechanical - Furnace > 100,000 BTU/h	18.20	41.08	22.88
Mechanical - Installation of each floor furnace, including vent	14.80	41.08	26.28
Mechanical - Installation of each suspended heater	14.80	41.08	26.28
Mechanical - installation of each appliance vent	7.25	41.08	33.83
Mechanical - Repair or addition	13.70	41.08	27.38
Mechanical - Boiler or compressor upto 100,000 BTU/h	14.70	41.08	26.38
Mechanical - Boiler or compressor 100,001 to 500,000 BTU/h	27.15	124.48	97.33
Mechanical - Boiler or compressor 500,001 to 1,000,000 BTU/h	37.25	124.48	87.23
Mechanical - Boiler or compressor 1,000,001 to 1,750,000 BTU/h	55.45	124.48	69.03
Mechanical - Boiler or compressor > 1,750,000 BTU/h	92.65	124.48	31.83
Mechanical - Air Handlers up to 10,000 cfm	10.65	41.08	30.43
Mechanical - Air Handlers > 10,000 cfm	18.10	41.08	22.98
Mechanical - Evaporative coolers	10.65	41.08	30.43
Mechanical - Ventilation fan to single duct	7.25	41.08	33.83
Mechanical - Ventilation system not part of any heating or AC	10.65	41.08	30.43
Mechanical - Hood installation	10.65	41.08	30.43
Mechanical - Domestic-type incinerator	18.20	41.08	22.88
Mechanical - All other pieces of equipment	10.65	41.08	30.43
Mechanical - Inspections outside of normal business hours	49.50	271.04	221.54
Mechanical - Reinspections	49.50	124.48	74.98
Mechanical - Inspections for which no fee is specified	49.50	124.48	74.98
Mechanical - Additional plan review	49.50	124.48	74.98
Plumbing - Permit Issuance	23.50	253.01	229.51
Plumbing - Each additional permit issuance	7.25	128.53	121.28
Plumbing - Fixtures and vents on one trap	9.80	41.08	31.28
Plumbing - Repair or alteration of drainage or vent piping	4.75	41.08	36.33
Plumbing - Sewers, disposal systems, and interceptors: building sewer	24.65	124.48	99.83
Plumbing - Sewers, disposal systems, and interceptors: cess pool	37.25	124.48	87.23
Plumbing - Sewers, disposal systems, and interceptors: private sewage system	74.50	124.48	49.98
Plumbing - Sewers, disposal systems, and interceptors: industrial waste pretreatment interceptor	19.90	124.48	104.58
Plumbing - Sewers, disposal systems, and interceptors: rainwater system	9.80	1,652.46	1,642.66
Plumbing - Water piping installation	4.75	206.64	201.89
Plumbing - Water heater installation, including vent	12.30	41.08	28.78
Plumbing - Gas piping system of one to five outlets	6.15	206.64	200.49
Plumbing - All other pieces of equipment	9.80	124.48	114.68
Plumbing - Inspections outside of normal business hours	49.50	271.04	221.54
Plumbing - Reinspections	49.50	135.52	86.02
Plumbing - Inspections for which no fee is specified	49.50	135.52	86.02
Plumbing - Additional plan review	49.50	135.52	86.02
Plumbing - Sewers, disposal systems, and interceptors: rainwater system w/ Easement	9.80	2,370.38	2,360.58
REPLACEMENT FEE - Plumbing system with atmospheric-type vacuum breakers	REPLACEMENT	830.95	
REPLACEMENT FEE - Plumbing system with all other types of backflow protection devices	REPLACEMENT	1,661.89	

Note: Target fees are presented in 2021 dollars.

**Exhibit 20**  
**Proposed Land Use Planning Permit Review Fee Adjustments**

Permit Service	Current Fee	Target Fee	\$ Difference
Administrative Code Interpretation	\$ 382	\$ 2,040	\$ 1,658
Agricultural Conditional Use	1,080	3,300	2,220
Agricultural Retail Plan	191	1,700	1,509
Appeal of Administrative Decisions	530	7,140	6,610
Appeal of EIS Adequacy	530	7,140	6,610
Appeal of Hearing Examiner or Planning Commission Decision	530	7,140	6,610
Appeal of SEPA Determination	530	7,140	6,610
Boundary Line Adjustment	954	1,810	856
Comprehensive Plan Amendment - Site Specific	1,526	7,540	6,014
Comprehensive Plan Amendment - Not Site Specific	265	7,220	6,955
Conditional Use Permit - Minor	4,770	3,250	(1,520)
Conditional Use Permit - Major	10,494	17,980	7,486
Consultation	180	670	490
Critical Areas - Buffer Enhancement Plan Review	1,526	2,960	1,434
Critical Areas - Site Investigation	180	530	350
Critical Areas - Major	1,526	3,180	1,654
Critical Areas - Minor	-	1,580	1,580
Geologically Hazardous Area - Third Party Review Deposit	-	540	540
Reasonable Use Exception - Single Family Residence	3,816	8,790	4,974
Reasonable Use Exception - All Other	6,106	11,810	5,704
SEPA Review (no EIS)	763	1,470	707
SEPA Review (with EIS)	763	280	(483)
EIS Addendum	763	280	(483)
EIS Supplement	763	280	(483)
Large Lot Subdivision	16,027	15,820	(207)
Large Lot Subdivision - Minor	360	1,970	1,610
Legislative Review of Development Regulations	3,053	17,230	14,177
Long Subdivision	17,363	29,070	11,707
Long Subdivision - Minor Alteration	360	2,520	2,160
Long Subdivision - Minor Replat or Amendment	1,336	4,520	3,184
Minor Adjustment	900	3,630	2,730
Open Space Review	265	1,570	1,305
Pre-Application Conference - Minor Land Use Permits	500	2,560	2,060
Pre-Application Conference - All Other Land Use Permits	1,000	2,560	1,560
Pre-Application Conference (DRB) - Meeting & Committee Meeting	250	830	580
Pre-Application Conference - Meeting & Public Participation Meeting	250	830	580
Removal of Landmark Tree Permit	180	1,620	1,440
Renoticing Fee	200	350	150
Rezone	3,053	7,540	4,487
Shoreline - Buoy (Programmic Review)	450	1,350	900
Shoreline - Exemption without SEPA	572	1,350	778
Shoreline - Exemption with SEPA	1,908	1,740	(168)
Shoreline - Conditional Use Permit	8,014	9,680	1,666
Shoreline - Variance	8,014	9,830	1,816
Shoreline - Clearing Permit	180	1,370	1,190
Short Subdivision - 2 to 4 Lots	6,063	15,070	9,007
Short Subdivision - Minor Plat Amendment	763	2,070	1,307
Short Subdivision - Minor Alteration	360	1,760	1,400
Sign Permit	50	650	600
Site Plan Review - Minor	3,816	8,540	4,724
Site Plan Review - Major	8,586	15,740	7,154
Temporary Construction Staging	720	1,350	630
Tree Removal/Vegetation Maintenance Permit	180	1,210	1,030
Tree Removal/Vegetation Maintenance Permit (after-the-fact)	500	1,350	850
Variance - Minor	3,434	5,690	2,256
Variance - Major All Other (Hearing Examiner)	10,303	17,980	7,677
Variance - Sign	382	1,040	658
Wireless Facilities - Eligible Facility Request	185	1,350	1,165
Wireless Communication Facility	370	1,040	670
Zoning Verification Letter	100	820	720
NEW FEE - Support for Wetland Consultant Review	NEW FEE	540	
NEW FEE - Arborist Review (in the field of dead/hazardous trees)	NEW FEE	250	
NEW FEE - Minor or Major Revision to Permit Under Review, as Determine by Director	NEW FEE	3,030	
NEW FEE - Reasonable Use Exception - All Other w/ SEPA Review	NEW FEE	7,700	
NEW FEE - Short Subdivision - 2 to 4 Lots w/ SEPA	NEW FEE	5,930	
NEW FEE - FEMA Review	NEW FEE	460	
NEW FEE - Shoreline - Administrative Review	NEW FEE	7,610	
NEW FEE - Reasonable Use Exception - Single Family Residence w/ SEPA Review	NEW FEE	7,700	
REPLACEMENT - Major Adjustment/Amendment	REPLACEMENT	17,980	
REPLACEMENT - Adjustment/Revision to Approved Shoreline Permit	REPLACEMENT	3,030	
REPLACEMENT - Shoreline - Conditional Use Permit Administrative	REPLACEMENT	7,610	

Note: Target fees are presented in 2021 dollars.

**Exhibit 21**  
**Proposed Development Engineering Permit Fee Adjustments**

Permit Service	Current Fee	Target Fee	\$ Difference
Grading - Plan Review for 101 to 1,000 CY	37.00	1,383	1,346
Grading - Plan Review for 1,001 to 10,000 CY	49.25	2,839	2,790
Grading - Plan Review for 10,001 to 100,000 CY	171.75	5,057	4,886
Grading - Permit for 101 to 1,000 CY	194.50	792	598
Grading - Permit for 1,001 to 10,000 CY	252.50	3,169	2,917
Grading - Permit for 10,001 to 100,000 CY	655.00	4,754	4,099
REPLACEMENT FEE Grading - Plan Review for 0 to 100 CY	REPLACEMENT	1,014	
REPLACEMENT FEE Grading - Plan Review per CY >100,000 CY	REPLACEMENT	0.05	
REPLACEMENT FEE Grading - Permit per CY >100,000 CY	REPLACEMENT	0.05	
REPLACEMENT FEE Grading - Plan Review/Permit Issuance Fee >100,000 CY	REPLACEMENT	378	
REPLACEMENT FEE Grading - Permit for 0 to 100CY	REPLACEMENT	475	
NEW FEE - Plat Utility Engineering Review Base 1	NEW FEE	4,992	
NEW FEE - Plat Utility Engineering Review Base 2	NEW FEE	14,975	
NEW FEE - Plat Utility Engineering Review Base 3	NEW FEE	24,958	

Note: Target fees are presented in 2021 dollars.

## IV.E. REVENUE FORECAST WITH PROPOSED ADJUSTMENTS

As part of the fee study, FCS GROUP developed a revenue forecast tool for the City that projects annual fee revenue and eligible development expenses over a five-year period to evaluate the impact of the fee changes on the City's cost recovery goal.

- The forecast assumes building permit volumes for projects under \$5 million based on average annual permit volume from 2015 to 2019. The timing and construction value for building projects over \$5 million were estimated based on planned projects (e.g., Wintergreen Townhomes).
- Construction valuation is adjusted annually by an assumed three percent cost inflation for each year of the forecast.
- Land use and development engineering fee revenues are estimated based on the proposed fee adjustments and average annual permit volume from 2015 to 2019.
- Eligible expenses are based on the cost-of-service study and are adjusted by an assumed three percent cost inflation for each year of the forecast.
- Land use, development engineering, and non-valuation building fees are adjusted annually by three percent from 2022 to 2025.

**Exhibit 22** details the revenue and cost recovery forecast through 2025. The City's development cost recovery level is projected to remain near full cost recovery over that time period. The cost recovery rate is projected at 113 percent in 2021 -- three major building permit projects (Wyatt and Madison, Messenger House, and Wintergreen Townhomes) are forecast this year which are estimated to generate approximately \$285,000 in building fee revenue. The City's cost recovery level is estimated at 99 percent to 100 percent from 2022 to 2025.

**Exhibit 22**  
**Revenue and Cost Recovery Forecast**

Financial Forecast	2021	2022	2023	2024	2025
<b>Building</b>					
Revenues	\$ 1,473,543	\$ 1,216,681	\$ 1,245,476	\$ 1,275,136	\$ 1,305,686
Expenditures	1,177,726	1,213,057	1,249,449	1,286,933	1,325,541
<i>Cost Recovery</i>	<i>125%</i>	<i>100%</i>	<i>100%</i>	<i>99%</i>	<i>99%</i>
<b>Land Use Planning</b>					
Revenues	\$ 828,738	\$ 853,600	\$ 879,208	\$ 905,584	\$ 932,752
Expenditures	832,400	857,372	883,093	909,586	936,874
<i>Cost Recovery</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
<b>Development Engineering</b>					
Revenues	\$ 215,816	\$ 222,290	\$ 228,959	\$ 235,828	\$ 242,902
Expenditures	215,816	222,290	228,959	235,828	242,902
<i>Cost Recovery</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
<b>All Permit Services</b>					
Revenues	\$ 2,518,096	\$ 2,292,571	\$ 2,353,643	\$ 2,416,548	\$ 2,481,340
Expenditures	2,225,941	2,292,720	2,361,501	2,432,346	2,505,317
<i>Cost Recovery</i>	<i>113%</i>	<i>100%</i>	<i>100%</i>	<i>99%</i>	<i>99%</i>

## IV.F. BUILDING & DEVELOPMENT FUND COST RECOVERY POLICIES

### IV.F.1. Background

The City accounts for permit service expenses and revenues in an enterprise fund (Building & Development Fund) separate from the City’s General Fund. Enterprise funds are used by state and local governments to account for business-type activities where services are primarily funded through user charges. Enterprise fund accounting enables a public agency to maintain separate financial reporting for business-type activities, assess financial stewardship of these activities, and determine appropriate adjustments to user fees.

Permit fee revenue is the primary revenue source for the Building & Development Fund. When permit revenue does not cover all expenses, the City transfers revenue from the General Fund to offset the deficit. Historically, permit fees have not been set to recover 100 percent of the cost of permit services, so the General Fund transfer has been needed each year.

### IV.F.2. Full Cost Recovery and Fund Management

By transitioning to full cost recovery for permit services, the transfer from the General Fund will likely not be required or, if it is required, will be at a lower level than in previous years. To maintain full cost recovery into the future, we recommend that the City consider establishing financial policies and practices that:

- Ensure that fees are adjusted each year to account for anticipated cost increases.

- Define an annual working capital reserve for the Building & Development Fund. We recommend a minimum reserve level equivalent to 90 days operating expenses.
  - » Some cities establish a “core staffing reserve” which sets aside reserve funding to ensure that capable staff is available to serve customers on demand during a development downturn and a subsequent rebound in permitting activity. Reserve levels generally range from six months to two years of core staffing funding.
- Continue tracking and reporting on deferred permit revenue (e.g., pre-paid liabilities).
- Define the types and timing of cost containment strategies when development activity decreases below expected levels. These strategies may include the use of financial reserves, delayed hiring, adjustments to non-labor expenses, or a transfer from the General Fund.
- Re-assess the cost of service of development fees every three to five years to reflect changes in staffing requirements, planning code, technology, and new services.

## APPENDIX A – 2019 TIME ESTIMATING FORM

### Time Estimation Form

<b>Name</b>		<b>Title</b>	<b>Associate Planner</b>
<b>Department</b>	<b>Planning and Community Development</b>	<b>Division</b>	

**Annual Regular Labor** Annual Hours **2,080**

**Plus: Annual Overtime** + Annual Hours **0**

**Total Annual Labor** = Annual Hours **2,080**  
= Regular + Overtime Hours

**Less: Annual Leave**  
Holidays, actual vacation, comp time, actual sick leave, and any other regular leave.

**Total Leave (Vacation, Personal, Sick, Holiday, etc.)** Annual Hours **259**

**Total Annual Leave** - Annual Hours **259**

**Total Available Work Hours** = Annual Hours **1,821**

**Less: Annual Indirect Support for Direct Services:**

Work associated with private development/other direct service but not on a specific application, permit, or client.

**a. Public Information & Customer Svc** - Annual Hours **500**

Providing general information and assistance (e.g., "counter" time).

**b. Training & Certification** - Annual Hours **25**

Sustaining or increasing professional credentials.

**c. General Administration & Mgt** - Annual Hours **350**

General office tasks, supervision, departmental management, etc.

**d. Breaks** - Annual Hours **114**

**Yes**

Calculated as two 15-minute breaks per day  
 If breaks apply to your job, choose "yes" in box above

**d. Other:** - Annual Hours

Please specify

**Net Annual Labor Related to Direct Services** = Annual Hours **832**

**Distribution of Project or Permit Related Labor**

Enter the percent of time or annual labor hours spent on each of the direct services listed below.

Note that you enter the hours under the department to which the activity/fee is related. (E.g. a building inspector who performs inspections on engineering permits would place time under "Engineering".)

Percentage entries must total 100%.

Annual hour entries should total Net Annual Labor Related to Individual Projects/Permits from Functional Labor Estimate.

**Building**

	% of Labor	-OR-	Annual Hours
Residential Building Permits/Inspections			-
Residential Building Plan Review	15%		125
Non-Residential Building Permits/Inspections			-
Non-Residential Building Plan Review			-
Stand-alone mechanical plan review and inspections			-
Stand-alone plumbing plan review and inspections			-
All Other Building Fee Services			-
Other Non-Fee Building Services			-

**Land Use**

Current Planning Fees	30%		250
Code and Policy Development			-
Long Range Planning			-
Other Non-Fee Planning Services	55%		458

**Engineering**

Plan Review			-
Inspections			-
Utility Engineering Review - Permit			-
Utility Engineering Review - City Planning (non-fee)			-
Other Non-Fee Engineering Services			-

**Other Activities**

Code enforcement - public investigations			-
Code enforcement - permit investigations (building)			-
Code enforcement - permit investigations (development engineering)			-
Code enforcement - investigations (public works)			-
Other: Please List			-
<b>Total</b>	100%		832

## APPENDIX B – 2019 EMPLOYEE TIMESHEETS

	Building Official	Building Inspector	Building Inspector	Building Inspector	Permit Specialist	Permit Specialist
Annual Regular Labor	2,080	2,080	2,080	2,080	2,080	2,080
Annual Overtime	-	-	17	68	20	9
Annual Labor	2,080	2,080	2,097	2,148	2,100	2,089
Annual Leave	296	399	192	339	355	452
<b>Total Available Work Hours</b>	<b>1,784</b>	<b>1,681</b>	<b>1,905</b>	<b>1,810</b>	<b>1,745</b>	<b>1,637</b>
Public Information & Customer Service	100	520	45	290	250	100
Training & Certification	100	80	40	90	20	24
General Administration & Management	500	-	20	380	200	100
Breaks	-	105	118	109	108	102
<b>Net Annual Labor Related to Direct Services</b>	<b>1,084</b>	<b>976</b>	<b>1,682</b>	<b>941</b>	<b>1,168</b>	<b>1,311</b>
Residential Building Permits/Inspections	119	342	1,009	329	58	262
Residential Building Plan Review	90	439	555	235	58	66
Non-Residential Building Permits/Inspection	52	98	34	94		131
Non-Residential Building Plan Review	254	98	17	94		66
Stand-alone mechanical plan review and inspection	90		17	47	175	144
Stand-alone plumbing plan review and inspection	90		17	47	175	144
All Other Building Fee Services	75			47	117	144
Coordinating w/ Other Agencies	10					
Current Planning Fees					58	210
Plan Review						
Inspections						
Utility Engineering Review - Permit						
Other Non-Fee Building Services	239				117	144
Code and Policy Development						
Long Range Planning	15					
Other Non-Fee Planning Services	22				117	
Utility Engineering Review - City Planning (non-fee)						
Other Non-Fee Engineering Services						
Code enforcement - public investigations			17			
Code enforcement - permit investigations (development engineering)	30		17	47		
Code enforcement - investigations (public works)						
Code enforcement - clearing violations						
Legal Department Support						
Public Works Engineering Non-Fee						
Business License Review					292	
<b>Total Direct Hours</b>	<b>1,084</b>	<b>976</b>	<b>1,682</b>	<b>941</b>	<b>1,168</b>	<b>1,311</b>

	Admin Specialist	Planning Manager	Sr Planner	Sr Planner	Associate Planner	Associate Planner
Annual Regular Labor	2,080	2,080	2,080	2,080	2,080	2,080
Annual Overtime	-	-	175	161	2	-
Annual Labor	2,080	2,080	2,255	2,241	2,082	2,080
Annual Leave	288	208	426	443	375	259
<b>Total Available Work Hours</b>	<b>1,792</b>	<b>1,873</b>	<b>1,829</b>	<b>1,798</b>	<b>1,707</b>	<b>1,821</b>
Public Information & Customer Service	500	150	20	824	341	500
Training & Certification		32	27	192	17	25
General Administration & Management		1,450	100	520	-	350
Breaks	112	-	103	102	107	114
<b>Net Annual Labor Related to Direct Services</b>	<b>1,180</b>	<b>241</b>	<b>1,579</b>	<b>160</b>	<b>1,242</b>	<b>832</b>
Residential Building Permits/Inspections	91	72	9	2	12	
Residential Building Plan Review				11	124	125
Non-Residential Building Permits/Inspectio	91	14		2		
Non-Residential Building Plan Review				8	62	
Stand-alone mechanical plan review and inspections						
Stand-alone plumbing plan review and inspections						
All Other Building Fee Services	877			8		
Coordinating w/ Other Agencies						
Current Planning Fees		108	30	19	745	250
Plan Review				5		
Inspections						
Utility Engineering Review - Permit						
Other Non-Fee Building Services				16		
Code and Policy Development		5	1,374	16		
Long Range Planning		5	142	16		
Other Non-Fee Planning Services	121	24	24	48	298	458
Utility Engineering Review - City Planning (non-fee)						
Other Non-Fee Engineering Services				3		
Code enforcement - public investigations		12		2		
Code enforcement - permit investigations (building)				2		
Code enforcement - permit investigations (development engineering)				3		
Code enforcement - investigations (public works)						
Code enforcement - clearing violations						
Legal Department Support						
Public Works Engineering Non-Fee						
Business License Review						
<b>Total Direct Hours</b>	<b>1,180</b>	<b>241</b>	<b>1,579</b>	<b>160</b>	<b>1,242</b>	<b>832</b>

	Associate Planner	Permit Specialist	Associate Planner	Sr Planner	Arborist	Engineer Manager
Annual Regular Labor	2,080	2,080	2,080	2,080	2,080	2,080
Annual Overtime	-	96	-	-	-	-
Annual Labor	2,080	2,176	2,080	2,080	2,080	2,080
Annual Leave	317	341	317	429	288	338
<b>Total Available Work Hours</b>	<b>1,763</b>	<b>1,835</b>	<b>1,763</b>	<b>1,651</b>	<b>1,792</b>	<b>1,742</b>
Public Information & Customer Service	418	600	418	166	500	260
Training & Certification	21	200	21	55	30	80
General Administration & Management	169	135	169	168	50	1,040
Breaks	110	109	110	93	112	-
<b>Net Annual Labor Related to Direct Services</b>	<b>1,044</b>	<b>791</b>	<b>1,044</b>	<b>1,169</b>	<b>1,100</b>	<b>362</b>
Residential Building Permits/Inspections	5	40	5	8		
Residential Building Plan Review	131	40	131	16		
Non-Residential Building Permits/Inspection	-	16	-	2		
Non-Residential Building Plan Review	26	8	26	12		
Stand-alone mechanical plan review and inspection	-	16	-	-		
Stand-alone plumbing plan review and inspection	-	8	-	-		
All Other Building Fee Services	-	16	-	12		
Coordinating w/ Other Agencies	-	-	-	-		
Current Planning Fees	470	237	470	46	638	
Plan Review				7		
Inspections						
Utility Engineering Review - Permit						
Other Non-Fee Building Services		40		23		
Code and Policy Development				837	165	18
Long Range Planning		40		108	110	
Other Non-Fee Planning Services	413	277	413	84	165	72
Utility Engineering Review - City Planning (non-fee)				-		36
Other Non-Fee Engineering Services		40		5		217
Code enforcement - public investigations		16		2		
Code enforcement - permit investigations (building)				2		
Code enforcement - permit investigations (development engineering)				5		18
Code enforcement - investigations (public works)						
Code enforcement - clearing violations					22	
Legal Department Support						
Public Works Engineering Non-Fee						
Business License Review						
<b>Total Direct Hours</b>	<b>1,044</b>	<b>791</b>	<b>1,044</b>	<b>1,169</b>	<b>1,100</b>	<b>362</b>

	Dev Engineer	Dev Engineer	Eng Inspector	Director	Code Officer	Admin Specialist t III	Admin Specialist t III	Survey Program Manager
Annual Regular Labor	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080
Annual Overtime	26	-	75	-	54	195	33	12
Annual Labor	2,106	2,080	2,155	2,080	2,134	2,275	2,113	2,092
Annual Leave	255	383	291	288	250	357	374	464
<b>Total Available Work Hours</b>	<b>1,851</b>	<b>1,697</b>	<b>1,863</b>	<b>1,792</b>	<b>1,884</b>	<b>1,918</b>	<b>1,739</b>	<b>1,629</b>
Public Information & Customer Service	364	312	312	52	235	560	200	50
Training & Certification	56	40	40	12	110	17	19	
General Administration & Management	130	154	208	416	235	752	400	
Breaks	114	106	112	-	114	108	107	101
<b>Net Annual Labor Related to Direct Services</b>	<b>1,187</b>	<b>1,085</b>	<b>1,191</b>	<b>1,312</b>	<b>1,190</b>	<b>482</b>	<b>1,013</b>	<b>1,477</b>
Residential Building Permits/Inspections	24	76	83					
Residential Building Plan Review	107	163	119					
Non-Residential Building Permits/Inspection	24	33	60					
Non-Residential Building Plan Review	59	54	36					
Stand-alone mechanical plan review and inspections								
Stand-alone plumbing plan review and inspections								
All Other Building Fee Services						41		10
Coordinating w/ Other Agencies								
Current Planning Fees	356	217	60	394		82	203	150
Plan Review	191	159	262					75
Inspections	87	79	262					
Utility Engineering Review - Permit	26	56	44					
Other Non-Fee Building Services				66				
Code and Policy Development	36	54		328	119		101	
Long Range Planning				131		338	101	10
Other Non-Fee Planning Services				328	381		608	
Utility Engineering Review - City Planning	107	54	12					
Other Non-Fee Engineering Services	135	140	207					
Code enforcement - public investigations					59	21		10
Code enforcement - permit investigations	12		12		333			
Code enforcement - permit investigations	12		24		119			
Code enforcement - investigations (public)	12		12		178			
Code enforcement - clearing violations								
Legal Department Support								20
Public Works Engineering Non-Fee								1,202
Business License Review								
<b>Total Direct Hours</b>	<b>1,187</b>	<b>1,085</b>	<b>1,191</b>	<b>1,312</b>	<b>1,190</b>	<b>482</b>	<b>1,013</b>	<b>1,477</b>

## APPENDIX C – FEES REVIEWED

### Appendix C-1

#### Initial List of Existing and New Building Permit Services

- Enforcement
- Mobile Home Permit
- Wells, Exempt - Building Connection Fee
- Mechanical - Permit Issuance
- Mechanical - Each Additional Permit Issuance
- Mechanical - Furnace up to 100,000 BTU/h
- Mechanical - Furnace > 100,000 BTU/h
- Mechanical - Installation of each floor furnace, including vent
- Mechanical - Installation of each suspended heater
- Mechanical - installation of each appliance vent
- Mechanical - Repair or addition
- Mechanical - Boiler or compressor up to 100,000 BTU/h
- Mechanical - Boiler or compressor 100,001 to 500,000 BTU/h
- Mechanical - Boiler or compressor 500,001 to 1,000,000 BTU/h
- Mechanical - Boiler or compressor 1,000,001 to 1,750,000 BTU/h
- Mechanical - Boiler or compressor > 1,750,000 BTU/h
- Mechanical - Air Handlers up to 10,000 cfm
- Mechanical - Air Handlers > 10,000 cfm
- Mechanical - Evaporative coolers
- Mechanical - Ventilation fan to single duct
- Mechanical - Ventilation system not part of any heating or AC
- Mechanical - Hood installation
- Mechanical - Domestic-type incinerator
- Mechanical - Commercial or Industrial-type incinerator
- Mechanical - All other pieces of equipment
- Mechanical - Inspections outside of normal business hours
- Mechanical - Reinspections
- Mechanical - Inspections for which no fee is specified
- Mechanical - Additional plan review
- Plumbing - Permit Issuance
- Plumbing - Each additional permit issuance
- Plumbing - Fixtures and vents on one trap
- Plumbing - Repair or alteration of drainage or vent piping
- Plumbing - Sewers, disposal systems, and interceptors: building sewer
- Plumbing - Sewers, disposal systems, and interceptors: cess pool
- Plumbing - Sewers, disposal systems, and interceptors: private sewage system
- Plumbing - Sewers, disposal systems, and interceptors: industrial waste pretreatment interceptor
- Plumbing - Sewers, disposal systems, and interceptors: rainwater system
- Plumbing - Water piping installation
- Plumbing - Water heater installation, including vent
- Plumbing - Gas piping system of one to five outlets
- Plumbing - Gas piping system, each outlet over five

- Plumbing - Lawn sprinkler including backflow device
- Plumbing - Atmospheric-type vacuum breakers, one to five
- Plumbing - Atmospheric-type vacuum breakers, over five
- Plumbing - Backflow protection device other than atmospheric-type  $\leq 2"$
- Plumbing - Backflow protection device other than atmospheric-type  $>2"$
- Plumbing - Public Pool
- Plumbing - Public Spa
- Plumbing - Private Pool
- Plumbing - Private Spa
- Plumbing - All other pieces of equipment
- Plumbing - Inspections outside of normal business hours
- Plumbing - Reinspections
- Plumbing - Inspections for which no fee is specified
- Plumbing - Additional plan review
- Plumbing - Sewers, disposal systems, and interceptors: rainwater system w/ Easement

### **Appendix C-2**

#### **Excluded or Consolidated Building Permit Services**

- Excluded Permit Services
  - Wells Exempt – Building Connection Fee
  - Mechanical – Commercial or Industrial Type Incinerator
  - Plumbing – Gas piping system, each outlet over five
  - Plumbing – Public Pool (recommended to be assessed at hourly rate)
  - Plumbing – Public Spa (recommended to be assessed at hourly rate)
  - Plumbing – Private Pool (recommended to be assessed at hourly rate)
  - Plumbing – Private Spa (recommended to be assessed at hourly rate)
- Consolidated Permit Services
  - Plumbing – Lawn sprinkler including backflow device
  - Plumbing - Atmospheric-type vacuum breakers, one to five
  - Plumbing - Atmospheric-type vacuum breakers, over five
  - Plumbing - Backflow protection device other than atmospheric-type  $\leq 2"$
  - Plumbing - Backflow protection device other than atmospheric-type  $>2"$
- Replacement Services
  - Plumbing – systems with atmospheric-type vacuum breakers
  - Plumbing – systems with all other types of backflow protection devices

### **Appendix C-3**

#### **Initial List of Existing and New Land Use Planning Services**

- Administrative Code Interpretation
- Affordable Housing - Optional Fee In Lieu
- Agricultural Conditional Use
- Agricultural Retail Plan
- Appeal of Administrative Decisions
- Appeal of EIS Adequacy
- Appeal of Hearing Examiner or Planning Commission Decision
- Appeal of SEPA Determination
- Boundary Line Adjustment

- Comprehensive Plan Amendment - Site Specific
- Comprehensive Plan Amendment - Not Site Specific
- Conditional Use Permit - Minor
- Conditional Use Permit - Specified Cemeteries
- Conditional Use Permit - Major
- Consultation
- Critical Areas - Buffer Enhancement Plan Review
- Critical Areas - Site Investigation
- Critical Areas - Major
- Critical Areas - Minor
- Geologically Hazardous Area - Third Party Review Deposit
- Reasonable Use Exception - Single Family Residence
- Reasonable Use Exception - All Other
- SEPA Review (no EIS)
- SEPA Review (with EIS)
- EIS Addendum
- EIS Supplement
- Large Lot Subdivision
- Large Lot Subdivision - Minor
- Legislative Review of Development Regulations
- Long Subdivision
- Long Subdivision - Minor Alteration
- Long Subdivision - Minor Replat or Amendment
- Long Subdivision - Major Replat or Amendment
- Minor Adjustment
- Major Adjustment
- Open Space Review
- Pre-Application Conference - Minor Land Use Permits
- Pre-Application Conference - All Other Land Use Permits
- Pre-Application Conference (DRB) - Meeting & Committee Meeting
- Pre-Application Conference - Meeting & Public Participation Meeting
- Removal of Landmark Tree Permit
- Renoticing Fee
- Rezone
- Shoreline - Buoy (Programmatic Review)
- Shoreline - Exemption without SEPA
- Shoreline - Exemption with SEPA
- Shoreline - Substantial Development Permit
- Shoreline - Substantial Development Permit for Enlargement of Existing Structure
- Shoreline - Conditional Use Permit
- Shoreline - Conditional Use Permit for Enlargement of Existing Structure
- Shoreline - Administrative Variance
- Shoreline - Variance
- Shoreline - Clearing Permit
- Short Subdivision - 2 to 4 Lots
- Short Subdivision - 5 to 9 Lots

- Short Subdivision - Minor Plat Amendment
- Short Subdivision - Major Plat Amendment
- Short Subdivision - Minor Alteration
- Sign Permit
- Site Assessment Review
- Site Plan Review - Minor
- Site Plan Review - Major
- Temporary Construction Staging
- Tree Removal/Vegetation Maintenance Permit
- Tree Removal/Vegetation Maintenance Permit (after-the-fact)
- Variance - Minor
- Variance - Major Single Family Residential (Hearing Examiner)
- Variance - Major All Other (Hearing Examiner)
- Variance - Sign
- Wireless Facilities - Eligible Facility Request
- Wireless Facilities - Small Wireless Facility
- Wireless Facilities - New Poles
- Wireless Facilities - Site Fee for Locating on City Property
- Wireless Communication Facility
- Zoning Verification Letter
- NEW FEE - Support for Wetland Consultant Review
- NEW FEE - Arborist Review (in the field of dead/hazardous trees)
- NEW FEE - Minor or Major Revision to Permit Under Review, as Determine by Director
- NEW FEE - Reasonable Use Exception - All Other w/ SEPA Review
- NEW FEE - Short Subdivision - 2 to 4 Lots w/ SEPA
- NEW FEE - FEMA Review
- NEW FEE - Shoreline - Administrative Review
- NEW FEE - Reasonable Use Exception - Single Family Residence w/ SEPA Review

#### **Appendix C-4**

##### **Excluded or Consolidated Land Use Planning Services**

- Excluded Permit Services
  - Affordable Housing – Optional Fee in Lieu
  - Conditional Use Permit – Specified Cemeteries
  - Short Subdivision – 5 to 9 lots
  - Variance – Major Single Family Residential
- Consolidated Permit Services
  - Long Subdivision – Minor Replat or Amendment
  - Long Subdivision – Major Replat or Amendment
  - Shoreline – Substantial Development
  - Shoreline – Substantial Development for Enlargement of Existing Structure
  - Shoreline – Conditional Use for Enlargement of Existing Structure
  - Shoreline – Administrative Variance
  - Short Subdivision – Major Plat Amendment
- Replacement Services
  - Major Adjustment or Amendment

- Shoreline - Adjustments or Revisions to Approved Permit
- Shoreline – Administrative Review

### **Appendix C-5**

#### **Initial List of Existing and New Development Engineering Permit Services**

- Grading - Plan Review for 50 CY or less
- Grading - Plan Review for 51 to 100 CY
- Grading - Plan Review for 101 to 1,000 CY
- Grading - Plan Review for 1,001 to 10,000 CY
- Grading - Plan Review for 10,001 to 100,000 CY
- Grading - Plan Review for 100,001 to 200,000 CY
- Grading - Plan Review for > 200,000 CY
- Grading - Permit for 50 CY or less
- Grading - Permit for 51 to 100 CY
- Grading - Permit for 101 to 1,000 CY
- Grading - Permit for 1,001 to 10,000 CY
- Grading - Permit for 10,001 to 100,000 CY
- Grading - Permit > 100,000 CY
- NEW FEE - Plat Utility Engineering Review (Base 1)
- NEW FEE - Plat Utility Engineering Review (Base 2)
- NEW FEE - Plat Utility Engineering Review (Base 3)

### **Appendix C-6**

#### **Excluded or Consolidated Development Engineering Permit Services**

- Excluded Permit Services
  - Site Assessment Review
- Consolidated Permit Services
  - Grading - Plan Review for 50 CY or less
  - Grading - Plan Review for 51 to 100 CY
  - Grading - Plan Review for 100,001 to 200,000 CY
  - Grading - Plan Review for > 200,000 CY
  - Grading - Permit for 50 CY or less
  - Grading - Permit for 51 to 100 CY
  - Grading - Permit > 100,000 CY
- Replacement Services
  - Grading - Plan Review for 0 to 100 CY
  - Grading - Plan Review per CY >100,000 CY
  - Grading - Permit for 0 to 100CY
  - Grading - Permit per CY >100,000 CY
  - Grading - Plan Review/Permit Issuance Fee >100,000 CY



# Planning and Community Development Cost of Service Fee Study

City Council Study Session

September 21, 2021

John Ghilarducci, Principal  
Matt Hobson, Project Manager  
Martin Chaw, Project Manager  
Paul Quinn, Project Consultant



# Agenda

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- ◆ Background
- ◆ Summary of Cost-of-Service and Cost Recovery Results
- ◆ Comparative City Survey
- ◆ Forecasted Revenues under Cost-of-Service Fees
- ◆ Recommendations



## Scope of Work

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- ◆ Prepare a fully burdened, 100% cost recovery study for planning, building and engineering services
  - Full cost of service include expenditures associated with directly processing a permit or project application and applicable share of labor and non-labor costs
- ◆ Update planning, building and engineering permit fees for Council consideration



# Legal Authority for Setting Fees

## City authority

- Authorized within RCW 82.02.020
- City can collect fees “from an applicant for a permit or other governmental approval to cover the cost...of processing applications, inspecting and reviewing plans, or preparing detailed statements [related to SEPA reviews]”

## Recoverable costs

- Direct cost of permitting services
- Reasonable portion of indirect and overhead costs

## Examples of costs that cannot be recovered

- Comprehensive long-range planning
- Code enforcement



## Planning and Community Development Services

- ◆ Reviews and processes building permit applications, land use development permit applications, and conducts site development inspections
- ◆ Provides staffing to the Planning Commission, Historic Preservation Commission, Design Review Board, Green Building Task Force, and Island Center Subarea Plan Steering Committee
- ◆ Coordinates with other governments on regional planning activities
- ◆ Administers the City Comprehensive Plan
- ◆ Reviews and investigates alleged code violations and brings violations into compliance

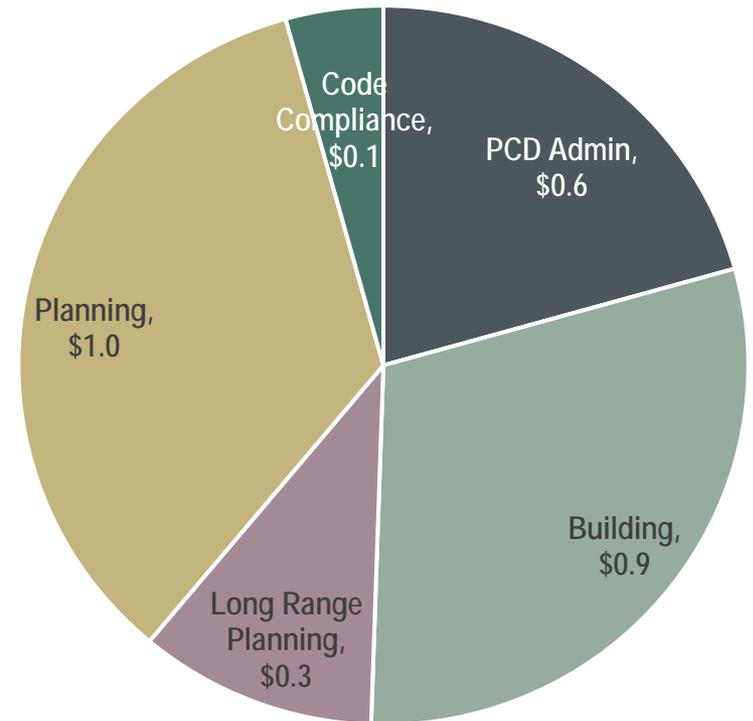


## Planning and Community Development Services

- ◆ Majority of funding for PCD derived from land use and building permit fees
- ◆ Not all PCD services funded from fees
  - Comprehensive planning
  - Regional planning activities
  - Code enforcement
  - Staffing of Boards and Commissions

**These services will continue to be funded from the General Fund**

2021 PCD Budget (\$2.9M)



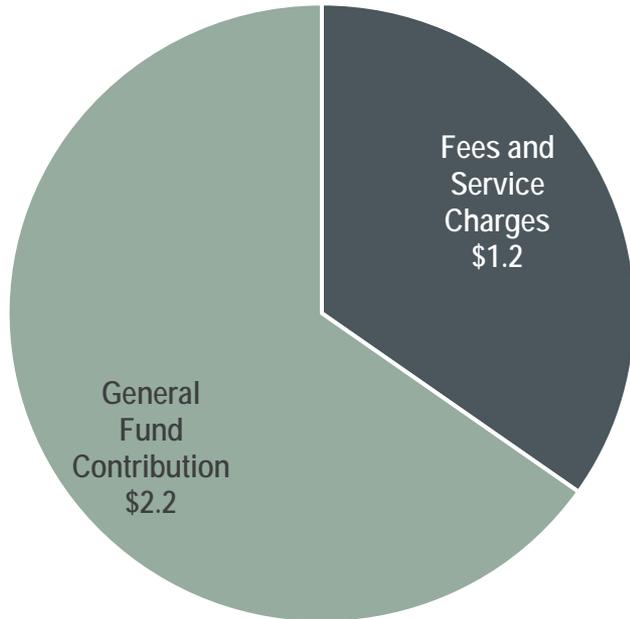
Source: 2021 Adopted Budget. PCD funding sources include Building and Development Services Fund (\$2.1M), and General Fund (\$0.8M)



# Building and Development Services Fund

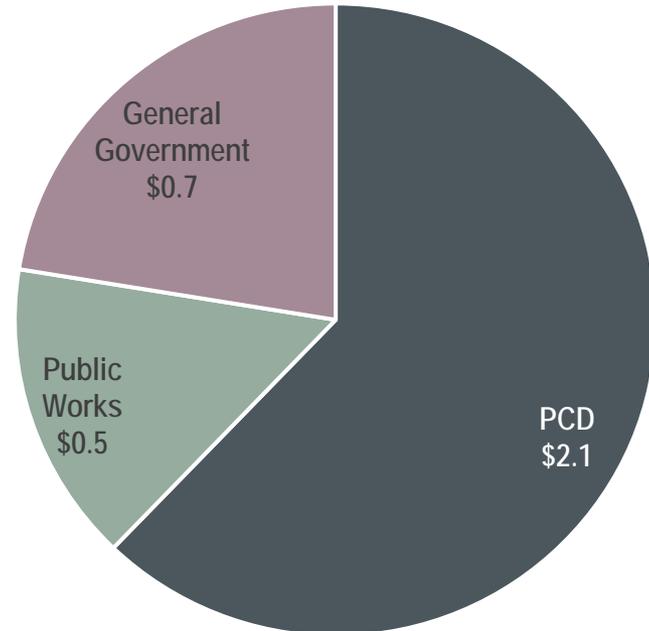
- ◆ Building and Development Services Fund
  - Accounts for the revenues associated with permitting of building and development activity
  - Building and development permit fee revenues support activities primarily in the PCD

2021 BDS Fund Sources (\$3.3M)



Source: 2021 Adopted Budget, excludes beginning fund balance.  
Figures may not total due to rounding.

2021 BDS Fund Uses (\$3.3M)



Source: 2021 Adopted Budget.



## 2006 Fee Study

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- ◆ **Most recent fee study completed in 2006 by FCS GROUP**
  - Reviewed building and land use planning activities within the Building and Development Services Fund
  - City was recovering 49 percent of eligible permit-related expenses
  - City Council directed a cost recovery target of 2/3 (66 percent) of eligible permit related expenses
  
- ◆ **Legal authority and framework for setting development fees established in the Revised Code of Washington (RCW)**



# PCD 100% Cost Recovery Fee Study

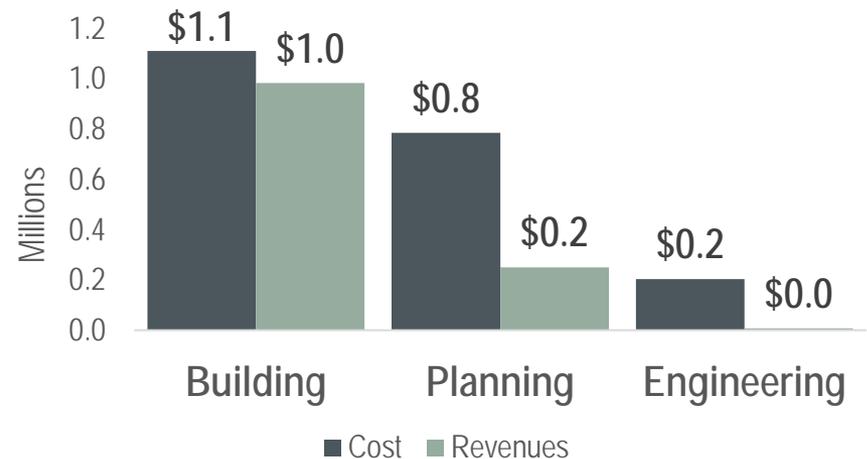
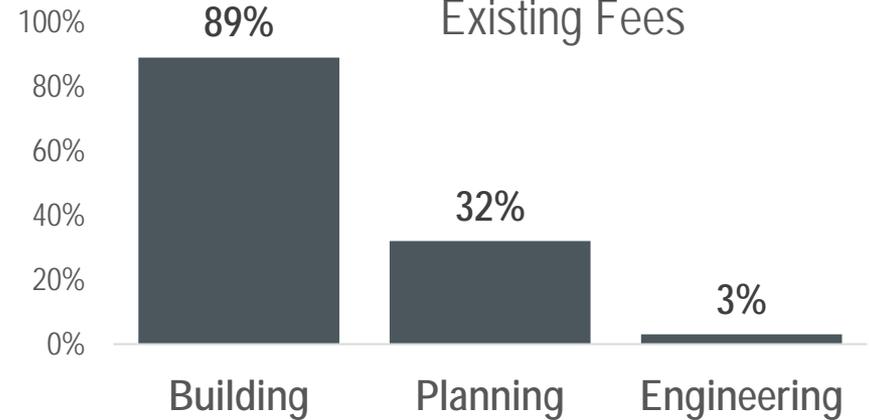
- ◆ Current work plan includes an updated fee study with goal of recovering 100 percent of eligible permit related expenses
- ◆ Study generally based on 2019 actual revenues and expenditures, adjusted for current staffing levels
- ◆ Development engineering (not included in 2006 study)
- ◆ Citywide overhead costs based on 2019-2020 City allocation plan
- ◆ Cost-of-service results primarily based on the amount of time assigned to each permit category



# Existing Cost Recovery

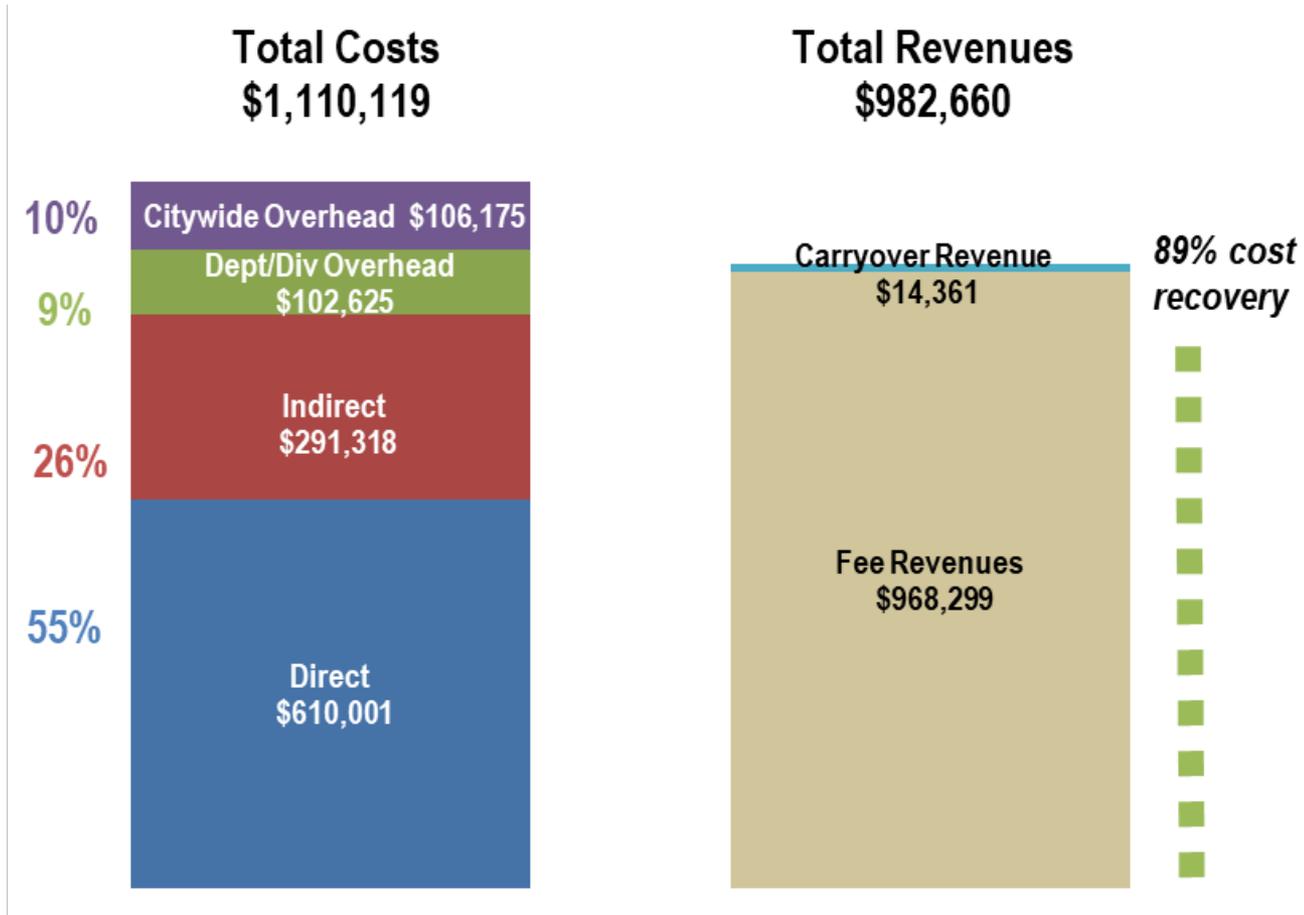
- ◆ Not fully recovering 100% of eligible costs
  - Overall: 59% existing cost recovery
- ◆ Past revenues affected by partial building moratorium
  - Cost recovery levels vary year to year with development cycles

2019 Cost Recovery Under Existing Fees



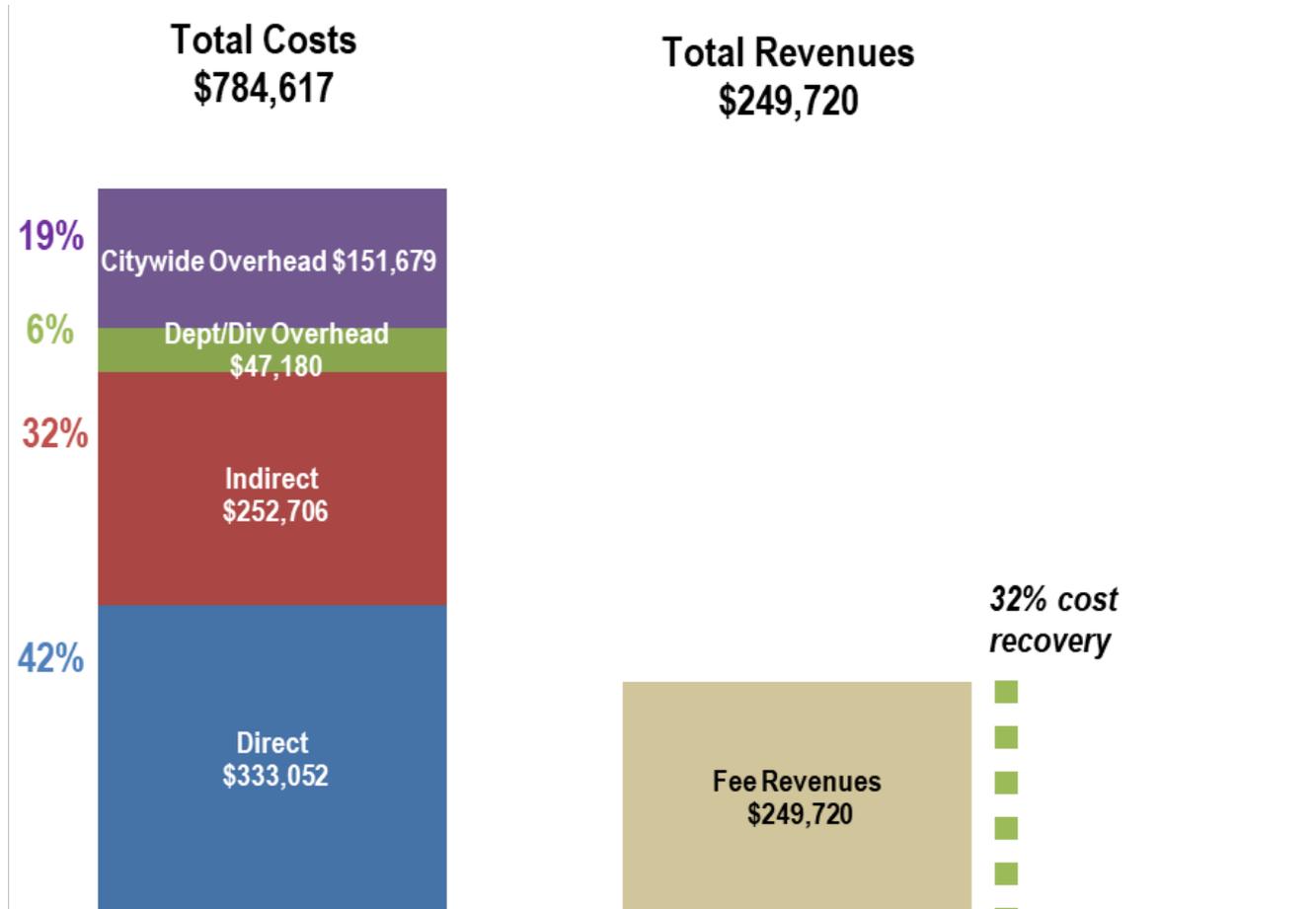


# Existing Cost Recovery - Building





# Existing Cost Recovery - Planning



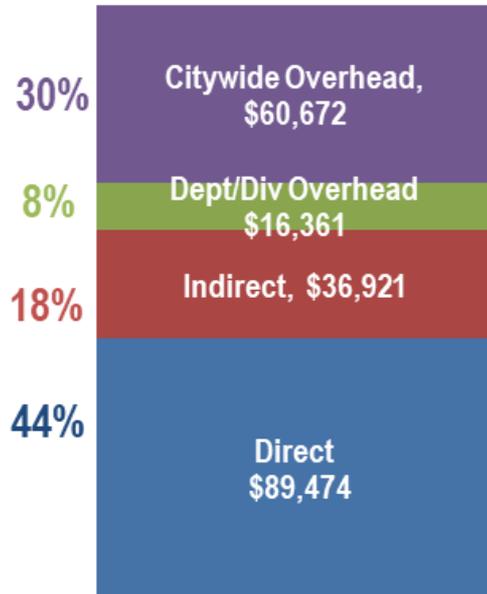
May not total to 100% due to rounding



# Existing Cost Recovery - Development Engineering

**Total Costs**  
**\$203,427**

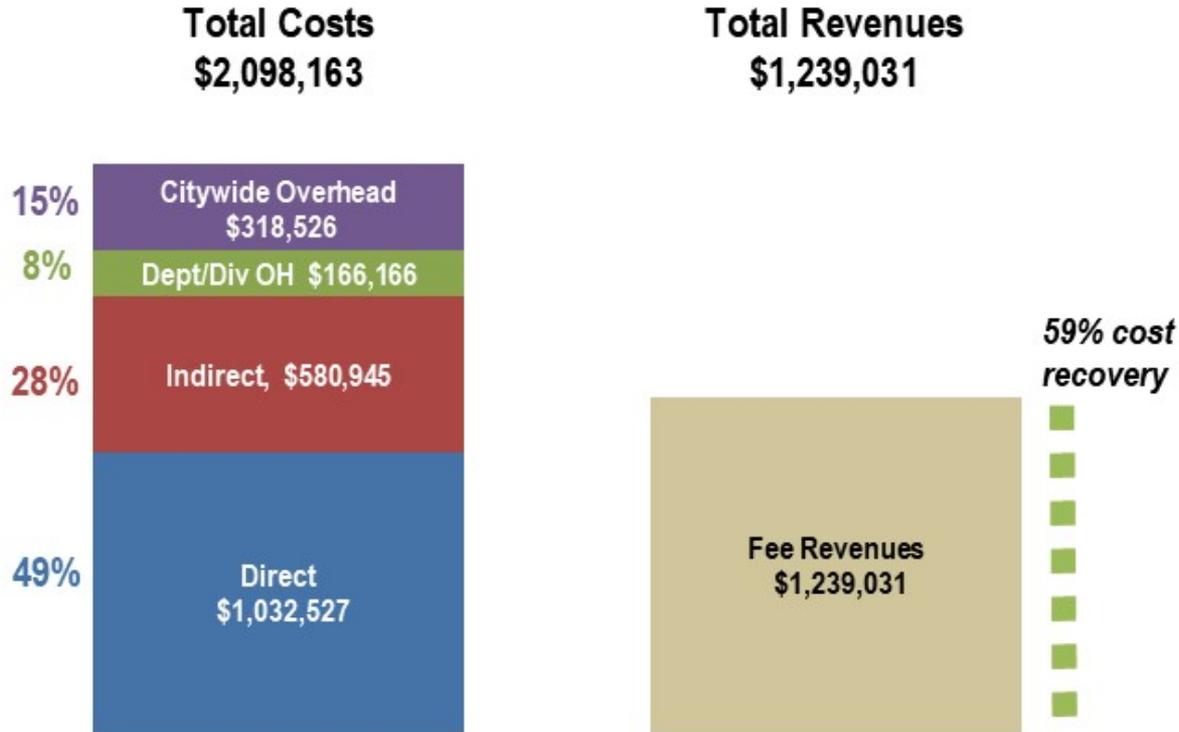
**Total Revenues**  
**\$6,651**



*Engineering Fees were not established as part of 2006 study*



# Existing Cost Recovery – All Groups



*In 2019, cost recovery was 59% of total costs. Compares to goal of 66% as directed in 2006 study.*



# Cost Recovery Approaches

FCS GROUP recommends these approaches for the City

## Overall

Development fee revenues pay for development-related eligible costs

## Permit Category

Planning revenues pay for planning-related eligible costs.

Building revenues pays for building-related eligible costs.

## Individual Permit Service

Fees assessed to applicants pay for average cost to provide the permit service one time.

## Individual Permit

Fee assessed to an applicant pays for the actual cost to provide the permit service one time.



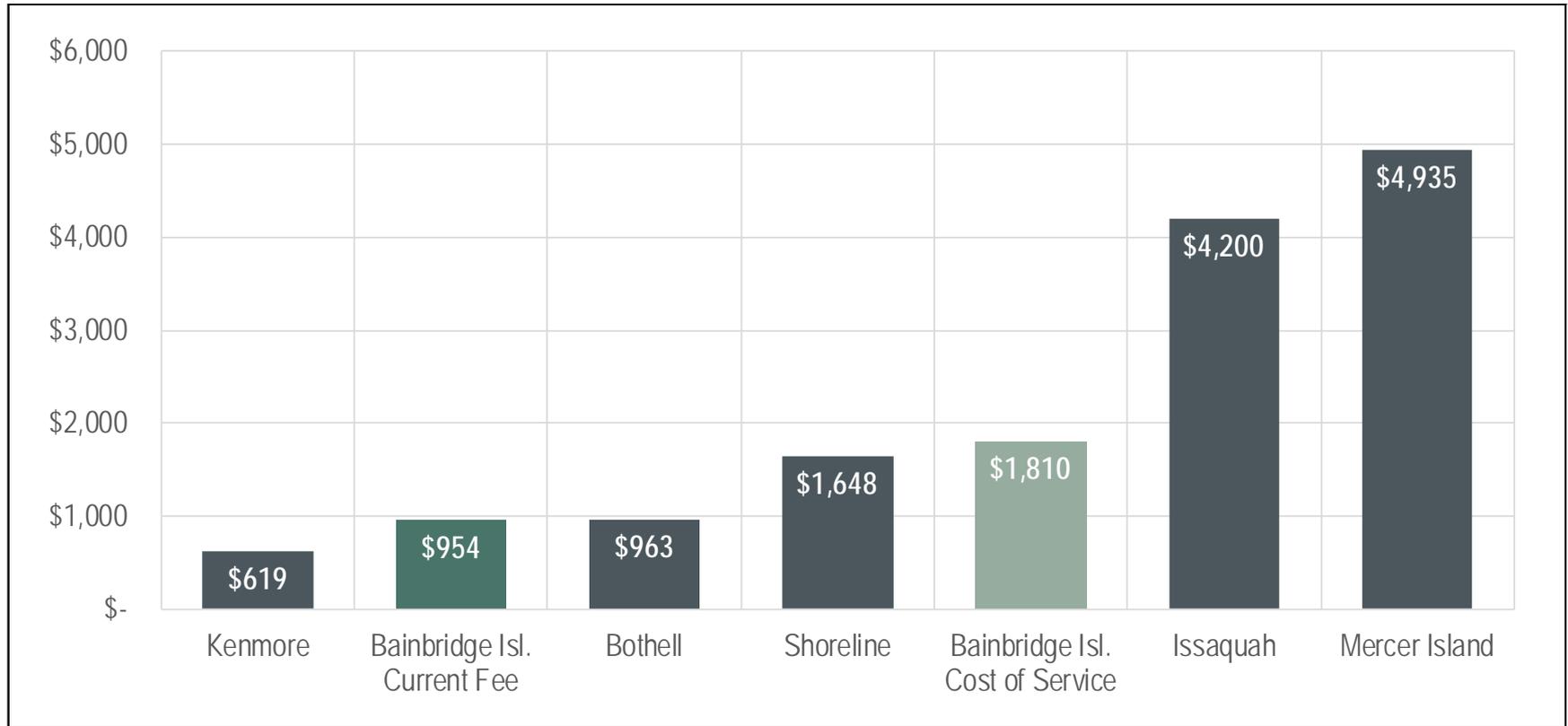
# Updating Fees

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- ◆ Worked collaboratively with staff to evaluate level of effort for each fee service
  
- ◆ Aggregated processing time for each fee service
  
- ◆ Multiplied by position specific loaded (labor and non-labor) hourly rate
  - Direct
  - Indirect
  - Overhead
  
- ◆ Implicit support cost factor applied for planning fees
  - Reconciles annual and permit specific time estimates



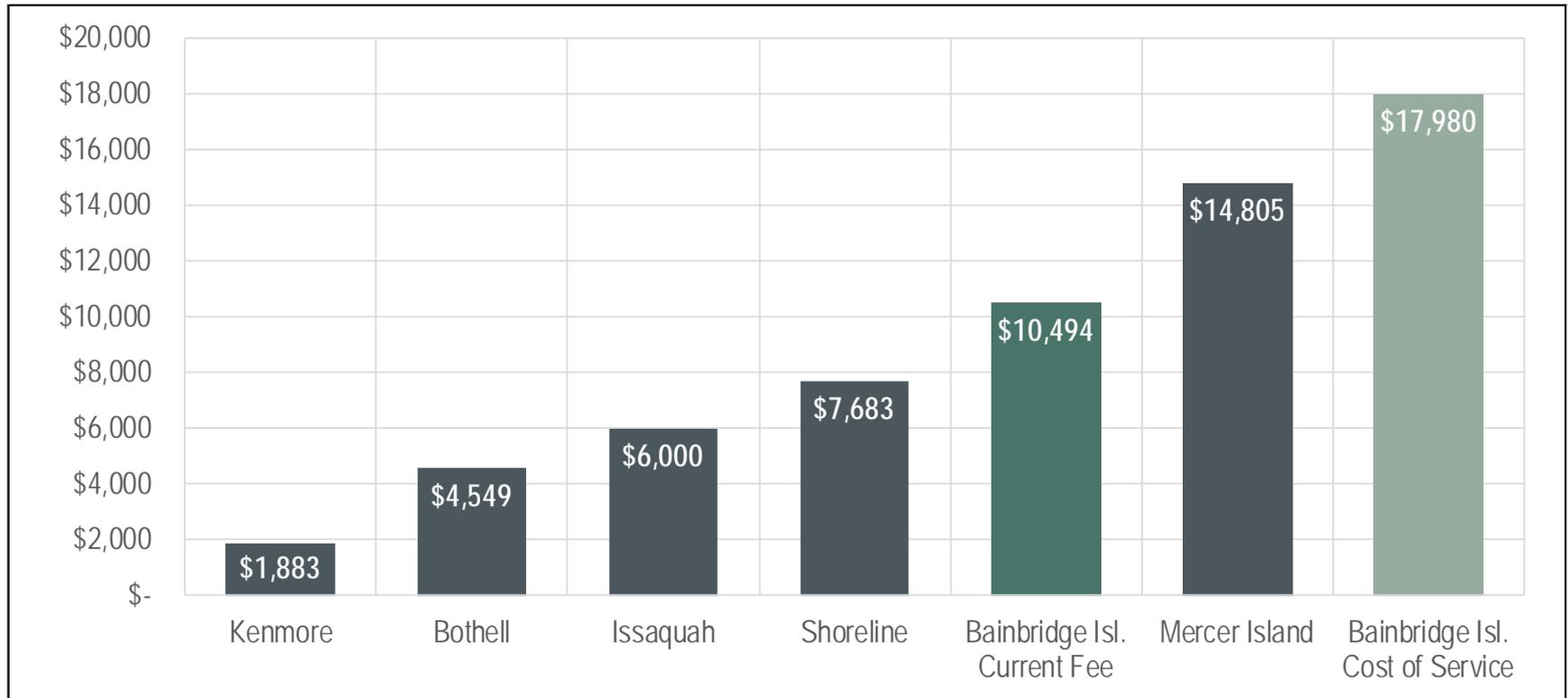
# Boundary Line Adjustment



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



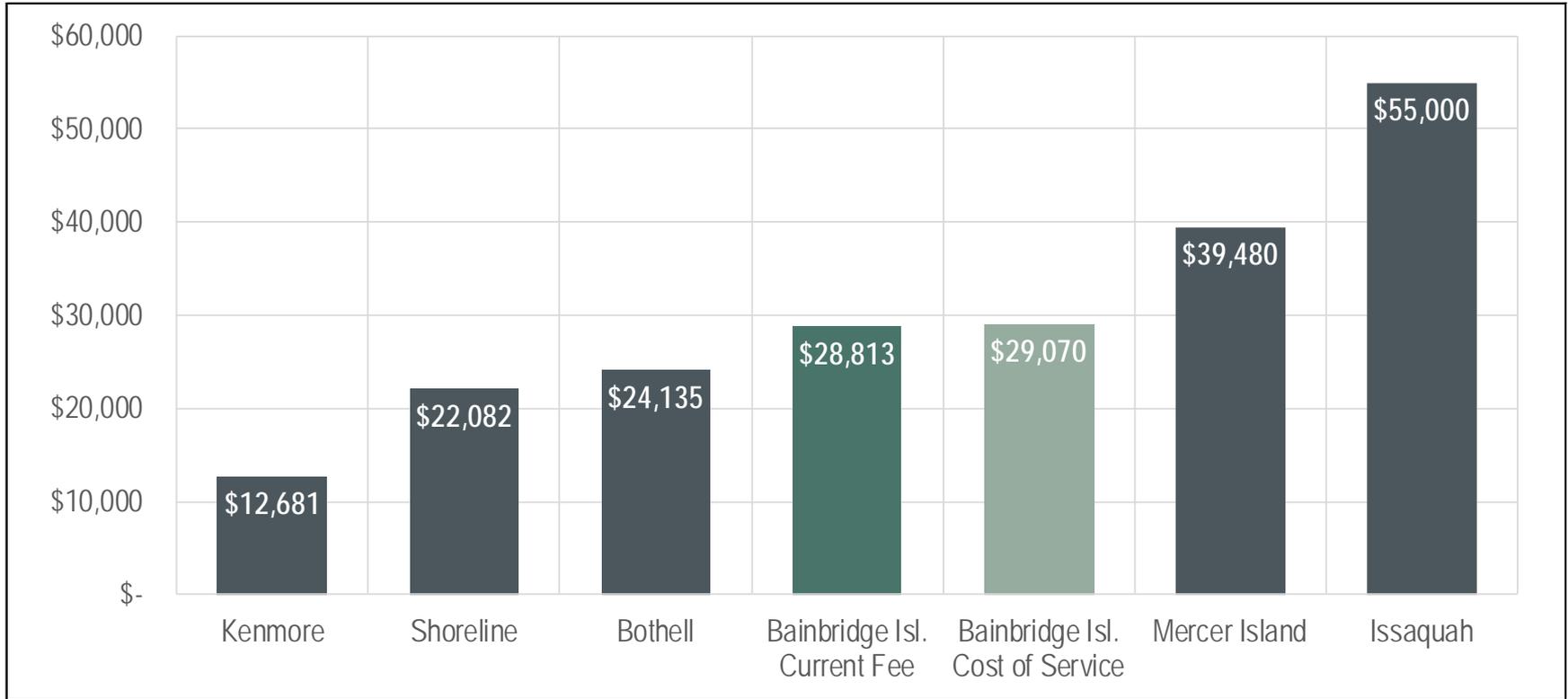
# Conditional Use Permit - Major



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



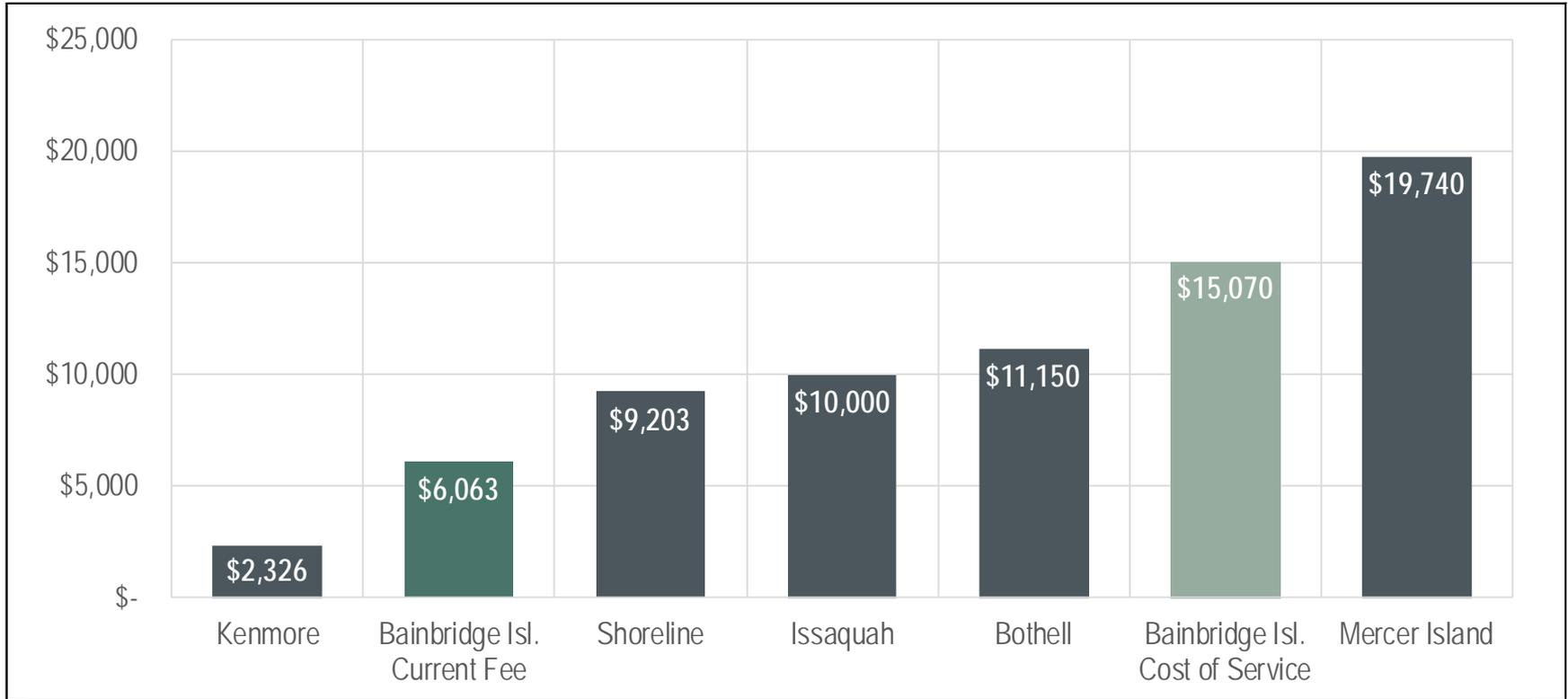
# Long Subdivision



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



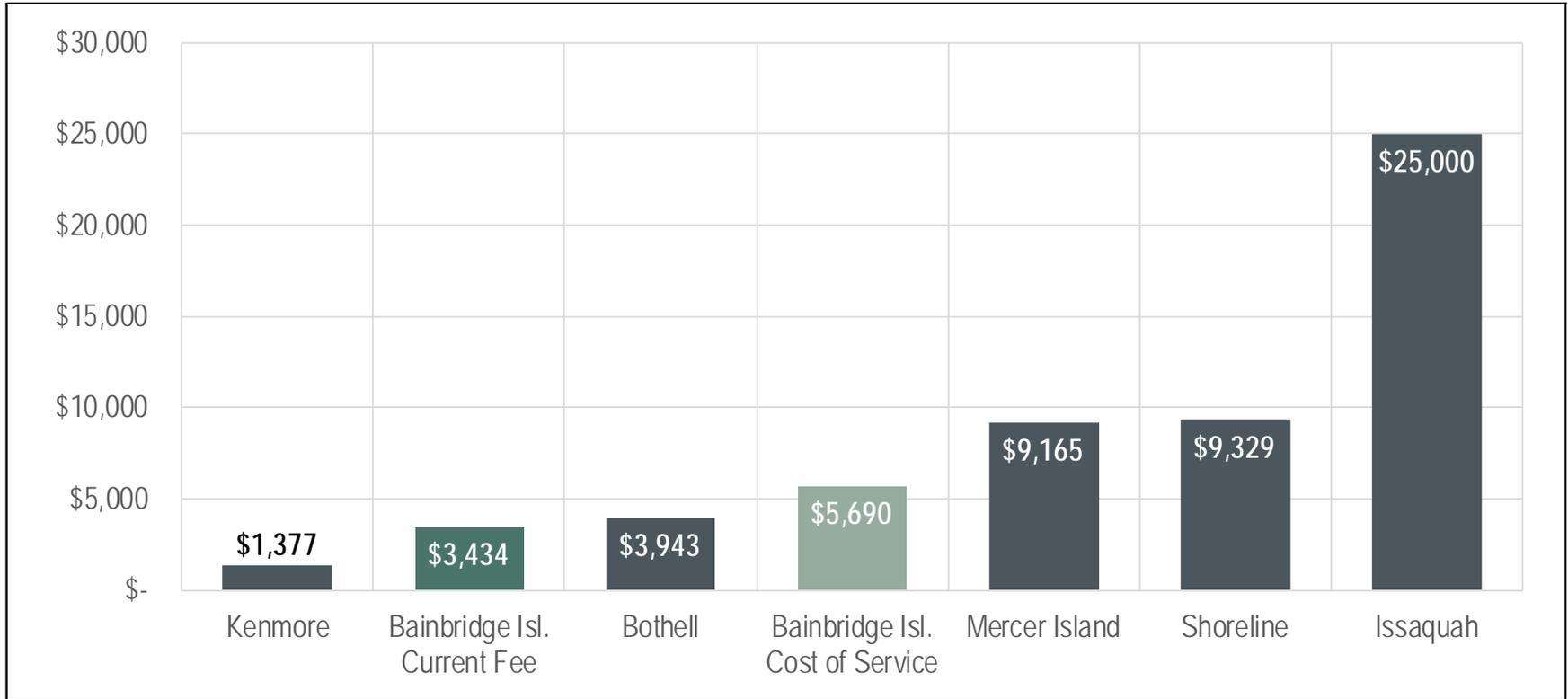
# Short Subdivision – 2-4 Lots



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



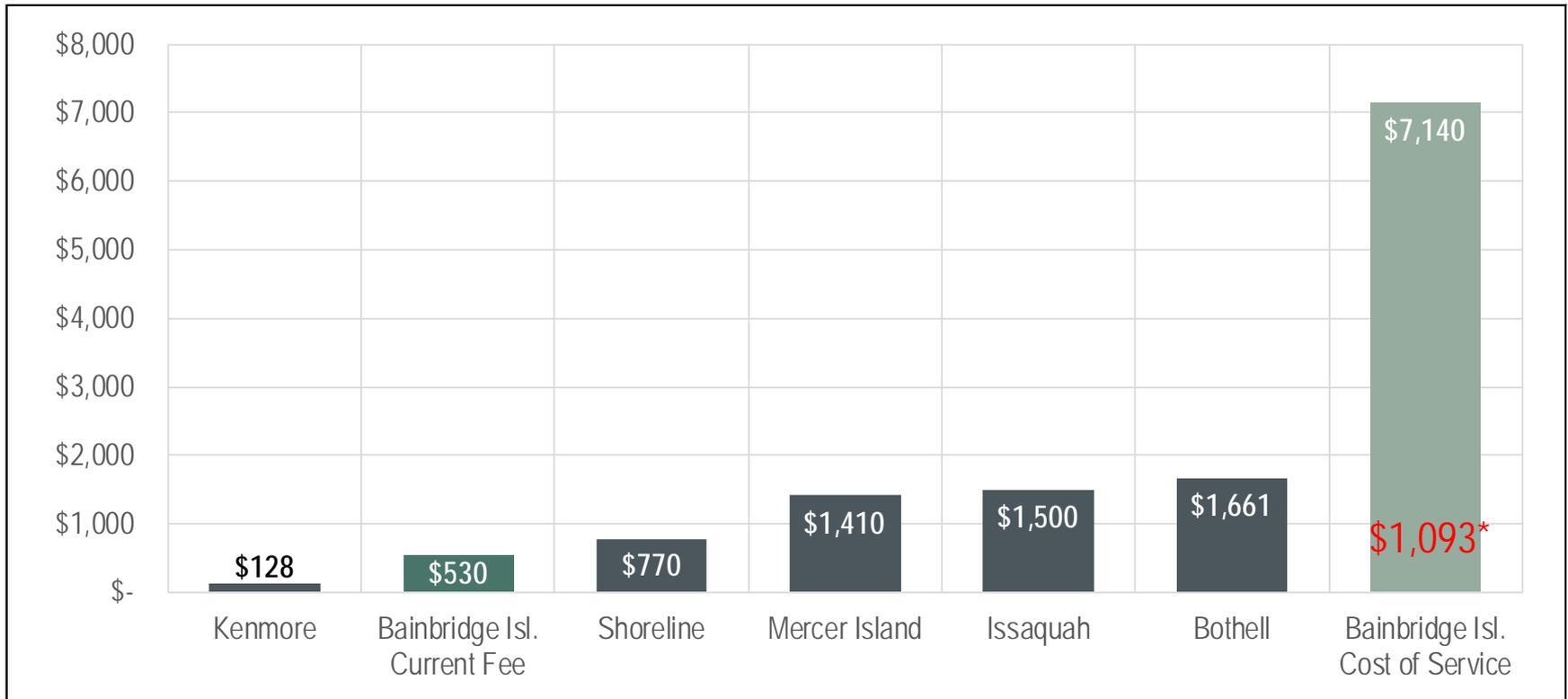
# Variance - Minor



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



# Appeal of Administrative Decisions



\* Staff is recommending the appeal fee be reduced as an average of neighboring jurisdictions, or \$1,093.00

Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



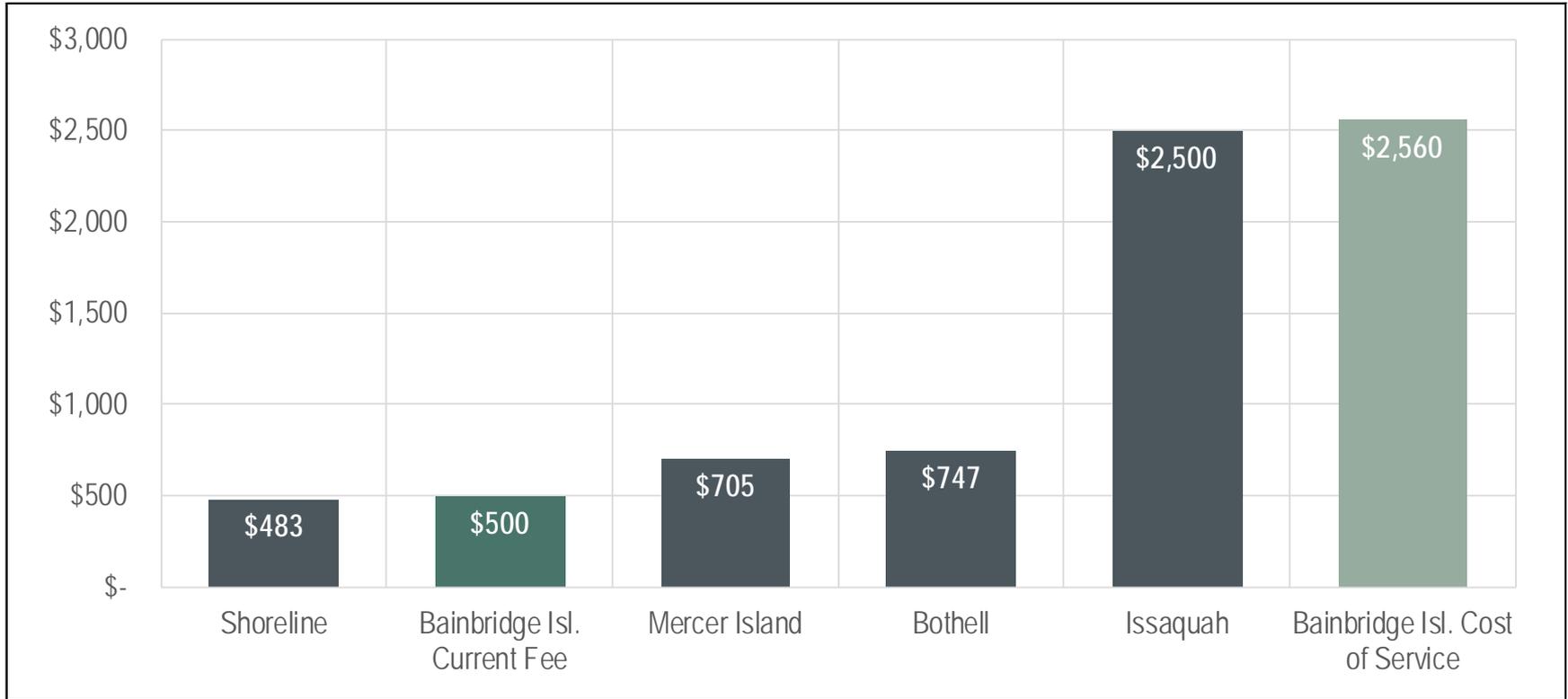
# Tree Removal/Vegetation Maintenance Permit



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



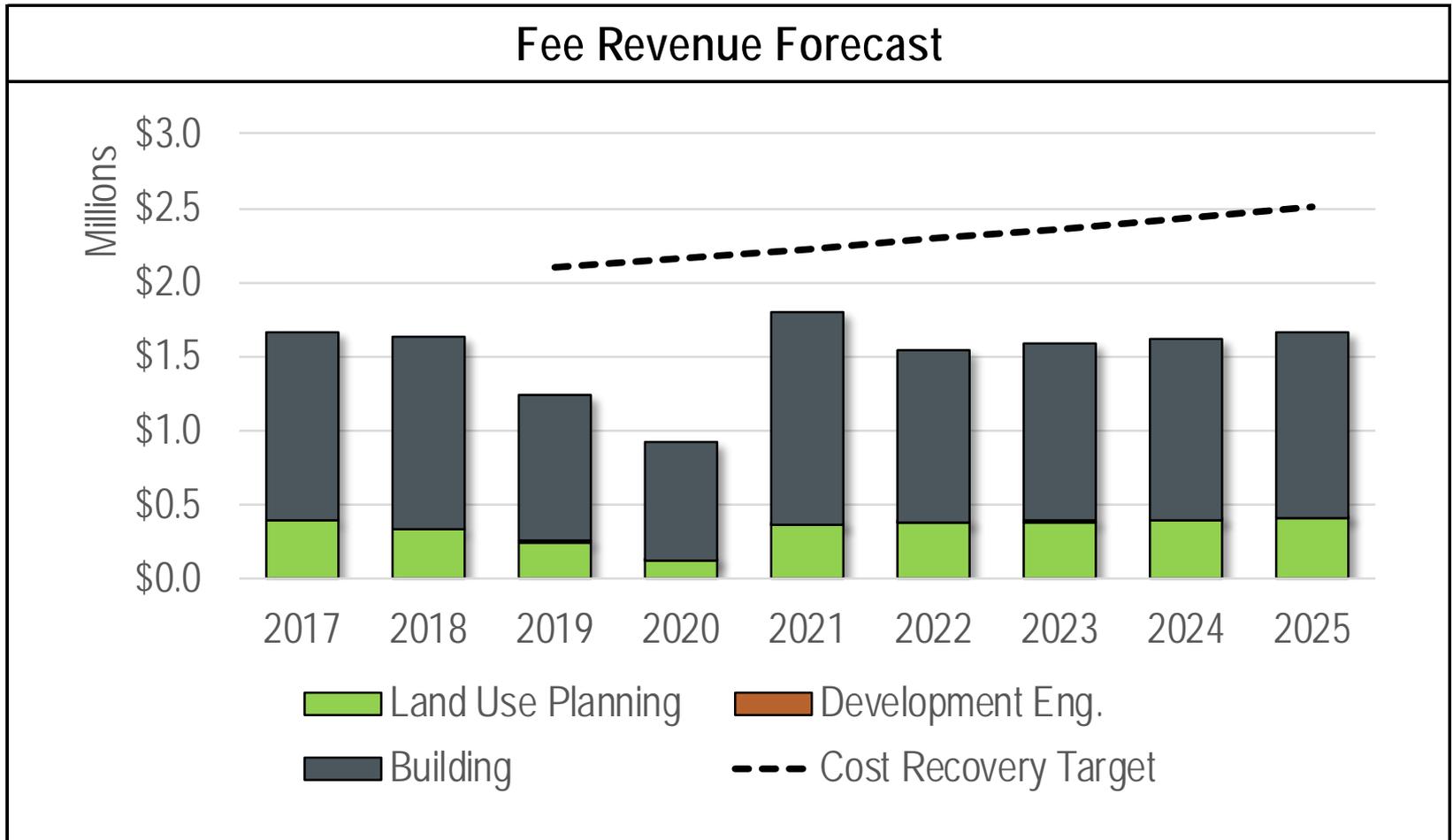
# Preapplication Conference – Minor Land Use Permit



Bainbridge Island Cost of Service Fees represent 2019 cost of service calculated fees and adjusted for inflation to 2021 dollars



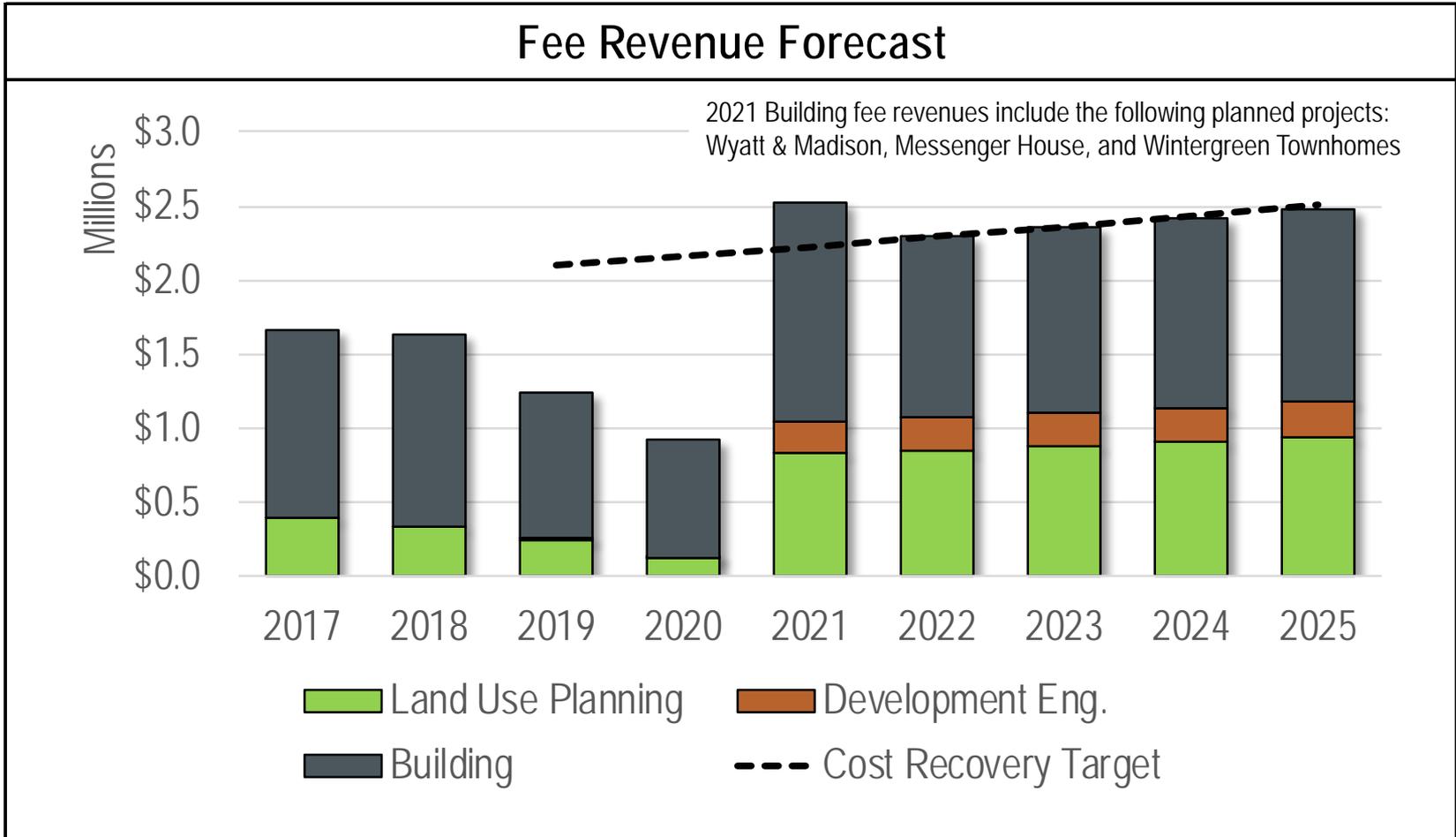
# Revenue Forecast Under Current Fees



2022-2025 fees adjusted for inflation.



# Revenue Forecast Under Proposed Fees



2022-2025 fees adjusted for inflation.



# Recommendations

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- ◆ **Adopt fee adjustments for overall 100% eligible cost recovery by fee permit category (building, land use, engineering)**
  - Adjust fees annually consistent with adjustments to the City's labor contracts
- ◆ **Adopt adjustments to Development Engineering Fees**
  - Consolidate grading permit and planning fees
  - Introduce 3-tiered fee structure for plat utility fees
- ◆ **Publish building valuation schedule as part of fee schedule**
  - Itemize the base and variable fees by construction valuation
- ◆ **Establish hourly rates by fee permit category**
  - Building: \$125
  - Land Use: \$165
  - Development Engineering: \$160



# Recommendations

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- ◆ **Cost allocation adjustments**
  - Direct labor and non-labor: adjust allocations based upon timesheets and allocations as identified in study
  - Update citywide overhead charges
  
- ◆ **Monitor financial performance and development activity**
  
- ◆ **Perform periodic cost-of-service review of fees**
  - Once every 3 years (approximately)
  - More frequently due to changes from reorganization, process improvements



## Next Steps

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- ◆ Feedback and direction from Council
- ◆ Direct staff to prepare fee resolution for Council consideration



## Questions

Contact FCS GROUP:  
(425) 867-1802  
[www.fcsgroup.com](http://www.fcsgroup.com)



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 20 Minutes

**AGENDA ITEM:** (7:00 PM) Preview of Police/Court Facility Educational Video - Executive,

**SUMMARY:** On April 6, 2021, the City Council directed that consideration of a new Police/Court facility be placed on hold pending the arrival of the new city manager. Now that the new city manager's tenure has begun, this educational video is intended to reintroduce the community to the problems of the existing facilities and the need for newer facilities. The video will be made available to the public via YouTube and the City's website.

**AGENDA CATEGORY:** Presentation

**PROPOSED BY:** Executive

**RECOMMENDED MOTION:** Review only.

**STRATEGIC PRIORITY:** Green, Well-Planned Community

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	

**BACKGROUND:**

**ATTACHMENTS:**

**FISCAL DETAILS:** JPW Communications was retained to assist in the preparation of the video. JPW's Senior Communications Director is a Bainbridge Island resident. The cost of the video was \$12,500.

Until July, the City retained a project manager for the police-court project at a cost of \$12,470 per month. Subsequently, the monthly fixed cost has been reduced and replaced with an hourly-based services agreement.

**Fund Name(s):**

**Coding:**



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 30 Minutes

**AGENDA ITEM:** (7:20 PM) Discuss Groundwater Management Plan Kickoff - Public Works,

**SUMMARY:** City staff will present a brief overview of groundwater science and available data, and a summary of the input from the City Committees regarding goals and objectives for the Groundwater Management Plan.

**AGENDA CATEGORY:** Discussion

**PROPOSED BY:** Public Works

**RECOMMENDED MOTION:** Information only.

**STRATEGIC PRIORITY:** Reliable Infrastructure and Connected Mobility

**FISCAL IMPACT:**

<b>Amount:</b>	N/A
<b>Ongoing Cost:</b>	N/A
<b>One-Time Cost:</b>	N/A
<b>Included in Current Budget?</b>	Yes

**BACKGROUND:** City staff have spent the last several months compiling and organizing the studies and data related to managing the City's groundwater resources. Additionally, City staff have met with the Climate Change Advisory Committee, the Utility Advisory Committee, and the Environmental Technical Advisory Committee to receive input on the potential goals and objectives for the Groundwater Management Plan.

As a part of this agenda item, City staff will present the Council with an overview of the groundwater data, as well as the input received from the committees, with the intent of receiving direction on priority goals and objectives for the Groundwater Management Plan.

A formal Council action on the final goals and objectives is anticipated to be prepared for a subsequent City Council Business Meeting following public comment on the topic.

**ATTACHMENTS:**

**FISCAL DETAILS:** N/A

**Fund Name(s):**

**Coding:**



CITY OF  
BAINBRIDGE ISLAND

# Groundwater Management Plan Kickoff City Council

21 September 2021

Maureen Whalen  
Chris Wierzbicki

# COBI Groundwater Management Plan (GWMP)

City Council  
&  
Advisory Groups

Public &  
Community Groups

Best available science

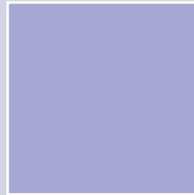
COBI PW,  
KPUD,  
Private water purveyors,  
Ecology,  
KPHD,  
USGS

# GWMP Today

Asking for your  
input



**City Council**  
**21 September 2021**



**GWMP Goals &  
Objectives**

# GWMP Roadmap



1. Area characterization



2. Problem definition



3. Identify water quantity / quality goals and objectives



4. Identify land and water use management strategies



5. Recommend management strategies



6. Implementation / monitoring / review

Port Orchard



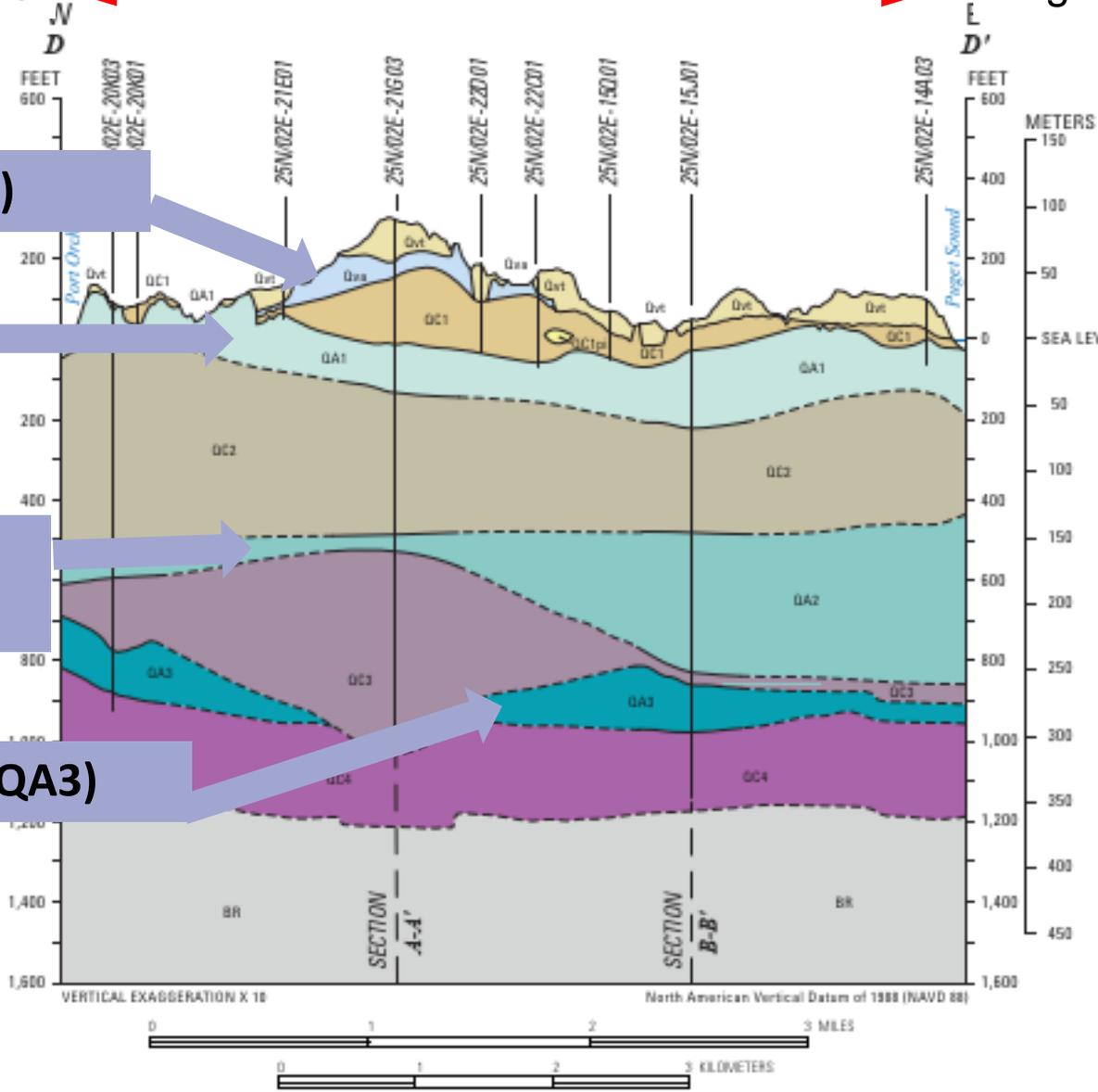
Puget Sound

Perched Aquifer (Qva)

Sea Level Aquifer (QA1)

Glaciomarine Aquifer (QA2)

Fletcher Bay Aquifer (QA3)



Modified from: Frans and others, 2011

# Feedback from City Advisory Committees



**GWMP Goals &  
Objectives**

# UAC 11 August 2021

- Climate change impacts explicitly considered
- Ensure reliable future water source and maintain current sources
- Holistic approach to water resource management (extraction to distribution to recharge)

# CCAC 15 September 2021

- Goals / Objectives as stated in CAP still valid
- Climate change impacts explicitly considered in groundwater management
- Understand how changing climate will alter groundwater system inputs/outputs

# ETAC 16 September 2021

- All-island plan to balance resource use
- Increase / improve monitoring & reporting
- Update GW numerical model for scenario analysis (climate change, population growth)
- Establish long-term advisory groups (potential sub-committee)

# Looking ahead



## GWMP Goals & Objectives



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 20 Minutes

**AGENDA ITEM:** (7:50 PM) Discuss Neighborhood Traffic Calming and Safety Project Part 1 - Public Works,

**SUMMARY:** City staff will present next steps on the Neighborhood Traffic Calming program.

**AGENDA CATEGORY:** Discussion

**PROPOSED BY:** Public Works

**RECOMMENDED MOTION:** Discussion.

**STRATEGIC PRIORITY:** Green, Well-Planned Community

**FISCAL IMPACT:**

<b>Amount:</b>	N/A
<b>Ongoing Cost:</b>	N/A
<b>One-Time Cost:</b>	N/A
<b>Included in Current Budget?</b>	No

**BACKGROUND:** The City Council last discussed the Neighborhood Traffic Calming Program at the March 9, 2021 Regular Business meeting, at which time they authorized funding for a traffic calming handbook, and concept designs for four priority traffic calming locations.

At this meeting, staff will present the following for discussion:

- Results from the traffic calming call-for-projects;
- An overview of the traffic calming handbook;
- An overview of the process for evaluating traffic calming projects through the remainder of the year and early 2022; and
- Concept designs for Grow Avenue; Finch/Sportsman Club intersection; Point White Drive at Schel Chelb; and, Miller Road at the Grand Forest.

The Council may consider moving forward with funding for the concept design plans and implementation at a subsequent meeting.

**ATTACHMENTS:**

[Presentation - Traffic Calming 092121.pdf](#)

**FISCAL DETAILS:** N/A

**Fund Name(s):**

**Coding:**

# Neighborhood Traffic Calming Program – Part 1

Christopher Wierzbicki, PE  
Public Works Director  
September 21, 2021



# Agenda

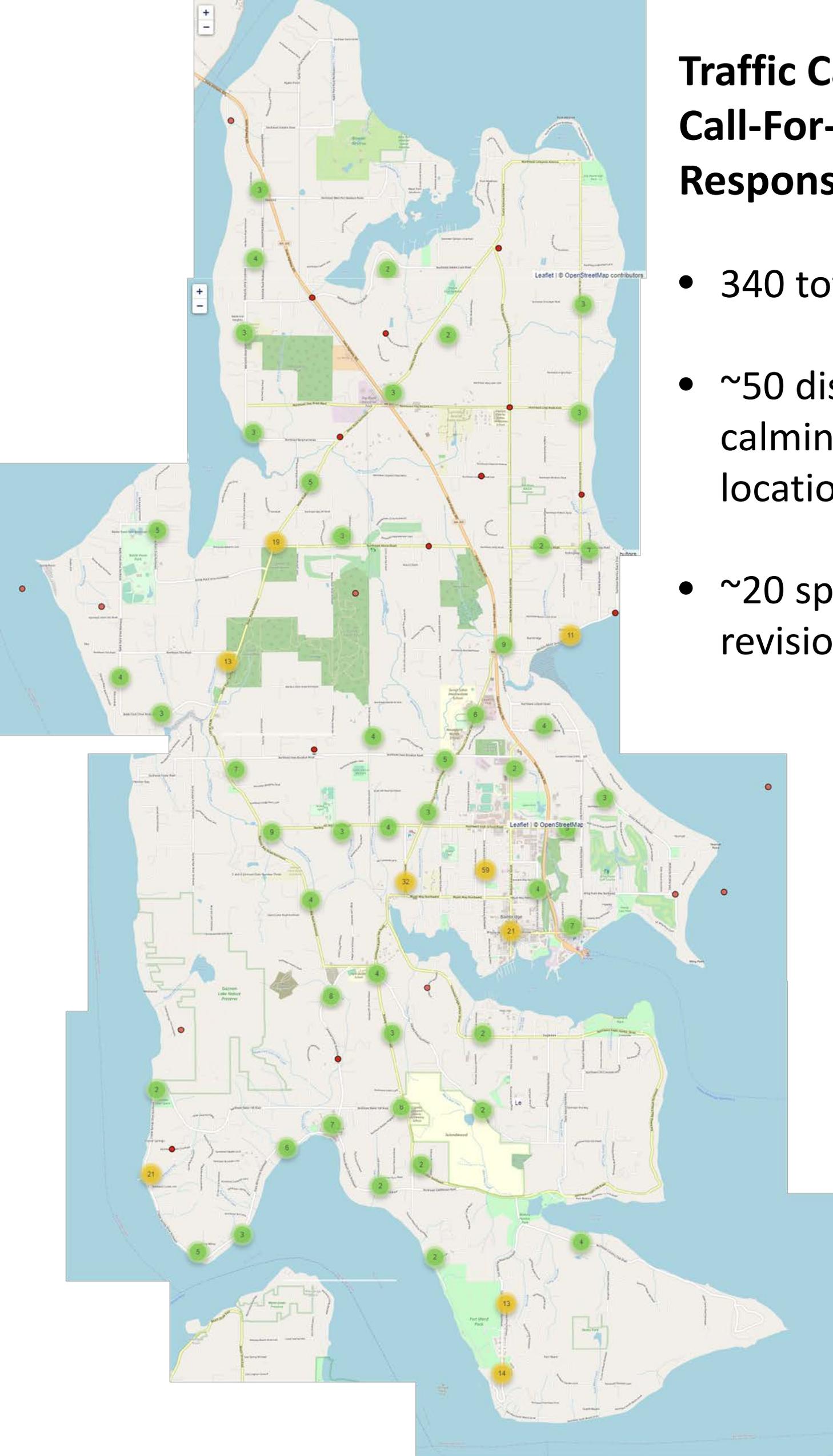
- Process/timeline
- Traffic Calming Handbook
- Grow/Finch/Pt. White/Grand Forest concept review

## Process/Timeline

- **July** – call-for-projects closed
- **September** – *Council review of process/concept designs*
- **October/November** – data collection
- **December** – Council review of project area prioritization (Part 2)
- **February (2022)** – Council review of project list and funding options (Part 3)

# Traffic Calming Call-For-Projects Responses

- 340 total
- ~50 distinct traffic calming locations/streets
- ~20 speed limit revisions



# Project Evaluation

## Traffic Calming

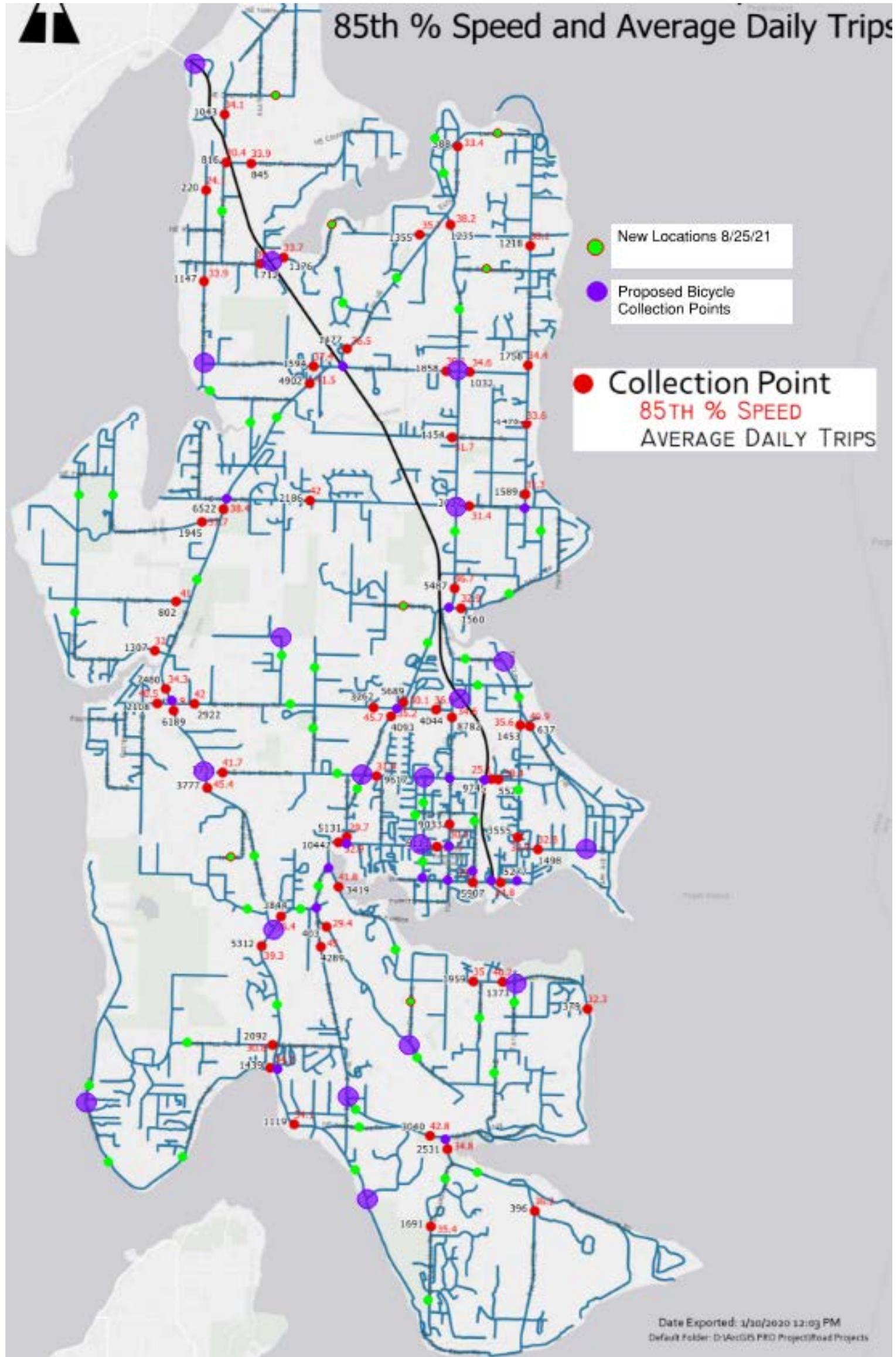
- Collect data
- Staff evaluation using developed criteria
  - Safety
  - Roadway Characteristics
  - Community Context
- Review with Traffic Operations Committee
- Council review in December

# Project Evaluation

## Speed Limit Change

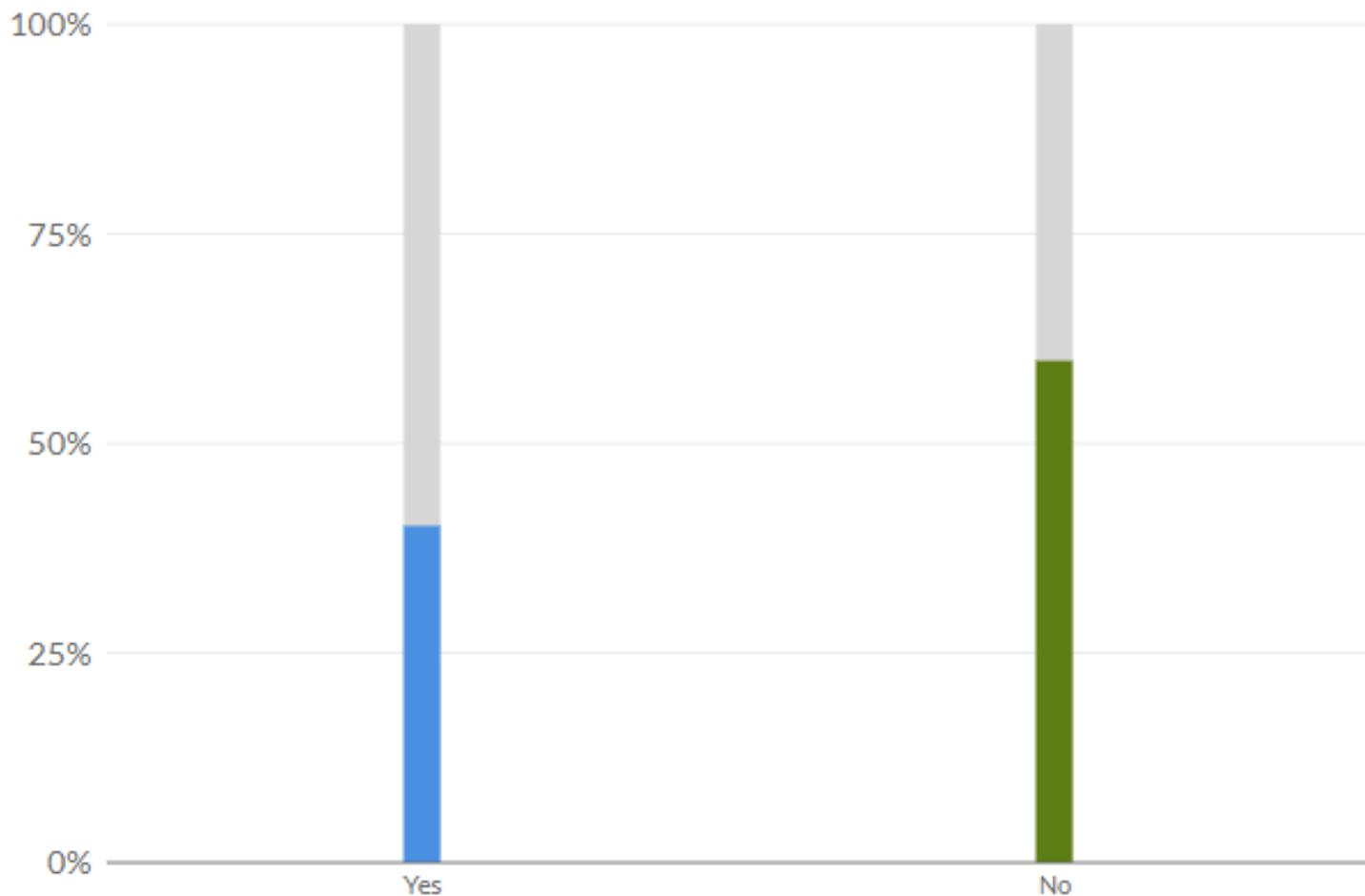
- Collect data / inventory
- Determine approach:
  - Case-by case evaluation
  - Comprehensive approach by street type

# Traffic Calming Call-For-Projects – Data Acquisition



## Neighborhood Traffic Calming Call for Projects - Feedback on speed limits

Do you think that an all-island 25 mph speed limit should be adopted (excluding SR305)?



Answer Option	%	# of Responses
Yes	40.16%	100
No	59.84%	149
<b>Total</b>		<b>249</b>

# Traffic Calming Handbook



Vehicle speed



Traffic volumes



Intersection control



Multimodal safety



Active mode facilities



ADA mobility

# Traffic Calming Handbook

## PINCH POINT

**WHAT IS IT?** Reduced width, to one or two lanes, by using marked or hardscape curb extensions and islands for a short longitudinal distance.



### GOALS & EXPECTATIONS

- ▶ Minor calming effect

### CONSIDERATIONS

- ▶ Less effective at low traffic volumes
- ▶ Potential for head-on conflicts and driver confusion over yielding if less than 2 lanes wide
- ▶ Maintenance (snow/ice and leaves)
- ▶ Noise (braking and acceleration) for adjacent properties

### ISSUES ADDRESSED



PHASE **1** **2**

COST **\$\$\$\$\$**

## LANE NARROWING

**WHAT IS IT?** Reducing the width of vehicle lanes through either striping or hardscape curbing to 11 feet or less, depending on roadway classification. Can be used in combination with other active mode and vehicle treatments.



### GOALS & EXPECTATIONS

- ▶ Limited calming effect
- ▶ Reduce crossing widths for active modes

### CONSIDERATIONS

- ▶ Maintain adequate width for emergency access, freight, and transit
- ▶ Roadway curves may need wider lanes

CLASSIFICATION	POSTED SPEED LIMIT	LANE WIDTH RANGE
Arterial	>40mph	11-12'
Collector & Residential	<35mph	10*-12'

Source: WSDOT Design Manual, Section 1231 D427

\* - Lane widths narrower than 10' can be considered on a case-by-case basis with an engineering study

### ISSUES ADDRESSED



PHASE **1** **2**

COST **\$\$\$\$\$**

# Public Engagement

- Virtual public meetings held June 9 and June 16
- Feedback included:
  - Support for all project locations
  - Support for median islands
  - Support for increasing bike/ped safety over just speeding

# Grow Ave Concept – One-way Couplet



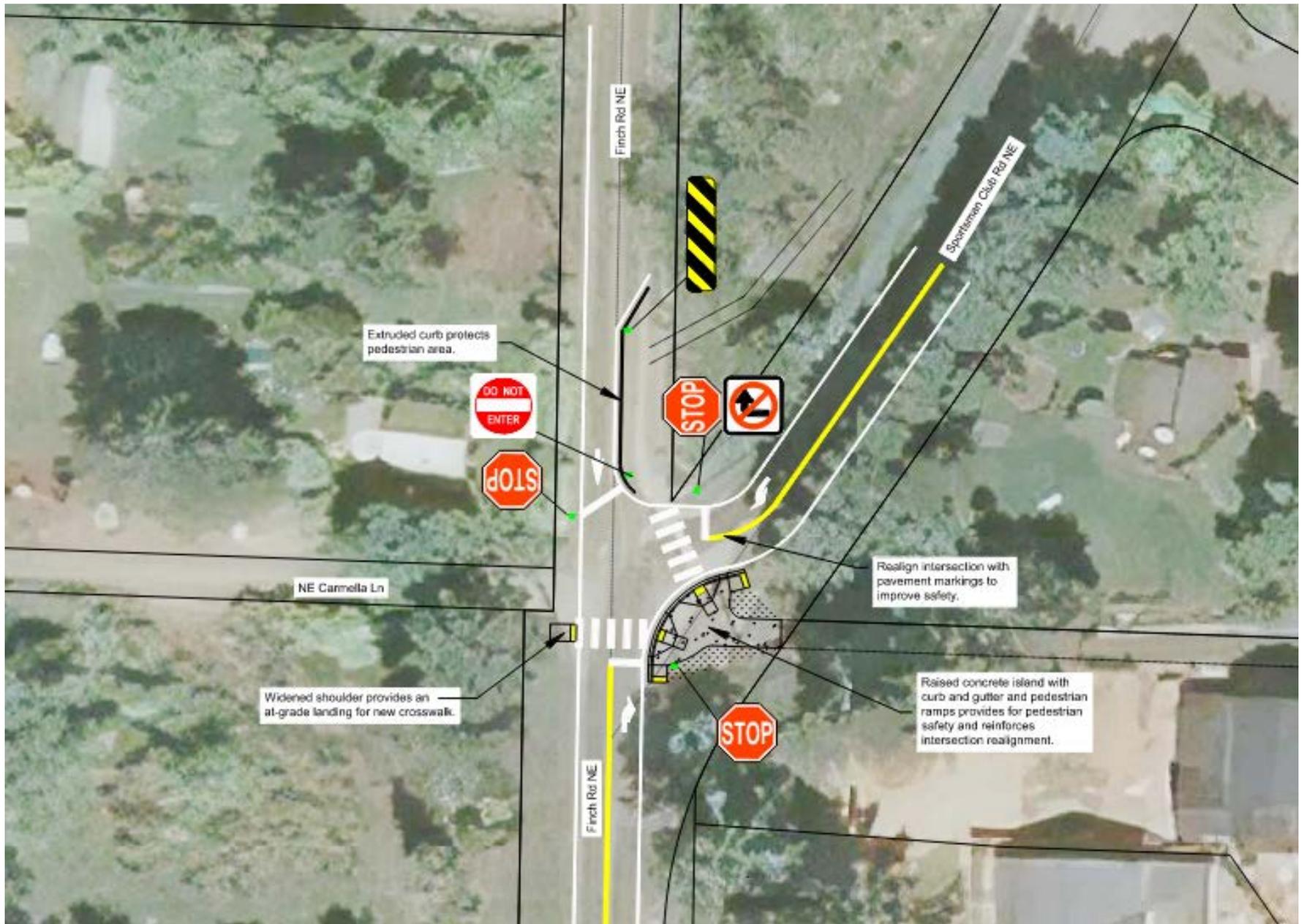
## Scope:

- One way traffic NB on Grow, SB on Lovell
- Full-lane width for bikes and peds
- Speed tables; traffic circles at intersections
- Determine if temporary or permanent

**Cost range: \$100K - \$225K**

**Ranking: 38/44**

# Finch Concept



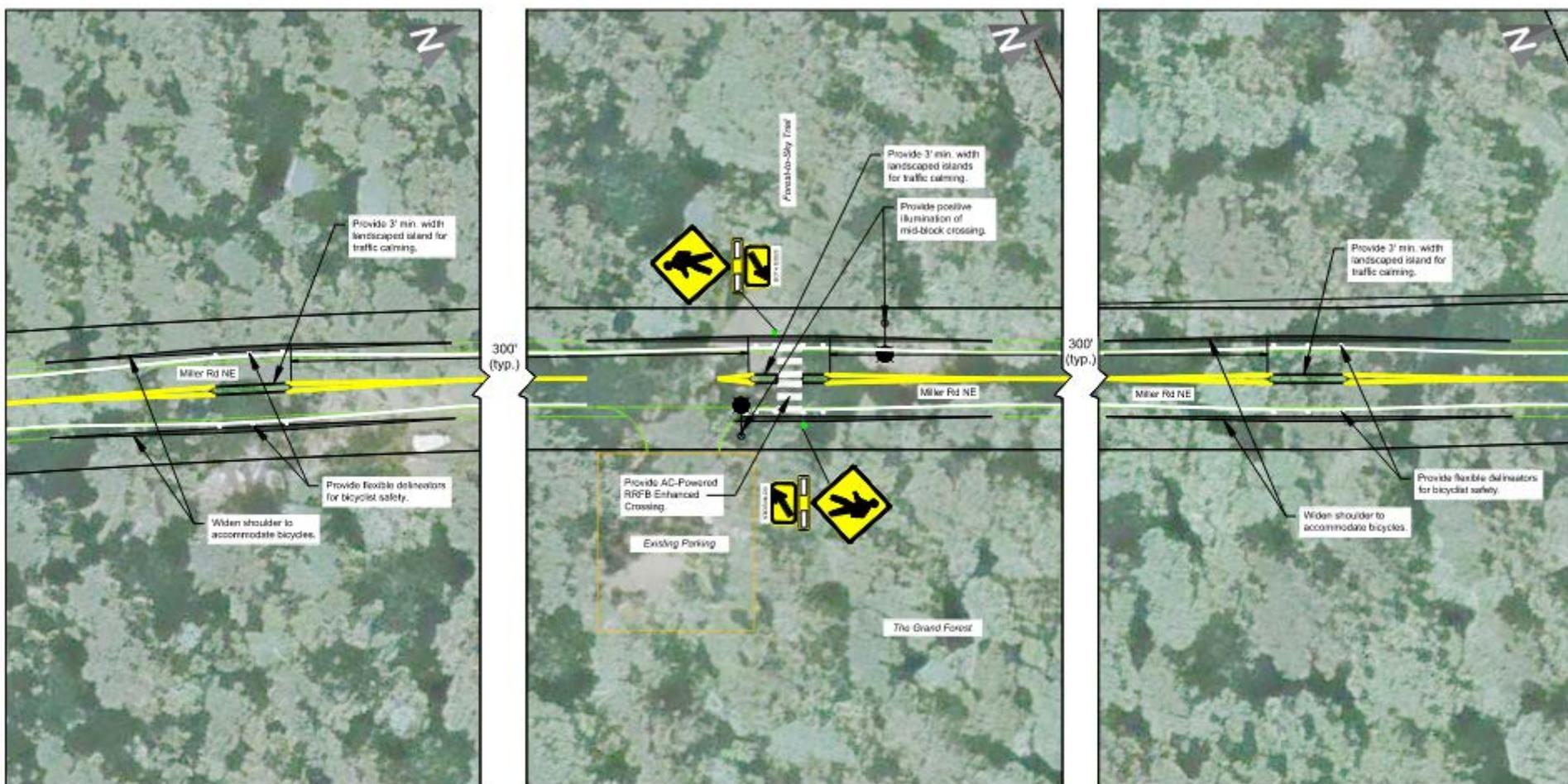
## Scope:

- Stop control
- Pedestrian landings
- Restrict NB movements to create ped space
- Evaluate Finch/Wyatt with Eagle Harbor PH I project

**Cost: \$35K - \$85K**

**Ranking: 28/44**

# Miller/Grand Forest Concept – Median Islands



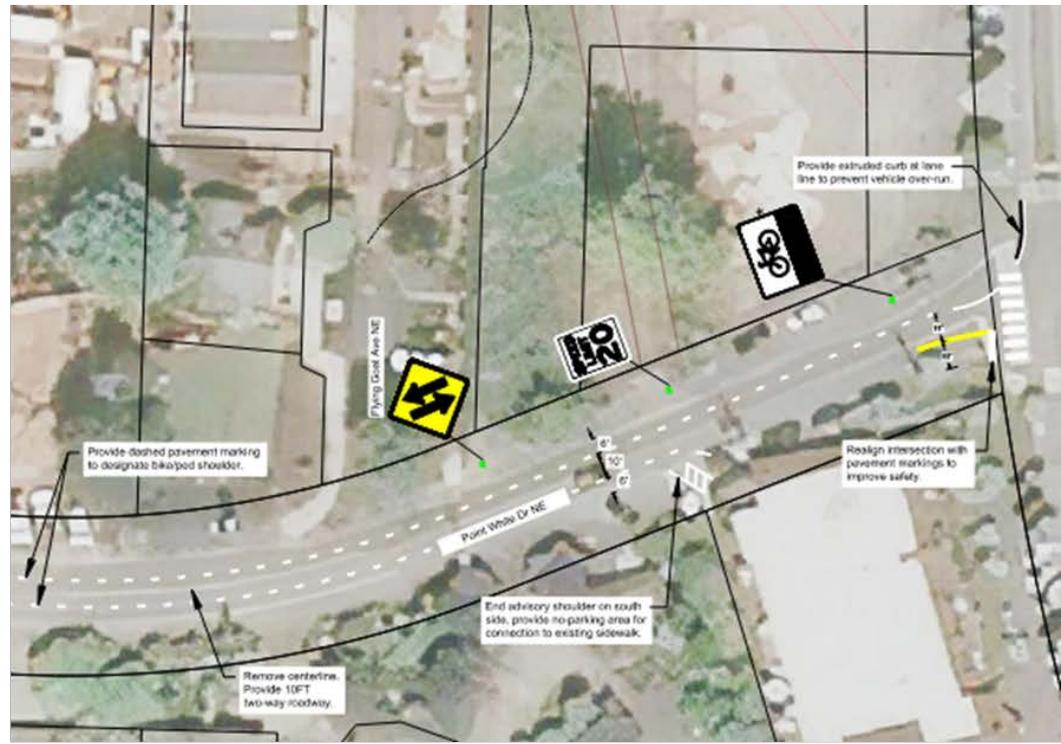
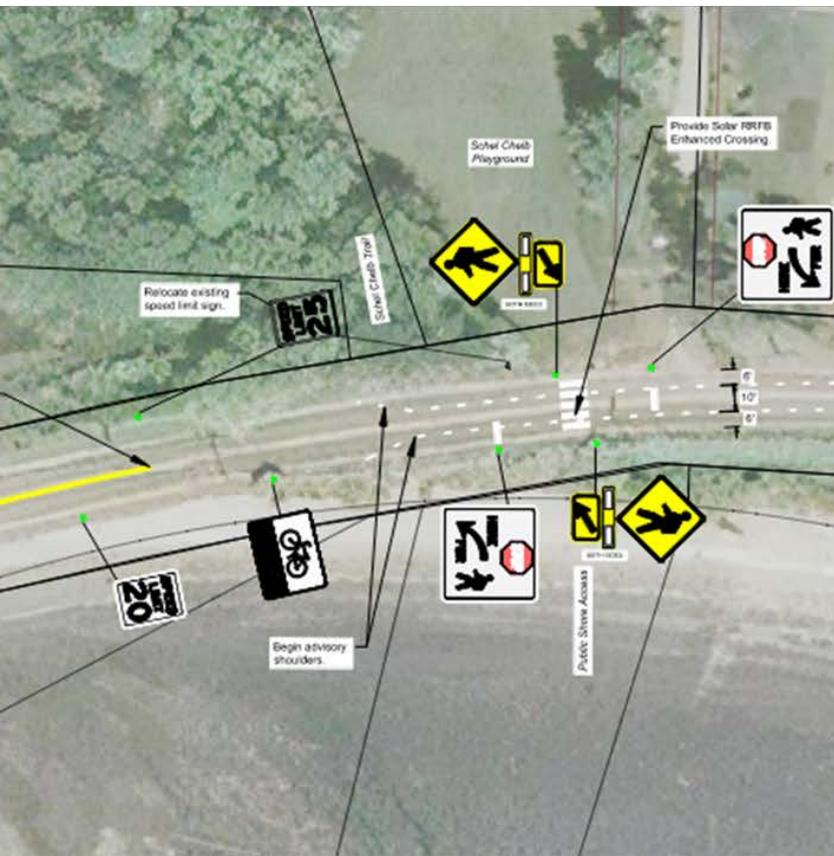
## Scope:

- Three median islands designating speed zone
- Crosswalk with island at parking lot
- Flashing beacons and signage
- Expanded, protected shoulder at islands

**Cost: \$40K (center) – 150K (all 3)**

**Ranking: 26/44**

# Point White Drive Concept – Advisory Shoulder



## Scope:

- Advisory shoulder at Lynwood Center Road
- New crossing at Schel Chelb Park
- Flashing beacons and signage

**Cost: \$40K**

**Ranking: 19/44**

# Cost/Funding Summary

- **Low \$215K**
  - Temporary Grow installation
  - Scaled down Finch
  - Point White complete scope
  - Single crosswalk at Grand Forest
- **High \$500**
  - Permanent Grow
  - ADA landing at Finch
  - Point White complete scope
  - All islands on Miller
- **Funding available**
  - 2021 - **\$225K**
  - 2022 - **\$200K**
  - 2023 - **\$200K**
  - Post 2023 - **TBD**

## Next Steps

- Review prioritization in December
- Determine next steps for current concepts

# Neighborhood Traffic Calming Project – Part 1 Q&A

Christopher Wierzbicki, PE  
Public Works Director  
September 21, 2021





CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 30 Minutes

**AGENDA ITEM:** (8:10 PM) Discuss Draft 2013-2019 Buildable Lands Report - Planning,

**SUMMARY:** The purpose of tonight's City Council discussion is to:

- Discuss the draft Buildable Lands Report and answer any City Council questions about the report that were submitted prior to tonight's meeting.
- Confirm whether the City Council will submit any consolidated comments on the draft Buildable Lands Report to the Kitsap County.

**AGENDA CATEGORY:** Discussion

**PROPOSED BY:** Planning & Community Development

**RECOMMENDED MOTION:** I move to schedule review of a draft City Council comment letter to Kitsap County on the draft 2013-2019 Buildable Lands Report at the next City Council meeting on September 28, 2021.

**STRATEGIC PRIORITY:** Green, Well-Planned Community

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	

**BACKGROUND:** The Buildable Lands Report serves as an important first milestone as Kitsap County and local cities begin work to update their Comprehensive Plans by June 2024. The report offers government agencies across Kitsap County an opportunity to collect and evaluate data using a common framework. The Buildable Lands Report looks at the City of Bainbridge Island, City of Bremerton, City of Poulsbo, City of Port Orchard, and unincorporated areas of Kitsap County to review if they are growing as planned. In addition to the reviewing growth trends, the report also evaluates urban areas to determine if there is sufficient land remaining to accommodate growth targets in local policies and plans.

The draft 2013-2019 Buildable Lands Report and additional information about the project and how to comment can be found on the project website: [https://www.kitsapgov.com/dcd/Pages/Buildable\\_Lands\\_Update.aspx](https://www.kitsapgov.com/dcd/Pages/Buildable_Lands_Update.aspx)

Comments are being accepted using one of the following methods:

- Entered online via computer or mobile device
- Emailed to Buildable Lands Program
- Mailed to: 614 Division St - MS36, Port Orchard, WA 98366

In October 2021, the Kitsap County Board of County Commissioners will pass a resolution adopting the final Buildable Lands Report once the report incorporates any changes based on public comment.

**ATTACHMENTS:**

[Staff Memo Buildable Lands Report.pdf](#)

[DRAFT Buildable Lands Report - August 2021 Only Bainbridge Relevant Pages.pdf](#)

[Bainbridge Island 2020 Census Tracts.pdf](#)

**FISCAL DETAILS:**

**Fund Name(s):**

**Coding:**



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

**Date:** September 17, 2021  
**To:** City Council  
Blair King, City Manager  
**From:** Jennifer Sutton, AICP Senior Planner  
Heather Wright, AICP Director  
**Subject:** Draft Kitsap County Buildable Lands Report

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I. MEETING PURPOSE

The purpose of tonight’s City Council discussion is to:

- Discuss the [draft Buildable Lands Report](#) and answer any City Council questions about the report.
- Confirm whether the City Council will submit any consolidated comment on the [draft Buildable Lands Report](#) to Kitsap County.

II. COUNCIL SEPTEMBER 14 DISCUSSION ON DRAFT BUILDABLE LANDS REPORT

The [draft Buildable Lands Report](#) offers government agencies across Kitsap County an opportunity to collect and evaluate building development data using a common framework. The [report](#) looks at the City of Bainbridge Island, City of Bremerton, City of Poulsbo, City of Port Orchard, and unincorporated areas of Kitsap County to review if they are growing as planned. In addition to reviewing residential and commercial growth trends between 2013-2019, the report also evaluates urban areas to determine if there is sufficient land remaining to accommodate growth targets in local [comprehensive plans](#). The [full report is available online](#). Since it is a lengthy document, City staff has created a shortened copy of the report that limits the sections to Bainbridge Island (see report attached with this agenda item).

[Kitsap County is accepting comments](#) on the [draft Buildable Lands Report](#) through [September 21, 2021](#). The City Council addressed the [draft Buildable Lands Report](#) at the September 14, 2021 meeting, asking for some clarification on certain parts of the report and directing the City Manager to request a comment period extension from Kitsap County. City staff has heard back that the County will not be extending the comment period but will allow the City to submit changes we would like incorporated.

The [draft Buildable Lands Report](#) has chapters and appendices that provide background, context, state requirements and the methodology for doing the periodic buildable lands review (Chapters 1-2, Appendices A, B, C and E). City Council comments and questions during the September 14 meeting were related to the following sections:

- Chapter 3 *Growth and Development Trends*
- Chapter 4 *Growth Capacity*
- Chapter 5 *Reasonable Measures*
- Appendix C *Land Capacity Analysis Assumptions*.

### **Chapter 3 *Growth and Development Trends***

This chapter summarizes residential and commercial growth between 2013-2019. This data is organized by zone and is derived from City building and land use permits. Exhibit 14 (see page 36 of attached report PDF) shows residential unit growth by zone. A total of 994 new residential units were permitted during this period. During the Council’s discussion at the September 14, 2021 Council meeting, a concern was raised that the [draft Buildable Lands Report](#) showed a high level of growth in the City’s lower density zones (R-0.4, R-1 and R-2, which are known as *conservation areas* in the [City’s Comprehensive Plan](#)), which would be at odds with the recent 2020 Census tract population data (see next section). However, as seen in Exhibit 14, 469 units out of 994 total units (47%) were permitted in the *conservation areas* and 496 units, 49.8% of total units, were permitted in the greater Winslow area (R-2.9, 3.5, 4.3, 8 and R-14, and Mixed Use Town Center zones), during the 2013-2019 time period. Therefore, growth has occurred somewhat equally in the conservation areas and the higher density zones.

Furthermore, past growth is described in **Chapter 3** with the future growth capacity described in **Chapter 4**. The City’s residential land capacity for future growth is overwhelmingly in the *conservation area* zones, see Exhibit 41 (page 44 of attached report PDF).

### **Chapter 5 *Reasonable Measures***

As part of the Council’s consideration at the September 14 Council meeting, there was also discussion about the level of detail in the description related to Bainbridge Island in the Buildable Lands Report compared to the descriptions for the cities of Bremerton, Port Orchard and Poulsbo in the same section ([see PDF pages 90-102 of online draft Buildable Lands Report](#)). The sections for the unincorporated Urban Growth Areas (UGAs) of Kitsap County are more descriptive, similar to the Bainbridge Island section.

The County provided a draft for the City to consider and provide preliminary and final comments. The shorter drafts as found in Bremerton, Port Orchard and Poulsbo are very similar to that which was originally provided by the County. The City chose to model their description after the County and to describe how the future residential and commercial capacity relates to the City’s existing growth strategy to promote growth in *designated centers* and encourage conservation in the *conservation areas*, as described in the [Introduction and Land Use Element of the Comprehensive Plan](#).

In the last 20 years, many housing units have been constructed in the greater Winslow area. Since zoning development standards are unchanged during that time, the greater Winslow area has less capacity for future growth, assuming development standards remain the same. As explained above, that results in the City’s residential land capacity for future growth being overwhelmingly in the *conservation areas* zones. See Exhibit 41 (page 44 of attached report PDF). This analysis relates to the existing [Comprehensive Plan](#), not a future Comprehensive Plan.

This section can be reduced to remove the detailed description and provide a summary of numbers if preferred by the Council.

### Appendix C Documentation of Assumptions

The methodology for the [draft Buildable Lands Report](#) is summarized in Chapter 2 and fully described in Appendices A and B. Appendix C documents the variety of County and City assumptions, including when and why an assumption deviated from the standard assumptions described in the methodology guidance. The City used the 2013-2019 accessory dwelling unit (ADUs) data to inform the assumption for adding ADUs into the City’s future residential capacity for residential zones. See pages 85 (general methodology) and 161 (City use of assumptions to calculate ADU capacity) of attached report PDF. Using the method described on page 161, 152 potential ADUs were added to the City’s capacity in the residential zones. This number is an estimate for the number of ADUs *likely* to be built between 2020-2036 (the balance of the current planning period). This number is not the *maximum* number of ADUs that could be built under existing City regulations. City regulations allow ADUs as an accessory use to single-family residences, although they must comply with all zoning standards and be able to connect to utilities such as water, sewer or on-site septic. Calculation of *maximum* ADU potential for determining the City’s future residential capacity would not be consistent with the [state regulations and guidance for buildable lands reports](#), which indicate that capacity should include what development *could reasonably be expected* during the planning period. See Step 8.4 of the Land Capacity Analysis methodology on page 85 of the attached report PDF for the description of how the County’s methodology implements [state guidance](#) as applied to ADUs.

### III. INFORMATION AVAILABLE FROM THE 2020 CENSUS

The first results from the 2020 Census were released in mid-August, and included information related to redistricting - population, population numbers for different race categories, and group quarters. More detailed demographic information such as 5-year age cohorts, income information, rental/ownership, education level, etc. won’t be released until late 2022. The Washington State Office of Financial Management is compiling census information and that information can be found here: <https://ofm.wa.gov/washington-data-research/population-demographics/decennial-census/2020-census-everyone-counts/2020-census-what-you-need-know/2020-census-data-releases>.

In the 2010 Census, Bainbridge Island had 4 census tracts (identified as tracts 907-910). For the 2020 Census, tracts 909 and 910 were each split into 2 tracts. See attached Bainbridge Island 2020 Census Tract map, and see population growth between the 2010-2020 Census by tract in the table below. Although one could assume that the [draft Buildable Lands Report](#) is providing the same population information that the census does, it does not. Although they are similar, they are not identical and are not interchangeable. The past growth and future development capacity information found in the [draft Buildable Lands Report](#) is derived from permit data and estimating capacity using existing zoning standards. The 2020 Census tells us how many people lived on Bainbridge Island on April 1, 2020.

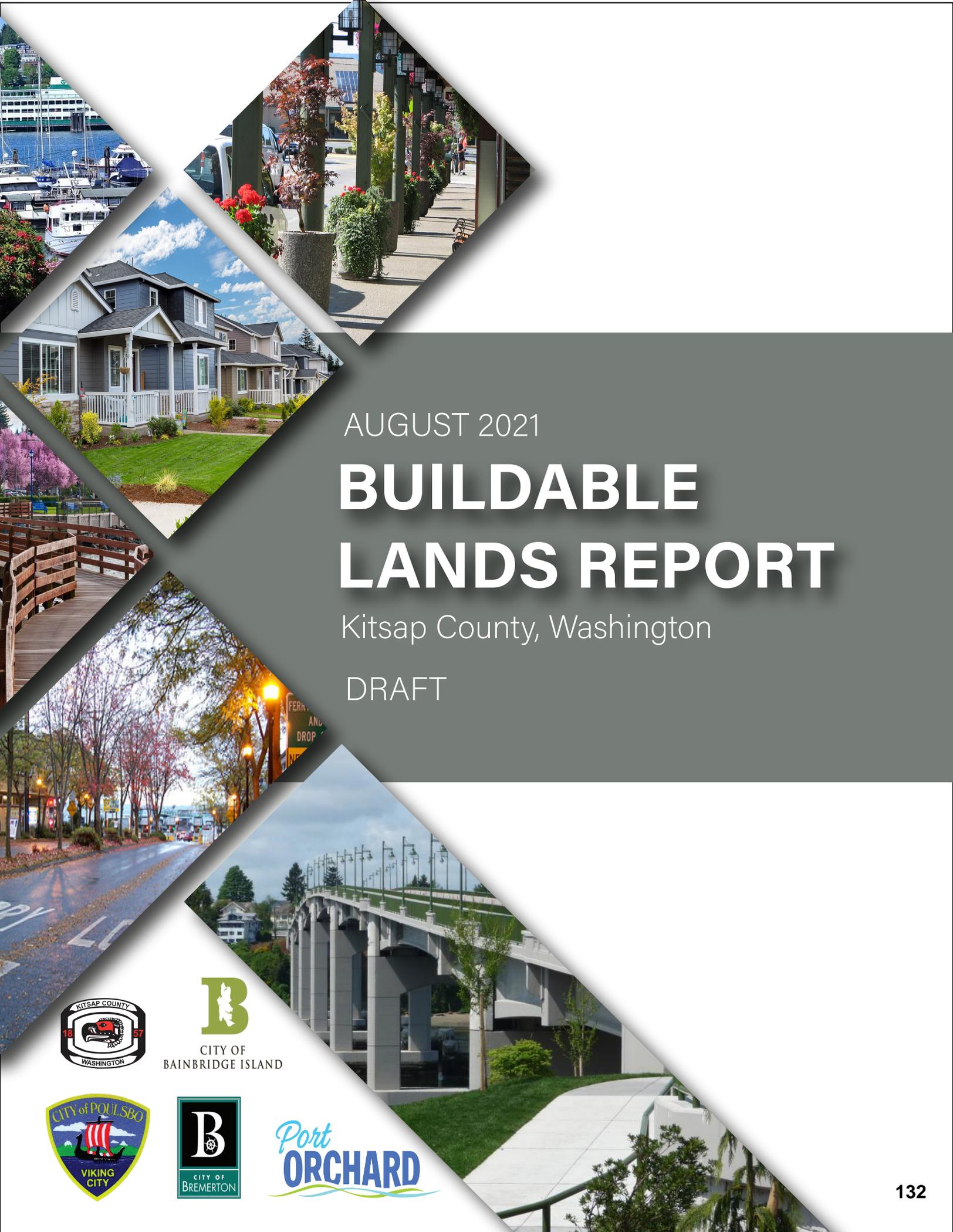
2020 Census Tract	Population
907 Northeast (East of SR 305)	5,211
908 Northwest (West of SR 305)	4,380
909.01 Winslow West of SR 305/South of HS Road	3,997
909.02 Winslow East of SR 305 & North of HS Road	3,970
910.01 Central/Southwest	3,568
910.02 Southeast	3,699
<b>Total</b>	<b>24,825</b>

2010 Tract Name	2010 Population	2020 Population	2010-2020 Growth	% 2010-2020 Growth
<b>907 Northeast BI (E of SR 305)</b>	5,183	5,211	28	0.54%
<b>908 Northwest BI (W of SR 305)</b>	4,169	4,380	211	5.06%
<b>*909 Greater Winslow</b>	7,032	7,967	935	13.30%
<b>*910 West-central &amp; South</b>	6,641	7,267	626	9.43%
<b>Total</b>	<b>23,025</b>	<b>24,825</b>	<b>1800</b>	<b>7.82%</b>

\*Tracts 909 and 910 were each split into two tracts for the 2020 Census. 2020 Population numbers for tracts 909 and 910 in this table are the sum of the two resulting tracts (e.g., 909.01 & 909.02 table above).

#### IV. NEXT STEPS:

Based on City staff’s communications with Kitsap County related to the timing of the comment period and the opportunity for City input, staff recommends that if the City Council would like to comment on any suggested changes to the [draft Buildable Lands Report](#), that the Council work with the City Manager to complete its comments no later than the September 28, 2021 City Council meeting. It is City staff’s understanding that the Kitsap County Board of Commissioners will pass a resolution in October 2021 to adopt the final BLR once the report incorporates any changes based on public comment.



AUGUST 2021

# BUILDABLE LANDS REPORT

Kitsap County, Washington

DRAFT



## Executive Summary

The Washington State Growth Management Act (GMA) requires the state's fastest growing counties to periodically review and evaluate development trends to ensure consistency with GMA, countywide planning policies, and comprehensive plans (RCW 36.70A.215). This review and evaluation is commonly known as the "Buildable Lands Program" and applies to seven counties, including Kitsap County, the cities of Bainbridge Island, Poulsbo, Bremerton and Port Orchard. The main deliverable of the program is the Buildable Lands Report. This is the fourth Buildable Lands Report compiled by Kitsap County and the cities within. This Buildable Lands Report evaluates growth trends between 2013-2019 timeframe. Previous reports were published in 2002, 2007, and 2014.

The purpose and scope of the 2013-2019 Buildable Lands Report, as shown in the graphic below, is to:

- "Look back" to evaluate whether development trends between 2013-2019 are consistent with development assumptions and policies noted in Kitsap's Countywide Planning Policies (CPPs) and local comprehensive plans.
- "Look forward" to determine if there is sufficient land supply in urban areas to accommodate the remainder of the 20-year targets for:
  - commercial employment
  - industrial employment
  - housing units to accommodate population
- Identify, if necessary, reasonable measures to address the following questions:
  - Are achieved densities consistent with planned densities?
  - Is the rate of employment and population growth consistent with adopted 2036 targets?
  - Is there capacity for employment and population growth compared to 2036 targets?

The findings herein will also help inform the development of new growth targets by jurisdiction, as specifically outlined in the Kitsap Countywide Planning Policies (CPPs). The findings will also be used by jurisdictions to inform the next round of comprehensive plan and development code updates as well as subsequent implementation work by jurisdictions. This report is organized into the following components.

- **Chapter 1: Introduction:** This chapter summarizes the regulatory and policy framework for this update to the Buildable Lands Program.
- **Chapter 2: Methodology Overview:** This chapter gives an overview of the methodologies used by jurisdictions to evaluate historic development trends as well as future growth capacity.
- **Chapter 3: Growth and Development Trends:** This chapter reports on the findings of development trends during the evaluation period of 2013 to 2019.
- **Chapter 4: Growth Capacity:** This chapter summarizes and discusses urban growth land capacity within each city and the unincorporated UGAs.
- **Chapter 5: Reasonable Measures:** This chapter identifies required consistency checks, observations and reasonable measures to be considered in jurisdictions next comprehensive plan and development code update other than adjusting urban growth areas.

## Acknowledgments

Consistent with the review and evaluation requirements noted in the Washington State Growth Management Act and the Kitsap Countywide Planning Policies, this draft report was prepared by Kitsap County and the cities within, and with the support of Berk Consulting Inc. and Heartland LLC. This report could not be completed without the coordination, countless hours and technical guidance from county and city partners, which occurred during a global, nationwide and statewide COVID-19 pandemic. Special thanks to the following participants:

### City of Bainbridge Island

- Heather Wright, Director of Planning and Community Development
- Jennifer Sutton, Senior Planner
- Gretchen Brown, Mapping/CAD Specialist

### City of Poulsbo

- Karla Boughton, Director of Planning and Economic Development
- Nikole Coleman, Senior Planner

### City of Bremerton

- Andrea Spencer, Director of Community Development
- Garrett Jackson, Planning Manager
- Alison Satter, Planning Manager (former)

### City of Port Orchard

- Nick Bond, Director of Community Development
- Keri Sallee, Long Range Planner

### Kitsap County

- Jeff Rimack, Director of Community Development
- Angie Silva, Assistant Director
- Liz Williams, Planning and Environmental Programs Manager
- Cindy Read, GIS Technology Analyst
- Lisa Nickel, Senior Deputy Prosecutor
- Eric Baker, Policy Manager

This Buildable Lands Program update also was not possible without the grant funding provided by the Washington State Department of Commerce.

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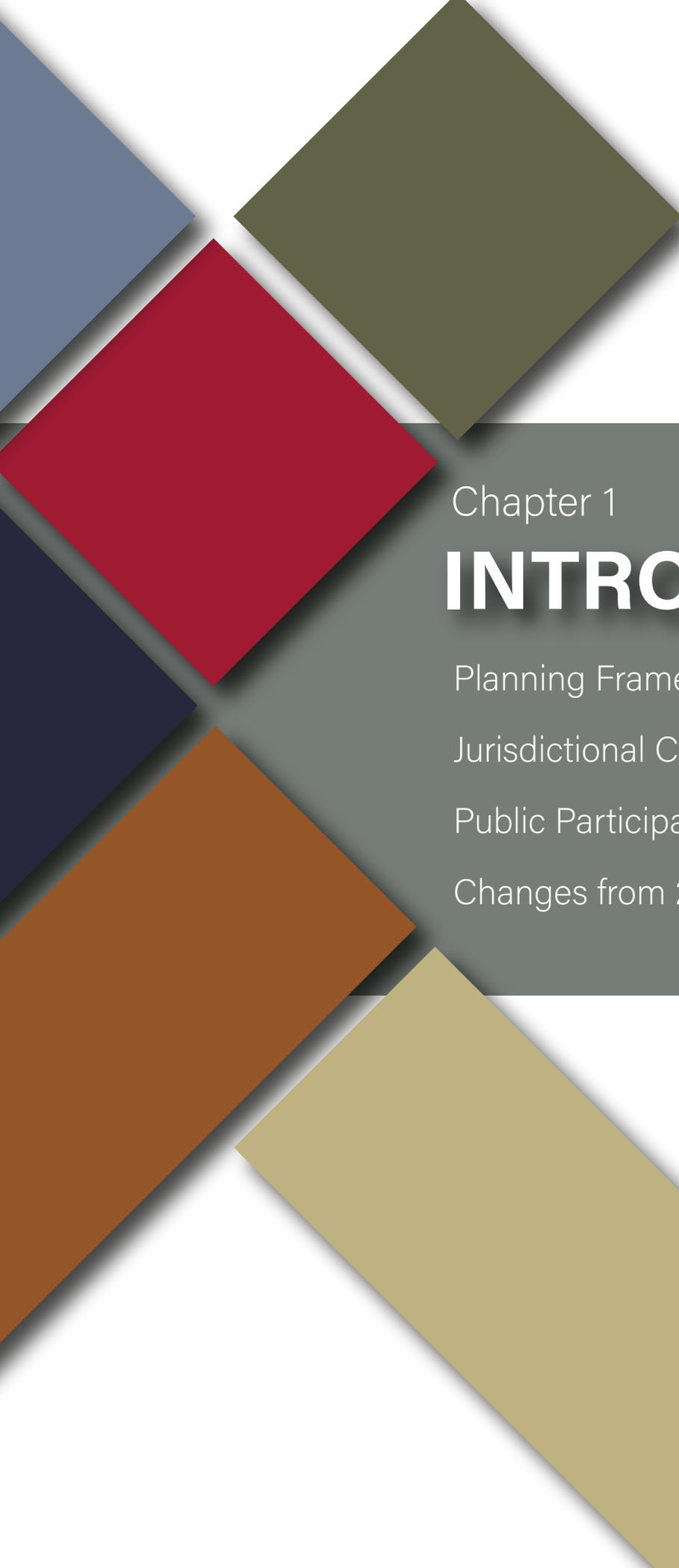
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Chapter 1

# INTRODUCTION

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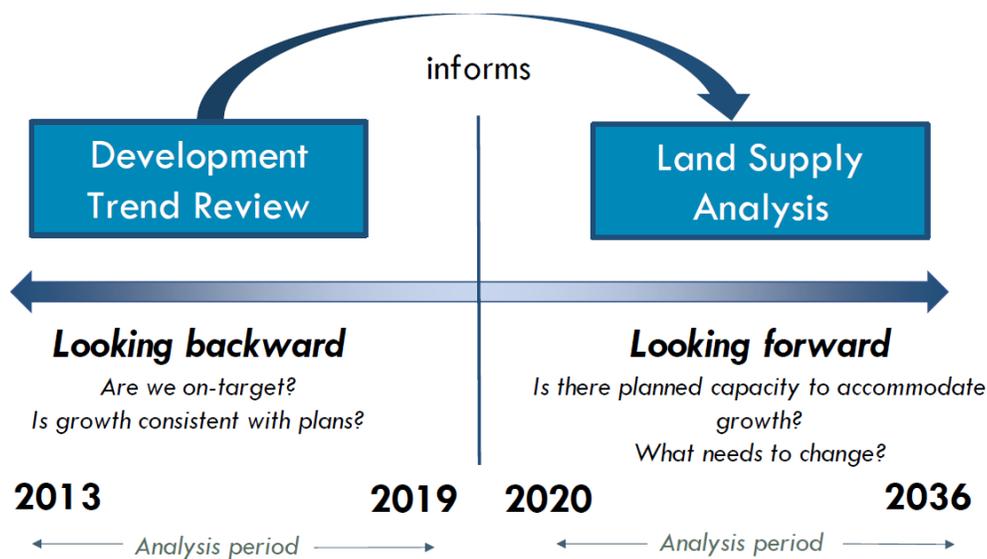
Changes from 2014 Buildable Lands Report

## Chapter 1: Introduction

The 2021 Buildable Lands Report (BLR) responds to the review and evaluation requirements of the Washington State Growth Management Act (GMA) in the Revised Code of Washington (RCW) 36.70A.215. This is the fourth BLR completed by Kitsap County and the cities. Previous reports were published in 2002, 2007, and 2014.

Kitsap County and the cities within it are one of seven counties required by GMA to conduct a review and evaluation program. This report includes findings from three key components of Kitsap County’s Buildable Lands Program which are required under RCW 36.70A.215 and Washington Administrative Code (WAC) 365-196-315. As summarized in the image below, this includes:

- "Look back" to evaluate whether development trends between 2013-2019 are consistent with development assumptions and policies noted in Kitsap’s Countywide Planning Polices (CPPs) and local comprehensive plans.
- "Look forward" to determine if there is sufficient land supply in urban areas to accommodate the remainder of the 20-year targets for:
  - commercial employment
  - industrial employment
  - housing units to accommodate population
- Identify, if necessary, reasonable measures to address the following questions:
  - Are achieved densities consistent with planned densities?
  - Is the rate of employment and population growth consistent with adopted 2036 targets?
  - Is there capacity for employment and population growth compared to 2036 targets?



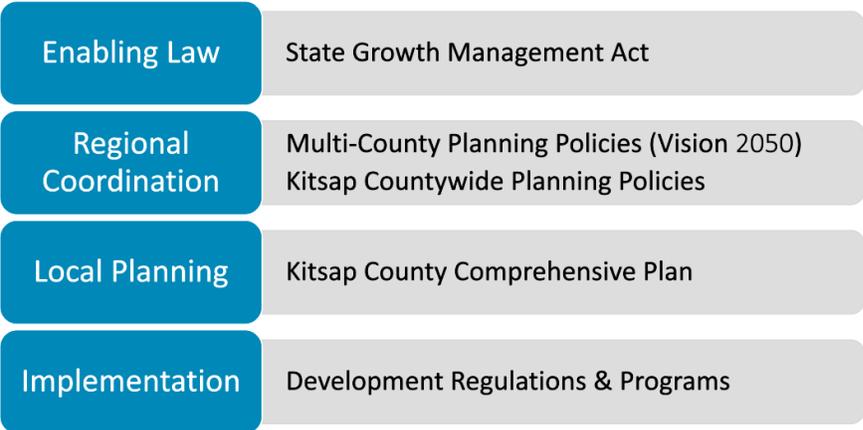
Additionally, this report was developed by Kitsap County in coordination with the cities of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo and with support from BERK Consulting and Heartland LLC. The findings herein will also help inform the development of new growth targets by jurisdiction, as specifically outlined in the CPPs. The findings will also be used by jurisdictions to inform the next round of comprehensive plan and development code updates as well as subsequent implementation work.

## Regulatory Planning Framework

### Growth Management Act

GMA was enacted in 1990s to address “uncoordinated and unplanned growth, together with a lack of common goals expressing the public’s interest in the conservation and the wise use of our lands, pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of this state. It is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning. Further, the legislature finds that it is in the public interest that economic development programs be shared with communities experiencing insufficient economic growth.”<sup>1</sup> In summation, the GMA created a state mandated planning framework for jurisdictions to locally address growth in urban areas while protecting natural resource lands and environmentally sensitive areas.

Kitsap County is one of 18 counties and the cities within that are required to fully plan under GMA, while other Washington communities have opted fully in or are partially planning under the state mandate. As a fully planning jurisdiction, RCW 36.70A.040 requires the designation of Urban Growth Areas (UGAs), which are areas where urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.



A key component of the GMA is the Review and Evaluation Program under RCW 36.70A.215. This is also commonly known as the Buildable Lands Program, which applies to seven counties, including Kitsap County and all of the cities within it. Overall, this program mandates a look back at actual development trends that has occurred during an evaluation period and a comparison of growth and development assumptions to determine whether each jurisdiction has sufficient residential and employment land in urban areas to meet adopted growth targets. The program also mandates an evaluation of whether urban and rural growth is actually being achieved at densities that are consistent with those allowed in comprehensive plans and development regulations.

In 2017, the Washington State Legislature passed the first major revision to the Review and Evaluation program (E2SSB 5254). This update includes new requirements related to infrastructure gap analysis,

<sup>1</sup> RCW 36.70A.010

market factor assumptions, and reasonable measures. These updates are summarized as follows:<sup>2</sup>

- **Buildable Lands Report Timing:** Under E2SSB 5254, the buildable lands report must be completed prior to a jurisdiction's next periodic comprehensive plan update. Under RCW 36.70A.130, Kitsap and the cities within must review and if needed revise their comprehensive plans and associated development regulations on or before June 30, 2024.
- **Land Suitable for Development:** Under E2SSB 5254, the evaluation component of the program to determine suitable land must include consideration of land use or zoning regulations, environmental regulations impacting development, other regulations that might inhibit the achievement of assumed densities, and infrastructure gaps. The evaluation of suitable land must also include development of a reasonable market supply factor that identifies reductions in land suitable for development and redevelopment.
- **Reasonable Measures:** Under E2SSB 5254, the requirement to annually monitor and adjust measures that are adopted to address inconsistency between forecasted and experienced growth was temporarily suspended (until January 1, 2030). However, reasonable measures are to be evaluated if observed inconsistencies are identified.

## Regional and Local Planning Framework

### Countywide Planning Policies and 20-Year Growth Targets

Under RCW 36.70A.210, GMA requires that counties (along with cities) to adopt countywide planning policies (CPPs) to establish a regional, countywide policy framework under which county and city comprehensive plans are consistent with. The Kitsap Regional Coordinating Council (KRCC) is the regional body in Kitsap County in charge of developing, updating and maintaining the CPPs for Kitsap County and its cities. KRCC is comprised of elected officials from Kitsap County, the Cities of Bainbridge Island, Bremerton, Port Orchard and Poulsbo, and the Suquamish and Port Gamble S'Klallam Tribes. KRCC also includes representation from the United States Navy, Kitsap Transit, and the Ports of Bremerton and Kingston.

Local policies related to the Buildable Lands Program are found in Element B: Urban Growth Areas (UGAs) of the CPPs.<sup>3</sup> The policies require the County and local cities to do the following:

- Maintain a Land Capacity Analysis Program and use a consistent, agreed-upon methodology to estimate the land supply (Element B (1)(a));
- Participate in an agreed-upon Buildable Lands Analysis Program to monitor & evaluate the effectiveness of their respective comprehensive plans (Element B (1)(b));
- Establish procedures for resolving disputes in the collection and analysis of data (Element B (1)(c));
- Be responsible for implementing appropriate reasonable measures within their jurisdictional boundaries if inconsistencies are identified (Element B (2)).

Additionally, and consistent with RCW 36.70A.215, in 2021 KRCC developed updates to the CPPs and

<sup>2</sup> Source: House Bill Report 5254, Page 2. Link: [5254 HBR 2ND 17.pdf \(wa.gov\)](#)

<sup>3</sup> Kitsap Countywide Planning Policies Adopted 5/11/15, Ordinance 522-2015; Element B: Urban Growth Areas.

to the sections referenced above related to the Buildable Lands Program. Following a July 6, 2021 public hearing, the KRCC Board recommended revisions to the CPPs to address changes to state law and the adoption of multi-county policies, specifically Puget Sound's Regional Councils (PSRC) October 2020 adoption of Vision 2050. Vision 2050 also incorporated PSRCs adopted March 2018 Regional Growth Strategy.<sup>4</sup>

Further and located in CPP Appendices B1 and B2, the CPPs identify future 20-year growth targets for both population and employment with a planning horizon to 2036. The 2036 growth targets were adopted May 11, 2015 and have been used by jurisdictions to develop their own comprehensive plans, including their last major comprehensive plan update completed in 2016.

Per CPP Policy UGA-5 of Element B: Urban Growth Areas, population targets are to be reviewed every five years by KRCC.<sup>5</sup> Further noted in this policy and reflected in Appendix B of the CPPs, the future growth allocations are based on a "target" of accommodating 76 percent of new population growth within Urban Growth Areas (UGAs) and 24 percent of new growth in rural areas. The CPPs further note once the 76 percent is met or exceeded, the UGA target for accommodating new population growth share shall increase to 83 percent in urban areas. It also notes that if the 76 percent is not met, "the target may be reaffirmed or otherwise modified" prior to the next update to population growth targets.

In 2021, it is expected KRCC will be updating growth targets to 2044 consistent with Washington Office of Financial Management, PSRCs Vision 2050 and the March 2018 PSRC Regional Growth Strategy. The updates to the CPPs will lay the foundation for update to local comprehensive plans and associated development regulations required of Kitsap County and the cities within on or by June 30, 2024.

### **Local Comprehensive Plans**

Pursuant to RCW 36.70A.070, local comprehensive plans are required to have mandatory elements such as land use, housing, capital facilities plan and utilities, and rural development. These comprehensive plans further incorporate other GMA directives, multi-county planning policies such as PSRCs Vision 2050, and Countywide Planning Policies. The Buildable Lands Program provides an opportunity for periodic review and evaluation of development trends compared to policy targets outlined in the CPPs and local comprehensive plans.

Under RCW 36.70A.110, jurisdictions must plan and provide for both household and job growth to meet their targets through designation of sufficient urban land suitable for development in their comprehensive plans and regulations. This Buildable Lands Report, guided by RCW 36.70A.215, presents estimated capacity for population and employment growth by jurisdictions based on a methodology informed by actual achieved densities from recent development activity. The results enable the evaluation of whether counties and cities can meet the adopted targets at the end of the planning cycle. Any observed inconsistencies in this study must be addressed by the jurisdiction through reasonable measures identified herein and adopted in their next comprehensive plan and development code update.

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<sup>4</sup> RCW 36.70A.210 (7)

<sup>5</sup> In the draft recommended CPP revisions transmitted to Kitsap County on July 19, 2021 following the KRCCs Board July 6, 2021 public hearing and deliberation, propose this policy to be removed. For the proposed CPPs to become effective, Kitsap County and cities within will follow the process outlined in Appendix A of the CPPs.

## Department of Commerce Guidelines

Following revisions to the buildable lands program by the state in 2017 through E2SSB 5254, the Washington State Department of Commerce (Commerce) published revised Buildable Lands Guidelines in 2018 for use by counties and cities responsible for carrying out a Review and Evaluation Program under GMA. These updated Guidelines summarize requirements, including new requirements of RCW 36.70A.215 and WAC 365-196-315, and provide best practices and methodologies for carrying out those requirements. Kitsap County and its cities used these Guidelines when developing its Buildable Lands Program update. As a supplement document to these 2018 updated Guidelines, Commerce also issued their Housing Memo: Issues Affecting Housing Availability and Affordability. This memo was also required with the passage of E2SSB 5254.

## County and Jurisdiction Coordination

Participation in the Buildable Lands Program is a joint responsibility among all jurisdictions in Kitsap County. County staff in the Department of Community Development facilitated the Buildable Lands Program update, with participation from representatives from the Cities of Bainbridge Island, Poulsbo, Bremerton and Port Orchard. **Exhibit 1** summarizes the roles and responsibilities of the County and individual jurisdictions.

**Exhibit 1. Jurisdiction Roles and Responsibilities**

	<b>Kitsap County</b>	<b>Individual Jurisdictions</b>
Methodology for data collection and analysis	Develop standardized methodology for data collection and analysis, with guidance on key assumptions to be made by individual jurisdictions.	Review and offer feedback on draft methodology and guidance.
Analysis of achieved densities	Review data shared by jurisdictions for consistency with methodology and guidance.	Gather and analyze data in accordance with methodology and guidance. Share results with County for review.
Land capacity analysis	Review data shared by jurisdictions for consistency with methodology and guidance.	Identify developable land supply, select local development assumptions to calculate capacity in accordance with methodology and guidance.
Reasonable Measures	Identify observed inconsistencies between growth, capacity, and planning goals using standard criteria.	Review observed inconsistencies and determine whether reasonable measures are necessary. Implement reasonable measures in next comprehensive plan or development regulation update.
Buildable lands report	Lead preparation of draft and final Buildable Lands Report (BLR).	Review draft BLR and provide comments.

**Public Participation**

Kitsap County provided opportunities for public outreach and participation early and often throughout the Buildable Lands Program update process. Opportunities for public awareness, education and participation are documented in *Appendix F: Public Participation Plan*.

There were three goals of this engagement:

- To provide interested parties with timely information and an understanding of the statutory requirements, guiding case law, and the process, so everyone can participate at key project milestones.
- Ensure transparency throughout the process.
- Encourage interested parties and key partners to provide feedback early and often throughout the process.

**Changes from the 2014 Buildable Lands Report**

While the overall purpose of this report was similar from the last Buildable Lands Report issued in 2014, consistent with E2SSB 5254 and updated Commerce Guidelines, there are changes in this 2021 report to

address new requirements and other updates to local comprehensive plans and development regulations. A summary of primary changes is listed below.

- **New CAO requirements.** Jurisdictions are required to update their local Critical Areas Ordinances (CAO) every 8-years to account for best available science. The last update to local CAOs was completed in 2017, which was during this report’s evaluation period.
- **New stormwater requirements.** Based upon Washington State Department of Ecology’s 2012 National Pollutant Discharge Elimination System (NPDES) Phase II permits for Western Washington communities, modified stormwater requirements were locally adopted in 2016. This update occurred during this report’s evaluation period.
- **Infrastructure gap analysis.** E2SSB 5254 required formal evaluation of infrastructure gaps and their effects on urban growth capacity based upon existing capital facilities plans.
- **Market factor or unavailable lands assumptions.** The legislative changes in 2017 also called for a more rigorous approach to developing “market factor” assumptions. The changes were intended to account for qualitative reductions in the amount of land suitable for residential development and employment activities. Previously in other buildable lands reports, “market factor” was used to estimate the percentage of parcels that would be expected remain unavailable for development due to owner preferences or legal encumbrances. Under the new legislation and Commerce guidance, a wider range of factors that may block or severely inhibit market availability of suitable land are to be considered. As a result, market factor assumptions used in this BLR are not directly comparable to those used in previous BLRs.
- **Achieved employment density.** Previous Kitsap County BLRs reported on nonresidential development activity, but not achieved employment densities. Consistent with Commerce’s 2018 guidance, this BLR details the achieved net new jobs per acre of nonresidential development, aggregated at the jurisdiction scale.
- **Reasonable measures.** The 2017 legislative changes also added additional points of analysis for when jurisdictions would need to adopt reasonable measures. Under past buildable lands analyses, jurisdictions experiencing observed inconsistencies could be expected to adopt reasonable measures. Under the 2017 legislation, jurisdictions that are not on track to achieve their growth targets or planned densities within the planning horizon would also be required to adopt reasonable measures to overcome these circumstances in their next comprehensive plan and development code update. This 2021 Buildable Lands Report uses three different tests to help evaluate whether reasonable measures may be needed as part of local comprehensive plan updates. These tests address the following questions:
  - Are achieved residential densities consistent with allowed densities?
  - Is the rate of population and employment growth consistent with the 2036 growth target?
  - Is there capacity for accommodating the remaining 2036 population and employment growth target?



Chapter 2

# METHODOLOGY OVERVIEW

Achieved Residential Density

Achieved Employment Density

Land Capacity Analysis



## Chapter 2: Methodology Overview

Kitsap County and the cities located within worked collaboratively to fulfill the requirements of the Buildable Lands Program and the Kitsap Countywide Planning Policies (CPPs). For this BLR, Kitsap County developed the review and evaluation methodology based on statutory requirements, Commerce guidance, and input from the Cities of Port Orchard, Bremerton, Poulsbo and Bainbridge Island. The CPPs also require a consistent and agreed upon land capacity methodology to estimate land supply.<sup>6</sup> While all Kitsap jurisdictions must use the same land capacity methodology or framework per the CPPs, individual jurisdictions can develop different assumptions based upon local circumstances.

Chapter 2 outlines the land capacity methodology for urban residential, mixed-use and employment lands. This Chapter also documents assumed residential and employment densities. Further details about the land capacity analysis methodology can be found in *Appendix A: Kitsap County Land Capacity Analysis Technical Methodology Guidance*.

### Achieved Residential Density, 2013-2019

This section describes the methodology used to measure achieved residential densities by zone and jurisdiction for the evaluation period of 2013 to 2019 as shown in the first part of Chapter 3. Density for residential development is generally measured as housing units per acre of developed land. In this study, achieved density was evaluated in a few ways to be able to get a holistic view of development. As explained below, these are by urban platted density (both gross and net acres) and by the density for permits issued during the evaluation period.

Platted density refers to the lot density of new subdivisions issued during the evaluation period. These subdivisions committed to a specific lot size and whether or not development has actually occurred on each separate lot. Residential final plats issued between 2013-2019 were summarized by jurisdiction and by zone, with associated calculations for gross and net acreage. For urban zones, gross and net acreage were calculated through an analysis of each plat's constituent parcels. Gross acreage represents the full area, including critical areas, roadways, etc., in a plat, while net acreage deducts land exclusively used for common/open space, utilities, right of way, stormwater, and other land to remain undeveloped. The primary measure of achieved platted density is lots per **net** acres. However, density per gross acre is also calculated for the purpose of comparing achieved density with maximum allowed density. For rural zones, only gross acres were utilized consistent with Kitsap County Code on how to calculate density.<sup>7</sup>

Permitted density, as used herein, assesses the density of all new housing building permits issued on existing lots or parcels. This includes new units permitted on larger parcels that may include critical areas that cannot develop, as well as cases where permitted units may not yet reflect the full build-out as it is a phased development. Permitted development, both urban and rural, may also include new units on pre-GMA, non-conforming vested lots that do not conform to current zoning standards. They also can be a less reliable measure of actual achieved density because of critical areas and full build out considerations that are difficult to capture during this evaluation period.

<sup>6</sup> Kitsap Countywide Planning Policies Adopted 5/11/15, Ordinance 522-2015; Element B: Urban Growth Areas; Policy 1.

<sup>7</sup> KCC 17.420.020(A)

When available for urban zones, net platted density provides the most reliable measure of achieved density because it is not affected by the limitations are described above. Taken together, however, building permit and final platted density are good indicators of land consumption for residential purposes. The exhibits within this Chapter only include zones that had development activity during the evaluation period.

## Achieved Employment Density, 2013-2019

This section describes the methods used to evaluate achieved commercial and industrial density between the years 2013-2019 as shown in the second half of Chapter 3. Achieved density for non-residential or employment lands is measured based on the building square footage developed in commercial and industrial zones. This improved square footage can then be compared to the overall site area to determine an average Floor Area Ratio (FAR). While some Kitsap jurisdictions regulate commercial/industrial development using FAR (similar to residential densities), many do not. However, assessing achieved employment density using a standardized metric like FAR allows for comparison of development intensity between jurisdictions, regardless of their geographic size.

Achieved non-residential density is based on Kitsap County Assessor records for commercial and industrial parcels and associated building improvements. Records were filtered to include only properties with new employment construction between 2013-2019 and to isolate improvements that would contribute to on-site employment. Miscellaneous site improvements such as parking areas, fencing, landscaping, decks, loading docks, etc. were excluded, as were internal tenant improvements (elevators, sprinkler systems, etc.). The exhibits within this section of the report only include zones that had development activity during the evaluation period.

## Land Capacity Analysis

Kitsap County developed a consistent framework or methodology for evaluating land capacity, while allowing for customization of key assumptions by individual jurisdictions to reflect local circumstances. *Appendix A: Kitsap County Land Capacity Analysis Technical Methodology Guidance* details specific steps where variations to the assumptions may be appropriate due to local circumstances while still maintaining a consistent methodology. This Appendix also outlines methods to avoid “double-dipping” or double counting of factors. Where cities have developed different assumptions, supporting documentation and analysis have been provided by each jurisdiction and collected in *Appendix C. City LCA Assumption Documentation*.

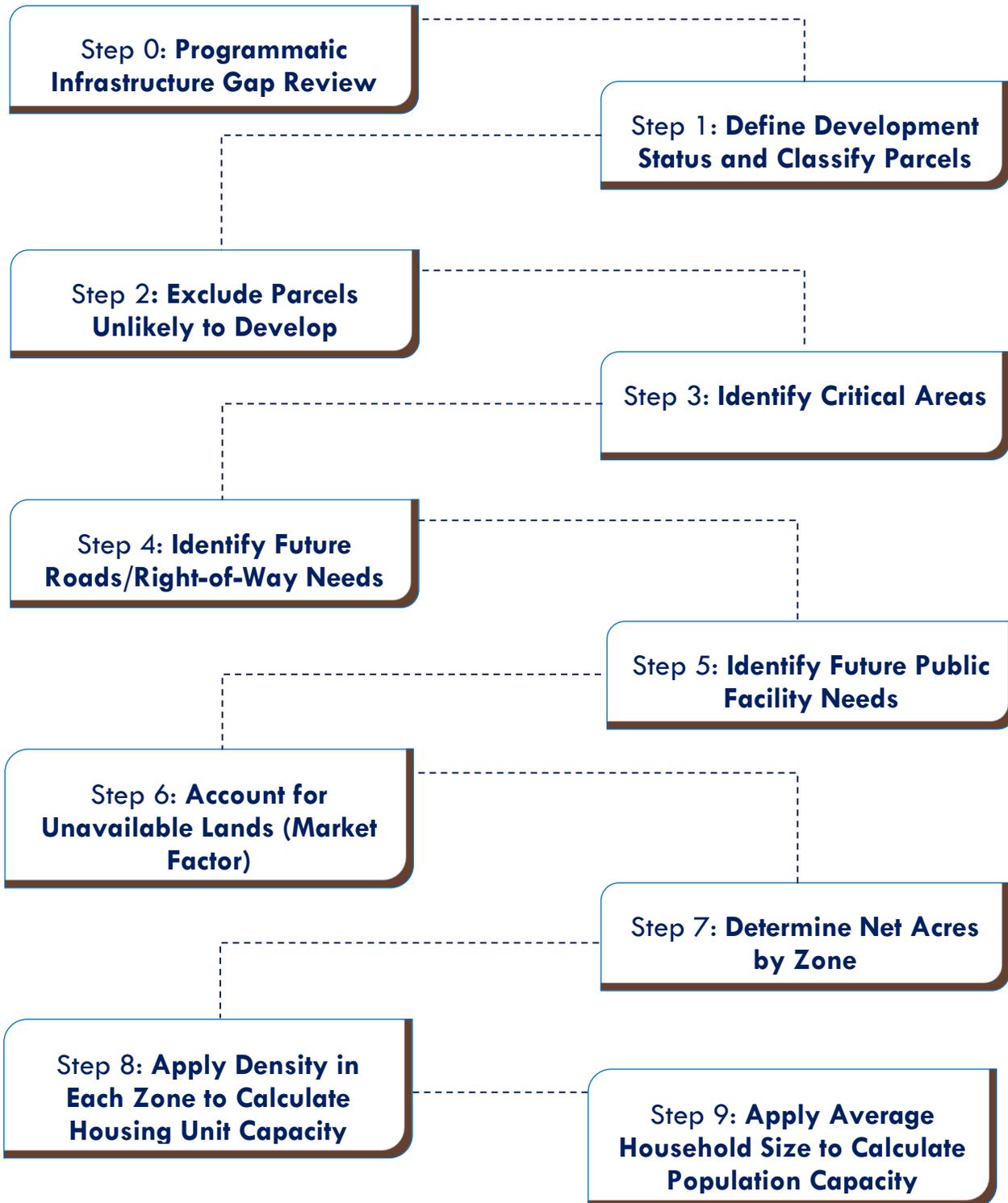
An overview of the Kitsap County residential LCA methodology is shown in **Exhibit 2 and 3**; the employment land capacity analysis follows a similar framework. The methodology includes two phases. The first phase, Step 0, is a programmatic Infrastructure Gap Review of existing capital facility plans. The second phase, Steps 1-9, consists of nine steps designed to be executed in GIS.

## Distinguishing Achieved Density from Assumed Density

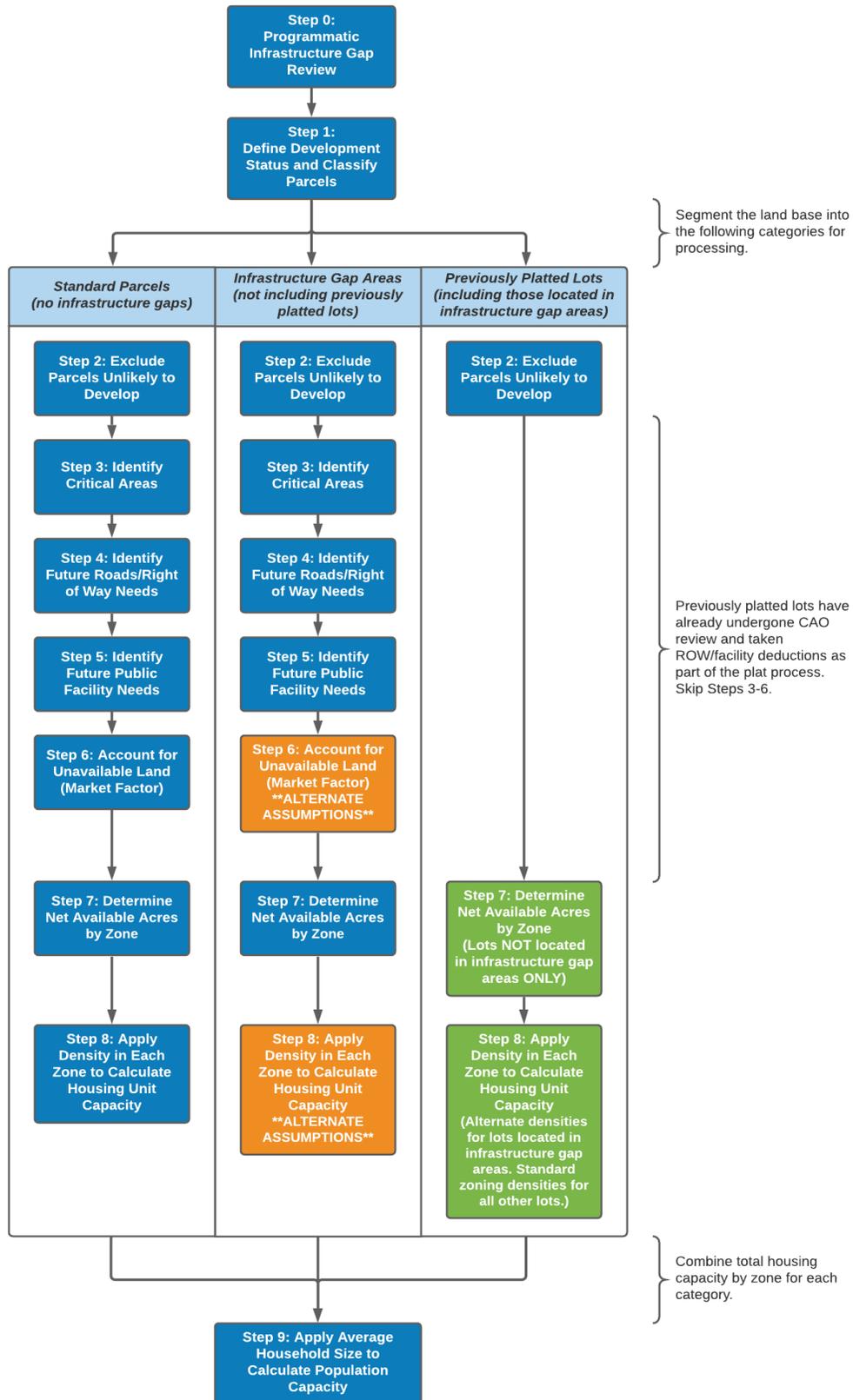
To evaluate land capacity for future population and employment growth, each jurisdiction must select assumed densities, which are those densities “at which future development is expected to occur” (WAC 365-196-210(6)). Achieved density, as outlined earlier in this Chapter, can be a starting point for

determining assumed density. However, jurisdictions must draw upon local circumstances when selecting a reasonable assumed density. Additional discussion of assumed density is included in the Land Capacity Analysis overview below.

**Exhibit 2. Kitsap County Urban Residential LCA Process Overview**



**Exhibit 3. Residential Land Supply Data Processing Diagram**



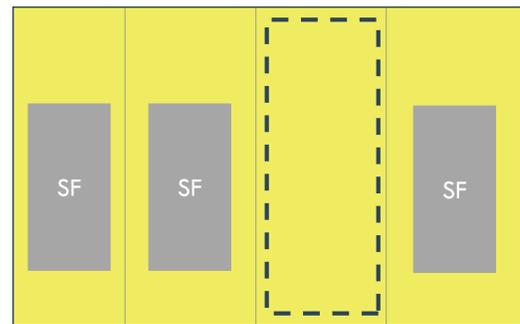
## Programmatic Infrastructure Gap Review (Step 0)

As mentioned above, in 2017 the state legislature passed E2SSB 5254 adding a requirement (RCW 36.70A.215(3)(b)(i)) that provides a review and evaluation of land use designations, development regulations and infrastructure gaps. The intent is to determine area-specific lands that could affect the amount of land and timing of future development available to accommodate projected growth assumptions. Infrastructure to be reviewed includes but is not limited to transportation, water, sewer, and stormwater. The Gap Review performed for this BLR includes a high-level review of available information noted in existing capital facilities plans to determine which infrastructure systems, if any, have the potential to prevent the achievement of assumed densities or delay development.

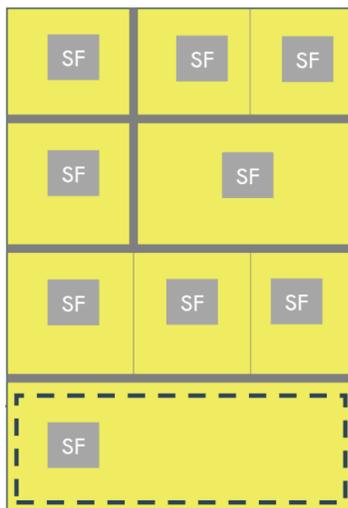
If constraints were identified, jurisdictions were able to develop alternative assumed densities or develop alternative assumed market factors for these areas.

## Land Classification and Exclusion of Parcels Unlikely to Develop (Steps 1-2)

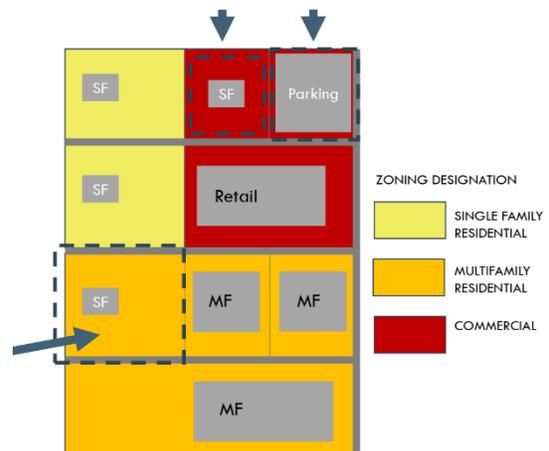
These steps establish the gross supply of vacant and underutilized, including partially underutilized lands. Parcels are classified based on their current land use, potential for further subdivision, and land and improvement values. These steps also identify pipeline properties that have been permitted or approved between January 1, 2020 to December 31, 2020. This process also identifies properties on the basis of improvement to land value ratio, and excludes lands unlikely to redevelop such as a luxury home.



Example of Vacant Parcels



Example of Partially Utilized Parcels



Example of Underutilized Parcels

### Critical Areas Deductions (Step 3)

Environmentally critical areas are protected under GMA<sup>8</sup> and Chapters 365-190 and 365-195 WAC. These areas are not available for future development. As such, the Land Capacity Analysis deducts land affected by Critical Areas from the overall land supply. Step 3 determines the location of Critical Areas, including the following:

- **Streams:** Both perennial and seasonal streams, as well as their associated buffer areas.
- **Wetlands:** Delineated wetland areas and their associated buffers, as regulated by the Critical Areas Ordinance.
- **Water Bodies:** Areas of standing water that cover a portion of a parcel, including lakes, ponds, bogs, or saltwater.
- **Hydric Soils:** Inclusion of hydric soils in the critical areas mosaic captures areas that have the potential to be classified as wetlands, even if no formal wetland delineation has been performed.
- **Areas of High Geologic Hazard:** Unstable areas with steep slopes or other geologic characteristics that make them highly unsuitable for development.

In addition to these features, the land capacity analysis allows jurisdictions the option of deducting Critical Aquifer Recharge Areas (CARAs). CARAs include areas that contain hydrogeologic conditions that facilitate aquifer recharge and/or transmit contaminants to an underlying aquifer. Development activities in these areas vary by jurisdiction, by type of use, and on the sensitivity of the individual CARA.

After identifying the locations of Critical Areas, Step 3 applies deductions based on the type of environmental resource present:

- **CARAs:** 25% deduction (optional)
- **Moderate Geologic Hazard Areas:** 50% deduction
- **Streams, Wetlands, Water Bodies, Hydric Soils, and High Geologic Hazard Areas:** 75% deduction



<sup>8</sup> RCW 36.70A.172; 36.70A.175

### Public Facility and Right-of-Way Deductions (Steps 4-5)

Roads, public right-of-way, and other public facilities are necessary for new development, particularly on undeveloped properties. The LCA applies deductions for future on-site and off-site road and public facility needs, other than sewer. While land needs for roads and public facilities can vary based project-level proposal, on site characteristics and individual jurisdictions development requirements, Kitsap County developed the following standard deductions for unincorporated areas based on a review of permit trends, approved plats, and code requirements. Incorporated cities were encouraged to modify this assumption to reflect local conditions.

- **Roads & Right-of-Way:** 20%
- **Public Facilities:** 20%



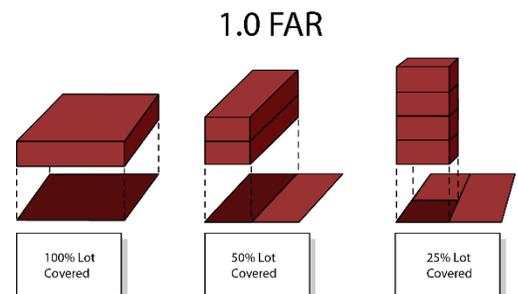
### Unavailable Lands and Market Factor (Step 6)

In addition to land needed for public infrastructure, some percentage of otherwise developable land is likely to remain unavailable due to market conditions and landowner intent. Step 6 of the LCA addresses this through application of a market factor based on predominant development product type and geography. Commerce guidance indicates larger urban jurisdictions with strong development activity should assume lower market factor deductions, while areas anticipating less substantial development activity can assume higher market factor deductions. The approach to this step assessed historic rates of deliveries of various product types and real estate trends such as information available on Redfin, CoStar and Washington Center for Real Estate Research. Appendix A: Kitsap County Land Capacity Analysis Technical Methodology Guidance contains detailed guidance for setting market factor assumptions per jurisdictional geography and product type.

### Net Developable Area and Capacity Calculations (Steps 7-9)

The final steps of the LCA apply the deductions computed in Steps 3-6 to the vacant and redevelopable land supply to determine the number of acres in each zone available for development. Residential and employment density assumptions for each zone are then applied to determine gross development capacity in the form of housing units in residential areas and square footage for employment zones. Net development capacity is then calculated by subtracting existing development on redevelopable properties:

- Net Housing Unit Capacity = Gross Housing Unit Capacity – Existing Housing Units
- Net Building Square Footage Capacity = Gross Building Square Footage Capacity – Existing Commercial/Industrial Space



Finally, residential and employment density assumptions for each zone are applied to determine the net residential and employment capacity for each zone. These results are shown in Chapter 4.



## Chapter 3

# GROWTH TRENDS

Growth Trends Compared to 2036 Targets

Residential Development Trends

Employment Development Trends



## Chapter 3. Growth and Development Trends

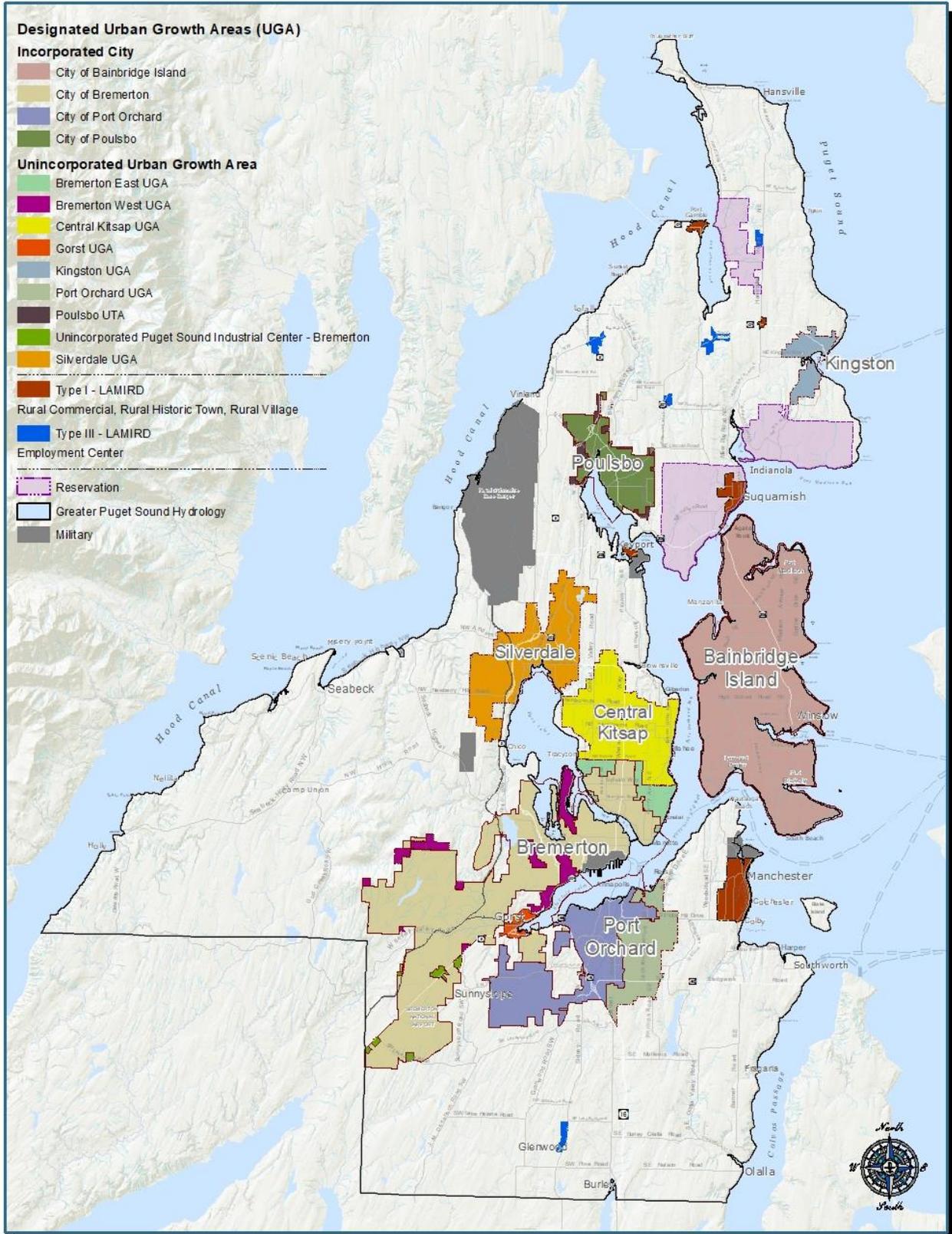
Chapter 3 reviews residential and employment growth trends in Kitsap County from January 1, 2013 to December 31, 2019. These trends are then compared to growth targets established in the [Kitsap Countywide Planning Policies](#) and the [Kitsap County Comprehensive Plan](#) (2016).<sup>9</sup> This chapter also presents an analysis of achieved density of new development and platted lots by zone within each city jurisdiction and unincorporated urban and rural. Achieved residential densities are compared to allowed density under current zoning.

The unincorporated urban results are organized based upon whether an unincorporated UGA is associated with an existing incorporated jurisdiction and as organized in the CPPs Appendices B-1 and B-2. For example, the unincorporated urban areas of the West Bremerton, East Bremerton, Puget Sound Industrial Area and Gorst UGAs are noted as Bremerton UGA. The unincorporated Port Orchard UGA is associated with the City of Port Orchard. The City of Poulsbo's associated UGA is the Poulsbo Urban Transition Area. **Exhibit 4** illustrates Kitsap city jurisdictions and unincorporated areas.

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<sup>9</sup> Targets set in the CPPs are the basis for the County's and cities' Comprehensive Plans. Each jurisdiction demonstrates consistency of its Comprehensive Plan with CPP targets. Kitsap County updated targets to address a more current base year, and for population and jobs achieved.

**Exhibit 4. Kitsap County Jurisdictions and Urban Growth Areas (UGAs)**



## Growth Trends Compared to 2036 Targets

This analysis had two objectives:

- For each city and UGA indicate whether the average annual rate of growth is on pace to achieve 2036 growth targets.
- Identify whether Kitsap County grew consistently with the CPP target share of 76% growth in urban areas (cities and unincorporated UGAs) between 2013-2019.

It is important to note that the analysis period begins in 2013, which predates the establishment of the 2016-2036 CPP growth targets adopted in 2015 and the adoption of relevant policies in both county and city comprehensive plans in 2016. Additionally, a portion of the analysis period for this report predates the implementation activities, including development regulation updates, that followed the adoption of local 2016 comprehensive plans.

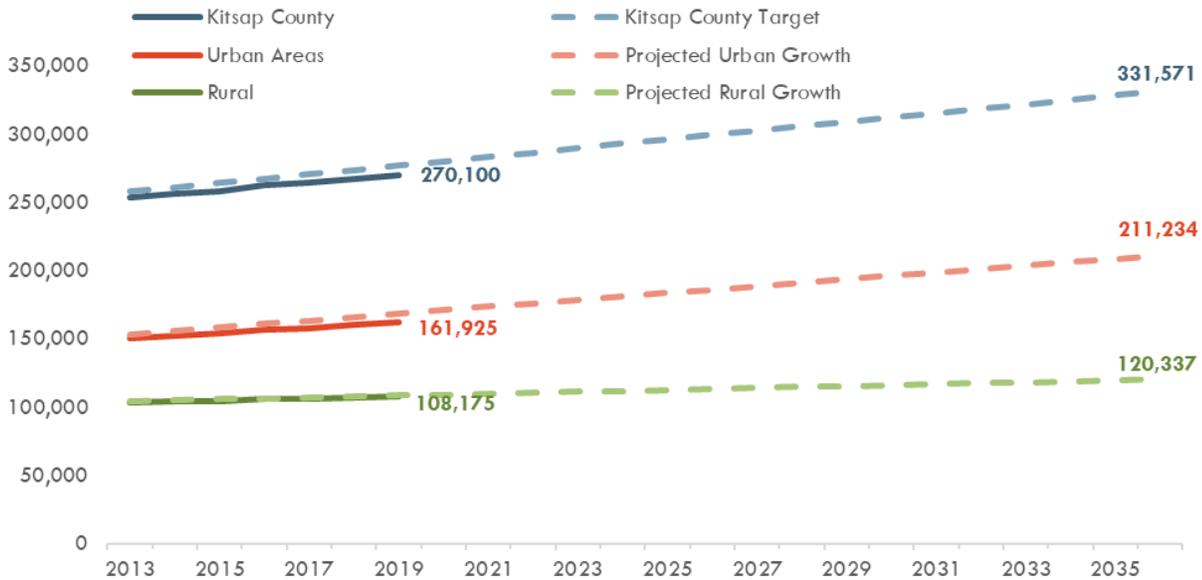
### Population Growth

Kitsap Countywide Planning Polices expect the population of the county as a whole to be approximately 331,571 people by the year 2036. The State of Washington Office of Financial Management (OFM), the state agency tasked with developing population estimates for local jurisdictions, estimates that from 2013-2019 Kitsap County's population grew by an annual average of 1.1%, or a total of 2,683 people per year. This growth rate is slightly below the 2036 projection which, assuming consistent growth over time, anticipated 1.2% annual growth, or 3,211 people.<sup>10</sup> **Exhibit 5** shows the estimates of actual growth and expected growth, broken down into rural, urban, and county-wide. Data analysis indicates the growth rate in rural areas is in line with growth expectations, while the rate of growth in urban areas, and thus in Kitsap County as a whole, has been slightly lower.

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<sup>10</sup> The population and employment distribution targets were established in 2015 in the Countywide Planning Policies (CPPs), which were adopted by the County (Ordinance 522-2015) and further ratified by the cities. In Kitsap County's 2016 Comprehensive Plan update, the base year for the growth distributions were adjusted from 2010 to 2012 to track with the County's 2014 Buildable Lands Report. See 2016 Comprehensive Plan at Appendix D. The ultimate growth between 2010 and 2036 did not change. The numbers herein refer to the 2016 Comp Plan for consistency in the review and evaluation program.

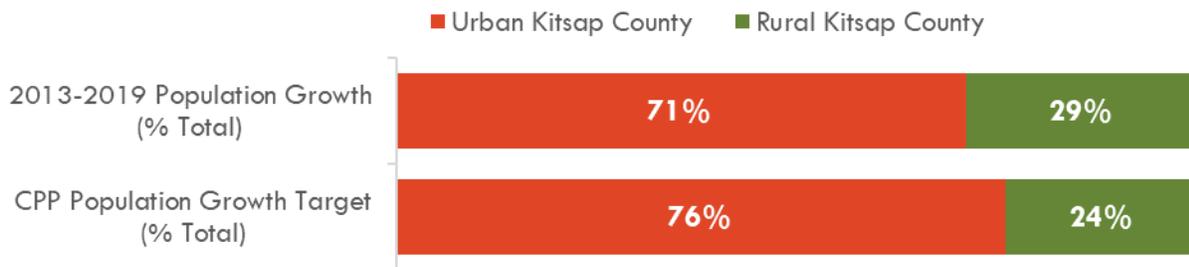
**Exhibit 5: Kitsap County Population Growth, Actual versus CPP Targets 2013-2036**



Sources: Washington OFM, 2020; Kitsap County Countywide Planning Policies (Ordinance # 522-2015); Kitsap County Comprehensive Plan, Appendix D, 2016; BERK, 2020.

**Exhibit 6** breaks down this new population growth between urban and rural areas for 2013-2019. During this period, about 71% of population growth occurred in urban areas, compared to the CPP policy of 76%.<sup>11</sup> This is an increase from 68% documented in the 2014 Buildable Lands Report (2006-2012) and illustrates consistent progress towards meeting the CPP policy target of 76% urban for new growth.

**Exhibit 6: Shares of Population Growth in Urban and Rural Kitsap County, Actual versus CPP Targets<sup>12</sup>**



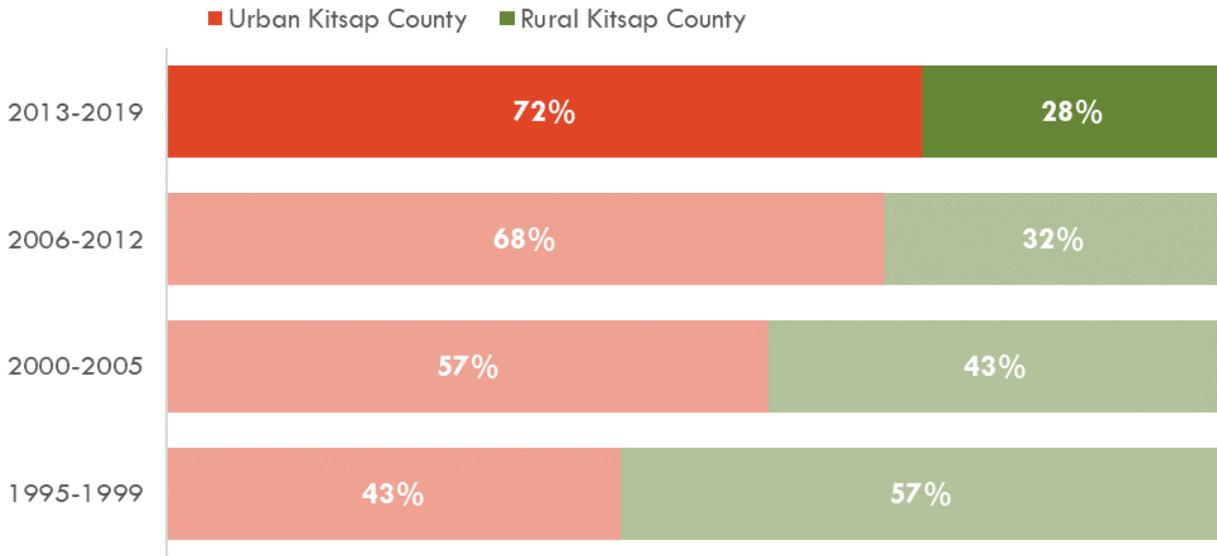
Sources: Washington OFM, 2020; Kitsap Countywide Planning Policies, (Ordinance # 522-2015); Kitsap County Comprehensive Plan, 2016; Kitsap County Buildable Lands Report, 2014; Kitsap County Buildable Lands Report, 2007; BERK, 2021.

<sup>11</sup> Analysis of housing permit data from the county and cities reveals a 74% urban /26% rural split of growth from 2013-2019, which is even closer to the target urban/rural split.

<sup>12</sup> By the numbers in Appendix B-1, [Kitsap Countywide Planning Policies](#) allocated 78% of growth to urban areas, but the new growth in the policies is set at 76% in CPP Element B Policy UGA-5 following quote: “The distribution process should consider

**Exhibit 7** displays the County’s historical trends for the urban/rural share of new housing unit development. While the CPP targets are set in terms of population, past BLRs have shown the urban/rural split in terms of housing units and Exhibit 6 shows the County’s steady increase towards greater urban growth, from 43% urban between 1995-1999 up to 72% urban between 2013-2019.<sup>13</sup>

**Exhibit 7: Comparison of Housing Unit Growth in Urban and Rural Kitsap County, 1995 – 2019**



Sources: Washington OFM, 2020; Kitsap County Buildable Lands Report, 2014; Kitsap County Buildable Lands Report, 2007; BERK, 2021.

**Exhibit 8** shows population growth by individual city and UGA as provided by OFM population estimates.

<sup>13</sup> Previous Kitsap County Buildable Lands Reports published urban and rural shares of growth for housing and not population. Therefore, Exhibit 7 displays the County’s historical trends for the urban/rural share of new housing unit development. While the CPP targets are set in terms of population, past BLRs have shown the urban/rural split in terms of housing units and Exhibit 6 shows the County’s steady increase towards greater urban growth, from 43% urban between 1995-1999 up to 72% urban between 2013-2019.

**Exhibit 8. Population Estimates in Kitsap County, 2013-2019**

	2013	2014	2015	2016	2017	2018	2019	% Change
Kitsap County	254,000	255,900	258,200	262,590	264,300	267,120	270,100	6.3%
Urban Kitsap County	150,502	151,930	153,869	156,400	157,882	159,983	161,925	7.6%
Rural Kitsap County	103,498	103,970	104,331	106,190	106,418	107,137	108,175	4.5%
City of Bainbridge Island	23,190	23,360	23,390	23,760	23,950	24,320	24,520	5.7%
City of Bremerton	37,850	38,180	39,410	40,500	40,630	41,500	42,080	11.2%
Bremerton UGA	8,991	9,051	9,054	9,095	9,294	9,367	9,435	4.9%
Bremerton Total	46,841	47,231	48,464	49,595	49,924	50,867	51,515	10.0%
City of Port Orchard	12,870	13,150	13,510	13,810	13,990	14,160	14,390	11.8%
Port Orchard UGA	14,586	14,581	14,582	14,721	14,781	14,814	14,887	2.1%
Port Orchard Total	27,456	27,731	28,092	28,531	28,771	28,974	29,277	6.6%
City of Poulsbo	9,585	9,775	9,950	10,210	10,510	10,850	11,180	16.6%
Poulsbo UGA	476	477	477	479	480	480	481	1.1%
Poulsbo Total	10,061	10,252	10,427	10,689	10,990	11,330	11,661	15.9%
Central Kitsap UGA	22,690	22,808	22,848	23,005	23,209	23,340	23,537	3.7%
Kingston UGA	2,133	2,209	2,222	2,248	2,311	2,363	2,413	13.1%
Silverdale UGA	18,131	18,339	18,426	18,572	18,727	18,789	19,002	4.8%

Sources: Washington OFM, 2020; BERK, 2020.<sup>14</sup>

**Exhibit 9** uses the OFM population estimates from Exhibit 7 to compare the annual rates of growth in particular jurisdictions to population growth targets on a UGA specific level. Data analysis revealed that, in general, most cities have grown faster than unincorporated UGAs. Two of the four cities, specifically the City of Bremerton and the City of Poulsbo, grew at a rate that met or exceeded their population growth targets. The City of Bainbridge Island's growth rate was not far behind its projection, reaching 222 people per year versus the annual target of 232. Over the evaluation period, the City of Port Orchard experienced a lower growth rate (253 people per year), which is below its annual target of 366 people per year. For unincorporated UGAs, growth from 2013-2019 was a smaller fraction of target growth (between 1% and 50%); this pattern was true whether UGAs were associated to cities or not.

Rural areas are generally consistent with the adopted rural growth allocation in Exhibit 1, though on an average annual basis growth is a little higher than anticipated per Exhibit 4. Rather than annual growth of 700 people per year, the rural areas experienced 780 per year.

<sup>14</sup> On August 13, 2021, OFM released preliminary 2020 Census information. This information is not currently broken down beyond the Census Tract and Census Block Group level and does not follow city and unincorporated UGA boundaries in many circumstances. OFM anticipates this will be completed for release in late 2022.

**Exhibit 9: Population Growth in Kitsap County, Actual versus CPP Target, 2013-2019**

	<b>Growth Target 2012-2036</b>	<b>Average annual growth needed to reach target</b>	<b>Actual average annual growth 2013-2019</b>	<b>Actual annual growth as a % of target growth</b>	<b>Difference between actual growth and growth needed (annual) 2013-2019</b>
Kitsap County	77,071	3,211	2,683	84%	(528)
Urban Kitsap County	60,266	2,511	1,904	76%	(607)
Rural Kitsap County	16,805	700	780	111%	79
City of Bainbridge Island	5,570	232	222	96%	(10)
City of Bremerton	12,432	518	705	136%	187
Bremerton UGA	3,907	163	74	45%	(89)
Bremerton Total	16,339	681	779	114%	98
City of Port Orchard	8,778	366	253	69%	(112)
Port Orchard UGA	6,110	255	50	20%	(204)
Port Orchard Total	14,888	620	304	49%	(317)
City of Poulsbo	1,192	50	266	535%	216
Poulsbo UGA	3,786	158	1	1%	(157)
Poulsbo Total	4,978	207	267	129%	59
Central Kitsap UGA	6,842	285	141	50%	(144)
Kingston UGA	2,926	122	47	38%	(75)
Silverdale UGA	8,723	363	145	40%	(218)

Sources: Washington OFM, 2020; Kitsap County Countywide Planning Policies (Ordinance # 522-2015), 2016 (Targets adjusted to incorporate 2017 [Bremerton annexation](#); A 2019 annexation by Poulsbo resulted in no increase to population.); Kitsap County Comprehensive Plan, 2016, Appendix D; BERK, 2020.

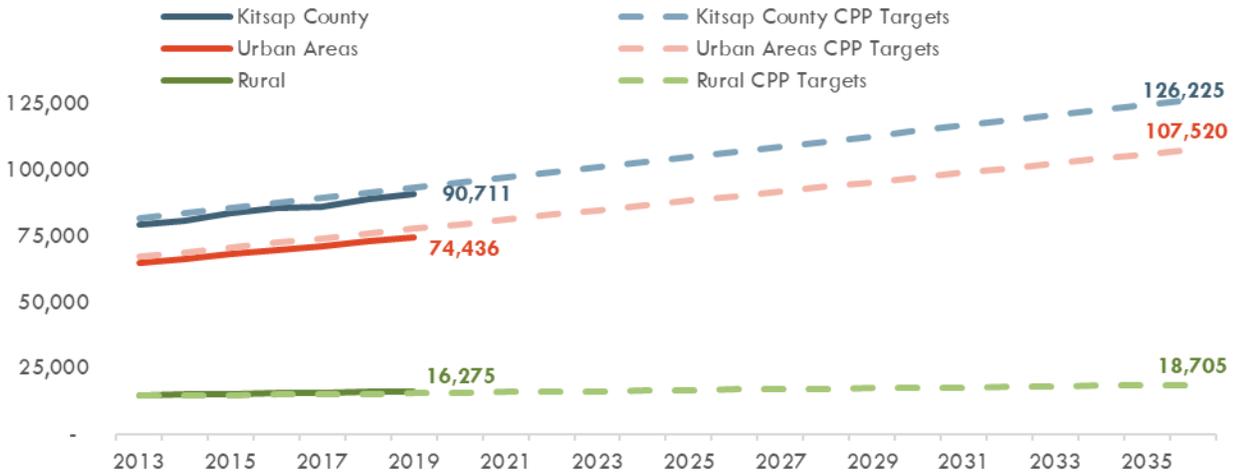
## Employment Growth

The CPPs project the number of jobs within the county as a whole to increase by 46,158 between 2010 and 2036 (to approximately 126,225 jobs). An average annual growth of 1,944 new jobs are needed to achieve these 2036 targets. From 2013-2019, PSRC estimates that employment<sup>15</sup> in Kitsap County grew from 79,315 to 90,711, an increase of 11,396 jobs, or approximately 1,899 per year. This overall employment growth in Kitsap County tracked closely with countywide targets. As split between the urban and rural areas, employment growth in urban areas, including both incorporated and unincorporated, was just shy of targets by 121 jobs per year, or 7%, with wide variety among cities, while the pace in rural areas was just above targets by 77 jobs per year.

**Exhibit 10** shows the estimates of actual employment growth and the expected growth targets of 2036, broken down into rural, urban, and countywide. The cities of Bainbridge Island, Port Orchard, and Poulsbo were all above their employment growth targets during between 2013-2019. The City of Bremerton, however, was under by 539 jobs, but it is important to note that PSRC employment estimates do not include military jobs and fleet deployment. Many of those jobs are represented at the Puget Sound Naval Shipyard and are located in Bremerton and naval facilities near other urban areas. Exhibit 12

<sup>15</sup> This analysis is based on “covered employment” data provided by PSRC, which is derived from the Quarterly Census of Employment and Wages (QCEW) and summarized by the Washington State Employment Security Department. It includes positions covered by the Washington Unemployment Insurance Act, which exempts the self-employed, proprietors and corporate officers, military personnel, and railroad workers. These exempted categories are not included in covered employment summaries, which represent approximately 85-90% of all employment.

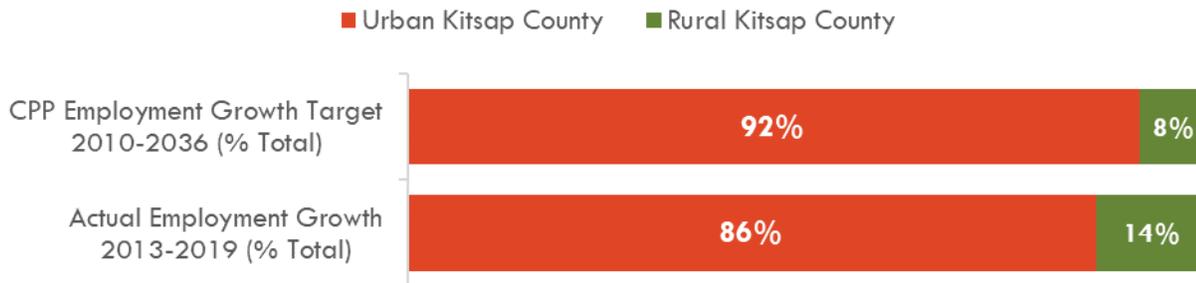
**Exhibit 10: Kitsap County Employment Growth, Actual and CPP Targets, 2013-2036**



Sources: Employment estimates provided by Puget Sound Regional Council (personal communication with Assistant Planner Grant Gibson, 2021); Kitsap County Countywide Planning Policies (Ordinance # 522-2015); Kitsap County Comprehensive Plan, Appendix D, 2016; BERK, 2021.

**Exhibit 11** summarizes the shares of overall Kitsap County employment growth attributed to urban and rural areas. CPP targets anticipate a 92% urban/8% rural split. Actual employment estimates are just shy with 86% of growth in urban areas and 14% in rural.

**Exhibit 11: Shares of Covered Employment Growth in Urban and Rural Kitsap County, Actual versus Targets.**



Sources: Puget Sound Regional Council, 2020; Kitsap County Countywide Planning Policies (Ordinance # 522-2015); BERK, 2021.

**Exhibit 12** shows employment growth by individual city and unincorporated area as provided by PSRC employment estimates. **Exhibit 13** uses these numbers to compare the average annual rates of growth in these areas to employment growth targets. The Cities of Bainbridge Island, Poulsbo, and Port Orchard, and the Port Orchard UGA all grew at an average annual rate above their targets during the evaluation period. Bainbridge Island’s employment growth was more than twice the target rate. The City of Bremerton and all remaining UGAs, however, grew at an average annual rate that was slower than their employment targets. The Silverdale UGA has a pace of growth that was 24% of the target rate, but also had the highest growth target among the UGAs. This employment trend is however expected to change with the relocation of a multi-county regional acute health care facility in Silverdale, which was opened after the evaluation period, specifically completed in 2020.

**Exhibit 12: Covered Employment Estimates in Kitsap County, 2013 to 2019**

	2013	2019	% Change
Kitsap County	79,315	90,711	14.4%
Urban Kitsap County	64,610	74,436	15.2%
Rural Kitsap County	14,705	16,275	10.7%
City of Bainbridge Island	6,232	7,809	25.3%
City of Bremerton	28,353	32,383	14.2%
Bremerton UGA	1,060	1,240	17.0%
Bremerton Total	29,413	33,623	14.3%
City of Port Orchard	6,804	7,645	12.4%
Port Orchard UGA	6,450	7,656	18.7%
Port Orchard Total	13,254	15,301	15.4%
City of Poulsbo	5,641	7,046	24.9%
Poulsbo UGA	60	59	-1.7%
Poulsbo Total	5,701	7,105	24.6%
Central Kitsap UGA	3,357	3,703	10.3%
Kingston UGA	786	762	-3.1%
Silverdale UGA	10,715	11,253	5.0%

Sources: Puget Sound Regional Council, 2020; BERK, 2020.

**Exhibit 13: Covered Employment Growth in Kitsap County, Actual and CPP Target, 2013-2019**

	Growth Target 2012-2036	Average annual growth needed to reach target	Actual average annual growth 2013-2019	Actual growth as a % of target growth	Difference between actual growth and growth needed (annual) 2013-2019
Kitsap County	46,647	1,944	1,899	98%	(44)
Urban Kitsap County	42,215	1,759	1,638	93%	(121)
Rural Kitsap County	4,432	185	262	142%	77
City of Bainbridge Island	2,720	113	263	232%	150
City of Bremerton	18,276	762	672	88%	(90)
Bremerton UGA	1,443	60	30	50%	(30)
Bremerton Total	19,719	822	702	85%	(120)
City of Port Orchard	3,074	128	140	109%	12
Port Orchard UGA	1,140	48	201	423%	154
Port Orchard Total	4,214	176	341	194%	166
City of Poulsbo	4,138	172	234	136%	62
Poulsbo UGA	14	1	(0)	-29%	(1)
Poulsbo Total	4,152	173	234	135%	61
Central Kitsap UGA	1,885	79	58	73%	(21)
Kingston UGA	597	25	(4)	-16%	(29)
Silverdale UGA	8,928	372	90	24%	(282)

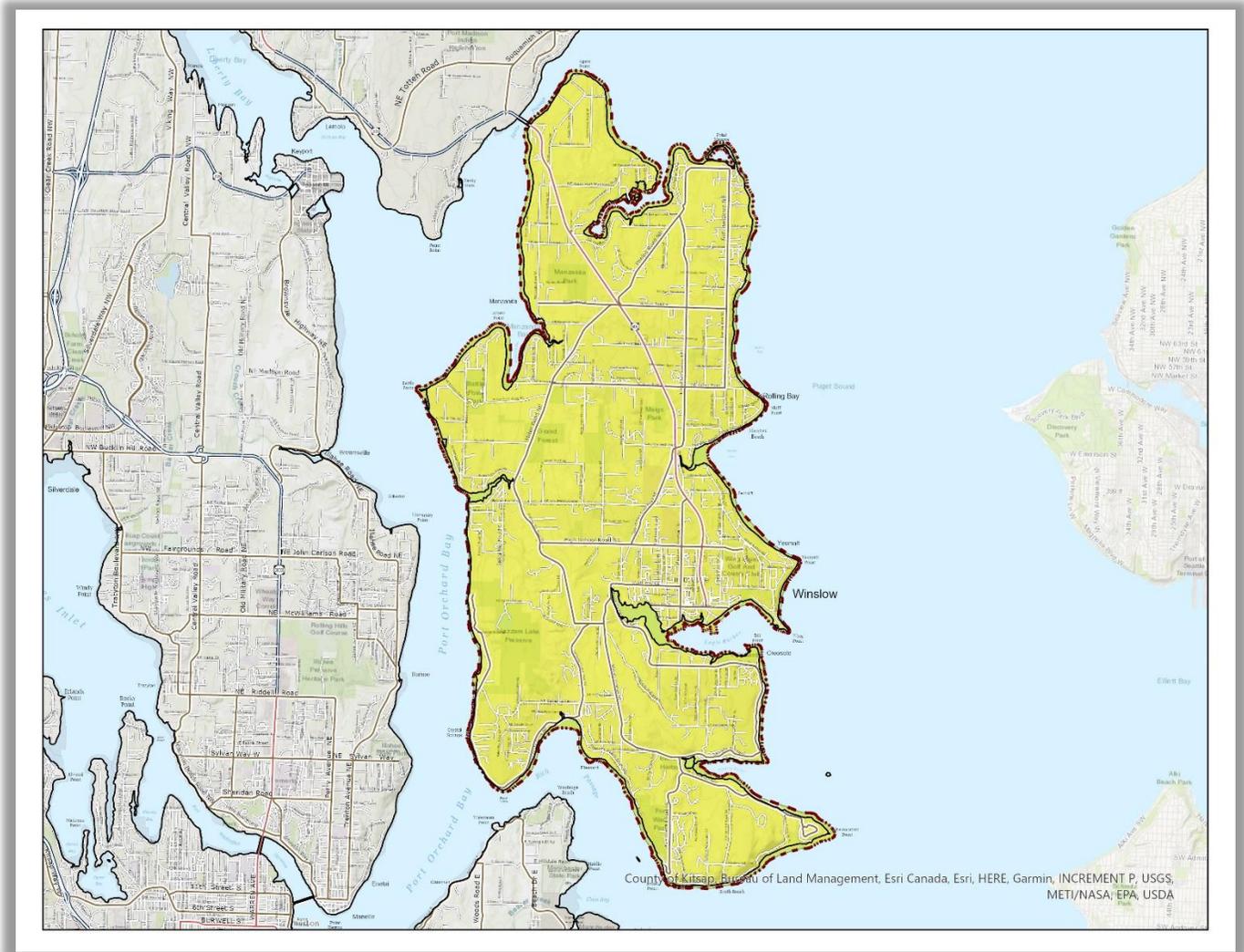
Note: Figures shown are rounded to the nearest whole number while underlying data is not rounded. This results in some slight inconsistencies between the difference shown in the far-right column and the calculation between the whole numbers.

Sources: Puget Sound Regional Council, 2020; Kitsap County Comprehensive Planning Policies, 2015; Kitsap County Comprehensive Plan, Appendix D, 2016; BERK, 2020.

## Residential Development Trends and Achieved Density

This section reviews building permit and plat activity between 2013 and 2019 for each city and unincorporated UGA, as well as rural areas. This information is used to document development trends by housing types and assess whether development is occurring at densities consistent with planning assumptions. As described in the Methodology Overview, achieved densities are measured and discussed below using both permitted density and platted density.

### City of Bainbridge Island



### Permitted Residential Development

Bainbridge Island permitted a total of 994 housing units between 2013 and 2019, as shown in **Exhibit 14**. This is a significant increase in permit activity compared to the last BLR which found a total of 502 permits between 2006 and 2012. However, it is important to note that the previous evaluation period did not consider permits issued for accessory dwelling units. The City also saw a much larger share of permitted units in multifamily buildings: 35% during this period compared to approximately 10%

between 2006 and 2012. About a third of these multifamily units were in “missing middle” types like townhomes and duplexes. The City also permitted 66 accessory dwelling units on single family parcels.

Bainbridge Island does not have a minimum zoned density, only a maximum zoned density in units per acre. Accordingly, this report estimates maximum densities based on maximum lot size per unit for residential zones. Zoned densities for mixed-use zones, with the exception of the Neighborhood Center zone which uses a units per acre measurement for density, were estimated by conversion from floor area ratio (FAR) requirements.

Achieved density exceeded estimated max allowed density in several lower-density zones (Residential 2.9, Residential 3.5, Residential 4.3, Residential 5). In two of these zones, the majority of permitted units were in multifamily buildings. Achieved permitted density also exceeded estimated max allowed density in the Ferry Terminal Overlay zone, which allows for higher-density multifamily development. This may be due to average housing unit sizes being smaller than assumed when estimating max units/acre based on max zoned FAR.

Achieved densities were less than estimated allowed minimum densities in the Core and HSRD I and II zones. However, in the Core zone net platted densities were within the estimated allowed density range. There were no plats in HSRD I and II. Achieved densities may exceed allowed densities for the following reasons:

- Development of existing lots that are nonconforming to minimum lot size.
- Development permits such as subdivisions or site plan and design review permits have often removed right-of-way, transportation, stormwater or opens space areas and set these uses into separate, common ownership tracts (or right-of-way dedication). The City’s development code, including subdivision regulations, promotes clustering and the creation of smaller lots with higher levels of common space. For instance, in the Ferry Terminal District, the BLIS development created a 0.9-acre open space/park that integrated into its original property. In the R-5 zone in the Lynwood Center area, the Pleasant Beach Village development (ongoing) had many common spaces and roads created to support its clustered development of townhomes and duplexes.
- Two projects during this time, Growth Community in the R-14 zone (middle phase), and Ferncliff Village in the R-3.5 zone (second phase) qualified as Housing Design Demonstration Projects and were granted bonus density through that program (see [BIMC 2.16.020.S](#)).

**Exhibit 14: Residential Permits and Achieved Density (units per acre) in Bainbridge Island, 2013-2019**

Zone	SF Units	MF Units*	ADU	Total Units	Total Acres**	Achieved Density	Min Allowed density***	Max Allowed density***
Residential 0.4	95	0	21	116	305.7	0.4		0.4
Residential 1	117	0	12	129	141.2	0.9		1.1
Residential 2	206	0	18	224	158.4	1.4		2.2
Residential 2.9	42	0	1	43	11.0	3.9		2.9
Residential 3.5	12	16	5	33	3.0	11.1		3.5
Residential 4.3	43	0	8	51	8.5	6.0		4.4
Residential 5	0	22	0	22	2.8	7.7		5.1
Residential 6	3	0	0	3	1.0	3.0		6.0
Residential 8	4	6	1	11	1.5	7.3		8.1
Residential 14	17	109	0	126	2.9	43.3		14.1
Central Core Overlay	1	68	0	69	1.6	43.7	17.4	43.6
Ericksen Avenue Overlay	21	3	0	24	1.3	18.2	13.1	26.1
Ferry Terminal Overlay	18	114	0	132	2.2	59.7	17.4	47.9
H.S. Road Districts I and II	0	7	0	7	1.3	5.3	13.1	26.1
Neighborhood Center	0	4	0	4	0.9	4.4		2.2
<b>Totals</b>	<b>579</b>	<b>349</b>	<b>66</b>	<b>994</b>	<b>643.4</b>			

\* Mixed use permits included in multifamily calculations

\*\* Total acres calculation includes adjustments to properly calculate achieved density inclusive of ADUs. See Methodology Overview for details.

\*\*\* Zoned densities for residential zones calculated using maximum lot size per unit. Zoned densities for other zones calculated using conversion from floor area ratio.

Source: City of Bainbridge Island, 2021; BERK, 2021.

## Plat Density

**Exhibit 15** shows a summary of plat activity in Bainbridge Island between 2013 and 2019. There were 36 plats in total, compared to 70 during the previous evaluation period. However, the total number of platted lots in each evaluation period was similar (343 vs 335).

### Exhibit 15: Plats and Achieved Plat Density (units per acre) in Bainbridge Island, 2013-2019

Zone	Total Plats	Total Platted Lots	Gross Acres	Net Acres	Gross Density	Net Density	Min Allowed density*	Max Allowed density*
Residential 0.4	2	6	5.0	4.8	1.2	1.2		0.4
Residential 1	3	13	8.6	6.7	1.5	1.9		1.1
Residential 2	5	49	20.7	13.4	2.4	3.7		2.2
Residential 2.9	2	34	10.3	4.5	3.3	7.6		2.9
Residential 3.5	2	27	3.1	1.6	8.7	16.9		3.5
Residential 4.3	3	41	5.8	4.6	7.1	8.9		4.4
Residential 5	2	27	5.8	1.0	4.7	26.7		5.1
Residential 14	5	34	5.3	0.7	6.4	45.9		14.1
Central Core Overlay	1	34	1.4	1.4	23.9	23.9	17.4	43.6
Ericksen Avenue Overlay	3	29	2.0	0.9	14.9	33.7	13.1	26.1
Ferry Terminal Overlay	1	30	3.5	2.3	8.7	12.9	17.4	47.9
Gateway Overlay	2	6	3.6	0.8	1.7	7.1	21.8	43.6
Neighborhood Center	3	5	1.5	0.7	3.3	6.9		2.2
Neighborhood Ctr/Res. 12	2	8	2.8	2.2	2.9	3.7		2.2
<b>Total</b>	<b>36</b>	<b>343</b>	<b>79.2</b>	<b>45.7</b>				

\* Allowed density calculated using maximum lot size per unit or conversion from floor area ratio. Density can be exceeded due to HDDP.

Source: City of Bainbridge Island, 2021; BERK, 2021.

## Employment Development Trends

This section documents non-residential (commercial and industrial) development activity between 2013 and 2019 for each city and unincorporated urban and rural areas. This information is used to identify employment development trends, specifically how the density of commercial and industrial development varies geographically across Kitsap County and between vacant and partially developed sites. The analysis of employment density identified properties that experienced development activity between 2013 and 2019 and classified them as follows:

- **Vacant sites:** No qualifying improvements existed on the site before 2013, and new construction occurred during the 2013-2019 period.
- **Previously developed sites:** Qualifying improvements existed before 2013, and new construction occurred during the 2013-2019 period.

Based on Kitsap County Assessor records for commercial and industrial improvements, the analysis calculated the square footage of new buildings constructed between 2013 and 2019, as well as the total area of the site. For previously developed sites, the analysis also calculated the total square footage of all improvements on the property. Achieved Floor Area Ratio was then calculated based on total improvement square footage and total site area. **Exhibit 38** summarizes achieved non-residential densities for properties in each city and UGA that experienced development between 2013 and 2019. **Exhibit 39** summarizes the achieved non-residential densities for the same period within the rural areas.

## Urban Employment Development Trends

**Exhibit 38. Urban Achieved Non-Residential Densities (2013-2019)**

Jurisdiction	Improvement Added Between 2013-2019 (in Sq Ft)	Total Site Improvement (in Sq Ft)	Total Site Area (Acres)	Achieved FAR
<b>Previously Developed Sites</b>				
City of Bainbridge Island	17,010	23,692	4.85	0.11
City of Bremerton	86,040	1,026,826	540.76	0.04
City of Port Orchard	-	6,656	1.03	0.15
City of Poulsbo	61,047	129,483	13.60	0.22
Bremerton UGA	57,746	141,420	11.74	0.28
Kingston UGA	-	2,232	0.99	0.05
Port Orchard UGA	5,544	25,013	3.30	0.17
Silverdale UGA	935,106	1,342,727	68.74	0.45
<b>All UGAs Combined</b>	<b>998,396</b>	<b>1,511,392</b>	<b>84.77</b>	<b>0.41</b>
<b>Vacant Sites</b>				
City of Bainbridge Island	180,138	180,138	19.26	0.21
City of Bremerton	35,673	35,673	5.86	0.14
City of Port Orchard	392,827	392,827	21.80	0.41
City of Poulsbo	164,388	164,388	19.85	0.19
Bremerton UGA	1,500	1,500	2.37	0.01
Central Kitsap UGA	5,892	5,892	1.15	0.12
Port Orchard UGA	7,590	7,590	2.25	0.08
Silverdale UGA	284,586	284,586	37.25	0.18
<b>All UGAs Combined</b>	<b>299,568</b>	<b>299,568</b>	<b>43.02</b>	<b>0.16</b>

Source: Kitsap County, 2021; BERK, 2021.

## Rural Employment Development Trends

**Exhibit 39: Rural Achieved Non-Residential Densities (2013-2019)**

Jurisdiction	Improvement Added Between 2013-2019 (in Sq Ft)	Total Site Improvement (in Sq Ft)	Total Site Area (Acres)	Achieved FAR
<b>Previously Developed Sites</b>				
Limited Area of More Intense Rural Development				
Streibel's Corner	1,400	8,680	0.75	0.26
Ecology Road Employment Center	6,050	6,170	2.59	0.05
<b>Developed Sites Combined</b>	<b>7,450</b>	<b>14,850</b>	<b>3.34</b>	<b>0.16</b>
<b>Vacant Sites</b>				
Unincorporated Rural				
	2,160	2,160	0.28	0.18
Limited Area of More Intense Rural Development				
George's Corner	4,200	4,200	1.31	0.07
Streibel's Corner	7,280	7,280	0.75	0.22
Ecology Road Employment Center	12,761	12,761	3.87	0.07
<b>Vacant Sites Combined</b>	<b>26,401</b>	<b>26,401</b>	<b>6.21</b>	<b>0.14</b>
<b>All Rural Sites Combined</b>	<b>33,851</b>	<b>41,251</b>	<b>9.55</b>	<b>0.15</b>

Source: Kitsap County, 2021.



## Chapter 4

# GROWTH CAPACITY

Residential Growth Capacity

Employment Growth Capacity



## Chapter 4. Growth Capacity

### Residential Growth Capacity

Consistent with Chapter 2 and Appendices A-C, having evaluated the achieved densities, the next step in the Buildable Lands Program is determine the capacity of land suitable for, in this case, residential growth within the current planning horizon to 2036. The following sections present the results of this urban residential land capacity analysis, including the land supply available for future residential development along with the associated population capacity and housing unit capacity. **Exhibit 40** presents a summary of residential capacity as of January 2020 for each jurisdiction with a comparison to the remainder of the growth target through the year 2036. The total capacity of both city and unincorporated urban areas has more residential capacity than 2036 targets. Specifically, 16,654 over the remaining 2036 population target of 64,393. However, in unincorporated urban areas, sufficient land to accommodate planned residential growth fell short by 7,662 people given the remaining target of 29,027 people to accommodate by 2036. **Exhibits 41-51** further illustrate urban residential capacity, whether single-family or multi-family per jurisdiction and by their respective zones.

**Exhibit 40. Population Capacity Summary**

Jurisdiction	Population 2012	2012-2036 Growth Target	2012-2020 Population Growth	Remaining Target 2020-2036	2020 Population Capacity	Demand Minus Capacity
City of Bainbridge Island	23,090	5,570	1,980	3,590	5,301	1,711
City of Bremerton	39,650	12,432	2,100	10,332	16,896	6,564
Bremerton UGA	8,924	3,907	209	3,698	2,422	-1,276
<b>Bremerton Total</b>	<b>48,574</b>	<b>16,339</b>	<b>2,309</b>	<b>14,030</b>	<b>19,318</b>	<b>5,288</b>
City of Port Orchard	11,780	8,778	2,990	5,788	16,250	10,462
Port Orchard UGA	14,505	6,110	465	5,645	3,552	-2,093
<b>Port Orchard Total</b>	<b>26,285</b>	<b>14,888</b>	<b>3,455</b>	<b>11,433</b>	<b>19,802</b>	<b>8,369</b>
City of Poulsbo	9,360	1,192	2,190	-998	4,581	5,579
Poulsbo UGA	473	3,786	9	3,777	965	-2,812
<b>Poulsbo Total</b>	<b>9,833</b>	<b>4,978</b>	<b>2,199</b>	<b>2,779</b>	<b>5,546</b>	<b>2,767</b>
Central Kitsap UGA	22,527	6,842	1,092	5,750	4,956	-794
Kingston UGA	2,096	2,926	384	2,542	2,791	249
Silverdale UGA	17,977	8,723	1,108	7,615	6,679	-936
<b>Total Urban Unincorporated</b>	<b>66,502</b>	<b>32,294</b>	<b>3,267</b>	<b>29,027</b>	<b>21,365</b>	<b>-7,662</b>
<b>Total Urban Kitsap County</b>	<b>150,382</b>	<b>60,266</b>	<b>12,527</b>	<b>47,739</b>	<b>64,393</b>	<b>16,654</b>

Source: Kitsap County, 2021; BERK, 2021.

## City of Bainbridge Island

Exhibit 41. Housing and Population Growth Capacity – City of Bainbridge Island

Zoning	Net Acres	Single Family Unit Capacity	Multifamily Unit Capacity	Population Capacity
<b>Residential Zones</b>				
Residential 0.4 (R-0.4)	1,284.07	399	-	1,023
Residential 1 (R-1)	627.19	473	-	1,184
Residential 2 (R-2)	705.31	791	-	1,977
Residential 2.9 (R-2.9)	16.57	19	-	49
Residential 3.5 (R-3.5)	11.38	35	-	97
Residential 4.3 (R-4.3)	15.04	44	-	125
Residential 5 (R-5)	0.63	31	-	75
Residential 8 (R-8)	11.09	66	-	164
Residential 14 (R-14)	1.27	14	-	33
<b>Subtotal</b>	<b>2,672.56</b>	<b>1,872</b>	<b>-</b>	<b>4,729</b>
<b>Mixed Use Zones</b>				
Central Core Overlay (CC)	3.22	-	31	69
Madison Avenue Overlay (MA)	2.86	-	44	98
Ericksen Avenue Overlay (EA)	2.32	-	26	58
Gateway Overlay (GATE)	1.41	-	31	68
Ferry Terminal Overlay (FERRY)	1.32	-	22	48
High School Road Districts I and II (HSR)	7.50	-	95	210
Neighborhood Center (NC)	2.20	-	7	17
NC/R-12	0.13	-	2	4
<b>Subtotal</b>	<b>20.95</b>	<b>-</b>	<b>258</b>	<b>572</b>
<b>Total</b>	<b>2,693.51</b>	<b>1,872</b>	<b>258</b>	<b>5,301</b>

Source: City of Bainbridge Island, 2021

Note: Due to rounding, totals may not sum exactly.

## Employment Growth Capacity

Similar to the residential guidance contained in the report, the following sections present the results of the employment urban land capacity analysis, including the land supply available for future commercial and industrial development and the associated employment capacity of those lands. These capacity results are consistent with the framework outlined in Chapter 3 and Appendices A-C. **Exhibit 52** presents a summary of employment capacity as of January 2020 for each jurisdiction (with individual results in **Exhibits 53-62**) with a comparison to the remainder of the growth target through the year 2036. In summation, countywide urban employment capacity is 38,098 compared to the 2036 target of 33,069 jobs. Similar to unincorporated urban residential capacity results, urban employment capacity in unincorporated UGAs is short 1,792 jobs to accommodate the remaining 12,811 target.

**Exhibit 52. Employment Capacity Summary**

Jurisdiction	Employment 2012	2012-2036 Growth Target	2012-2020 Employment Growth*	Remaining Target 2020-2036	2020 Employment Capacity	Capacity – Remaining Target
City of Bainbridge Island	6,377	2,720	1,696	1,024	1,127	103
City of Bremerton	28,165	18,276	4,937	13,339	17,794	4,455
Bremerton UGA	1,094	1,443	192	1,251	2,454	1,203
<b>Bremerton Total</b>	<b>29,259</b>	<b>19,719</b>	<b>5,129</b>	<b>14,590</b>	<b>20,248</b>	<b>5,658</b>
City of Port Orchard	6,457	3,074	1,399	1,675	5,243	3,568
Port Orchard UGA	2,395	1,140	176	964	1,172	208
<b>Port Orchard Total</b>	<b>8,852</b>	<b>4,214</b>	<b>1,574</b>	<b>2,640</b>	<b>6,415</b>	<b>3,775</b>
City of Poulsbo	5,727	4,138	1,556	2,582	2,915	333
Poulsbo UGA	64	14	-5	19	97	78
<b>Poulsbo Total</b>	<b>5,791</b>	<b>4,152</b>	<b>1,551</b>	<b>2,601</b>	<b>3,012</b>	<b>411</b>
Central Kitsap UGA	3,454	1,885	305	1,580	1,452	<b>-128</b>
Kingston UGA	626	597	132	465	818	353
Silverdale UGA	10,946	8,928	397	8,532	5,026	<b>-3,506</b>
<b>Total Urban Unincorporated</b>	<b>18,579</b>	<b>14,007</b>	<b>977</b>	<b>12,811</b>	<b>11,019</b>	<b>-1,792</b>
<b>Total Urban Kitsap County</b>	<b>65,305</b>	<b>42,215</b>	<b>9,146</b>	<b>31,432</b>	<b>38,098</b>	<b>6,666</b>

Note: Due to rounding, totals may not sum exactly.

The following sections detail capacity for employment growth by jurisdiction, including net developable acreage, capacity for non-residential square footage, and net employment capacity.

## City of Bainbridge Island

### Exhibit 53. Employment Growth Capacity – City of Bainbridge Island

Zoning	Net Acres	Net Square Foot Capacity	Net Employment Capacity
Central Core Overlay (CC)	3.22	39,207	98
Madison Avenue Overlay (MA)	0.96	11,247	28
Ericksen Avenue Overlay (EA)	2.32	7,963	20
Gateway Overlay (GATE)	1.41	9,200	23
Ferry Terminal Overlay (FERRY)	0.44	1,590	4
High School Road Districts I and II (HSR)	7.50	30,771	77
Neighborhood Center (NC)	2.21	74,813	187
NC/R-12	0.13	6,141	15
Business/Industrial	17.80	539,886	675
Water-dependent Industrial	-	-	-
<b>Total</b>	<b>35.99</b>	<b>720,817</b>	<b>1,127</b>

Source: City of Bremerton, 2021.

Note: Due to rounding, totals may not sum exactly.



Chapter 5

# REASONABLE MEASURES

Criteria for Evaluating Consistency

Evaluation of Inconsistencies



## Chapter 5. Reasonable Measures

Under the Review and Evaluation program of RCW 36.70A.215, jurisdictions must determine whether a county and its cities are achieving their assumed urban densities and have sufficient capacity remaining to accommodate the growth targets contained in the Kitsap Countywide Planning Policies (CPPs) and local comprehensive plans for the remainder of the planning horizon. If inconsistencies are observed between planned growth and actual growth, jurisdictions must analyze observations and determine whether reasonable measures are necessary. Reasonable measures are those actions necessary to reduce observed inconsistencies. A key to this analysis is understanding the potential contributing factors that may explain why inconsistencies were observed.

If reasonable measures are ultimately needed, the jurisdiction is required during this review to identify reasonable measures that could be taken to improve consistency other than adjusting UGA boundaries. Adoption of such reasonable measures are not required until the next comprehensive plan or development regulations update. Examples of reasonable measures include rezones, subarea planning, permitting process streamlining, or development incentives. The annual monitoring and adjustment of reasonable measures was suspended in 2017 as part of E2SSB 5254, but monitoring is useful to assess information that can assist in determining their effectiveness.

This chapter reviews the findings from prior chapters to determine whether reasonable measures are necessary to align growth trends with planning goals or to ensure there is sufficient capacity for accommodating growth. The process included three steps. First, the County compared actual growth and planning goals using a set of standard criteria further explained below. Second, jurisdictions reviewed the findings and considered circumstances that may have contributed to observed inconsistencies. Third, based on this review, jurisdictions determined if reasonable measures were necessary to reduce the observed inconsistencies. The following sections describe this process and document the outcomes.

In addition to the process in this chapter, *Appendix D. Kitsap County Reasonable Measures Framework Evaluation* reviewed the effectiveness of previously adopted reasonable measures for unincorporated Kitsap County, as well as how they relate to observed inconsistencies found in this BLR. *Appendix E. Housing Availability and Affordability Memo* also evaluates the findings of this BLR that note suggestions on how to overcome land use and regulatory barriers to achieving planning housing objectives.

### Criteria for Evaluating Consistency

The first step in the reasonable measures evaluation was developing criteria to determine where there are observed inconsistencies between actual growth trends compared to the CPPs and individual comprehensive plan policies. Kitsap County used the reasonable measure consistency criteria as outlined in the RCW and WAC. **Exhibit 63** outlines the consistency checks and the method used to evaluate consistency.

**Exhibit 63. Inconsistent Outcome Review Criteria for Individual Jurisdictions**

Consistency Check	Evaluation Method
Are achieved residential densities consistent with allowed densities?	Compare achieved density <sup>23</sup> to the range of allowed densities (minimum and/or maximum dwelling units per acre), by zone
Is the rate of population and employment growth consistent with the 2036 growth target?	Calculate the average annual population and employment growth rate from 2013 to 2019. Compare to the average annual population and employment growth rate assumed in the 2036 target.
Is there capacity for accommodating the remaining 2036 population and employment growth target?	Calculate the remaining population and employment growth needed to achieve the 2036 growth target. Compare capacity for population and employment growth to the remaining growth target.

## Evaluation of Inconsistencies

### Countywide Growth Trends

Chapter 3 of this BLR reviewed the consistency of population and employment growth between 2013 and 2019 with growth targets established in CPPs. On a cumulative and countywide review, the pace of total population growth inside urban areas was about 71% of the pace desired in the CPPs (see Exhibit 6). Some jurisdictions grew at a rate exceeding their individual 2036 target, while others grew lower. However, collectively both unincorporated and incorporated jurisdictions are on track to reach its 2036 population targets. It should be noted for future BLRs, the 2036 CPP growth targets will soon be updated and including a new planning horizon to 2044.

For employment growth, the pace in urban areas was 86% compared to 92% for the CPP employment targets (see **Exhibit 11**). One limitation of the employment growth trends analysis is the fact that PSRC's employment data by jurisdiction excludes military jobs. This leaves out major public employers in Kitsap County and may not reflect all job growth information.

<sup>23</sup> For urban platted densities, this analysis compares *net* achieved density to minimum density allowed by zoning, and *gross* achieved density to maximum density allowed by zoning. Rural achieved densities uses gross acreage. This is because Kitsap County Code defines minimum density as the fewest units allowed in a zone based on *net* developable acreage, and maximum density as the highest number of units allowed in a zone based on *gross* acreage. (KCC 17.420.020(A))

## City of Bainbridge Island

The City of Bainbridge Island residential growth 2013-2019 was not far off the rate of growth (96%, see **Exhibit 9**) estimated to reach the current 2036 Comprehensive Plan population forecast of 28,660. However, the bulk of the residential growth took place not in the City's designated center mixed use zones, but in the less dense residential sections of Bainbridge Island. The residential growth pattern is not supporting the City's current growth strategy of focusing growth in designated centers (see [Land Use Element of Comprehensive Plan](#))

At 232%, covered employment growth exceeded the average annual growth necessary to achieve the 2036 employment growth forecast (see Exhibit 12).

### Residential

**Growth and Capacity.** With a total residential capacity of 5,301 persons, the City of Bainbridge Island can accommodate the remaining planned 2020-2036 residential growth of 3,540 persons. Therefore, reasonable measures to modify zoning requirements are not required at this time, prior to the next population forecast for the 2044 Comprehensive Plan. However, the population capacity is overwhelmingly in the residential zones (4,729 persons). The 3 least dense zones, the R-0.4, R-1 and R-2 zones, also known as *conservation areas*, can absorb the bulk of that residential growth, with an estimated capacity of 4,184 persons. There is only an estimated population capacity of 572 persons in the City's mixed use zones, which make up areas identified as designated centers in the City's Comprehensive Plan.

The City's growth strategy seeks to promote divert development away from the very conservation areas where growth is occurring and instead promote growth in the Winslow and Neighborhood Center designated centers. Since recent residential growth and future capacity is overwhelmingly in those least dense residential areas, the City could consider changes to development standards that would promote additional growth in the mixed use zones. Development standards to consider updating include increasing density or Floor Area Ratio (FAR), reducing parking requirements near transit, biking and pedestrian facilities, and increasing building height.

### Employment

With a total employment capacity of 1,127 jobs, the City of Bainbridge Island can accommodate the remaining planned 2020-2036 employment growth of 1,024 jobs. Therefore, reasonable measures to modify zoning requirements are not required at this time.

The LCA methodology yielded results that show most of the employment capacity, 904 jobs, to be located on properties that are currently vacant, and therefore there are fewer commercial or mixed use properties that may redevelop to add many jobs. Modifying the zoning standard or uses to allow for additional uses or, such as for residential, more dense building, could facilitate redevelopment. Sixty percent of employment capacity is in the Business/Industrial zone, primarily on vacant land, so modifying the development standards is likely needed to promote additional employment in the mixed use districts. The City's Comprehensive Plan indicates that commercial development should be focused to these mixed use districts, in addition to the Business/Industrial zone. The City may begin working on an update to the Winslow Master Plan, the subarea plan that applies to most of the mixed use districts, in 2021, or 2022 at the latest.



# APPENDICES

■ Appendix A: Kitsap County Land Capacity Analysis  
Technical Methodology Guidance

■ Appendix B: Market Factor Guidance

■ Appendix C: City LCA Assumption Documentation

Appendix D: Kitsap County Reasonable Measure  
Framework Evaluation Memo

Appendix E: Housing Availability and Affordability Memo

[Appendix F: Public Participation Plan](#)

Appendix A  
Kitsap County Land Capacity Analysis Technical Methodology Guidance

# Appendix A: Kitsap County Land Capacity Analysis

## Technical Methodology Guidance

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### INTRODUCTION

Kitsap County is a Growth Management Act (GMA) jurisdiction and must plan for the accommodation of growth within its boundaries, with most growth focused into urban growth areas (UGAs) where urban services are available or can be made available. Per RCW 36.70A.110 and WAC 365-196-310, a Land Capacity Analysis (LCA) is a necessary component in this planning as it quantifies the housing units, population, and employment growth that can be accommodated within urban areas under existing development regulations. The LCA methodology is also one of the components of the Buildable Lands Program (BLP) required under RCW 36.70A.215 and WAC 365-196-315.

The BLP is required of the more populous counties and their cities (i.e., Clark, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom Counties) to determine if they are achieving their planned densities within UGAs and, if not, to identify reasonable measures other than adjusting UGAs to achieve targets and objectives of their comprehensive plans. The BLP review and evaluation efforts are led by Kitsap County, in coordination and participation with its constituent cities. For the Buildable Lands Report due June 2021, the buildable land capacity as of January 1, 2020 will be measured against the CPP growth targets for the 2036 planning horizon.

The countywide LCA methodology described in this document (Kitsap County LCA) establishes an overall framework to promote consistency in the calculation of growth capacity, as required in the Kitsap Countywide Planning Policies (CPPs); however, cities may employ variations to the assumptions used in the methodology with proper “show your work” documentation to account for local circumstances.

The Kitsap County LCA methodology incorporates an analysis of housing and population capacity on residential land and employment capacity from land zoned for commercial and industrial uses. The work relies upon the data and work of the Kitsap County Assessor’s office as their countywide parcel-level data with current uses and improvements will be merged with each municipality’s permitting records of zoning. Additionally, the LCA relies upon County-maintained spatial data on existing land use and infrastructure conditions, including environmentally critical areas and transportation access. The methodology assumes the availability of GIS data listed in each analysis section and assumes that Assessor records provide an accurate record of property value (land vs. improvement value) and current land use.

An overview of the Kitsap County residential LCA methodology is shown in Exhibit 1. The methodology includes two phases. The first phase is the stand-alone Programmatic Infrastructure Gap Review that would typically be carried out by planning staff. The second phase consists of the nine LCA steps that are designed to be executed by a GIS analyst, with direction and input from planners for key assumptions. This document provides detailed guidance for each step of the process, highlighting assumptions that can be varied by individual jurisdictions based on local conditions, with proper documentation. The non-residential LCA follows a similar structure and is described later in this document.

**Exhibit 1. Kitsap County Residential LCA Process**



Source: BERK, 2020.

## Data Inputs Required

- Kitsap County parcel polygons;
- Kitsap County Assessor parcel records;
- Public service providers and service area boundaries;
- Applicable capital facility plans and system plans;
- Recent building permit data, including a list of parcels created as part of an approved plat;
- Assumed residential density by zoning district (see text box); and
- Environmentally critical areas:
  - Streams (including stream type classification);
  - Water bodies;
  - Wetlands (including wetland type classification);
  - Hydric soils; and
  - Geologic hazard areas (moderate and high hazard risk).

## STEP 0: PROGRAMMATIC INFRASTRUCTURE GAP REVIEW

In 2017, the state legislature added a requirement for the BLP to include consideration of infrastructure gaps as the lack of transportation or utility infrastructure can affect the amount and timing of future development and thus impact the amount of land suitable for development or redevelopment. Under the BLP, counties and cities are required to evaluate and identify lands subject to infrastructure gaps including but not limited to transportation, water, sewer, and stormwater. (RCW 36.70A.215 (3)(b)(i))

The Department of Commerce Guidebook published in 2018 clarified that the infrastructure gap review should focus on those gaps that could prevent densities from being achieved or that could delay development during the remainder of the planning period. Commerce also states that adopted capital facilities plans may be relied upon for land capacity calculations but recognizes situations may arise that could result in gaps. Accordingly, the gap analysis should include:

- Identifying planned capital facility projects that would have added capacity but are no longer planned or are delayed beyond the 20-year planning period; Identifying planned transportation

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## Assumed Density

For each residential zone, jurisdictions will need to select an assumed density (units per acre) to apply in Step 8 of the LCA. Assumed densities are those densities “at which future development is expected to occur.” WAC 365-196-210(6). This assumed density will also be used in Step 1 when identifying partially utilized parcels.

Commerce recognizes that achieved density can be a starting point for determining assumed density. However, jurisdictions must draw upon local circumstances when selecting a reasonable assumed density and always consider situations, such as:

- If the zone had seen very little development activity in recent years;
- Zoning or development regulations have recently changed, and insufficient new permit data is available to evaluate the market response; or
- There have been significant new (or anticipated future) infrastructure investments or other amenities that change market conditions. An example might be new Fast Ferry service to Downtown Seattle.

In addition, jurisdictions should draw upon other sources of information to derive assumed densities, such as:

- Market studies
- Achieved densities in other jurisdictions with similar zoning and market characteristics.

Always consider the impacts of regulations such as setbacks, height limits, and parking requirements on development feasibility when selecting a reasonable assumed density.

improvements that, without being implemented, would limit additional development and redevelopment; and

- Identifying areas that are likely to remain outside of water and sewer service boundaries.

From the perspective of the LCA, properties with limited or no access to critical infrastructure during the planning period may be identified as constrained and either:

- 1) removed from the available land supply at the outset and not carried forward into the remaining Steps 1 through 9 or,
- 2) identified as subject to partially constrained growth and addressed in Step 6 (through alternative assumed densities) or Step 8 (through an alternative market factor).

This infrastructure gap review in Step 0 is meant to consider areas with system level challenges that affect whether parcels are candidates for growth. Infrastructure gaps should be identified prior to performing detailed analysis of land capacity for residential or commercial/industrial uses, as these infrastructure gaps will directly affect the amount of land available for both residential and employment purposes. In contrast, in Steps 4 and 5, a deduction will be applied to lands determined vacant, underutilized, and partially utilized for infrastructure installed as a natural course of development (e.g., rights of way, stormwater treatment, etc.).

Per the Commerce Guidebook, “Methodology steps are cumulative, so in determining how each is estimated, care should be taken to avoid double counting factors.” (Guidebook, page 37) Careful consideration of whether land is partially or fully constrained due to infrastructure should be made, as well as whether the infrastructure issues can be addressed as part of development or redevelopment. There may be other factors at play due to the market conditions or allowable densities. It should be noted that depending on the overall LCA results and the chosen targets or densities, if there are inconsistencies reasonable measures may be needed.

## Gap Analysis

The infrastructure gap review below is meant to provide a framework to review whether areawide infrastructure limitations exist to limit the supply of land that are candidates for growth. If there are no known systemwide or areawide infrastructure limitations for water, sewer, stormwater, or transportation that could prevent or delay development, you may use the worksheet in Exhibit 4. Programmatic Infrastructure Gap Review Worksheet to briefly document this finding and move on to Step 1.

The Gap Analysis process consists of two major sub-steps:

- **Step 0.1:** Identify Relevant Infrastructure Systems that Could Prevent or Delay Development; and
- **Step 0.2:** Identify and Map System Capacity Challenges Using Available Information.

Step 0.1 is a high-level review of available information to identify which infrastructure systems may require more detailed review for their potential to prevent assumed densities from being achieved or delay urban development, while Step 0.2 is a more detailed review to identify specific geographic locations with infrastructure constraints.

### *Step 0.1. Identify Relevant Infrastructure Systems that Could Prevent or Delay Development*

The County and cities have been planning under GMA and developing their Capital Facility Plan

elements and supporting system plans for decades. While the BLP newly identifies the infrastructure review and evaluation step, relevant information and capital programs already exists to support the land use plans of each jurisdiction and the LCA.

In Step 0.1, jurisdictions should review available information in the CFP to determine if any infrastructure systems have the potential to prevent assumed densities from being achieved during the 20-year planning period. These impediments could either be at a systemwide scale (for example, entire water or sewer system has supply or treatment capacity constraints) or in a specific area (e.g. neighborhood, district, subarea), and they could result in either a complete prevention of development potential (e.g., no improvement is planned to deliver necessary urban services for water, sewer, stormwater or transportation), or result in major differences in achievable densities.

This review should answer the following kinds of questions. An answer of “yes” or “maybe” would warrant closer review in the Step 0.2.

- **Water:** Are there major constraints in supply, pressure, or distribution that would prevent development, or markedly constrain expected densities?
- **Sewer:** Are there unsewered areas or areas currently operating on septic without capital plans in place to extend service? Are there areas of septic where failure has been identified by the Health District? Would the lack of areawide sewer due to physical or economic feasibility considerations alter an area’s development potential during the planning period?
- **Stormwater:** Are *regional* systems necessary for urban-scale development at a systemwide or areawide level?<sup>1</sup>
- **Transportation:** Does the jurisdiction contain areas with long-term physical service challenges?<sup>2</sup>
  - Areas are inaccessible due to geographic constraints; or
  - No infrastructure currently exists to provide physical access.

### *Step 0.2. Identify and Map Areas Using Available Information*

After identifying potentially relevant infrastructure systems in Step 0.1, this Step 0.2 is meant for the County and cities to review available information and plans and consider if there are areawide infrastructure gaps that may reduce the supply of land considered candidates for growth.

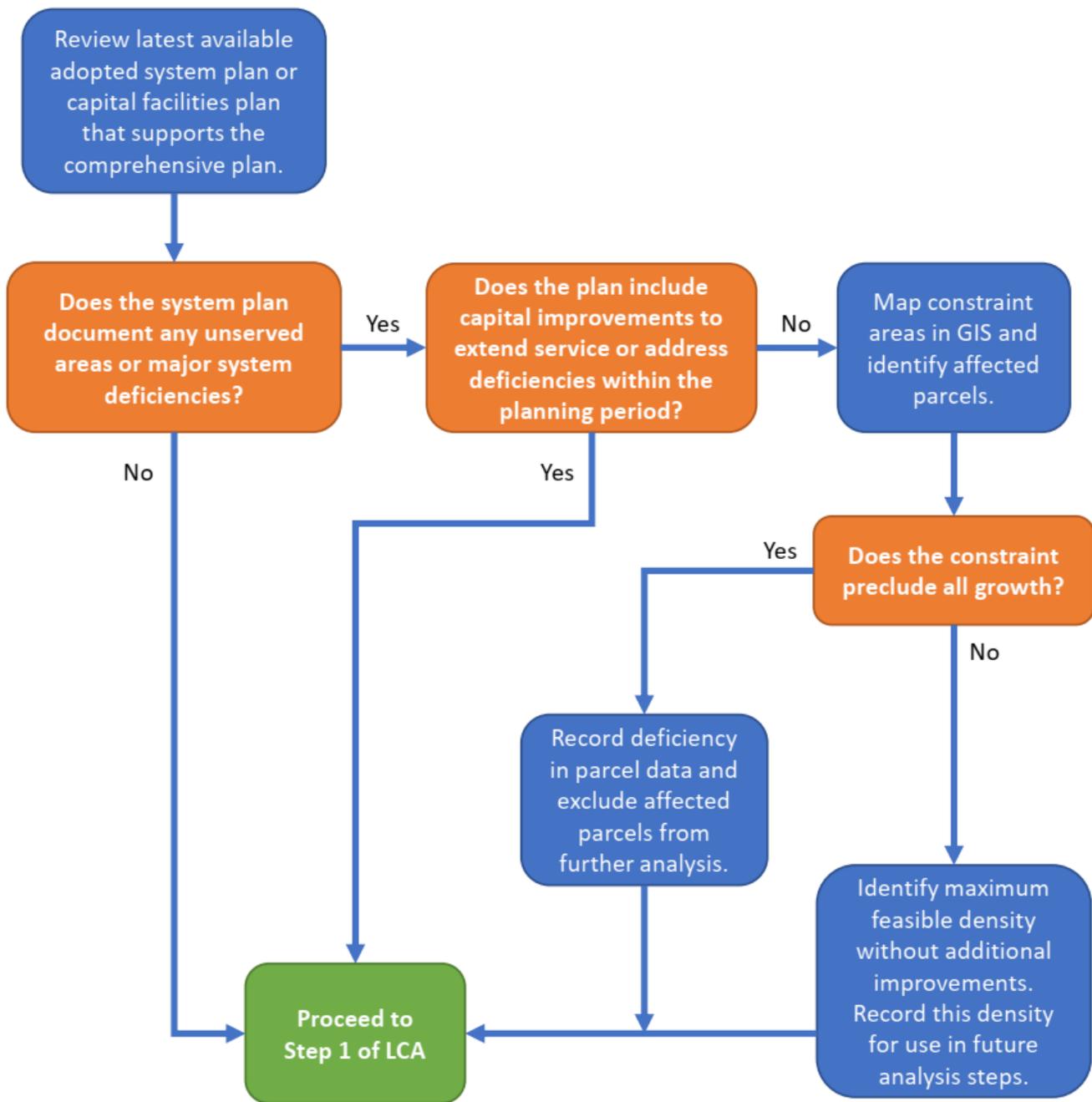
This decision tree in Exhibit 2 illustrates the evaluation process that should be followed for each of the relevant infrastructure systems identified in Step 0.1, based on local conditions and service providers. For example, cities are likely to provide more services directly and have fewer unserved or inaccessible areas than the county. The decision tree in Exhibit 2 allows these jurisdictions to conduct the gap analysis efficiently and prioritize resources for detailed analysis only in situations where infrastructure systems are found to have meaningful gaps or major deficiencies.

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<sup>1</sup> These questions address areawide/system concerns. See Step 5 Public Facilities deductions for site/parcel specific public and private facilities like stormwater needed for development of vacant, partially-utilized, or underutilized land.

<sup>2</sup> These questions are addressing areawide physical challenges or systemic issues. Parcel/site specific deductions are addressed in Step 4.

**Exhibit 2. Infrastructure gap review Jurisdiction Decision Tree**



Source: BERK, 2021.

The infrastructure gap review is meant to use readily available information. GIS analysis would only be required if mapping is called for in the decision tree.

If responses to the decision tree indicate mapping is necessary, then add the following fields to the parcel layer. The following steps below will explain how to calculate values for these fields.

**Exhibit 3. GIS Database Fields to be Added – Infrastructure gap review**

Field Name	Field Type	Comments
Infrastructure Gap	Text	Note infrastructure gap type (water, sewer, stormwater, etc.), if present.
Constant	Binary	If infrastructure gap is likely to prevent or delay development (i.e., conditions are expected to remain constant during the planning period), set value to TRUE. Otherwise, set value to FALSE.
Alt Density	Numeric	If infrastructure gap does not prevent or delay development, but limits density, note the alternative assumed density (or FAR for non-residential properties) for use in Step 8.  Used in tandem with the “Alt Market Factor” field. Do NOT provide values for both fields.
Density Units	Text	Unit of measure for density: <ul style="list-style-type: none"> <li>▪ “du/ac” for residential properties.</li> <li>▪ “FAR” for commercial/industrial properties.</li> </ul>
Alt Market Factor	Numeric	If infrastructure gap does not prevent or delay development, but limits growth capacity, note the assumed market factor for use in Step 6.  Used in tandem with the “Alt Density” field. Do NOT provide values for both fields.

Source: BERK, 2020.

## Infrastructure Gap Review Worksheet

An infrastructure gap review worksheet is included in Exhibit 4. Programmatic Infrastructure Gap Review Worksheet below. A jurisdiction would already have the information needed in existing plans, and would focus only on systems with the potential to prevent assumed densities from being achieved or delay urban development during the 20-year planning period at a systemwide or areawide scale. If there are no systemwide or areawide constraints with any system, document this in Exhibit 4 and continue to Step 1.

### Exhibit 4. Programmatic Infrastructure Gap Review Worksheet

Step	Response / Description
<p><b>Step 0.1:</b> Determine if any of the following infrastructure systems have the potential to prevent assigned densities from being achieved or delay urban development during the 20-year planning period at a systemwide or areawide scale. An answer of “yes” or “maybe” to the following questions would warrant closer review for that infrastructure type in the Step 0.2.</p>	
<ul style="list-style-type: none"> <li>▪ <b>Water:</b> Are there major constraints in supply, pressure, or distribution that would preempt development, or markedly constrain expected densities?</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <b>Sewer:</b> Are there unsewered areas or areas currently operating on septic without capital plans in place to extend service? Are there areas of septic where failure has been identified by the Health District? Would the lack of areawide sewer due to physical or economic feasibility considerations alter an area’s development potential during the planning period?</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <b>Stormwater:</b> Are regional systems necessary for urban-scale development at a systemwide or areawide level?</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <b>Transportation:</b> Does the jurisdiction contain areas with long-term physical service challenges? Areas are inaccessible due to geographic constraints; or no infrastructure currently exists to provide physical access.</li> </ul>	
<p><b>Step 0.2:</b> Complete the following <u>using available information</u> only for <b>relevant systems</b> where you answered “yes” or “maybe” to the questions above. Answer the following questions separately for each relevant system identified.</p>	
<ul style="list-style-type: none"> <li>▪ Review latest available adopted system plan or capital facilities plan. Provide a list or links to plans relevant systems under review.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Does the system plan document any underserved or major system deficiencies? If yes, describe.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Does the plan include capital improvements to extend service or address deficiencies in the planning period? If yes, describe and proceed to Step 1.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Does the constraint prevent or delay all growth? If yes, identify affected parcels in GIS:               <ul style="list-style-type: none"> <li>○ Document the infrastructure gap type in the <b>Infrastructure Gap</b> field.</li> <li>○ Use the <b>Constant</b> field to flag any parcels where lack of infrastructure would make development unfeasible within the 20-year planning period and the current status of the property is unlikely to change.</li> <li>○ Exclude affected parcels from further analysis. Continue to Step 1.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>▪ Does the constraint partially constrain growth? If yes, identify the areas spatially, document the infrastructure gap type in the <b>Infrastructure Gap</b> field, and note the alternative densities for Step 8, or alternative market factor for Step 6. Only one</li> </ul>	

Step	Response / Description
<p>assumption should be varied, either density or market factor, but not both, to avoid double counting.</p> <ul style="list-style-type: none"> <li>○ <b>Density Limitation:</b> If infrastructure conditions would not preclude development, but they are likely to limit growth capacity, set the field <b>Alt Density</b> to the maximum anticipated density (dwelling units per acre or floor area ratio) and document the source of this assumption. The property would be flagged, and the appropriate density would be applied in Step 8.</li> <li>○ <b>Market Factor:</b> If infrastructure conditions would not preclude development, but they are likely to limit growth capacity, and the limitation can be addressed by market factor considerations in Step 6, set the field <b>Alt Market Factor</b> equal to the anticipated market factor reduction associated with infrastructure conditions and document the source of the assumption. The parcels would be flagged, and the appropriate market factor would be applied in Step 6.</li> </ul>	

## Residential LCA

The Residential LCA identifies vacant, partially underutilized and underutilized parcels in residential zones to calculate available capacity for development of housing units and associated population. Results will demonstrate whether existing zoning regulations allow for the growth needed to meet chosen residential growth targets for the 20-year planning period. The first step in this process is to categorize properties according to their development potential. The following steps apply only to properties located in residential zoning districts.

### Step 1. Define Development Status and Classify Parcels

The land capacity analysis is designed to measure capacity for new growth and therefore focuses primarily on vacant and redevelopable land. Assumptions regarding future development potential vary with site-specific conditions, so a detailed classification of properties must be performed as the first step in the analysis.

To prepare for this analysis add the following fields to the parcel layer. The steps below will explain how to calculate values for these fields.

#### Exhibit 5. GIS Database Fields to be Added – Residential LCA Step 1

Field Name	Field Type	Comments
Zone	Text	Zoning district
Assumed Density	Numeric	Assumed density (units per acre) for the zone. This assumption should consider factors such as the achieved density from the “look back” analysis, whether zoning or development regulations have recently changed, and insufficient new permit data is available to evaluate the market response, infrastructure investments or other amenities that change market conditions or impacts of development regulations such as setbacks, height limits, and parking requirements on development feasibility (see <a href="#">text box</a> above). Set to NULL for all non residential or mixed-use zones.

Field Name	Field Type	Comments
Potential Units	Numeric	The potential residential units on the parcel based on assumed density with no deductions considered. This field is used only for determining which parcels are partially utilized. Not in final land capacity calculations.
LCA Class	Text	Land Capacity Analysis Classification, as determined in Step 1 (Excluded, Pipeline, Vacant, Partially Utilized, or Under-Utilized).
Pipeline Density	Numeric	Approved/proposed density (in du/ac) for Pipeline properties, as determined in Step 1.1. For non-Pipeline properties, set value to Null.
Platted Lot	Text	If the parcel is a platted lot, set to TRUE. Otherwise, set to FALSE.

Source: BERK, 2020.

- **Step 1.1: Identify Pipeline Properties (OPTIONAL).** Pipeline development refers to growth that has been permitted or approved between January 1, 2020 and December 31, 2020 and not captured during the 2013-2019 evaluation period. but was not built . Unless there is a reason to believe the growth will not actually be completed, this growth can be accounted for in the capacity calculations. Jurisdictions that wish to account for pipeline development separately in their LCA can remove the parcels from the land supply at the outset of the process and add them back in later based on approved final permits or development agreements. This can result in a more accurate accounting of capacity for growth. In addition, the process for approving plats, master plans, and building permits can provide a more accurate, site-level review of critical areas than the regional approach used in this LCA. Properties can be classified as “Pipeline” if they meet any of the following criteria. Jurisdictions that complete this optional step can select to use any or all of these criteria and can refine *these criteria to best reflect local circumstances.*

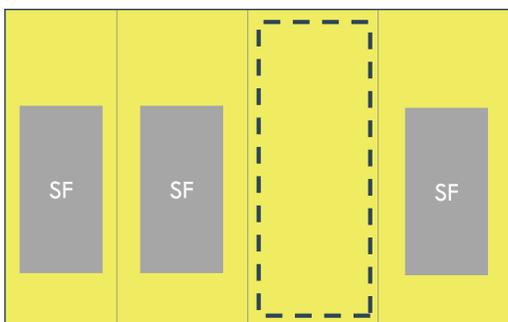
  - The property is part of an approved final single-family plat but has not yet been approved for any building permit. The primary purpose of including such properties in the pipeline is to capture large plots of land being developed for single-family home sites where individual lots have not yet been identified as lots in the County Assessor parcel data. Assign future growth for these parcels as one single-family unit per platted lot.
  - A preliminary plat has been approved and site development permits have been issued, but the final plat has not been filed or approved. The site development permits show evidence of commitment and the proposal densities appear to be best reflected in the final capacity rather than the typical LCA process. Treat lots like a final plat above – one single-family unit per platted lot.
  - A final land use permit has been approved for the property (e.g., multifamily or mixed-use site plan) but no construction occurred between January 1, 2020 and December 31, 2020. Assign future growth for these parcels consistent with type and number of units described in the approved land use permits.

- The property is part of a master plan or a phased development under a development agreement. For final master plans or development agreements, assign approved density levels and classify the properties as “Pipeline.” If the master plan or development agreement is preliminary or still pending, assign the proposed density levels, but do not classify the land as “Pipeline.”
- **Step 1.2: Identify Excluded Properties.** Parcels with the following use classifications are not likely to redevelop and should be classified as “Excluded”:
  - Utility parcels;
  - Transportation parcels or right-of-way;
  - Marinas;
  - Cemeteries;
  - Hospitals;
  - Governmental services;
  - Schools (including higher education);
  - Churches and other places of worship;
  - Cultural, entertainment, and parks/recreation properties;
  - Tidelands and water areas; and
  - Current Use Exempt parcels (RCW 84.34); note if there is a clear intent to develop in the planning period, treat as pipeline, vacant, or partially utilized as appropriate.
  - Open space
  - Shoreline parcels less than 1 acre

In addition, any properties identified as “Constant” in the Infrastructure Gap Review (Step 0) should be classified as “Excluded.”

- **Step 1.3: Identify Vacant Properties.** Vacant parcels are properties with no development or very minimal improvements, regardless of size (see Exhibit 6. Example of a Vacant Parcel). These are identified in County Assessor parcel data as having a property class code associated with vacant/undeveloped land (“910 – Undeveloped Land,” or “990 – Other Undeveloped Land”). For these parcels, set LCA\_Class to “Vacant”.

**Exhibit 6. Example of a Vacant Parcel**



Source: BERK, 2020.

**Step 1.4: Identify Partially Utilized Properties.** Partially utilized properties are parcels currently occupied by a use, but which encompass enough land to be further subdivided without rezoning. Typically, this category consists of parcels zoned for single-family residential development that are large enough to be subdivided for the creation of additional single-family lots (see Exhibit 7. Example of a Partially Utilized Parcel). For parcels not classified as Vacant or Pipeline, assign the “Partially Utilized” classification if the property meets **all** the following criteria:

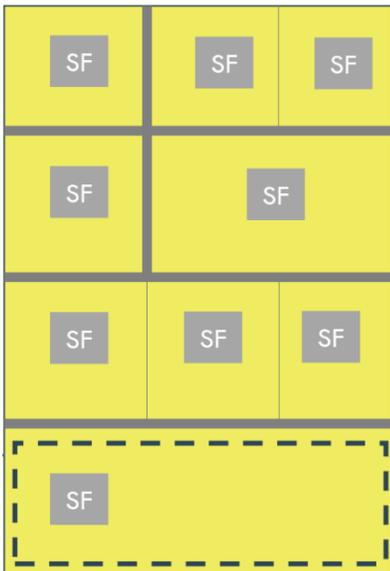
- The parcel is in a residential zone where the predominant form of new housing development is expected to be single family
- Based on assumed density for that zone, the parcel has potential to support at least 2.5 X number of existing units.

To identify Partially Utilized parcels in residential zones, do the following:

- Calculate the field Potential Units as number of units that could be built at the assumed density level for that zone (parcel acres x Assumed Density).
- Compare Potential Units to the existing units on the parcel. If Potential Units is at least 2.5x existing units, then classify the parcel as Partially Utilized. (LCA Class = “Partially Utilized”)

Note: Critical areas will be accounted for in Step 3. Then remaining acreage of Partially Utilized parcels will be aggregated and standard deductions will be applied. The Potential Units field is not used to calculate land capacity.

**Exhibit 7. Example of a Partially Utilized Parcel**



Source: BERK, 2020.

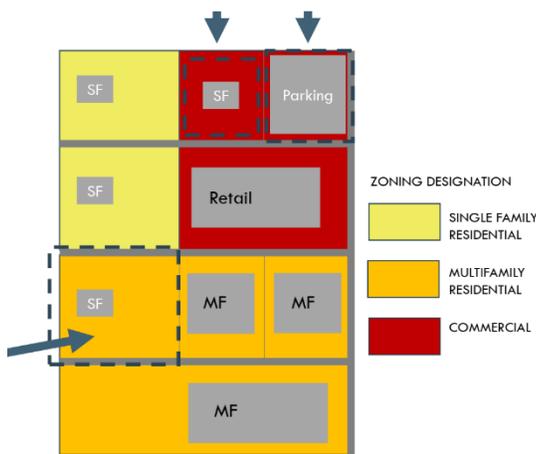
- **Step 1.5: Identify Under-Utilized Properties.** Under-utilized properties contain some amount of existing development, but there is a strong possibility that the existing use will be converted to a more intensive use during the planning period. For example, a single-family home on a property with multifamily or commercial zoning could be considered under-utilized (see Exhibit 8. Examples of

Under-Utilized Parcels).

For parcels not classified as Vacant, Pipeline, or Partially Utilized, assign the “Under-Utilized” classification if the property meets **any** of the following criteria:

- The property is in a residential or mixed-use zone where the predominant form of new housing development is expected to be multifamily, and the existing use is a detached single-family home, cottage, mobile/manufactured home, or garage/shed; or
- The property improvement to land value ratio is < 0.5 (i.e., assessed improvements value divided by assessed land value <0.5).

**Exhibit 8. Examples of Under-Utilized Parcels**



Source: BERK, 2020.

- **Step 1.6: Identify Platted Lots.** Single-family parcels that are platted lots recorded prior to the January 1, 2020 “look back” date should be identified and removed from the land supply prior to application of critical areas deductions (Step 3) if they are classified as Vacant, Partially Utilized, or Under-Utilized. As part of approved plats, these properties have already undergone critical areas review and should not have deductions applied again. Development potential for these platted lots is calculated separately in Step 8. As part of this process, any parcel-level attribute information added as part of the Infrastructure Gap Review (Step 0) should be maintained to ensure that any density limits or modifications to market factor resulting from infrastructure gaps can be properly considered when calculating development potential in Step 8.

Where platted lots are identified, set the “Platted Lot” field to TRUE. Platted lots are identified by Assessor tax account number with the following query:

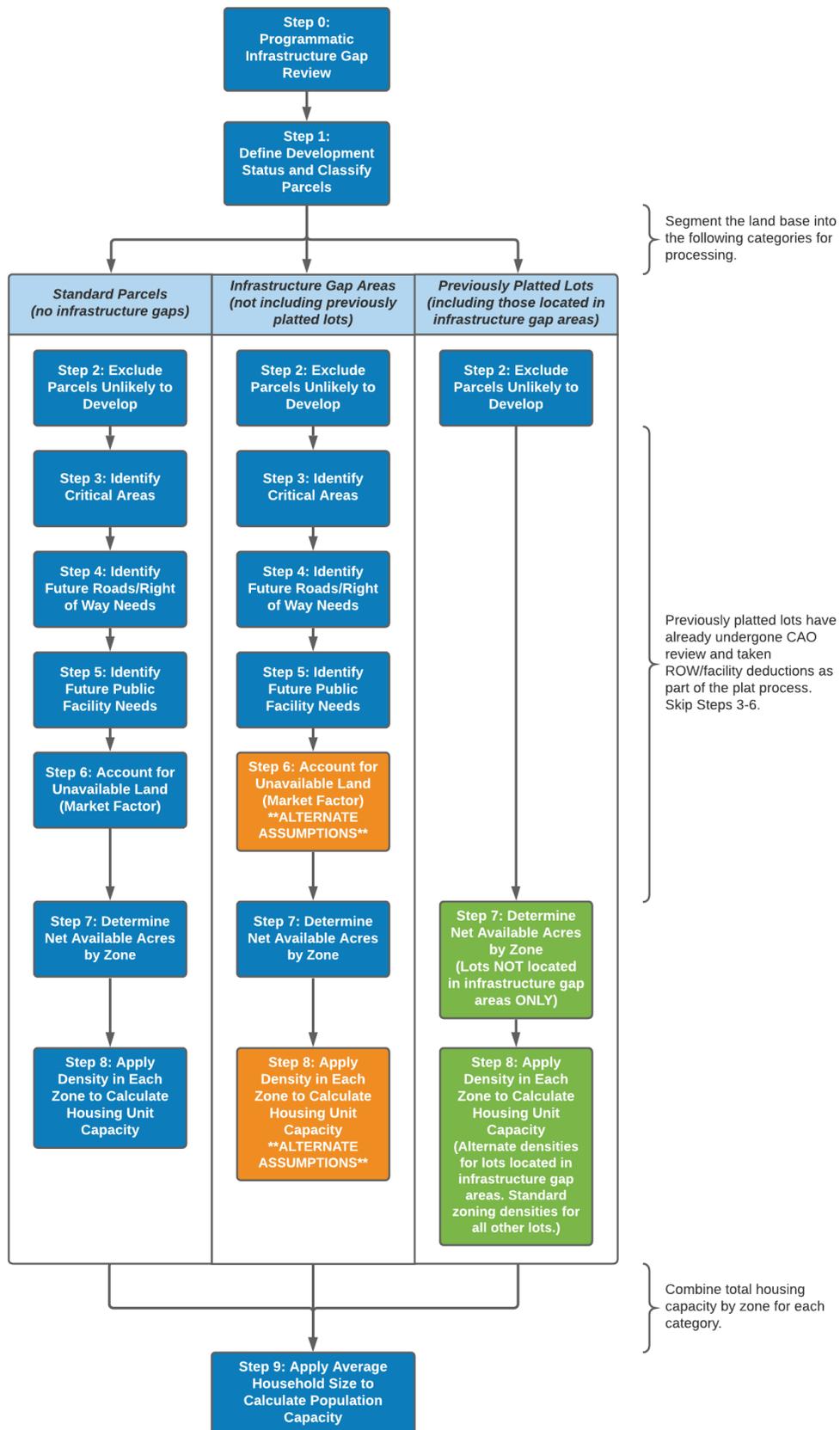
```
SELECT FROM GIS.PARCEL_POLY WHERE [ACCT_NO] >= '37**_***_***_****'
```

- **Step 1.7: Segment Land Base for Processing.** While the LCA provides a standard methodology for analyzing land capacity, deviations are necessary to account for unique circumstances. Infrastructure gap areas as identified in Step 0 are one such special consideration, and platted lots identified in Step 1.6 are another. In this sub-step, the land base should be segmented into three groups, and

each group will proceed through Steps 2-8 separately. The net housing capacity by zone for each group will be recombined in Step 9 to determine total housing and population capacity. Using GIS, segment the land base into three feature classes based on the criteria below:

- **Previously Platted Lots:** Previously platted lots have already undergone review and deductions for critical areas, roads, and public facilities. As such, these properties should not repeat those steps in this LCA process. Previously Platted Lots will complete Step 2, then proceed to Step 7.
  - Using GIS, select all properties where “Platted Lot” equals TRUE. Export these properties to a new GIS feature class, “LCA\_Platted\_Lots.”  
Any infrastructure-related attributes established in Step 0 should be maintained.
- **Infrastructure Gap Parcels:** Properties located within identified infrastructure gaps in Step 0 are not anticipated to achieve the same level or development as properties without infrastructure gaps. These properties will complete Steps 2-8, but they will use alternative growth assumptions (either an alternative assumed density or alternate market factor).
  - Using GIS, select all properties where “Infrastructure Gap” is not NULL, and “Platted Lot” equals FALSE. Export these properties to a new GIS feature class, “LCA\_InfraGap\_Parcels.”
- **Standard Parcels:** Properties not flagged as Platted Lots and not located in an infrastructure gap area are not subject to special considerations and can complete Steps 2-8 without using alternate assumptions.
  - Using GIS, select all properties where “Platted Lot” equals FALSE, and “Infrastructure Gap” is NULL. Export these properties to a new GIS feature class, “LCA\_Standard\_Parcels.”

### Exhibit 9. Residential Land Supply Data Processing Diagram



## Step 2: Exclude Parcels Unlikely to Develop

This step refines the classifications from Step 1. This refinement is intended to address additional factors that could affect development potential, such as high-value homes that may be unlikely to redevelop or subdivide, despite having adequate acreage to do so.

- **Step 2.1: Exclude High-Value Residential Parcels.** For parcels that meet the following criterion, change LCA Class to “Exclude”:
  - The assessed value of property improvements is greater than 2.5 X the parcel’s assessed land value.

## Step 3: Identify Critical Areas

Critical areas are defined by the GMA generally as wetlands, frequently flooded areas, geologically hazardous areas, fish and wildlife habitat conservation areas, and critical aquifer recharge areas. These are all environmentally sensitive areas that must be protected under GMA and are generally not available for development. This step determines the location of critical areas and applies a mosaic feature that generalizes buffers and required setbacks. Once identified, these areas are deducted from the remaining vacant, partially utilized, and underutilized land supply.

This analysis assumes a percentage of critical areas can be legally developed under the current Critical Areas Ordinance. The likelihood that an area can be developed depends upon the type of environmental sensitivity. This method differentiates “Areas of Moderate Geologic Hazard” from other “Critical Areas” and applies a different partial reduction of acreage for each category when calculating developable land supply. Further, this analysis assumes that most jurisdictions do not limit residential development in critical aquifer recharge areas or in frequently flooded areas. For example, Kitsap County Code (KCC 19.600.620) does not list residential development as an activity with a potential groundwater threat and thus does not limit residential development. Also, Kitsap County Code (chapter 15.12 KCC) does not generally prohibit residential development in frequently flooded areas, except in designated floodways, but rather imposes structural building standards. After review of designated floodways in Flood Insurance Rate Maps, most of these areas are located outside of UGAs, along shorelines, are located on public lands, or are notated along DNR typed water courses. The DNR typed watercourses are already included in this reduction factor and so no additional reduction for FEMA flood hazard along streams corridors is included. Should city regulations prohibit or limit development in critical aquifer recharge areas or frequently flooded areas, those jurisdictions should account for and include these areas in the critical area mosaic.

### DEVELOPMENT POTENTIAL OF HIGH-VALUE HOMES

Step 2.1 examines properties with special circumstances that make them unlikely to redevelop, regardless of subdivision potential or zoning. Often, these properties are high-value, luxury single-family homes with larger lot sizes and high improvement values relative to the value of the underlying land.

The methodology identifies these properties on the basis of improvement-to-land value ratio to control for variations in land values across large areas. Local jurisdictions may consider local property value conditions and set alternative thresholds, as appropriate.

### CRITICAL AREAS

The methodology for Step 3 is based on Kitsap County’s adopted framework for regulating critical areas. Local jurisdictions may include additional environmental constraints or apply different reduction factors, depending on local regulations.

The Critical Areas mosaic represents the areas most highly encumbered by the presence of environmental features. Components of the mosaic include the following critical areas categories:

- **Streams:** Both perennial and seasonal streams, as well as their associated buffer areas.
- **Wetlands:** Delineated wetland areas and their associated buffers, as regulated by the Critical Areas Ordinance.
- **Water Bodies:** Areas of standing water that cover a portion of a parcel, including lakes, ponds, bogs, or saltwater.
- **Hydric Soils:** Inclusion of hydric soils in the critical areas mosaic captures areas that have the potential to be classified as wetlands, even if no formal wetland delineation has been performed.
- **Areas of High Geologic Hazard:** Unstable areas with steep slopes or other geologic characteristics that make them highly unsuitable for development.

Areas of Moderate Geologic Hazard include lands with moderate slopes, seismic concerns, or erosion risks, but they are not as sensitive as the high geologic hazard areas included in the Critical Areas mosaic and are therefore assigned a lower reduction factor.

Exhibit 11 provides a detailed description of each critical areas mosaic component, data sources, associated buffer widths, and land supply reduction factors.

The following sub-steps are applied to the “LCA\_Standard\_Parcel” and “LCA\_InfraGap\_Parcel” land supply datasets. The “LCA\_Platted\_Lots” dataset does not complete Steps 3-6.

### *Step 3.1: Construct Critical Areas Mosaic*

For each class of critical area (streams, water bodies, wetlands, hydric soils, and geologic hazards), apply the following GIS operations:

- Buffer features according to adopted buffers and setbacks, as established in the latest Critical Areas Ordinance.
- With the exception of Moderate Geologic Hazard area, dissolve all critical area and buffer/setback areas to create a single Critical Areas polygon.
- Dissolve all Moderate Geologic Hazard features and associated buffer/setback areas to create a single polygon.

### *Step 3.2: Overlay Critical Areas Mosaic on Parcel Base*

- Select Vacant, Partially Utilized, and Under-Utilized parcels and dissolve to create an aggregated Developable Lands GIS feature class. The dissolve operation should respect LCA classification, zoning, and any infrastructure gaps identified in Step 0. Ensure that the resulting feature class maintains the following attributes:
  - LCA Classification;
  - Zoning;
  - Infrastructure gap type; and

- Alternative assumed density or alternative market factor (identified as part of Step 0.2).
- Overlay the Critical Areas polygon and the Areas of Moderate Geologic Hazard polygon with the aggregated Developable Lands feature class. Perform a union of these three datasets to generate an updated Developable Lands feature class consisting of the following:
  - Areas with no environmental constraints;
  - Critical Areas; and
  - Areas of Moderate Geologic Hazard.
- Areas of environmental constraint that do not intersect Vacant, Partially Utilized, or Under-Utilized parcels should be excluded from the updated Developable Lands feature class.
- At this point, the GIS feature class can be exported into a tabular format for additional spreadsheet-based operations in Microsoft Excel or a similar program. Subsequent steps will refer to this as the “Buildable Lands table.”

### *Step 3.3: Apply Critical Area Reductions*

- Add a “Developable Acres” column to the Buildable Lands table. This column represents the baseline aggregate acreage available for development after consideration of critical areas and is calculated in the following steps. Further deductions for roads, infrastructure, and public uses will be applied in Steps 4-7.
- For each record in the Buildable Lands table, calculate developable acres as follows:
  - For areas without environmental constraints, set equal to total acreage of the polygon.
  - For areas impacted by Critical Areas, set Developable Acres to 25% of overall polygon acreage (75% reduction).
  - For areas impacted by Areas of Moderate Geologic Hazard, set Developable acres to 50% of overall polygon acreage (50% reduction).

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## Assumptions for Mixed-Use Zones

Commerce Guidelines emphasize the importance of not duplicating residential and employment capacity in mixed use zones. Local jurisdictions may estimate future residential capacity in mixed use zone based on achieved residential densities (counting total residential units built per acre after deducting critical areas) or by dividing the land base proportionally between residential and commercial uses based on floor area ratios (page 25-27, including figure 8).

Local jurisdictions are encouraged to develop their own assumptions based on local conditions, observed trends, example developments where there is no recent history, and/or mixed-use development regulations. To ensure that development capacity is not over- or under-counted, the residential and non-residential percentage assumptions for each zone (see County examples in Exhibit 10) **must** sum to 100%.

## Considerations for Vertical Mixed-Use Development

In the example of vertical mixed-use areas, both residential and commercial densities should be calculated using total acreage.

For example, residential density would be calculated as total housing units divided by total acreage. Commercial FAR would be calculated as total developed commercial square footage divided by total acreage. These calculated densities can then each be applied to total developable acreage in the mixed-use zone to estimate residential and commercial capacity, without using an acreage split. If local jurisdictions choose to address mixed use in this way, the adjustment to developable acreage described in Step 3.4 should not be implemented.

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### *Step 3.4: Adjust Developable Acres for Mixed-Use Zones*

In mixed-use zones where new development is assumed to be single use (residential or commercial, not vertical mixed-use), jurisdictions should consider the proportion of developable land that is anticipated to be developed for residential versus commercial uses, based on residential densities allowed, achieved, and assumed. Special considerations for calculating capacity for vertical mixed-use development are described in the sidebar.

For areas with mixed-use zoning, developable acreage (as calculated in Step 3.3) should be adjusted to account for areas assumed not to develop for residential use. Exhibit 10 shows example assumptions for

mixed-use zoning in unincorporated Kitsap County.

**Exhibit 10. Mixed-Use Zoning Residential-Commercial Proportion Assumptions**

Zoning	Percent Residential	Percent Non-Residential
Urban Village Center (UVC)	50%	50%
Regional Center (RC)	50%	50%
Low Intensity Commercial (LIC)	50%	50%

For mixed-use zones only, re-calculate Developable Acres as follows:

- $\text{Developable Acres} = \text{Developable Acres (Step 3.3)} \times \text{Percent Residential Assumption}$

**Exhibit 11. Parameters for Identifying Critical Area Reductions**

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Streams</b>					
DNR Water-courses	<b>S:</b> All waters, within their bankfull width, as inventoried as “shoreline of the state” under chapter 90.58 RCW (Segments of Big Beef Creek, Curley Creek, Chico Creek, Burley Creek, Union River, Blackjack Creek and Tahuya River)	200 feet	15 feet beyond buffer	75%	WCHYDRO contains watercourses represented as arcs or lines created by the Washington State Department of Natural Resources. These occur alone as single arc watercourses representing streams, ditches, or pipelines, or as centerlines through water body polygons such as double-banked streams, lakes, impoundments, reservoirs, wet areas,
	<b>F:</b> Segments of natural waters other than Type S Waters, which are within the bankfull widths of defined channels and periodically inundated areas of their associated wetlands or within lakes, ponds or impoundments having a surface area of 0.5 acre or greater at seasonal low water and which in any case contain fish habitat.	150 feet	15 feet beyond buffer	75%	

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<b>NP:</b> Segments of natural waters within the bankfull width of defined channels that are perennial nonfish habitat streams. Perennial streams are flowing waters that do not go dry any time of the year of normal rainfall.	50 feet	15 feet beyond buffer	75%	or glaciers. Also included are areas where the Wild Fish Conservancy has field-surveyed streams, where accessible, for fish presence and overall condition.
	<b>NS:</b> Segments of natural waters within the bankfull width of defined channels that are not Type S, F or Np Waters. These are seasonal, nonfish habitat streams in which surface flow is not present for at least some portion of the year of normal rainfall.	50 feet	15 feet beyond buffer	75%	
<b>Wetlands</b>					
Wetlands	<p><b>Category I:</b> Category I wetlands include, but are not limited to, wetlands that represent rare or unique wetland types, those that are more sensitive to disturbance than most wetlands, those that are relatively undisturbed and contain ecological attributes that are impossible to replace within a human lifetime, or those that provide a high level of function. Category I wetlands score twenty-three points or more out of twenty-seven on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p>	92.5 feet		75%	<p>All wetland delineations are done in accordance with the approved federal wetland delineation manual and applicable regional supplement. All areas within the county that meet the wetland designation criteria are designated critical areas and are subject to the provisions of Kitsap County Code Title 19 – Critical Areas Ordinance.</p> <p>Through personal communication with environmental review staff, the most common wetland categories found in urban areas are Category III and IV wetlands. The characteristics of these common wetland types were moderate level</p>
	<p><b>Category II:</b> Category II wetlands are those wetlands that are more difficult to replace and provide high levels of some functions. Category II wetlands score between twenty and twenty-two points out of twenty-seven on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p>				

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p><b>Category III:</b> Category III wetlands are those wetlands with a moderate level of function and can often be adequately replaced with mitigation. Category III wetlands score between sixteen and nineteen points on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p> <p><b>Category IV:</b> Category IV wetlands have the lowest level of function and are often heavily disturbed. Category IV wetlands score less than sixteen points out of twenty-seven on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p>				<p>of function. In very rare circumstances since the adoption of the 2017 CAO, low functioning/value Category II were delineated. Discussion was also held on common modifications of buffer standards allowed in code. This includes buffer averaging, administrative buffer reductions of 25% or less (Type II decision) or if greater than a 25% buffer reduction, buffer variance approved by the Hearings Examiner (Type III decision).</p> <p>To calculate average buffer widths, the most common wetland category found in urban areas was used (Category III to IV). The range of buffer widths from moderate functioning wetlands are 75ft to 110ft, with average at 92.5 feet.</p>

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Water Bodies</b>					
Water Bodies	<ul style="list-style-type: none"> <li>▪ <b>Bay, Estuary, Ocean or Sea</b> (Water Body cartographic feature code: 116)</li> <li>▪ <b>Lake, Pond, Reservoir, Gravel pit or quarry filled with water</b> (Water Body cartographic feature code: 421, 101, 402)</li> <li>▪ <b>Marsh, wet area, swamp or bog</b> (Water Body cartographic feature code: 111)</li> </ul>			75%	WBHYDRO contains water body polygons, such as double-banked streams, lakes, impoundments, reservoirs, wet areas, or glaciers. The purpose of including these features in the mosaic is to ensure that isolated water areas (such as lakes, ponds, or bogs) not covered by other categories are properly accounted for and removed from the land supply.
<b>Hydric Soils</b>					
Department of Natural Resources Soil Survey	<p><b>Soil Description:</b></p> <ul style="list-style-type: none"> <li>▪ Bellingham silty clay loam</li> <li>▪ McKenna gravelly loam</li> <li>▪ Mukilteo peat</li> <li>▪ Norma fine sandy loam</li> <li>▪ Semiahmoo muck</li> <li>▪ Shalcar muck</li> <li>▪ Shelton-McKenna complex</li> <li>▪ 0-10 percent slope</li> <li>▪ Tacoma silt loam</li> </ul>			75%	Potential wetlands

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Geohazards</b>					
Geohazard	<p><b>Areas of High Geologic Hazard:</b></p> <p>a) Areas with slopes greater than thirty percent and mapped by the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County as "Unstable" (U), "Unstable Old Land Slides" (UOS) or "Unstable Recent Slides" (URS).</p> <p>b) Areas deemed by a Geologist to meet the criteria.</p>			75%	The GEOHAZARDS feature class is a union of the DNR & Natural Resource Conservation Service's (SCS) 1980 Soil Survey for Kitsap County and the soil STABILITY classification from the 1979 "Quaternary Geology and Stratigraphy of

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p><b>Areas of Moderate Geologic Hazard:</b></p> <p>a) Areas designated U, UOS, or URS in the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County, with slopes less than thirty percent; or areas found by a qualified geologist to meet the criteria for U, URS, and UOS with slopes less than thirty percent; or</p> <p>b) Slopes identified as "Intermediate" (I) in the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County, or areas found by a qualified geologist to meet the criteria of I; or</p> <p>c) Slopes fifteen percent or greater, not classified as I, U, UOS, or URS, with soils classified by the Natural Resources Conservation Service as "highly erodible" or "potentially highly erodible;" or</p> <p>d) Slopes of fifteen percent or greater with springs or groundwater seepage not identified in Items 1 and 2, above; or</p> <p>e) Seismic areas subject to liquefaction from earthquakes (seismic hazard areas) such as hydric soils as identified by the Natural Resources Conservation Service, and areas that have been filled to make a site more suitable. Seismic areas may include former wetlands which have been covered with fill.</p>			50%	Kitsap County" thesis work by Jerald Deeter.

Source: Kitsap County, 2014.

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### **Customizing Road, Infrastructure, and Market Factor Deductions**

The deductions described in Steps 4-7 are intended to address future infrastructure needs by new development and market conditions in unincorporated Kitsap County. Modifications to these assumptions may be necessary in more urban areas, and cities are encouraged to develop custom deductions that best fit their circumstances.

#### **Road/Right of Way Deduction**

- Right of way and private circulation needs may vary between unincorporated areas and cities. Developable lands in urban areas may already be served by established road networks, thereby reducing the need for new roads or off-site improvements compared to other jurisdictions. The County guidance establishes a single deduction factor for all unincorporated areas, but cities may consider modifying roads/right of way deductions based on local conditions. For example, cities whose redevelopable land supply is concentrated in areas already served by roads and appropriate levels of service may establish a lower deduction factor for Under-Utilized properties compared to Vacant lands.

#### **Public Facility Deduction**

Public facilities and other on-site improvements needed to serve new development may vary across jurisdictions. Consider public facility needs such as, utility easements, on-site stormwater detention facilities, tree retention, trails, common open space and other on-site facilities required by local development regulations. These facilities may already exist in urban areas, requiring relatively little additional land associated with new development. If so, Cities may consider reducing deductions for public facilities accordingly.

#### **Unavailable Land (Market Factor)**

- High demand for urban real estate may reduce the amount of land that stays unavailable for development, and market factors may also vary across a city, depending on planning/zoning frameworks in place.

Roads, right of way, and traffic mitigation are necessary for new development, particularly undeveloped properties. The LCA applies a deduction for future road needs after accounting for environmentally critical areas in Step 3. Road and right of way deductions necessary for a given development project can depend on a variety of factors, including level of serve for roadway segments and intersections, site characteristics, environmental features, and permitting requirements. The standard deduction used here is based on review of permit trends and code requirements in unincorporated Kitsap County. The following applies to the “LCA\_Standard\_Parcel” and “LCA\_InfraGap\_Parcel” land supply datasets. The “LCA\_Platted\_Lots” dataset does not complete Steps 3-6.

For each record in the Buildable Lands table, calculate deductions for future roads and right-of-way as follows:

- Add column “ROW Deduction.”
- Calculate deduction according to the following formula:
  - “ROW Deduction” = 20% of “Developable Acres”
  -

### Step 5: Identify Future Public Facility Needs

After accounting for new roads, right of way, and traffic mitigation in Step 4, the LCA further deducts land necessary for construction of public facilities and other on-site improvements needed to serve new development, such as utility easements, on-site stormwater detention facilities, tree retention, trails, common open space and other on-site facilities required by development regulations. The deduction for these facilities should be taken based on the remaining buildable area after the road/right of way deduction is applied. The standard deduction used here is based on review of permit trends and code requirements in unincorporated Kitsap County. The following applies to the “LCA\_Standard\_Parcel” and “LCA\_InfraGap\_Parcel” land supply datasets. The “LCA\_Platted\_Lots” dataset does not complete Steps 3-6.

For each record in the Buildable Lands table, calculate deductions for future public facilities as follows:

- Add column “PubFac Deduction.”
- Calculate deduction according to the following formula:
  - “PubFac Deduction” = 20% of (“Developable Acres” – “ROW Deduction”)

### Step 6: Account for Unavailable Lands (Market Factor)

In addition to land needed for public infrastructure, some percentage of otherwise developable land is likely to remain unavailable due to market conditions and landowner intent. In general, Commerce Guidance indicates larger urban jurisdictions with significant development and redevelopment activity observed or expected will likely find and assume lower market supply factors. Other jurisdictions not anticipating substantial redevelopment and/or still experiencing urbanization of unimproved areas will likely assume higher market supply factors (page 41).

The following sub-steps apply to the “LCA\_Standard\_Parcel” and “LCA\_InfraGap\_Parcel” land supply datasets. The “LCA\_Platted\_Lots” dataset does not complete Steps 3-6.

### Step 6.1. Identify Residential Product Type for Each Zone

Assign a housing product type (Single Family or Multifamily/Mixed Residential) to each zone based on anticipated predominant uses. The product type assigned should represent the predominant residential building typology and use that is likely to be developed for that zone, based either on past buildout or what is envisioned and supported by development regulations and requirements.

Note, that the alternative assumed densities selected in Step 8 should be consistent with the product type selected in Step 6.1 to ensure the appropriate market factor range is applied to determine buildable land capacity.

#### Exhibit 12. Residential Product Type Examples

Product Type	Description/Application	Illustrative Examples
Single Family	All areas where single family residential product inclusive of any of the following listed as the predominant use: detached, duplex, tri-plex four plex or townhouse plat.	Detached single family homes and subdivisions, attached townhomes and duplexes
Multifamily/Mixed Residential	All areas where multilevel stacked residential product in the form of rental housing or condominium ownership is the predominant permitted use. Inclusive of high density multifamily and mixed use developments	Stacked flat apartment buildings, garden style apartment complexes, mid rise multifamily podium projects, mid rise multifamily podium projects with ground floor commercial uses, residential high rise, residential condominium projects.

Source: Heartland, 2021.

The market factor ranges in Appendix X account for the expected rate of absorption of land supply development over the next 20 years. In other words, it accounts for the percentage of land that is unlikely to develop due to market conditions and demand. Therefore, a high assumed market factor means barriers to development may exist that could impact additional growth in that jurisdiction within the 20-year planning period.

### Step 6.2. Identify Market Factor Range by Geography

For each record in the Buildable Lands table:

- Add column “Market Factor Range.”
- Assign the applicable market factor range for each zone based on its geographic location and assigned Product Type, according to the market factor matrix contained in Appendix B – Market Factor Guidance Framework:
  - Low (5-20%);

- Medium (20-35%); or
- High (35-50%).

*Step 6.3. Establish Specific Market Factor Based on Local Conditions.*

Step 6.3 provides a framework for selecting a final market factor from within the range assigned in Step 6.2, based on specific local conditions. A detailed discussion of conditions that warrant adjustments to market factors is contained in Appendix B – Market Factor Guidance Framework; the conditions include the following:

- Vacant vs. Partially Utilized or Under-Utilized lands;
- Local market conditions;
- Single-family uses in recently up-zoned areas;
- Restrictive covenants in planned communities;
- Known parcel size and assemblage challenges;
- Transit accessibility;
- Infrastructure limitations; and
- Areas designated as Growth Centers.

Local jurisdictions should review and incorporate these criteria when setting their local market factors and document their assumptions for each zone and geographic area.

For each record in the Buildable Lands table:

- Add 2 columns: “Market Factor Final” and “Market Deduction.”
- For the “LCA\_Standard\_Parcels” dataset:
  - Apply the criteria in Appendix B – Market Factor Guidance Framework and set “Market Factor Final” equal to the finalized market factor.
  - Calculate “Market Deduction” as:  
 (“Developable Acres” – (“ROW Deduction” + “PubFac Deduction”))
- For the “LCA\_InfraGap\_Parcels” dataset:
  - If an alternate market factor was established in Step 0, set “Market Factor Final” equal to this value.
  - If no alternate market factor was established in Step 0, apply the criteria in Appendix B – Market Factor Guidance Framework and set “Market Factor Final” equal to the finalized market factor.
  - Calculate “Market Deduction” as:  
 (“Developable Acres” – (“ROW Deduction” + “PubFac Deduction”)) x “Market Factor Final”
- For the “LCA\_Platted\_Lots” dataset, skip this step and proceed to Step 7.

## Step 7: Determine Available Net Acres

This step calculates Net Available Acres by applying the deductions from Steps 4-6 to the Developable Acres calculated in Step 3. Assumptions for under-utilized and partially utilized platted lots are different because redevelopment (typically on older plats from the 1960s-1970s) is often substantially impeded if not functionally prohibited, by plat requirements or covenants. An example of these impediments includes strict plat covenants and requirements for majority approval of affected landowners within a plat if additional lots are to be created. The 25% of under-utilized and partially utilized platted lots that remain in the land supply are intended to account for some additional development capacity, including capacity for accessory dwelling units (ADUs). Add a new column to the Buildable Lands table, “Net Acres,” and calculate for each record as follows:

- “LCA\_Standard\_Parcel” and “LCA\_InfraGap\_Parcel” land supply datasets:
  - “Net Acres” = “Developable Acres” – (“ROW Deduction” + “PubFac Deduction” + “Market Deduction”)
- “LCA\_Platted\_Lots” dataset:
  - If “Infrastructure Gap” is NULL, calculate net acreage by development classification:
    - **Vacant:** “Net Acres” = 100% of platted parcel area.
    - **Under-Utilized and Partially Utilized:** “Net Acres” = 25% of platted parcel area.
  - If “Infrastructure Gap” is not NULL, do not calculate net acreage. Capacity will be assigned to these records in Step 8.

## Step 8: Apply Density in Each Zone to Calculate Housing Unit Capacity

### Step 8.1. Calculate Gross Housing Unit Capacity

Gross housing unit capacity is calculated by applying density assumptions for each zone to net available acres. Density assumptions should consider factors such as historical achieved density in the zone, whether zoning or development regulations have recently changed, infrastructure investments or other amenities that change market conditions, market trends, and the impact of development regulations such as setbacks, height limits, and parking requirements on development feasibility. Local jurisdictions should set their own density assumptions based on each community's zoning scheme, historical achieved residential densities, market trends and other local circumstances. Jurisdictions should provide a description/rationale for density assumptions (see text box on Page 4 for guidance).

Calculate Gross Housing Unit Capacity for each record in the three land supply datasets as follows:

- **“LCA\_Standard\_Parcel”:**
  - Use standard assumed densities by zone.
  - $\text{Gross Housing Unit Capacity} = \text{Net Acres} \times \text{Standard Assumed Density}$
- **“LCA\_InfraGap\_Parcel”:**
  - If alternative assumed densities were established in Step 0:
    - $\text{Gross Housing Unit Capacity} = \text{Net Acres} \times \text{Alternative Assumed Density}$
  - If alternative assumed densities were not established in Step 0:
    - $\text{Gross Housing Unit Capacity} = \text{Net Acres} \times \text{Standard Assumed Density}$
- **“LCA\_Platted\_Lots”:**
  - If “Infrastructure Gap” is NULL, calculate gross capacity using standard assumed densities by zone.
    - $\text{Gross Housing Unit Capacity} = \text{Net Acres} \times \text{Standard Assumed Density}$
  - If “Infrastructure Gap” is not NULL, calculate gross housing capacity by development classification:
    - **Vacant:** Assume 1 unit of capacity per vacant platted lot.
    - **Under-Utilized and Partially Utilized:** Assume zero housing capacity due to lack of

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### Comparing Achieved and Assumed Densities

RCW 36.70A.215(3)(d): Determine the actual density of housing that has been constructed and the actual amount of land developed for commercial and industrial uses within the urban growth area since the adoption of a comprehensive plan under this chapter or since the last periodic evaluation...

WAC 365-196-315(5)(a)(ii): Evaluation under RCW 36.70A.215 (3)(b) should compare the achieved densities, type and density range for commercial, industrial and residential land uses with the assumed densities that were envisioned in the applicable county-wide planning policies, and the comprehensive plan.

Commerce Guidance on Lack of Information: When there are insufficient data to use in projecting future urban capacity for redevelopment areas, comparable sites, even if outside of the jurisdiction or assessment area, can provide useful data... (Page 35)

infrastructure.

### *Step 8.2. Calculate Net Housing Unit Capacity*

After applying density assumptions, aggregate gross housing capacity by zone. Net housing capacity by zone is calculated by subtracting existing housing units on Partially Utilized and Under-Utilized properties in each zone:

- Net Housing Unit Capacity = Gross Housing Unit Capacity – Existing Housing Units

### *Step 8.3. Address Pipeline Development*

After Net Housing Unit Capacity is calculated for each zone, adjust for pipeline development that was set aside in Step 1. Development projects approved after the January 1, 2020 cutoff date, final platted lots without building permits, and approved master planned or phased development should be included.

Calculate pipeline housing units for each zone as follows:

- **Final platted lots:** 1 single-family unit per lot;
- **Finalized land use permits or development proposals:** Total proposed housing unit count as approved by permit; and
- **Approved master planned or phased development:** If the property was set aside as “Pipeline” in Step 1 and assigned an approved density level, calculate unit yield based on property acreage and approved density.

After calculating Pipeline units by zone, add them back into Net Housing Unit Capacity by zone.

### *Step 8.4. Address Capacity for Accessory Dwelling Units (ADU’s) for Additional Urban Housing Capacity (Optional)*

Accessory Dwelling Units (ADU’s) offer the potential for additional housing capacity on **developed** single-family lots. Each jurisdiction may develop assumptions or analysis to determine the capacity for new ADUs that could reasonably be expected based on development regulations, permitting trends, and local market conditions. These assumptions should include a relatively high market factor to account for homeowners that would not choose to add an ADU. Any additional capacity factors for ADU’s should **not** be applied to the “LCA\_Platted\_Lots” dataset. The potential for additional ADU development on Partially Utilized and Under-Utilized properties is already considered as part of the net acreage calculations in Step 7.

Maintain ADU capacity as a separate line-item from Net Housing Unit Capacity for each zone.

## **Step 9: Apply Average Household Size to Calculate Population Capacity**

The final step of the Residential LCA is the calculation of population capacity based on Net Housing Unit Capacity by zone calculated in Step 8.

### *Step 9.1. Consolidate Land Supply Datasets*

Consolidate the Net Housing Capacity tables for the three separate land supply datasets (“LCA\_Platted\_Lots,” “LCA\_InfraGap\_Parcel,” and “LCA\_Standard\_Parcel”) into a single table and calculate total net housing capacity by zone.

### *Step 9.2. Calculate Population Capacity by Zone*

For each zone in the consolidated table, calculate population capacity as follows:

- Apply a 5% discount to Net Housing Unit Capacity to reflect estimated vacancy rate.
- After applying vacancy discount, multiply the housing unit capacity by the assumed household size. Exhibit 13. Average Household Assumptions by Jurisdiction and UGA provides average household size assumptions to use in each city and unincorporated UGA. Apply the single-family household size to capacity in zones assumed to be predominantly single-family homes. Apply the multifamily household size assumption to capacity in zones assumed to be predominantly multifamily homes.<sup>3</sup>

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<sup>3</sup> Average household size varies across Kitsap County. And it also varies between single family and multifamily housing. Exhibit 13. Average Household Assumptions by Jurisdiction and UGA uses the best available data from the Census to provide reasonable assumptions by jurisdiction and unincorporated UGA.

**Exhibit 13. Average Household Assumptions by Jurisdiction and UGA**

Jurisdiction/UGA	Single Family Household Size	Multifamily Household Size
City of Bainbridge Island	2.45	2.22
City of Bremerton	2.33	2.13
City of Port Orchard	2.64	2.42
City of Poulsbo	2.51	2.07
Bremerton - Unincorporated UGA	2.33	2.13
Central Kitsap - Unincorporated UGA	2.56	2.31
Kingston - Unincorporated UGA	2.36	1.8
Port Orchard - Unincorporated UGA	2.76	2.11
Poulsbo - Unincorporated UGA	2.51	2.07
Silverdale - Unincorporated UGA	2.77	2.12

*Note: The Census does not publish average household size by housing type. Therefore, average ownership household size is used as a proxy for single family and average renter household size is used as a proxy for multifamily. For unincorporated UGAs, household sizes are based on the best matching Census Defined Place, which may be the neighboring city. For Central Kitsap the county averages are used.*

Source: U.S. Census American Community Survey 5-Yr Estimates, 2015-2019; BERK, 2021.

- Calculate population capacity for ADU’s. For each zone, apply a 5% vacancy discount to ADU capacity, and then multiply by the latest renter household size reported by the ACS.
- Summarize total population capacity by zone.

## COMMERCIAL/INDUSTRIAL LCA

### Step 1. Define Development Status and Classify Parcels

The Commercial/Industrial LCA identifies vacant, partially underutilized and underutilized parcels in non-residential and mixed-use zones to calculate available capacity for development of commercial and industrial space and associated employment. The first step in this process is to categorize properties according to their development potential. The following steps apply only to properties located in non-residential and mixed-use zoning districts.

#### Exhibit 14. GIS Database Fields to be Added – Commercial/Industrial LCA Step 1

Field Name	Field Type	Comments
Zone	Text	Zoning district
LCA Class	Text	Land Capacity Analysis Classification, as determined in Step 1 (Excluded, Pipeline, Vacant, or Under-Utilized).
Pipeline FAR	Numeric	Approved/proposed floor area ratio (total building square footage/total lot square footage) for Pipeline properties, as determined in Step 1.1. For non-Pipeline properties, set value to Null.
Platted Lot	Text	If the parcel is a platted lot, set to TRUE. Otherwise, set to FALSE.

Source: BERK, 2020.

- **Step 1.1: Identify Pipeline Properties (OPTIONAL).** Pipeline development refers to growth that has been permitted or approved between January 1, 2020 and December 31, 2020 and not captured during the 2013-2019 evaluation period. but was not built. Unless there is a reason to believe the growth will not actually be completed, this growth can be accounted for in the capacity calculations. Jurisdictions that wish to account for pipeline development separately in their LCA can remove the parcels from the land supply at the outset of the process and add them back in later based on approved final permits or development agreements. This can result in a more accurate accounting of capacity for growth. In addition, the process for approving plats, master plans, and building permits can provide a more accurate, site-level review of critical areas than the regional approach used in this LCA. Properties can be classified as “Pipeline” if they meet any of the following criteria. Jurisdictions that complete this optional step can select to use any or all of these criteria and can refine *these criteria to best reflect local circumstances*.
  - A final land use permit has been approved for the property (e.g., mixed-use, commercial, or industrial site plan) but no construction occurred between January 1, 2020 and December 31, 2020. Assign future growth for these parcels consistent with type and square footage described in the approved land use permits.
  - The property is part of a master plan or a phased development under a development agreement. For final master plans or development agreements, assign approved FAR and classify the properties as “Pipeline.” If the master plan or development agreement is preliminary or still

pending, assign an FAR based on building and site square footages in the proposal, but do not classify the land as “Pipeline.”

- **Step 1.2: Identify Excluded Properties.** Parcels with the following use classifications are not likely to redevelop and should be classified as “Excluded”:
  - Utility parcels;
  - Transportation parcels or right-of-way;
  - Marinas;
  - Cemeteries;
  - Hospitals;
  - Governmental services;
  - Schools (including higher education);
  - Churches and other places of worship;
  - Cultural, entertainment, and parks/recreation properties;
  - Tidelands and water areas; and
  - Current Use Exempt parcels (RCW 84.34); note if there is a clear intent to develop in the planning period, treat as pipeline, vacant, or partially utilized as appropriate.
  - Open space
  - Shoreline parcels less than 1 acre

In addition, any properties identified as “Constant” in the Infrastructure Gap Review (Step 0) should be classified as “Excluded.”

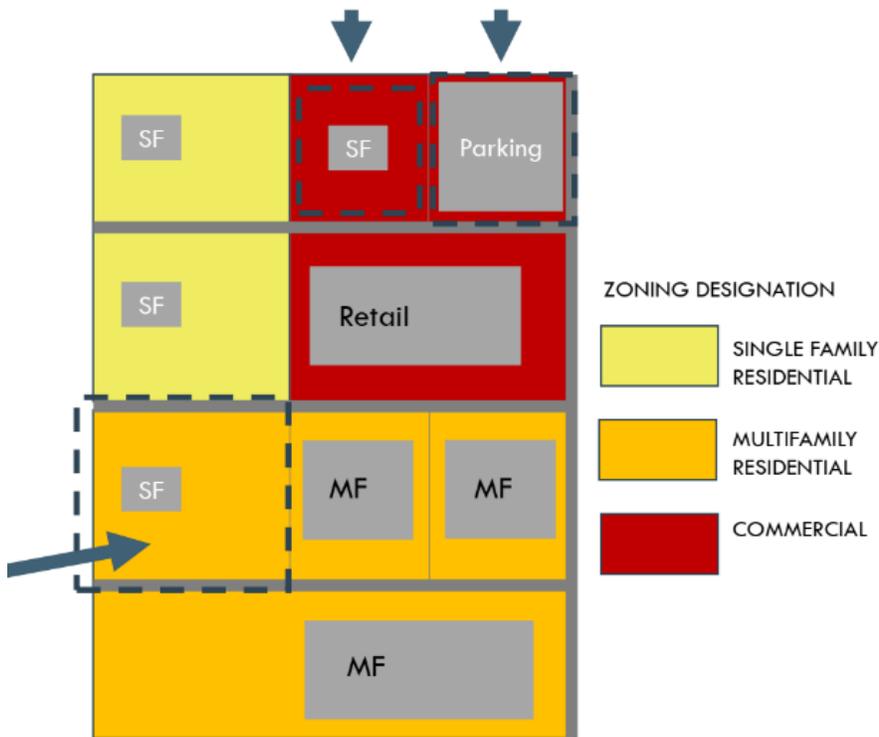
- **Step 1.3: Identify Vacant Properties.** Vacant parcels are properties with no development or very minimal improvements, regardless of size. These are identified in County Assessor parcel data as having a property class code associated with vacant/undeveloped land (“910 – Undeveloped Land,” or “990 – Other Undeveloped Land”). For these parcels, set LCA\_Class to “Vacant”.

**Step 1.4: Identify Under-Utilized Properties.** Under-utilized properties contain some amount of existing development, but there is a strong possibility that the existing use will be converted to a more intensive use during the planning period. For example, a single-family home on a property with commercial zoning could be considered under-utilized, as could a small commercial building on a property zoned for greater height or lot coverage than currently exists. (see Exhibit 15).

**For parcels not classified as Vacant or Pipeline, assign the “Under-Utilized” classification if the property meets any of the following criteria:**

- The property is located in a mixed-use, commercial, or industrial zone and is occupied by a detached single-family home, cottage, mobile/manufactured home, or garage/shed; or
- The property’s improvement to land value ratio is  $< 0.5$  (i.e., assessed improvements value divided by assessed land value  $< 0.5$ ).

**Exhibit 15. Examples of Under-Utilized Parcels**



Source: BERK, 2020.

- Step 1.5: Identify Platted Lots.** Parcels that are platted lots recorded prior to the January 1, 2020 “look back” date should be identified and removed from the land supply prior to application of critical areas deductions (Step 3) if they are classified as Vacant or Under-Utilized. As part of approved plats, these properties have already undergone critical areas review and should not have deductions applied again. As part of this process, any parcel-level attribute information added as part of the Infrastructure Gap Review (Step 0) should be maintained to ensure that any density limits or modifications to market factor resulting from infrastructure gaps can be properly considered when calculating development potential in Step 8.

Where platted lots are identified, set the “Platted Lot” field to TRUE. Platted lots are identified by Assessor tax account number with the following query:

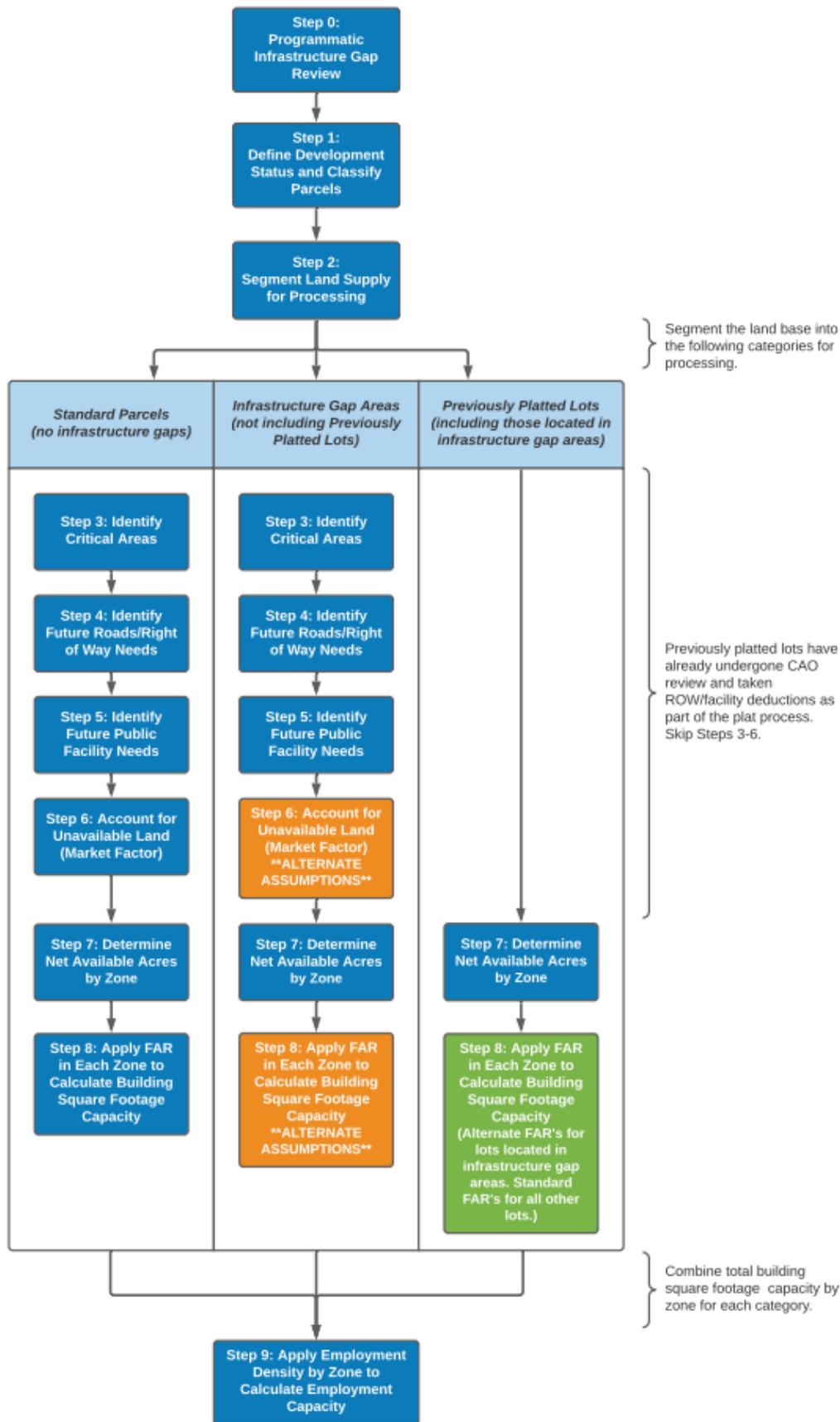
```
SELECT FROM GIS.PARCEL_POLY WHERE [ACCT_NO] >= '37**_***_***_****'
```

## Step 2. Segment Land Base for Processing

While the LCA provides a standard methodology for analyzing land capacity, deviations are necessary to account for unique circumstances, such as infrastructure gap areas as identified in Step 0. In this Step 2, the land base should be segmented into two groups, and each group will proceed through Steps 3-8 separately. The net development capacity by zone for each group will be recombined in Step 9 to determine total building square footage and employment capacity. Using GIS, segment the land base into two feature classes based on the criteria below:

- **Previously Platted Lots:** Previously platted lots have already undergone review and deductions for critical areas, roads, and public facilities. As such, these properties should not repeat those steps in this LCA process. Previously Platted Lots will complete Step 2, then proceed to Step 7.
  - Using GIS, select all properties where “Platted Lot” equals TRUE. Export these properties to a new GIS feature class, “LCA\_Comm\_Platted\_Lots.”
- **Infrastructure Gap Parcels:** Properties located within identified infrastructure gaps in Step 0 are not anticipated to achieve the same level or development as properties without infrastructure gaps. These properties will complete Steps 3-8, but they will use alternative growth assumptions (either an alternative FAR or alternative market factor).
  - Using GIS, select all properties where “Infrastructure Gap” is not NULL and “Platted Lot” equals FALSE. Export these properties to a new GIS feature class, “LCA\_Comm\_InfraGap\_Parcels.”
- **Standard Parcels:** Properties not located in an infrastructure gap area are not subject to special considerations and can complete Steps 3-8 without using alternate assumptions.
  - Using GIS, select all properties where “Infrastructure Gap” is NULL. Export these properties to a new GIS feature class, “LCA\_Comm\_Standard\_Parcels.”

**Exhibit 16. Commercial/Industrial Land Supply Data Processing Diagram**



### Step 3. Identify Critical Areas

Critical areas are defined by the GMA generally as wetlands, frequently flooded areas, geologically hazardous areas, fish and wildlife habitat conservation areas, and critical aquifer recharge areas. These are all environmentally sensitive areas that must be protected under GMA and are generally not available for development. This step determines the location of critical areas and applies a mosaic feature that generalizes buffers and required setbacks. Once identified, these areas are deducted from the remaining vacant, partially utilized, and underutilized land supply.

#### CRITICAL AREAS

The methodology for Step 3 is based on Kitsap County's adopted framework for regulating critical areas. Local jurisdictions may include additional environmental constraints or apply different reduction factors, depending on local regulations.

This analysis assumes a percentage of critical areas can be legally developed under the current Critical Areas Ordinance. The likelihood that an area can be developed depends upon the type of environmental sensitivity. This method differentiates "Areas of Moderate Geologic Hazard" and "Critical Aquifer Recharge Areas" from other "Critical Areas" and applies a different partial reduction of acreage for each category when calculating developable land supply. This is because Kitsap County Code (in chapters 19.400 and 19.600 KCC) generally allows development with the submittal of adequate geological or hydrogeological reports; therefore, this analysis includes different reductions for those areas. Additionally, Kitsap County Code (chapter 15.12 KCC) does not generally prohibit development in frequently flooded areas, except in designated floodways, but rather imposes structural building standards. After review of designated floodways in Flood Insurance Rate Maps, most of these areas are located outside of UGAs, are located on public lands, or are notated along DNR typed water courses. The DNR typed watercourses are already included in this reduction factor and so no additional reduction for FEMA flood hazard along streams corridors is included. Should city regulations prohibit or limit development in critical aquifer recharge areas or frequently flooded areas, those jurisdictions should account for and include these areas in the critical area mosaic.

The Critical Areas mosaic represents the areas most highly encumbered by the presence of environmental features. Components of the mosaic include the following critical areas categories:

- **Streams:** Both perennial and seasonal streams, as well as their associated buffer areas.
- **Wetlands:** Delineated wetland areas and their associated buffers, as regulated by the Critical Areas Ordinance.
- **Water Bodies:** Areas of standing water that cover a portion of a parcel, including lakes, ponds, bogs, or saltwater.
- **Hydric Soils:** Inclusion of hydric soils in the critical areas mosaic captures areas that have the potential to be classified as wetlands, even if no formal wetland delineation has been performed.
- **Areas of High Geologic Hazard:** Unstable areas with steep slopes or other geologic characteristics that make them highly unsuitable for development.

Areas of Moderate Geologic Hazard include lands with moderate slopes, seismic concerns, or erosion risks, but they are not as sensitive as the high geologic hazard areas included in the Critical Areas mosaic

and are therefore assigned a lower reduction factor.

Critical Aquifer Recharge Areas (CARAs) include areas that contain hydrogeologic conditions that facilitate aquifer recharge and/or transmit contaminants to an underlying aquifer. Development activities in these areas are regulated by Kitsap County Code (KCC 19.600), with development standards applied based on the sensitivity of the individual CARA.

Exhibit 11 provides a detailed description of each critical areas mosaic component, data sources, associated buffer widths, and land supply reduction factors.

The following sub-steps are applied to the “LCA\_Comm\_Standard\_Parcel” and “LCA\_Comm\_InfraGap\_Parcel” land supply datasets. The “LCA\_Comm\_Platted\_Lots” dataset does not complete Steps 3-6.

### *Step 3.1: Construct Critical Areas Mosaic*

For each class of critical area (streams, water bodies, wetlands, hydric soils, and geologic hazards), apply the following GIS operations:

- Buffer features according to adopted buffers and setbacks, as established in the latest Critical Areas Ordinance.
- With the exception of Moderate Geologic Hazard area and Critical Aquifer Recharge Areas, dissolve all critical area and buffer/setback areas to create a single Critical Areas polygon.
- Dissolve all Moderate Geologic Hazard features and associated buffer/setback areas to create a single polygon.
- Dissolve all Critical Aquifer Recharge Area features to create a single polygon.

### *Step 3.2: Overlay Critical Areas Mosaic on Parcel Base*

- Select Vacant and Under-Utilized parcels and dissolve to create an aggregated Developable Lands GIS feature class. The dissolve operation should respect LCA classification, zoning, and any infrastructure gaps identified in Step 0. Ensure that the resulting feature class maintains the following attributes:
  - LCA Classification;
  - Zoning;
  - Infrastructure gap type; and
  - Infrastructure FAR limit or alternate market factor (identified as part of Step 0.2).
- Overlay the Critical Areas polygon, the Areas of Moderate Geologic Hazard polygon, and the Critical Aquifer Recharge Areas polygon with the aggregated Developable Lands feature class. Perform a union of these four datasets to generate an updated Developable Lands feature class consisting of the following:
  - Areas with no environmental constraints;
  - Critical Areas;

- Areas of Moderate Geologic Hazard; and
- Critical Aquifer Recharge Areas.
- Areas of environmental constraint that do not intersect Vacant or Under-Utilized parcels should be excluded from the updated Developable Lands feature class.
- At this point, the GIS feature class can be exported into a tabular format for additional spreadsheet-based operations in Microsoft Excel or a similar program. Subsequent steps will refer to this as the “Buildable Lands table.”

### *Step 3.3: Apply Critical Area Reductions*

- Add a “Developable Acres” column to the Buildable Lands table. This column represents the baseline aggregate acreage available for development after consideration of critical areas and is calculated in the following steps. Further deductions for roads, infrastructure, and public uses will be applied in Steps 4-7.
- For each record in the Buildable Lands table, calculate developable acres as follows:
  - For areas without environmental constraints, set equal to total acreage of the polygon.
  - For areas impacted by Critical Areas, set Developable Acres to 25% of overall polygon acreage (75% reduction).
  - For areas impacted by Areas of Moderate Geologic Hazard, set Developable acres to 50% of overall polygon acreage (50% reduction).
  - For areas impacted by Critical Aquifer Recharge Areas, set Developable acres to 75% of overall polygon acreage (25% reduction).

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## Assumptions for Mixed-Use Zones

Commerce Guidelines emphasize the importance of not duplicating residential and employment capacity in mixed use zones. Local jurisdictions may estimate future residential capacity in mixed use zone based on achieved residential densities (counting total residential units built per acre after deducting critical areas) or by dividing the land base proportionally between residential and commercial uses based on floor area ratios (page 25-27, including figure 8).

Local jurisdictions are encouraged to develop their own assumptions based on local conditions, observed trends, example developments where there is no recent history, and/or mixed-use development regulations. To ensure that development capacity is not over- or under-counted, the residential and non-residential percentage assumptions for each zone (see County examples in Exhibit 17) **must** sum to 100%.

## Considerations for Vertical Mixed-Use Development

In the example of vertical mixed-use areas, both residential and commercial densities should be calculated using total acreage.

For example, residential density would be calculated as total housing units divided by total acreage. Commercial FAR would be calculated as total developed commercial square footage divided by total acreage. These calculated densities can then each be applied to total developable acreage in the mixed-use zone to estimate residential and commercial capacity, without using an acreage split. If local jurisdictions choose to address mixed use in this way, the adjustment to developable acreage described in Step 3.4 should not be implemented.

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### *Step 3.4: Adjust Developable Acres for Mixed-Use Zones*

In mixed-use zones where new development is assumed to be single use (residential or commercial, not vertical mixed-use), jurisdictions should consider the proportion of developable land that is anticipated to

be developed for residential versus commercial uses, based on densities allowed, achieved, and assumed. Special considerations for calculating capacity for vertical mixed-use development are described in the sidebar.

For areas with mixed-use zoning, developable acreage (as calculated in Step 3.3) should be adjusted to account for areas assumed not to develop for commercial or industrial use. Exhibit 17 shows example assumptions for mixed-use zoning in unincorporated Kitsap County.

**Exhibit 17. Mixed-Use Zoning Residential-Commercial Proportion Assumptions**

Zoning	Percent Residential	Percent Non-Residential
Urban Village Center (UVC)	50%	50%
Regional Center (RC)	50%	50%
Low Intensity Commercial (LIC)	50%	50%

For mixed-use zones only, re-calculate Developable Acres as follows:

- $\text{Developable Acres} = \text{Developable Acres (Step 3.3)} \times \text{Percent Non-Residential Assumption}$

**Exhibit 18. Parameters for Identifying Critical Area Reductions**

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Streams</b>					
DNR Water-courses	S: All waters, within their bankfull width, as inventoried as “shoreline of the state” under chapter 90.58 RCW (Segments of Big Beef Creek, Curley Creek, Chico Creek, Burley Creek, Union River, Blackjack Creek and Tahuya River)	200 feet	15 feet beyond buffer	75%	WCHYDRO contains watercourses represented as arcs or lines created by the Washington State Department of Natural Resources. These occur

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<b>F:</b> Segments of natural waters other than Type S Waters, which are within the bankfull widths of defined channels and periodically inundated areas of their associated wetlands or within lakes, ponds or impoundments having a surface area of 0.5 acre or greater at seasonal low water and which in any case contain fish habitat.	150 feet	15 feet beyond buffer	75%	alone as single arc watercourses representing streams, ditches, or pipelines, or as centerlines through water body polygons such as double-banked streams, lakes, impoundments, reservoirs, wet areas, or glaciers. Also included are areas where the Wild Fish Conservancy has field-surveyed streams, where accessible, for fish presence and overall condition.
	<b>NP:</b> Segments of natural waters within the bankfull width of defined channels that are perennial nonfish habitat streams. Perennial streams are flowing waters that do not go dry any time of the year of normal rainfall.	50 feet	15 feet beyond buffer	75%	
	<b>NS:</b> Segments of natural waters within the bankfull width of defined channels that are not Type S, F or Np Waters. These are seasonal, nonfish habitat streams in which surface flow is not present for at least some portion of the year of normal rainfall.	50 feet	15 feet beyond buffer	75%	
<b>Wetlands</b>					
Wetlands	<b>Category I:</b> Category I wetlands include, but are not limited to, wetlands that represent rare or unique wetland types, those that are more sensitive to disturbance than most wetlands, those that are relatively undisturbed and contain ecological attributes that are impossible to replace within a human lifetime, or those that provide a high level of function. Category I wetlands score twenty-three points or more out of twenty-seven on the wetlands ratings system.  <i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i>	92.5 feet		75%	All wetland delineations are done in accordance with the approved federal wetland delineation manual and applicable regional supplement. All areas within the county that meet the wetland designation criteria are designated critical areas and are subject to the provisions of Kitsap County Code

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p><b>Category II:</b> Category II wetlands are those wetlands that are more difficult to replace and provide high levels of some functions. Category II wetlands score between twenty and twenty-two points out of twenty-seven on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p> <hr/> <p><b>Category III:</b> Category III wetlands are those wetlands with a moderate level of function and can often be adequately replaced with mitigation. Category III wetlands score between sixteen and nineteen points on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p> <hr/> <p><b>Category IV:</b> Category IV wetlands have the lowest level of function and are often heavily disturbed. Category IV wetlands score less than sixteen points out of twenty-seven on the wetlands ratings system.</p> <p><i>(Washington State Wetland Rating System for Western Washington, revised 2014, or as hereafter amended)</i></p>				<p>Title 19 – Critical Areas Ordinance.</p> <p>Through personal communication with environmental review staff, the most common wetland categories found in urban areas are Category III and IV wetlands. The characteristics of these common wetland types were moderate level of function. In very rare circumstances since the adoption of the 2017 CAO, low functioning/value Category II were delineated. Discussion was also held on common modifications of buffer standards allowed in code. This includes buffer averaging, administrative buffer reductions of 25% or less (Type II decision) or if greater than a 25% buffer reduction, buffer variance approved by the Hearings Examiner (Type III decision).</p> <p>To calculate average buffer widths, the most common wetland category found in urban areas was used (Category III to IV). The range of buffer widths from moderate functioning wetlands are 75ft to 110ft, with average at 92.5 feet.</p>

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Water Bodies</b>					
Water Bodies	<ul style="list-style-type: none"> <li>▪ <b>Bay, Estuary, Ocean or Sea</b> (Water Body cartographic feature code: 116)</li> <li>▪ <b>Lake, Pond, Reservoir, Gravel pit or quarry filled with water</b> (Water Body cartographic feature code: 421, 101, 402)</li> <li>▪ <b>Marsh, wet area, swamp or bog</b> (Water Body cartographic feature code: 111)</li> </ul>			75%	WBHYDRO contains water body polygons, such as double-banked streams, lakes, impoundments, reservoirs, wet areas, or glaciers. The purpose of including these features in the mosaic is to ensure that isolated water areas (such as lakes, ponds, or bogs) not covered by other categories are properly accounted for and removed from the land supply.
<b>Hydric Soils</b>					
Department of Natural Resources Soil Survey	<p><b>Soil Description:</b></p> <ul style="list-style-type: none"> <li>▪ Bellingham silty clay loam</li> <li>▪ McKenna gravelly loam</li> <li>▪ Mukilteo peat</li> <li>▪ Norma fine sandy loam</li> <li>▪ Semiahmoo muck</li> <li>▪ Shalcar muck</li> <li>▪ Shelton-McKenna complex</li> <li>▪ 0-10 percent slope</li> <li>▪ Tacoma silt loam</li> </ul>			75%	Potential wetlands

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Geohazards</b>					
Geohazard	<p><b>Areas of High Geologic Hazard:</b></p> <p>a) Areas with slopes greater than thirty percent and mapped by the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County as "Unstable" (U), "Unstable Old Land Slides" (UOS) or "Unstable Recent Slides" (URS).</p> <p>b) Areas deemed by a Geologist to meet the criteria.</p>			75%	The GEOHAZARDS feature class is a union of the DNR & Natural Resource Conservation Service's (SCS) 1980 Soil Survey for Kitsap County and the soil STABILITY classification from the 1979 "Quaternary Geology and Stratigraphy of

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p><b>Areas of Moderate Geologic Hazard:</b></p> <p>a) Areas designated U, UOS, or URS in the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County, with slopes less than thirty percent; or areas found by a qualified geologist to meet the criteria for U, URS, and UOS with slopes less than thirty percent; or</p> <p>b) Slopes identified as "Intermediate" (I) in the Coastal Zone Atlas or Quaternary Geology and Stratigraphy of Kitsap County, or areas found by a qualified geologist to meet the criteria of I; or</p> <p>c) Slopes fifteen percent or greater, not classified as I, U, UOS, or URS, with soils classified by the Natural Resources Conservation Service as "highly erodible" or "potentially highly erodible;" or</p> <p>d) Slopes of fifteen percent or greater with springs or groundwater seepage not identified in Items 1 and 2, above; or</p> <p>e) Seismic areas subject to liquefaction from earthquakes (seismic hazard areas) such as hydric soils as identified by the Natural Resources Conservation Service, and areas that have been filled to make a site more suitable. Seismic areas may include former wetlands which have been covered with fill.</p>			50%	Kitsap County" thesis work by Jerald Deeter.

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Critical Aquifer Recharge Areas (CARAs) - OPTIONAL</b>					

<p>CARA</p>	<p><b>Critical Aquifer Recharge Area:</b></p> <p>a) <b>Category I Critical Aquifer Recharge Areas.</b> Category I critical aquifer recharge areas are those areas where the potential for certain land use activities to adversely affect groundwater is high. Category I critical aquifer recharge areas include:</p> <ol style="list-style-type: none"> <li>1) Areas inside the five-year time of travel zone for Group A water system wells, calculated in accordance with the Washington State Wellhead Protection Program.</li> <li>2) Areas inside the ten-year time of travel zones in wellhead protection areas when the well draws its water from an aquifer that is at or above sea level and is overlain by permeable soils without any underlying protective impermeable layer.</li> <li>3) Areas identified as significant recharge areas due to special circumstances or identified in accordance with WAC 365-190-100(4) as aquifer areas of significant potable water supply with susceptibility to groundwater contamination, including but not limited to the following: <ul style="list-style-type: none"> <li>▪ Hansville Significant Recharge Area. The Hansville aquifer is a significant potable water supply that is highly susceptible to the introduction of pollutants. Additional information regarding this aquifer is available from the Kitsap public utility district.</li> </ul> </li> </ol>		<p>25%</p>	<p>Critical Aquifer Recharge Areas” (CARAs) are those land areas that contain hydrogeologic conditions that facilitate aquifer recharge and/or have the ability to transmit contaminants to an underlying aquifer.</p> <p>Category I CARAs are areas where the potential for certain land use activities to adversely affect groundwater is high. Category II CARAs are areas that provide recharge effects to aquifers that are current or potentially will become potable water supplies and are vulnerable to contamination based on the type of land use activity.</p> <p>In unincorporated Kitsap County, a CARA designation may prohibit certain land use activities that pose a threat to groundwater quality, which can influence or prohibit certain types of development. Depending on the proposed land use, a CARA designation may also mandate a hydrogeological analysis and enhanced review, which may have cost implications for an applicant. The analysis may also identify use-specific controls, mitigation, or other conditions of approval, which also may have cost implications. Such costs</p>
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Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
					<p>are appropriately considered as part of the market factor (in addition to any other costs to address other site-specific conditions).</p> <p>Based on permit staff interviews, however, there is no evidence to suggest that the presence of a CARA of either category has categorically prohibited commercial or industrial development on any given lot in the past. Based on that experience, a critical area reduction of 0% is recommended for both Category I and II CARAs in unincorporated Kitsap County.</p>

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<ul style="list-style-type: none"> <li>▪ Seabeck Significant Recharge Area. The Seabeck aquifer is a significant potable water supply that is being developed for use in central and north Kitsap County. Additional information regarding this aquifer is available from the Kitsap public utility district.</li> <li>▪ Island Lake Significant Recharge Area. The Island Lake aquifer is a significant potable water supply for the Silverdale area. Additional information regarding this aquifer is available from the Silverdale water district.</li> <li>▪ Gorst Significant Recharge Area. Aquifers in the Gorst basin are highly susceptible to the introduction of pollutants and provide significant potable water supplies for the city of Bremerton.</li> <li>▪ Poulsbo Significant Recharge Area. The Poulsbo aquifer is highly susceptible to the introduction of pollutants and provides a significant potable water supply for the Kitsap public utility district and city of Poulsbo.</li> </ul> <p>4) The department may add, reclassify or remove Category I critical aquifer recharge areas based on additional information about areas of significant potable water supply with susceptibility to groundwater contamination or supply reduction, or based on changes to sole source aquifers or wellhead protection areas as identified in wellhead protection programs.</p>				

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p>b) <b>Category II Critical Aquifer Recharge Areas.</b> Category II critical aquifer recharge areas are areas that provide recharge effects to aquifers that are current or potentially will become potable water supplies and are vulnerable to contamination based on the type of land use activity. The general location of these areas is available on the Kitsap County geographic information system. Category II critical aquifer recharge areas include:</p> <ol style="list-style-type: none"> <li>1) Highly permeable soils (Group A hydrologic soils). The general location and characteristics of Group A hydrologic soils in Kitsap County are given in the Soil Survey of Kitsap County by the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS). The soil survey information is available on the Kitsap County geographic information system (GIS).</li> <li>2) Areas above shallow aquifers or surface areas that are separated from the underlying aquifers by an impermeable layer that provides adequate protection from contamination to the aquifer(s) below. The general location of shallow aquifers in Kitsap County is based upon the professional judgment of licensed hydrogeologists with knowledge of the area. The location of shallow aquifers is available on the Kitsap County geographic information system (GIS).</li> </ol>			25%	See above.

Type	Type Description	Buffer Width	Minimum Building Setback	% Reduction	Comment
	<p>3) Areas above the Vashon aquifer. Surface areas above the Vashon aquifer that are not separated from the underlying aquifers by a poorly permeable layer that provides adequate protection to preclude the proposed land use from contaminating the Vashon aquifer below. Vashon aquifers in Kitsap County are typically mapped as “Qva” (Vashon advance aquifer) or “Qvr” (Vashon recessional aquifer) on geologic maps. Best available information concerning the location of Vashon aquifers is available on the Kitsap County geographic information system (GIS).</p> <p>4) Areas with high concentration of potable water supply wells.</p> <p>5) The department may add, reclassify or remove Category II critical aquifer recharge areas based on additional information about areas of potential potable water supply with susceptibility to groundwater contamination or supply reduction, or based on changes to sole source aquifers or wellhead protection areas as identified in wellhead protection programs.</p>				

Source: Kitsap County, 2021.

#### Step 4. Identify Future Roads/Right of Way Needs

Roads, right of way, and traffic mitigation are necessary for new development, particularly undeveloped properties. The LCA applies a deduction for future road needs after accounting for environmentally critical areas in Step 3. Road and right of way deductions necessary for a given development project can depend on a variety of factors, including level of serve for roadway segments and intersections, site characteristics, environmental features, and permitting requirements. The standard deduction used here is based on review of permit trends and code requirements in unincorporated Kitsap County. Modifications to these assumptions may be necessary in more urban areas, and cities are encouraged to develop custom deductions that best fit their circumstances. Local customizations made as part of Step 4 of the Residential LCA should be incorporated here.

The following applies to the “LCA\_Comm\_Standard\_Parcel” and “LCA\_Comm\_InfraGap\_Parcel” land supply datasets. The “LCA\_Comm\_Platted\_Lots” dataset does not complete Steps 3-6.

For each record in the Buildable Lands table, calculate deductions for future roads and right-of-way as follows:

- Add column “ROW Deduction.”
- Calculate deduction according to the following formula:
  - “ROW Deduction” = 20% of “Developable Acres”

### Step 5. Identify Future Public Facility Needs

After accounting for new roads, right of way, and traffic mitigation in Step 4, the LCA further deducts land necessary for construction of public facilities and other on-site improvements needed to serve new development, such as utility easements, on-site stormwater detention facilities, tree retention, trails, common open space and other on-site facilities required by development regulations. The deduction for these facilities should be taken based on the remaining buildable area after the road/right of way deduction is applied. The standard deduction used here is based on review of permit trends and code requirements in unincorporated Kitsap County. The following applies to the “LCA\_Comm\_Standard\_Parcel” and “LCA\_Comm\_InfraGap\_Parcel” land supply datasets. The “LCA\_Comm\_Platted\_Lots” dataset does not complete Steps 3-6.

For each record in the Buildable Lands table, calculate deductions for future public facilities as follows:

- Add column “PubFac Deduction.”
- Calculate deduction according to the following formula:
  - “PubFac Deduction” = 20% of (“Developable Acres” – “ROW Deduction”)

### Step 6. Account for Unavailable Lands (Market Factor)

In addition to land needed for public infrastructure, some percentage of otherwise developable land is likely to remain unavailable due to market conditions and landowner intent. In general, Commerce Guidance indicates larger urban jurisdictions with significant development and redevelopment activity observed or expected will likely find and assume lower market supply factors. Other jurisdictions not anticipating substantial redevelopment and/or still experiencing urbanization of unimproved areas will likely assume higher market supply factors (page 41).

The following sub-steps apply to the “LCA\_Comm\_Standard\_Parcel” and “LCA\_Comm\_InfraGap\_Parcel” land supply datasets. The “LCA\_Comm\_Platted\_Lots” dataset does not complete Steps 3-6.

#### Step 6.1. Identify Primary Non-Residential Product Type for Each Zone

Assign an employment product type (Commercial or Industrial) to each zone based on anticipated predominant uses. The product type assigned should represent the predominant non-residential building typology and use that is likely to be developed for that zone, based either on past buildout or what is envisioned and supported by development regulations and requirements.

## Exhibit 19. Commercial/Industrial Product Type Examples

Product Type	Description/Application	Illustrative Examples
Commercial	Inclusive of all nonindustrial commercial uses. Appropriate to apply in mixed use areas where the commercial use is the predominant use inclusive of instances where mixed residential is allowed but commercial component is primary.	Retail and office development (standalone or mixed).  Commercial components of residential mixed-use products.
Industrial	Industrial facilities inclusive of manufacturing, warehousing, distribution, and light industrial facilities.	Heavy industrial and manufacturing, warehousing, and logistics development, light industrial and flex industrial facilities.

Source: Heartland, 2021.

### Step 6.2. Identify Market Factor Range by Geography

For each record in the Buildable Lands table:

- Add column “Market Factor Range.”
- Assign the applicable non-residential market factor range for each zone based on its geographic location and assigned Product Type, according to the market factor matrix contained in Appendix B – Market Factor Guidance:
  - Low (5-20%);
  - Medium (20-35%); or
  - High (35-50%).

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The market factor ranges in the Appendix account for the expected rate of absorption of land supply development over the next 20 years. In other words, it accounts for the percentage of land that is unlikely to develop due to market conditions and demand. Therefore, a high assumed market factor means barriers to development may exist that could impact additional growth in that jurisdiction within the 20-year planning period.

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### Step 6.3. Establish Specific Market Factor Based on Local Conditions.

Step 6.3 provides a framework for selecting a final market factor from within the range assigned in Step 6.2, based on specific local conditions. A detailed discussion of conditions that warrant adjustments to market factors is contained in Appendix B – Market Factor Guidance; the conditions include the following:

- Vacant vs. Under-Utilized lands;
- Local market conditions;
- Known parcel size and assemblage challenges;
- Restrictive covenants that run with the land and limit how development may occur;
- Transit accessibility;
- Infrastructure limitations; and

- Areas designated as Growth Centers.

Local jurisdictions should review and incorporate these criteria when setting their local market factors and document their assumptions for each zone and geographic area.

For each record in the Buildable Lands table:

- Add 2 columns: “Market Factor Final” and “Market Deduction.”
- For the “LCA\_Comm\_Standard\_Parcels” dataset:
  - Apply the criteria in Appendix B – Market Factor Guidance and set “Market Factor Final” equal to the finalized market factor.
  - Calculate “Market Deduction” as:  
 $(\text{“Developable Acres”} - (\text{“ROW Deduction”} + \text{“PubFac Deduction”})) \times \text{“Market Factor Final”}$
- For the “LCA\_Comm\_InfraGap\_Parcels” dataset:
  - If an alternative market factor was established in Step 0, set “Market Factor Final” equal to this value.
  - If no alternative market factor was established in Step 0, apply the criteria in Appendix B – Market Factor Guidance and set “Market Factor Final” equal to the finalized market factor.
  - Calculate “Market Deduction” as:  
 $(\text{“Developable Acres”} - (\text{“ROW Deduction”} + \text{“PubFac Deduction”})) \times \text{“Market Factor Final”}$

## Step 7. Determine Available Net Acres

This step calculates Net Available Acres by applying the deductions from Steps 4-6 to the Developable Acres calculated in Step 3. Add a new column to the Buildable Lands table, “Net Acres,” and calculate for each record as follows:

- “LCA\_Comm\_Standard\_Parcels” and “LCA\_Comm\_InfraGap\_Parcels” land supply datasets:
  - “Net Acres” = “Developable Acres” – (“ROW Deduction” + “PubFac Deduction” + “Market Deduction”)
- “LCA\_Comm\_Platted\_Lots” dataset:
  - Calculate net acreage by development classification:  
 “Net Acres” = 100% of platted parcel area. Step 8. Apply FAR in each Zone to Calculate Building Square Footage Capacity

### Step 8.1. Calculate Gross Commercial/Industrial Square Footage Capacity

Gross building square footage capacity is calculated by applying Floor Area Ratio (FAR) assumptions for each zone to net available acres. FAR is a ratio that compares the total area of a building to the total area of the building site. For example, a 5,000 square-foot building on 10,000 square-foot lot would have a FAR of 0.5. Multi-story buildings in dense urban areas may have FARs greater than 1.0 if the total square footage of all floors is greater than the size of the development site.

FAR assumptions may be based on a combination of development regulations (for jurisdictions that have adopted FAR standards for commercial and industrial development) or a combination of historical achieved building square footage in the zone. For jurisdictions that do not use FAR standards to regulate non-residential development, FAR equivalents can be developed based on other development standards, such as setbacks, height limits, and parking and open space requirements. Jurisdictions may further adjust these assumptions based on other factors, including whether zoning or development regulations have recently changed, infrastructure investments or other amenities that change market conditions, and market trends. Also, in mixed-use zones where development is assumed to be single-use (residential or commercial, not vertical mixed-use), jurisdictions should consider the proportion of developable land that is anticipated to be developed for commercial versus residential uses.

Local jurisdictions should set their own assumptions based on each community's zoning scheme and historical trends, and each jurisdiction should provide a description/rationale for the assumptions used in their analysis.

Calculate Gross Building Square Footage Capacity for each record in the three land supply datasets as follows:

- **“LCA\_Comm\_Standard\_Parcels”:**
  - Use standard FAR assumptions by zone.
  - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Standard Assumed FAR}$
- **“LCA\_Comm\_InfraGap\_Parcels”:**
  - If alternate FAR assumptions were established in Step 0:
    - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Alternate FAR}$

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### Floor Area Ratio (FAR) and Alternative Assumptions

Floor Area Ratio (FAR) is a flexible way to measure the overall amount of development on a site. FAR standards for commercial and mixed-use zones allow jurisdictions to regulate overall building intensity while allowing flexibility on building height and site coverage. However, this does require collection of detailed information on building square footages. For jurisdictions that do not regulate FAR by zone, alternative assumptions may be developed for this analysis.

Maximum site coverage can serve as a proxy for FAR, with certain considerations:

- Site coverage limits should be based only on building footprints, not including parking lots or other paved outdoor areas.
- In zones predominantly characterized by single-story development, site coverage will be comparable to FAR. If multi-story development is likely, jurisdictions should consider multiplying the site coverage assumption by the number of floors expected to avoid undercounting available building area.

If jurisdictions develop alternative assumptions based on site coverage, these can be substituted for FAR in the calculations described in Step 8.1.

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- If alternate density assumptions were not established in Step 0:
  - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Standard Assumed FAR}$
- **“LCA\_Comm\_Platted\_Lots”:**
  - If “Infrastructure Gap” is NULL, calculate gross capacity using standard assumed densities by zone.
    - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Standard Assumed FAR}$
  - If “Infrastructure Gap” is not NULL, calculate gross capacity similar to “LCA Comm\_InfraGap\_Parcel” above:
    - If alternative FAR assumptions were established in Step 0:
      - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Alternate FAR}$
    - If alternative density assumptions were not established in Step 0:
      - $\text{Gross Building Square Footage Capacity} = \text{Net Acres} \times \text{Standard Assumed FAR}$

### *Step 8.2. Calculate Net Commercial/Industrial Square Footage Capacity*

After applying FAR assumptions, aggregate gross building square footage capacity by zone. Net capacity by zone is calculated by subtracting existing commercial and industrial square footage on Under-Utilized properties in each zone:

- $\text{Net Building Square Footage Capacity} = \text{Gross Building Square Footage Capacity} - \text{Existing Commercial/Industrial Space}$

### *Step 8.3. Address Pipeline Development*

After Net Commercial/Industrial Square Footage Capacity is calculated for each zone, adjust for pipeline development that was set aside in Step 1. Development projects approved after the January 1, 2020 cutoff date and approved master planned or phased development should be included. Calculate pipeline commercial/industrial square footage for each zone as follows:

- **Finalized land use permits or development proposals:** Total proposed commercial/industrial square footage as approved by permit; and
- **Approved master planned or phased development:** If the property was set aside as “Pipeline” in Step 1 and assigned an approved FAR, calculate building square footage yield based on property acreage and approved FAR.

After calculating Pipeline square footage by zone, add to Net Commercial/Industrial Square Footage Capacity by zone.

## **Step 9. Apply Employment Density by Zone to Determine Employment Capacity**

This final step is to convert net commercial and industrial building square footage to a measurable capacity for accommodating job growth. To do this, jurisdictions must select appropriate assumptions regarding the average square footage per job expected within new nonresidential development. This

metric can vary widely by building type or employment sector. For example, warehouses devote a great deal of square footage to storing inventory or other goods, and therefore they typically require considerably more square footage per job than office space. Therefore, average employment density assumptions should reflect the range and types of job growth that are expected in an area.

This guidance provides default assumptions that are appropriate for use in many areas of Kitsap County. Jurisdictions may wish to customize assumptions in some zones or areas based on local circumstances. See the text box in Step 9.2 for a discussion of considerations for customization.

### *Step 9.1 Classify each Zone as Either Commercial or Industrial*

Similar to Step 6.1, jurisdictions should determine the predominant nonresidential development type expected in each zone: either commercial or industrial. In mixed-use zones where residential is allowed, jurisdictions should typically select commercial. If the zone is expected to receive a mix of both commercial and industrial development, pick the predominant type or consider developing customized assumptions.

### *Step 9.2 Select Employment Density Assumptions for Commercial and Industrial Zones*

Typically, employment density assumptions are applied for each zone within a jurisdiction. In the 2014 BLR, Kitsap County assumed the following:

- 500 sq. ft./job in all commercial zones
- 969 sq. ft./job in all industrial zones

These values are within the range of measured employment densities found within other parts of the Central Puget Sound region and are appropriate for use in areas of Kitsap County where the mix of future nonresidential development and job growth is expected to look fairly similar to trends over the past 10 years. Alternative assumptions may be more appropriate in some locations such as the PSRC designated Regional Growth Centers of Bremerton and Silverdale, particularly in downtowns where a higher proportion of nonresidential development is expected to be in office space, food service, and other uses that require less space per job. See the textbox below for guidance for selecting customized employment density assumptions. Note below that commercial assumptions can also include considerations for other non-industrial employment, such as public education and government jobs that may be found in comparable types of space.

## Customizing Employment Density Assumptions

Current statutes and regulations (RCW 36.70A.215 and WAC 365.196.315) and the Commerce Guidelines do not provide specific requirements for employment density calculations. Jurisdictions have the discretion to develop assumptions consistent with local circumstances, provided they document the rationale. The table below provides recommended ranges for commercial and industrial employment densities, as well as considerations for selecting alternative density assumptions.

Zone Type	Recommended Range (square foot per job)	Considerations for Selecting Density Assumptions
Commercial/ Non-Industrial	300–600	<p>Select a value at the <b>lower end</b> of this range if you expect a significant portion of future growth to include the following types of uses:</p> <ul style="list-style-type: none"> <li>▪ <b>Restaurant and smaller-format retail uses.</b> This includes commercial uses in mixed-use buildings.</li> <li>▪ <b>Office space.</b> Some personal and professional services may have specialized space needs (e.g., on-site storage and warehousing).</li> <li>▪ <b>Hospital and medical office.</b> These uses will tend to be low- to mid-range, with medical offices requiring slightly more space per employee than standard office spaces.</li> </ul> <p>Select a value at the <b>higher end</b> of this range if you expect a significant portion of future growth to include the following types of uses:</p> <ul style="list-style-type: none"> <li>▪ <b>Large-format retail</b> (e.g., “big box” stores) and <b>wholesale trade.</b></li> <li>▪ <b>Accommodations</b> (e.g. hotels, motels). These uses typically have employment densities above this range and will increase estimates for overall space requirements per employee in an area.</li> </ul> <p>Space needs of other land use types can vary:</p> <ul style="list-style-type: none"> <li>▪ <b>Recreation.</b> These uses are highly variable in their space requirements, and may depend on the nature of the activities and whether outdoor recreation is involved. If relevant, these should be evaluated on a case-by-case basis.</li> <li>▪ <b>Government, educational, and institutional.</b> Employment capacity will depend on the type of expected uses. Back-end office functions may require less space, comparable to commercial office space. Classrooms, meeting/gathering rooms, auditoriums, and specialized facilities will significantly increase the expected space per employee.</li> </ul>
Industrial	700–1,200	<p>Select a value at the <b>lower end</b> of this range if you expect a significant portion of future growth to include the following types of uses:</p> <ul style="list-style-type: none"> <li>▪ <b>Manufacturing.</b> These uses are expected to be at the low end of this range but may be dependent on specific activities that require on-site storage or additional space (e.g., heavy equipment manufacturing).</li> </ul> <p>Select a value at the <b>higher end</b> of this range if you expect a significant portion of future growth to include the following types of uses:</p> <ul style="list-style-type: none"> <li>▪ <b>Warehousing and logistics.</b></li> <li>▪ <b>Mini-warehousing</b> (e.g., consumer-oriented, small-unit storage facilities) and <b>data centers.</b> These typically have the highest square footage per employee of any land use (in some cases, around 10,000 square feet per employee). Significant growth in these types of uses would increase average employment density assumptions to the highest end of this range.</li> </ul>

### *Step 9.3 Divide Net Square Foot Capacity by Employment Density to Calculate Employment Capacity*

For each zone, employment capacity is derived by dividing the net square foot capacity calculated in Step 8.2 by the selected employment density assumption from Step 9.2.

- Employment Capacity = Net Building Square Footage / Assumed Employment Density

Appendix B  
Market Factor Guidance

# Kitsap County Land Capacity Analysis Market Factor Guidance

*DRAFT* August 20, 2021



HEARTLAND



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## Intro and Purpose

The Market Factor, also known as the Market Supply Factor, is a final adjustment to the buildable land supply that follows other deductions that account for critical areas, infrastructure gaps, right of way, and future public facilities. It accounts for the percentage of buildable land that is unavailable or infeasible to develop during the 20-year planning period. Historically, it has been used as a proxy to account for landowner preferences and unwillingness to sell, with various methodologies and approaches employed to develop and inform the assumption. As stated in the Department of Commerce's 2018 Buildable Lands Guidelines:

*Over a 20-year planning period, not all land will be available for development or redevelopment, no matter how suitable. One key constraint on property availability is market availability, or whether land will transact for purpose of development or redevelopment. Owners of property that could be developed or redeveloped may have no interest in selling or developing over an extended period of time for any number of reasons.*

E2SSB-5254 introduced new language regarding the overall buildable lands reporting requirements including new recommendations related to Market Factor assumptions. As part of Kitsap County's 2020/2021 updated Land Capacity Analysis the County is seeking guidance on development of Market Factor assumptions for municipalities and Urban Growth Areas (UGA) across the County.

## Definition of Market Factor

**Department of Commerce Guidelines.** Several definitions of Market Factor are discussed in the Department of Commerce's 2018 Guidance Publication (see *Buildable Lands Guidelines, 2018*). Included are several references to the Revised Code of Washington (RCW) as well as the Washington Administrator Code (WAC). Overall, the guidelines describe Market Factor as:

*Market Supply Factor is the estimated percentage of developable land contained within an urban growth area that is likely to remain unavailable over the course of a 20-year planning period and is, in practice, the final non-developable land deduction when calculating lands suitable for development and redevelopment.*

## Process Overview

The following is an overview of the process utilized to develop Market Factor guidance for Kitsap County.

- Review Commerce guidance and past studies/methodologies
- Explore and evaluate potential methodologies, data sources and implementation frameworks
- Develop a framework for each City to evaluate and select a Market Factor assumption
- Recommended Market Factors for application across Kitsap County
- Create a "menu" of options organized by geography and product typologies
- Provide additional discussion and recommendations related to specific conditions that may impact the Market Factor assumption

## Objectives

- Provide an improved framework and methodology for determining and applying a Market Factor
- Better reflect market realities present across the County
- Facilitate a clear process and resource for Cities to leverage

## Approach to market factor in Kitsap County

- Analyze development patterns over the last 20 years by market area/jurisdiction and product type
  - What was delivered over the last 20 years by product type?
  - How do historical rates of deliveries align with capacity *historically* planned in the area?
  - Leverage this data to inform market factor recommendations
- Provide recommendations for determining market factor based on:
  - Product type, jurisdiction type, market conditions
  - Historical assumptions
  - Other known market constraints

## Why use this approach?

- To inform a market factor assumption, we're using historic product delivery and projected capacity for that product to derive a more realistic market factor assumption
- Historic deliveries by product type data is the best proxy for the nexus of real estate market conditions, willingness to sell and other factors that limit the development of land
- ***Using this approach Market Factor assumptions can account for inefficiencies in the delivery of housing and commercial square footage and lack of availability of land***

## Methodology Overview

The following outlines the key steps leveraged in the approach and methodology to determining and selecting Market Factor ranges.

### 1: Establish the Market Factor Indicator through analysis of historical deliveries and the planned capacity for the coming twenty-year planning period.

Measurements: 5-year avg. deliveries  
Cities' Planned capacity

Regional

Geographies: Kitsap County Cities and UGAS, PSRC Regional Geographies classifications.

Data Sources: - County Parcel Data  
- 2014 Kitsap BLR Data  
- 2016 Comp Plan Update  
- PSRC Regional Geographies

Output: Market factor indicators informing recommended ranges for all geographies and product types

#### Process:

- Assemble and evaluate past deliveries by evaluating the 5-year and 20-year average deliveries. These are used to project trends into the future.
- Evaluate Capacity Projections (2014 BLR, 2016 Comp Plan)
- Create an indicator by extending the 5-year delivery trend over the 20-year forward planning period and express as a percent of capacity. This gives an indication of what percentage of the planned capacity will be absorbed over the coming years. This indication can also be used to calculate what percentage of capacity does NOT develop over the 20-year planning horizon, which serves in this analysis as an *indicator* for market factor. The values from this analysis informed Market Factor Range recommendations but were not used to directly calculate Market Factors.

### 2: Establish Market Factor Ranges for select Cities and UGAs

In the next step, cities were sorted into Low/Med/High Market Factor Range, based on the relationship of their Market Factor Indicators for each Product-type.

- Market price data (rents, median house prices) are used to inform how these ranges should be distributed among Market Factor Alignments

#### Range Bounds

- **Lower = 5%** To account for the unmeasurable variables.
- **Upper = 50%** Adjusting deliveries for projected growth across the County (for both Single Family and Multifamily product), the countywide market indicator aligns with a 50% upper range bound.
- **Range Segmentation:**  
This analysis separates the ranges into three segments evenly distributed within the upper and lower bounds (low/medium/high).
- The Market Factors Range bounds used in previous buildable lands analyses (referenced in **Appendix**) also helped inform the upper and lower market factor range bound.

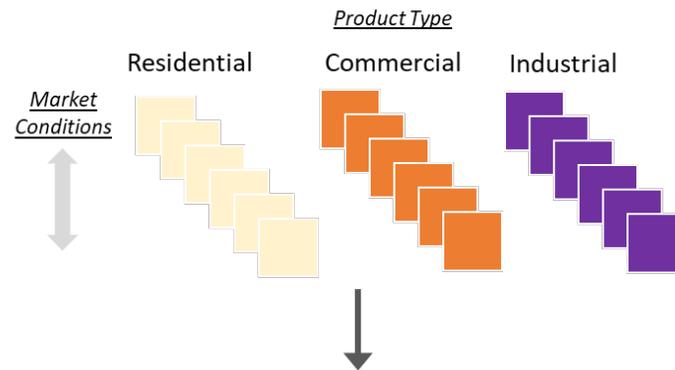
### 3: Adjustments – Cities can refine and adjust the Market Factor based on local analysis.

- Cities should adjust their Market Factor within the either the range provided OR the range that aligns most closely with their conditions.
- Further discussion of these adjustments is provided in step 6.3 of the Market Factor Guidance Framework
- Additional data are provided in the appendix to aid cities in making adjustments.

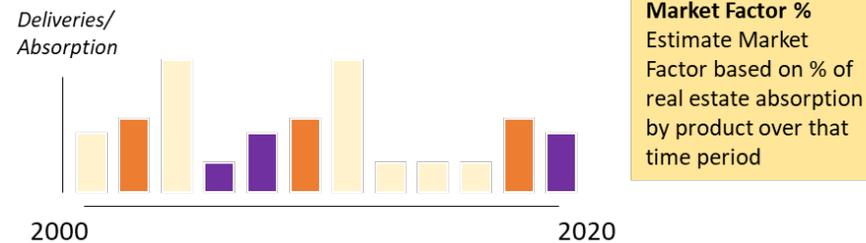
## Methodology Summary

- A: Assign product types to each zone within each geography
- B: Establish market indicators for each city and product type
- C: Establish Market Factor Ranges for each geography, and product type.
- D: Refine and Adjust

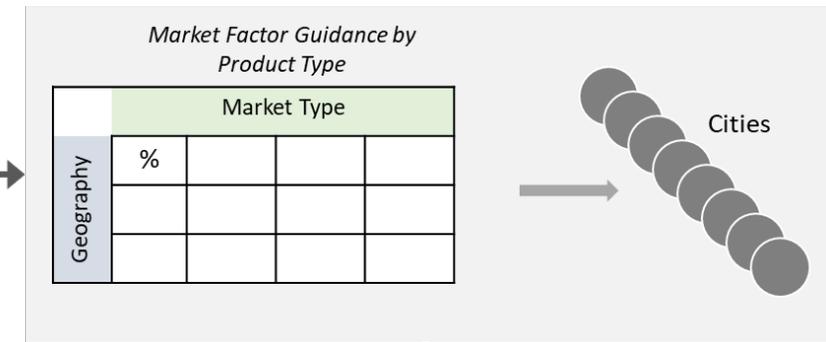
### A. Select *Geographies* to Assess Market Factor by Product Type and Market Conditions



### B. Analyze Historic Development Patterns and Historical Market Indicators



### C. Cities select from a range of market factors organized by product type



### D. Cities refine and address local conditions through adjustments

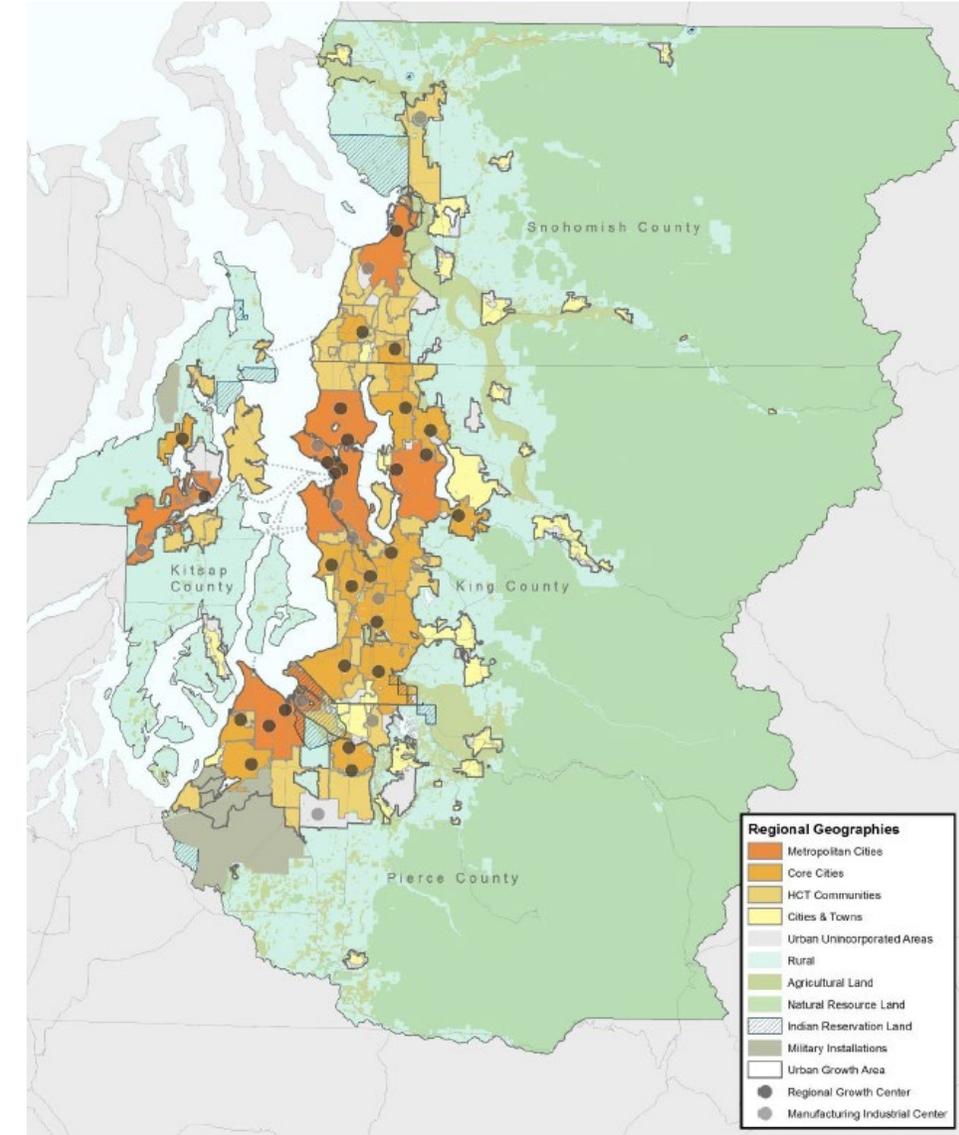
## PSRC Framework

Below is the PSRC Regional Geographies framework.

Additional geographies under consideration include the existing Regional Growth Centers within Kitsap County:

- Silverdale
- Bremerton
- Bremerton Industrial Center

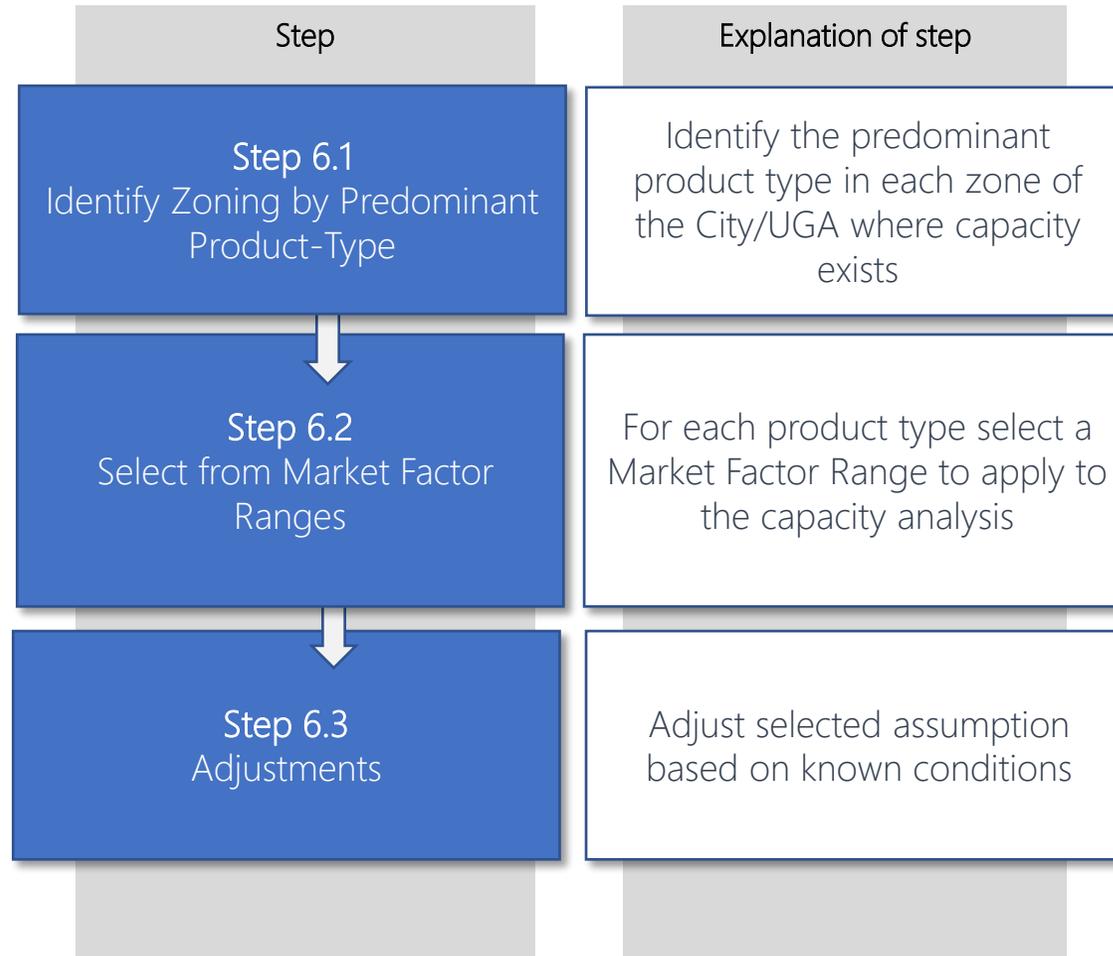
Regional Geographies (PSRC)			
Metropolitan	Core Cities	High-Capacity Transit Communities	Cities and Towns
Bremerton & Bremerton Urban Growth Area (UGA)	Silverdale	Bainbridge Island	None
		Poulsbo & Poulsbo UGA	
		Kingston	
		Port Orchard & Port Orchard UGA	



## Framework Overview

The following provides an overview of the Market Factor guidance framework developed for Kitsap County. There are four district steps defined within the framework outlined below.

Additional details and data are provided on the subsequent pages detailing each step.



## Step 6.1 –

Assign the applicable product type to each zone based upon the anticipated predominant uses in the corresponding zone.

The product-type assigned to each zone should represent the predominant building typology and use that is likely to occur. This can be based on past buildout within a given zone OR the product type envisioned and supported by the zoning regulations and requirements.

### Identify Zoning



### Identify Product Type

<b>Residential</b>
Single Family
Multifamily/Mixed Residential
<b>Non-Residential</b>
Industrial
Commercial (non industrial)

### Classify

Zoning	Mixed use (y/n)	Land Use	Product Type	Mkt Factor
R1	N	SF	Single Family	
R4	N	SF	Single Family	
R6	N	SF	Single Family	
R12	N	MF	Single Family	
R18	N	MF	Multifamily	
R24	N	MF	Multifamily	
R48	N	MF	Multifamily	
(MHC)	N		Single Family	
NB	Y	MU	Mixed Res	
CB	Y	MU	Mixed Res	
DR	Y	MU	Mixed Res	
DC	Y	MU	Mixed Res	
UC	Y	MU	Mixed Res	
WC	Y	MU	Mixed Res	
RB	Y	MU	Mixed Res	
			<b>TOTALS</b>	

## Step 6.1 –

Jurisdictions can reference the table to the right to assist in selecting product-type categories.

Table 1 –Product-Type Descriptions

Product-type	Description/Application	Illustrative Examples
<b>Residential</b>		
Single Family	All areas where single family residential product inclusive of any of the following listed as the predominant use: detached, duplex, tri-plex, four plex, or townhouse plat.	Detached single family homes and subdivisions, attached townhomes and duplexes
Multifamily/Mixed Residential	All areas where multilevel stacked residential product in the form of rental housing or condominium ownership is the predominant permitted use. Inclusive of high density multifamily and mixed use developments.	Stacked flat apartment buildings, garden style apartment complexes, mid rise multifamily projects, mid rise multifamily projects with ground floor commercial uses, residential high rise, and residential condominium projects
<b>Non-Residential</b>		
Industrial	Industrial facilities inclusive of manufacturing, warehousing, distribution, and light industrial facilities.	Heavy industrial and manufacturing, warehousing and logistics development, light industrial and flex industrial facilities
Commercial (non-industrial)	Inclusive of all nonindustrial commercial uses. Apply in mixed use areas where the commercial use is the predominant use despite instances where residential is allowed.	Retail and office development (stand alone or mixed)  Commercial components of residential mixed-use products

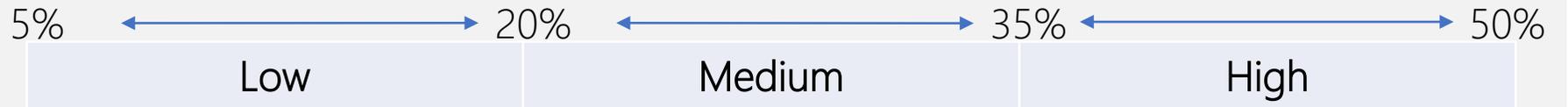
## Step 6.2 –

The following table contains Market Factor Range Recommendations by geography and product-type. Start with the middle of the suggested range, given in the table to the right. In step 6.3, a jurisdiction can provide justification to adjust within this range, or select a more appropriate range.

### Range Bounds

- **Lower: 5%**  
To account for the unmeasurable variables.
- **Upper 50%:**  
Upper bound for potential market factors.
- **Range Segmentation:**  
This analysis separates the ranges into three segments evenly distributed within the upper and lower bounds (low/medium/high).

### Market Factor Range Guidance



**Table 2 – Market Factor Suggested Ranges by Product-Type**

		Product Typology			
Geography		Residential		Non-Residential	
Market Factor Range		Multifamily/ Mixed-Res	Single Family	Commercial (Office/Retail/Mixed)	Industrial
Bremerton	City, UGAs	Medium (20% - 35%)	High (35% - 50%)	Medium (20% - 35%)	High (35% - 50%)
Bainbridge	City	Low (5% - 20%)	Low (5% - 20%)	Medium (20% - 35%)	Medium (20% - 35%)
Central Kitsap	UGA	High (35% - 50%)	Medium (20% - 35%)	Medium (20% - 35%)	Low (5% - 20%)
Silverdale	UGA	Medium (20% - 35%)	Medium (20% - 35%)	Medium (20% - 35%)	High (35% - 50%)
Kingston	UGA	High (35% - 50%)	Medium (20% - 35%)	Medium (20% - 35%)	Low (5% - 20%)
Port Orchard	City, UGAs	High (35% - 50%)	Medium (20% - 35%)	High (35% - 50%)	Medium (20% - 35%)
Poulsbo	City, UTA	Low (5% - 20%)	Low (5% - 20%)	Low (5% - 20%)	Low (5% - 20%)

## Step 6.3 –

The final step provides a framework for selecting a Market Factor from within the range selected in Step 6.2.

Specific conditions are discussed that would influence future development and impact the Market Factor assumption for a given City or UGA.

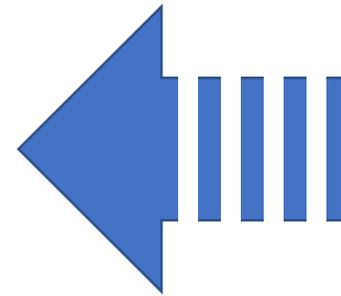
Range from  
*Step 6.2*



Adjustment  
Considerations



Adjust



- Vacant versus underutilized lands
- Market conditions
- Single family uses in recently up-zoned areas
- Restrictive Covenants in planned communities
- Parcel size and assemblage challenges
- Transit accessibility
- Infrastructure limitations
- Areas designated as Growth Centers

## Step 6.3 –

### Overview

Step 6.3 provides a framework for selecting a Market Factor from within the range selected in Step 6.2. Specific conditions are discussed that would influence future development and impact the Market Factor value assumed by a given City or UGA.

Each jurisdiction should carefully consider these conditions and how they might impact their assumptions related to Market Factor. The conditions discussed do not represent all the potential conditions and issues that a Market Factor may address. The County and Cities should adjust within the given ranges or may deviate from them altogether to account for known conditions that impact the development of and availability of land in a given geography. The tables on the following pages provide more detailed descriptions of these conditions and how adjustments should be considered.

- Vacant versus underutilized lands
- Market Trends
- Single family uses in recently up-zoned areas
- Restrictive Covenants in planned communities
- Parcel size and assemblage challenges
- Transit accessibility
- Infrastructure limitations
- Areas designated as Growth Centers

### Selecting Within The Range Based on Market Conditions:

A range for each product-type by each Regional Geography is provided in Step 6.2. In order to select within this range, each city (or UGA) must review their specific attributes, assumptions and market conditions and consider whether a higher or lower Market Factor is appropriate for that given product type (and therefore, applicable zone within the City or UGA). It is important to note that additional factors may need to be considered to account for unique circumstances influencing the market availability of land in any given jurisdiction.

### Documentation of Market Factor Assumptions

It is recommended for cities and jurisdictions to document the elements influencing the upward or downward adjustments on market factor. An example worksheet is provided on page 17.

## Step 6.3 –

### Connecting Market Factor and other LCA Assumptions

#### Key considerations

Market conditions also enter the capacity analysis through other assumptions in the Land Capacity Analysis. These assumptions should be considered when making adjustments to market factor. Below is additional commentary on other assumptions made within the capacity analysis framework and how these assumptions should be considered when using the Market Factor Guidance document. It is important to note that all of the assumptions discussed are calculated and applied outside of the application of the Market Factor deduction and represent stand alone assumptions estimated by each City.

- **Identifying Redevelopable Lands.** The approach to identifying redevelopable lands and the selected thresholds for determining what could be redeveloped in the future is of great importance to how a City's capacity relates to market conditions and future development economics and conditions. More conservative thresholds, i.e., those that anticipate that less redevelopable lands will develop over the planning period, would result in less redevelopable land being available. Less conservative thresholds would result in more land being available for redevelopment, and may warrant the selection of a market factor at the higher end of the suggested range, depending on market strength. Each City should evaluate how their redevelopment assumptions already incorporate market conditions (or not) when selecting a Market Factor to apply.

- **Assumed Densities.** The density at which property develops in the future is in part dependent on market conditions and greatly impacts overall capacity. Each City has studied historical achieved densities and planned densities to arrive at an assumed density assumption. Where appropriate, each City should evaluate whether their assumptions reflect more aspirational product types and densities versus historical development patterns and achieved densities in a given zone and consider this when selecting a Market Factor to apply.
- **Infrastructure.** Analysis and deductions have been completed to account for deficiencies in infrastructure which could limit the development of land in the future. Jurisdictions may want to consider higher Market Factors for zones or land supply included as capacity, but requiring infrastructure investments to serve the assumed density. This adjustment would be intended to reflect the cost of the infrastructure investment, which was not a component of the previous infrastructure gaps analysis. This would only be a valid consideration where Cities believe the initial applied infrastructure gap deductions do not fully represent the infrastructure challenges in a given area.

**Table 3 – Market Factor Adjustments**

Condition	Explanation	Recommendation on Market Factor Adjustment	
		<i>Select a lower value from the range if:</i>	<i>Select a higher value from the range if:</i>
<b>Assumption for Vacant versus Partially Utilized or Underutilized Lands (Residential and Non-Residential Assumptions)</b>			
Where a City has a mix of vacant and <b>Partially Utilized or Underutilized Lands</b> as part of their capacity and it is appropriate to differentiate the Market Factor assumption for vacant and Underutilized lands.	Consider the overall ratio of vacant land versus underutilized land and the condition of said lands. For example, if >50% of capacity is on vacant land, consider adjusting Market Factor downward on <b>Vacant land and Partially Utilized lands</b> and upward on <b>underutilized land</b> . The relative location of vacant and underutilized lands is also an important consideration. Where underutilized lands are located near or adjacent to important infrastructure and amenities, the need to differentiate between the two is less pronounced.	For Vacant lands and Partially Utilized Lands, select a value that is lower within the given range (or outside the low end of the range if deemed appropriate) when the supply of vacant lands represents a significant portion of overall capacity for a given product and the location and relative attributes of said supply do not represent barriers to redevelopment	For Underutilized Lands, select a higher value in the Market Factor range if conditions are known that may limit or impact the turnover and availability of land with an existing use and improvements.
<b>Market Trends (Residential and Non-Residential Assumptions)</b>			
Where recent real estate market trends for a given product type indicate more or less challenging conditions for development in the next 20 years.	If trends indicate growth in demand for a given product, consider a downward adjustment on market factor to reflect this demand. Such indicators include growth in pricing/lease rates as well as recent growth in deliveries for a given product. Alternatively, if the market data for a given product indicates more difficult market conditions in terms of ranking amongst jurisdictions, consider selection of a higher market factor within the given range.	Market indicators suggest an overall ranking within the market amongst peer cities indicates that a lower market factor would be appropriate.	Market indicators suggest a downward trend in overall demand or overall rankings amongst peer cities suggest that a higher market factor may be appropriate.
<b>Project Pipeline and Land Consumption (Residential and Non-Residential Assumptions)</b>			
Silimilar to Market Trends, where the recent development pipeline for a given product type and/or geography has resulted in above average development and land consumption.	In areas where recent development has occurred and overall land capacity has been reduced because of new development, consider selecting from the lower end of a recommended range for the applicable product type.	The recent development pipeline for a given product type has resulted in the reduction of land capacity and suggests higher demand for that product type.	Consider selecting from the higher end of a recommended range if little to no recent development has occurred and no projects are planned or in the development pipeline.

Table 3 Continued – Market Factor Adjustments

Condition	Explanation	Recommendation on Market Factor Adjustment	
		<i>Select a lower value from the range if:</i>	<i>Select a higher value from the range if:</i>
<b>Single Family Up-zoned Areas (Applicable to Residential Areas)</b>			
Where significant capacity for higher density single family or multifamily/ mixed-use housing is assumed on existing single family uses	<p>Where capacity exists on lands that currently support single family uses but greater densities are permitted, many cities have cited concern regarding how such areas will redevelop and if a specific Market Factor adjustment should be leveraged. The Cities of Shoreline and SeaTac serve as examples where single family areas were up-zoned around planned or completed transit facilities. The turnover and development of single family areas in these cities is captured in through the analysis of historical deliveries data and may be leveraged for reference or comparison on a county wide scale.</p> <p>Important indicators to consider when adjusting for such a condition include:</p> <ul style="list-style-type: none"> <li>- Whether home prices are below, on par or above median prices in the region</li> <li>- The age and quality of the housing stock</li> <li>- Recent transaction activity</li> <li>- Recent permitting activity</li> </ul>	<p>The land with single family uses reflect the following conditions:</p> <ul style="list-style-type: none"> <li>- Home prices at or below median prices for the area</li> <li>- The housing stock is aging</li> <li>- There is a higher rate of recent transactions reflecting interest from developers</li> </ul>	<p>The land with single family uses reflect the following conditions:</p> <ul style="list-style-type: none"> <li>- Home prices are above median prices for the area representing a potential market barrier to redevelopment</li> <li>- The housing stock includes recently constructed or updated structures</li> <li>- Recent transactions reflect value-in use (meaning the highest and best use of the property is still considered the single family residence)</li> </ul>
<b>Restrictive Covenants in Planned Communities (Applicable to Residential Areas)</b>			
Where restrictive home- owner association or other similar covenants may limit the redevelopment at a higher intensity/use	In some cases, areas that have been rezoned or up-zoned are still subject to restrictive covenants that run with the land and limit how development may occur. This is most likely to exist in existing single family neighborhoods but may also pose a challenge in business parks and other similar commercial districts.	If restrictive covenants are not known to exist or would have a limited impact on redevelopment in the future.	If restrictive covenants are known and would need to be removed/eliminated in order for redevelopment per new zoning allowances to occur (at a higher intensity).

Table 3 Continued – Market Factor Adjustments

Condition	Explanation	Recommendation on Market Factor Adjustment	
		<i>Select a lower value from the range if:</i>	<i>Select a higher value from the range if:</i>
<b>Fragmented Ownership and Parcel Size (Residential and Non-Residential Assumptions)</b>			
Where capacity in a given neighborhood or zone is fragmented and generally consists of smaller parcels (less than .25 acres for multifamily site for example)	Where capacity for a given product type occurs on largely fragmented or non-contiguous parcels and parcel sizes are generally smaller in size, a higher market factor may be considered. Such conditions may limit options for parcel assemblage in the future and result in less land being redeveloped in the future.	Vacant and/or underutilized lands consist of a mix of contiguous and non-contiguous properties and parcel sizes do not appear to represent a challenge to development in the future	Conditions are observed that reflect an abundance of capacity on smaller, non-contiguous properties in a given zone or neighborhood
<b>Access to Transit (Residential and Non-Residential Assumptions)</b>			
Where planned or recently completed transit facilities may impact develop feasibility in the surrounding neighborhood/zone.	Planned infrastructure like Bus Rapid Transit and other major transportation improvement that improve access and mobility can greatly improve development feasibility and owner willingness to sell/redevelop land. Market Factor assumptions should reflect where such improvements either exist or are planned in the future (within an impacted area such as a ¼ mile walk shed).	A significant transportation infrastructure investment is completed or planned that will greatly improve transit access in a given zone or neighborhood.	NA
<b>Accounting for Infrastructure and Other Assumptions (Residential and Non-Residential Assumptions)</b>			
Take into consideration other assumptions made as part of the Land Capacity Analysis, such as infrastructure deductions, assumed density and redevelopable land thresholds.	As previously discussed, several assumptions made during earlier steps of the Land Capacity Analysis should be considered when selecting within a recommended Market Factor Range. For cities that wish to account for potential infrastructure challenges that were not previously addressed, a higher Market Factor Assumption may be leveraged to address this.	Previous Land Capacity Analysis assumptions were more conservative and resulted in significant deductions to land capacity.	Where other Land Capacity Analysis assumptions in given zones or geographies did not result in significant reductions in land capacity or where assumptions were less conservative.

# RESIDENTIAL ANALYSIS

# APPENDIX: Market Factor Range Recommendations – *Multifamily*

Table A1 - Market Factor Indicator Summary – *Multifamily/Mixed-use*

City/UGA	Product Type	Projected Capacity* - Units	2015-2019 Average Annual Deliveries	Market Factor Indicator	Current Average Pricing – Average Rent Per unit	Average Price* Growth Y/Y (2013-2020)
Bainbridge	Multifamily	339	29	0%	\$2,187	3.5%
Bremerton	Multifamily	3,589	48	73%	\$1,343	4.8%
Central Kitsap	Multifamily	1,297	8	87%	\$1,422	5.5%
Kingston	Multifamily	251	0	100%	NA	2.4%
Port Orchard	Multifamily	1,562	8	90%	\$1,344	5.1%
Poulsbo	Multifamily	0	36	0%	\$1,620	6.1%
Silverdale	Multifamily	1,548	54	30%	\$1,596	5.9%
<i>SUBTOTAL</i>		<i>8,586</i>	<i>183</i>	<i>57%</i>		

\*Capacity is taken from the 2014 BLR and the 2016 Comp Plan Update

Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Costar

## Market Factor Range Recommendations – *Multifamily/Mixed-use*

	Recommendation	Supporting Observations
Bainbridge	Low	The delivery rate with low projected capacity suggests a <b>low</b> market factor range. High pricing provides further support for this suggested low range.
Bremerton	Medium	The projected capacity puts upward pressure on the market factor indicator, however a high delivery rate combined modest MF rent growth would suggest a <b>medium</b> market factor range.
Central Kitsap	High	Significant projected capacity and a low delivery rate support the recommendation for a <b>high</b> market factor range.
Kingston	High	Low projected capacity could be absorbed quickly should a couple projects develop. Low rent growth suggests market conditions would need to change to achieve a higher delivery rate, therefore recommending a <b>high</b> market factor range.
Port Orchard	High	The large amount of projected capacity and low delivery rate represent a high market factor indicator therefore recommending a <b>high</b> market factor range. However, the high rent growth could indicate a shift in market conditions.
Poulsbo	Low	No projected capacity for multifamily product types, however demonstrated deliveries, high rents, and the strongest rent growth observed would all support a <b>low</b> market factor range for any multifamily capacity projected.
Silverdale	Medium	The market factor indicator would point to a <b>medium</b> market factor range. However, market conditions, including the highest delivery rate, high face rents and rent growth may support selecting the lower range.

# APPENDIX: Market Factor Range Recommendations – *Single Family*

## Table A2 - Market Factor Indicator Summary – *Single Family*

City/UGA	Product Type	Projected Capacity* - Units	2015-2019 Average Annual Deliveries	MKF Indicator	Current Average Pricing -Average Price* Growth Median PriceY/Y (2013-2020)
Bainbridge	Single Family	2,496	106	15%	\$904,000 9.0%
Bremerton	Single Family	13,193	138	79%	\$361,000 9.4%
Central Kitsap	Single Family	1,406	34	52%	\$389,000 10.6%
Kingston	Single Family	900	19	57%	\$515,000 9.0%
Port Orchard	Single Family	6,609	119	64%	\$396,000 8.1%
Poulsbo	Single Family	2,329	105	10%	\$480,000 7.0%
Silverdale	Single Family	2,201	37	67%	\$443,000 6.3%
<i>SUBTOTAL</i>		29,134	557	62%	

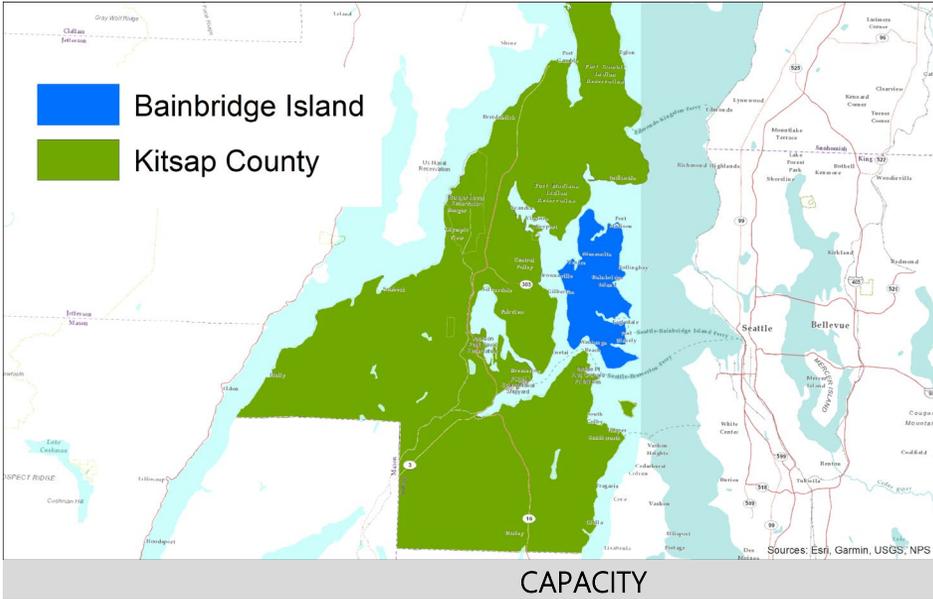
\*Capacity is taken from the 2014 BLR and the 2016 Comp Plan Update

Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS.

## Market Factor Range Recommendations – *Single Family*

	Recommendation	Supporting Observations
Bainbridge	Low	Low projected capacity and a high delivery rate suggest the <b>low</b> market factor range. Market pricing data provides additional support for this recommendation.
Bremerton	High	While having the highest delivery rate, the large amount of capacity suggests the <b>high</b> market factor range. The average Y/Y price growth could indicate a change in market conditions, potentially supporting a lower range.
Central Kitsap	Medium	Modest projected capacity with modest deliveries. The delivery rate is proportionally higher compared to neighboring jurisdictions, and the market factor indicator suggests a <b>medium</b> market factor range.
Kingston	Medium	Low projected capacity, but a proportionate delivery rate suggests a <b>medium</b> market factor range. The high median price and the strong price growth support the recommendation for the Medium market factor range.
Port Orchard	Medium	The strong delivery rate compared to neighboring jurisdictions and about half the projected capacity would suggest a <b>medium</b> market factor range. Market pricing data aligns with this recommendation.
Poulsbo	Low	Less projected capacity, but strong delivery rate when compared to neighboring jurisdictions. The median price and the price growth indicate that market conditions are favorable and support a <b>low</b> market factor range.
Silverdale	Medium	Modest projected capacity and a modest delivery rate, these combined with the median pricing and the lowest average price growth would suggest a <b>medium</b> market factor range is recommended.

# Bainbridge Island – Residential Analysis



## CAPACITY

Projected Capacity (2014)

Multi Family	339
Single Family	2,496

## DELIVERIES

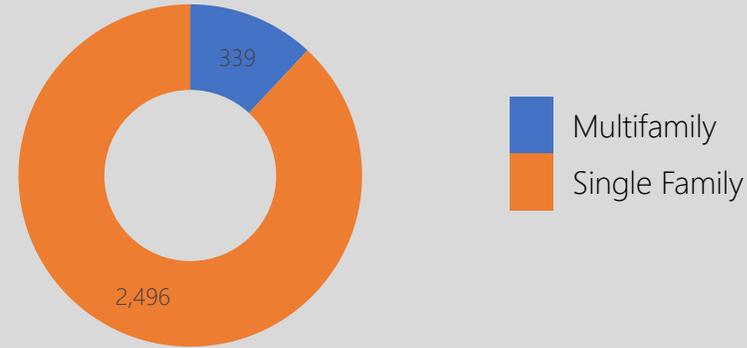
	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	273	29
Single Family	2,298	106

## PRICE

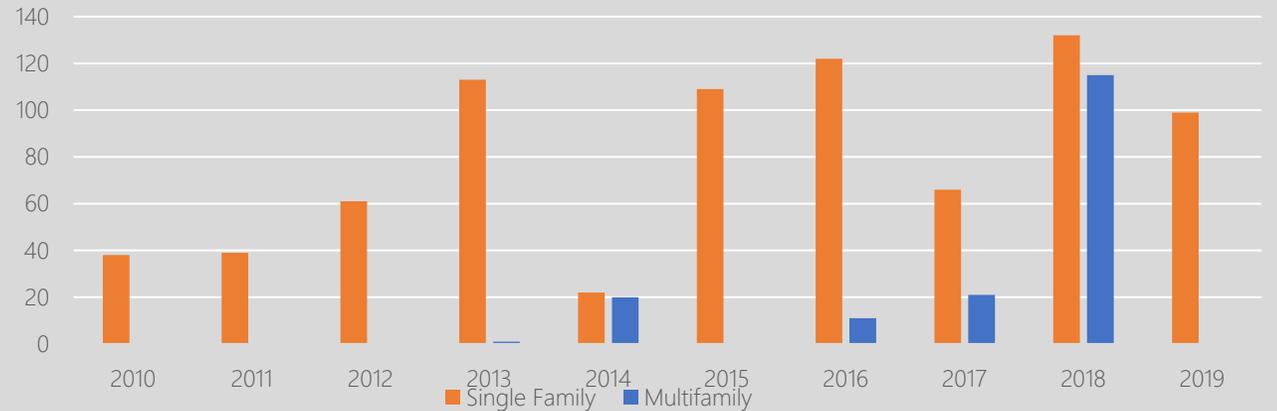
Price Growth

Multi Family	3.5% average y/y 2013-2020
Single Family	9.0% average y/y 2013-2020

## Projected Capacity (2014 BLR)

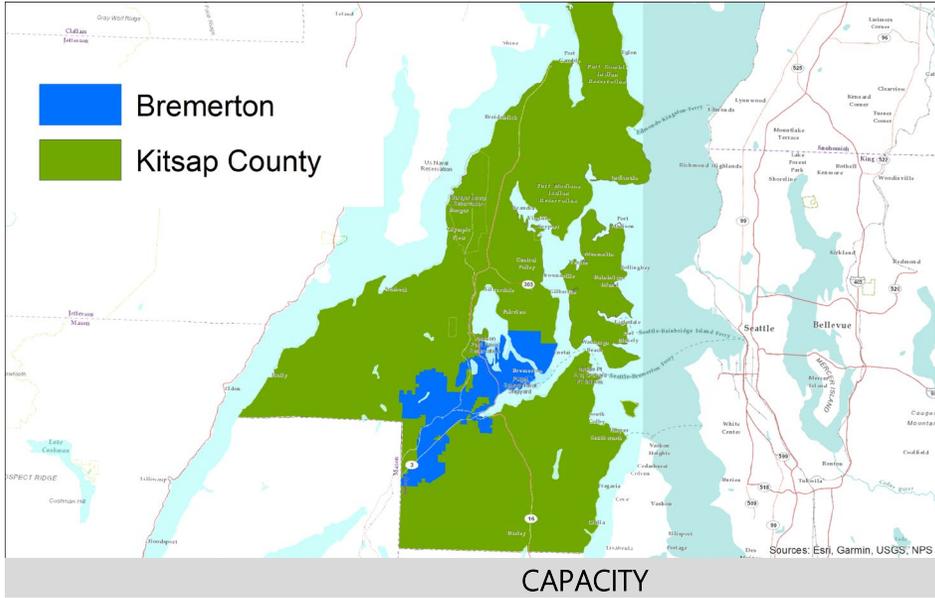


## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Bremerton – Residential Analysis



Projected Capacity (2014)

Multi Family	3,589
Single Family	13,193

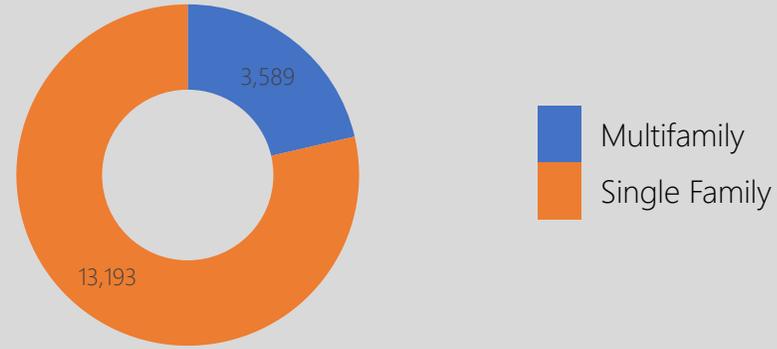
## DELIVERIES

	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	568	48
Single Family	1,814	138

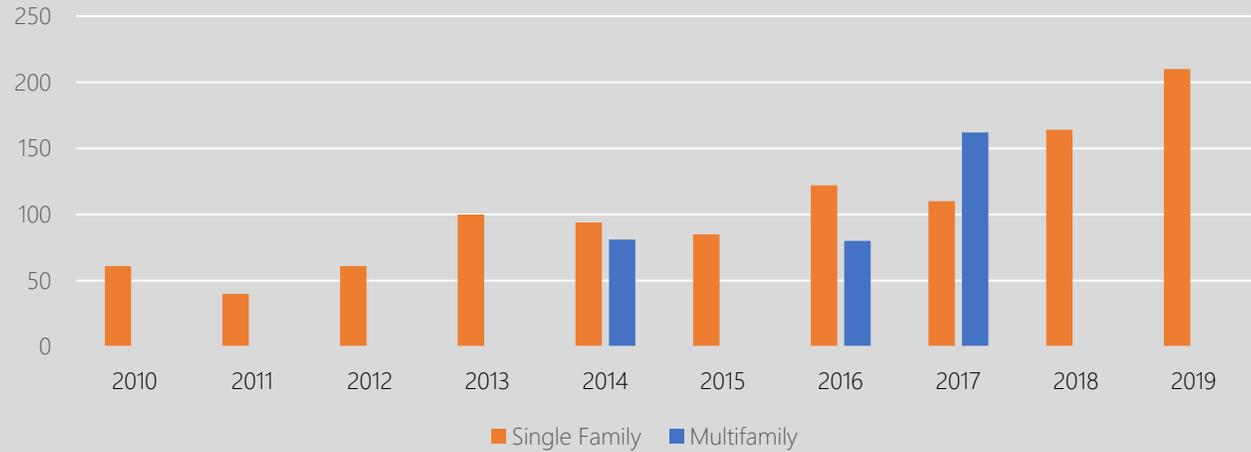
## PRICE

	Price Growth
Multi Family	4.8% average y/y 2013-2020
Single Family	9.4% average y/y 2013-2020

## Projected Capacity (2014 BLR)



## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Central Kitsap UGA – Residential Analysis



**CAPACITY**

Projected Capacity (2016)

Multi Family	1,297
Single Family	1,406

**DELIVERIES**

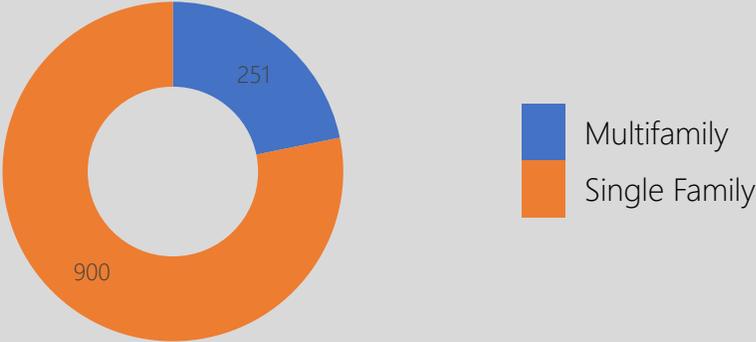
	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	224	8
Single Family	1,324	34

**PRICE**

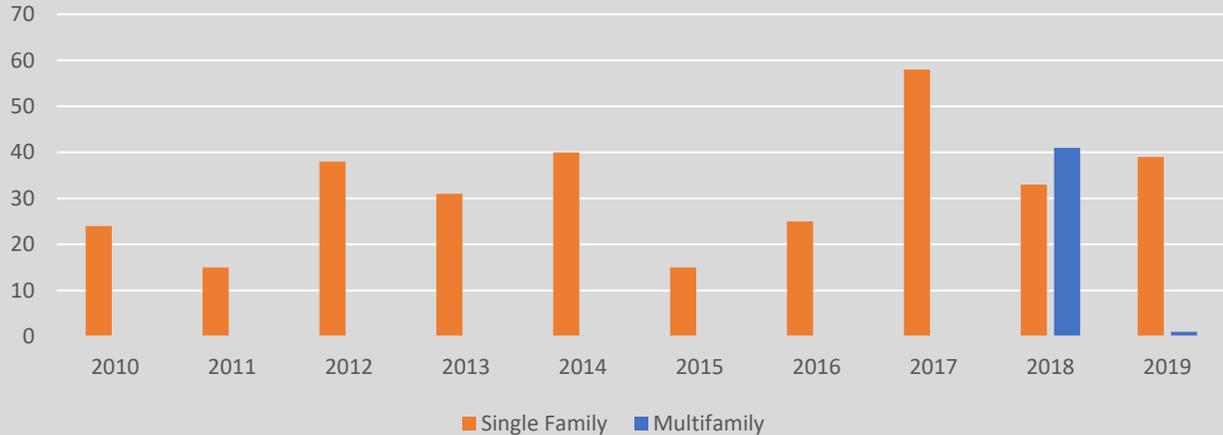
Price Growth

Multi Family	5.5% average y/y 2013-2020
Single Family	7.9% average y/y 2013-2020

## Projected Capacity (2014 BLR)

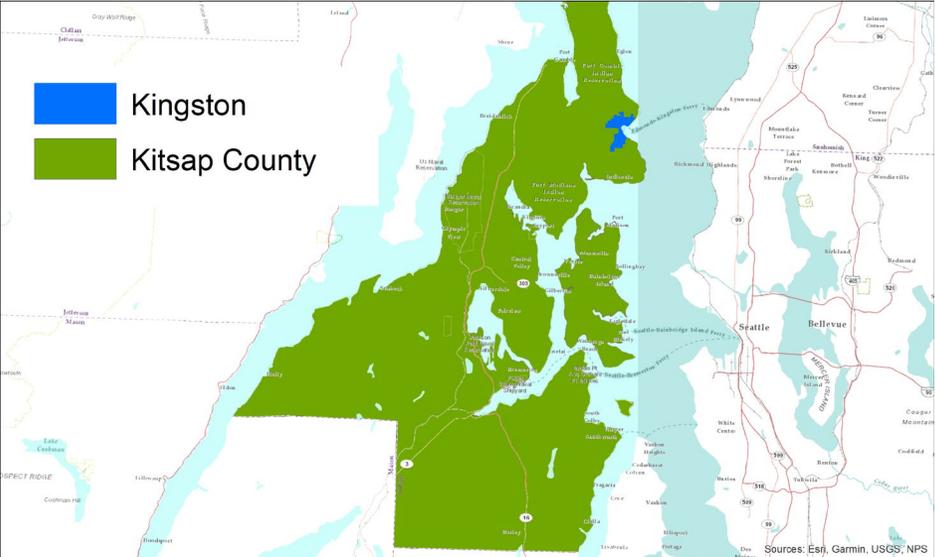


## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Kingston – Residential Analysis



### CAPACITY

Projected Capacity (2016)

Multi Family	251
Single Family	900

### DELIVERIES

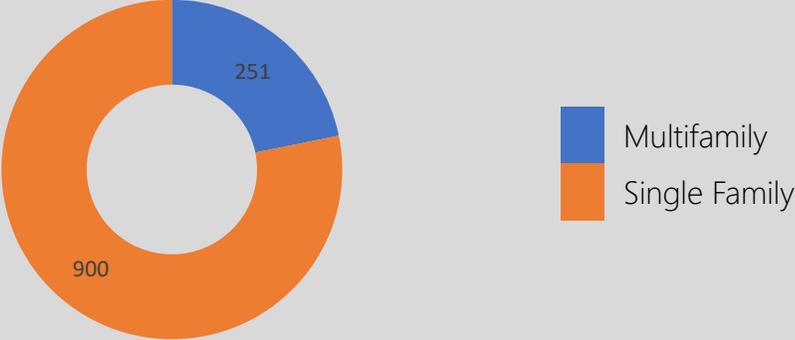
	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	88	0
Single Family	262	19

### PRICE

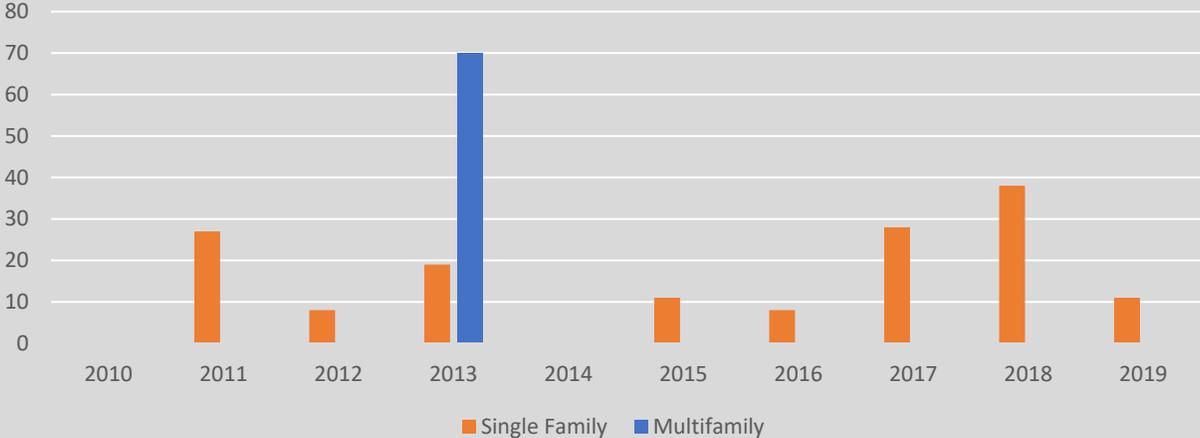
Price Growth

Multi Family	2.4% average y/y 2013-2020
Single Family	9.0% average y/y 2013-2020

## Projected Capacity (2014 BLR)

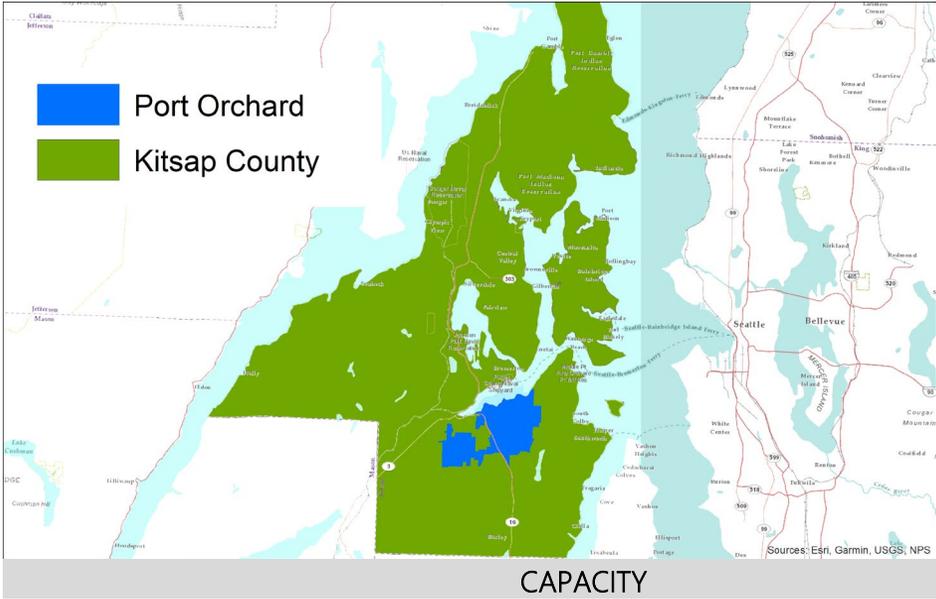


## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Port Orchard – Residential Analysis



Multi Family	1,562
Single Family	6,609

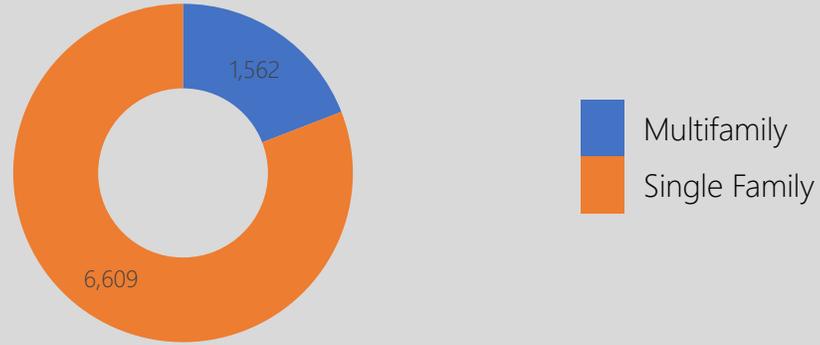
**DELIVERIES**

	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	270	8
Single Family	2,636	119

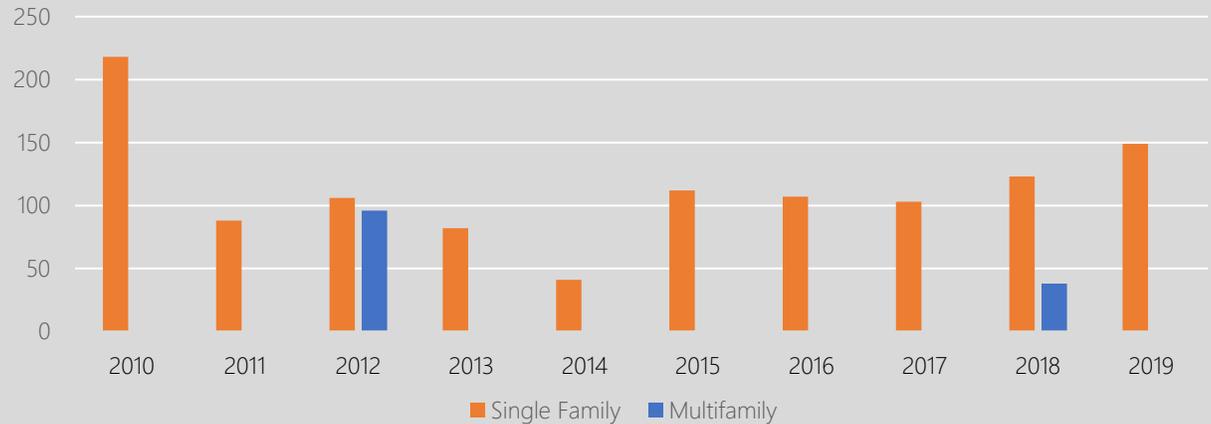
**PRICE**

	Price Growth
Multi Family	5.1% average y/y 2013-2020
Single Family	8.1% Average y/y 2013-2020

## Projected Capacity (2014 BLR)

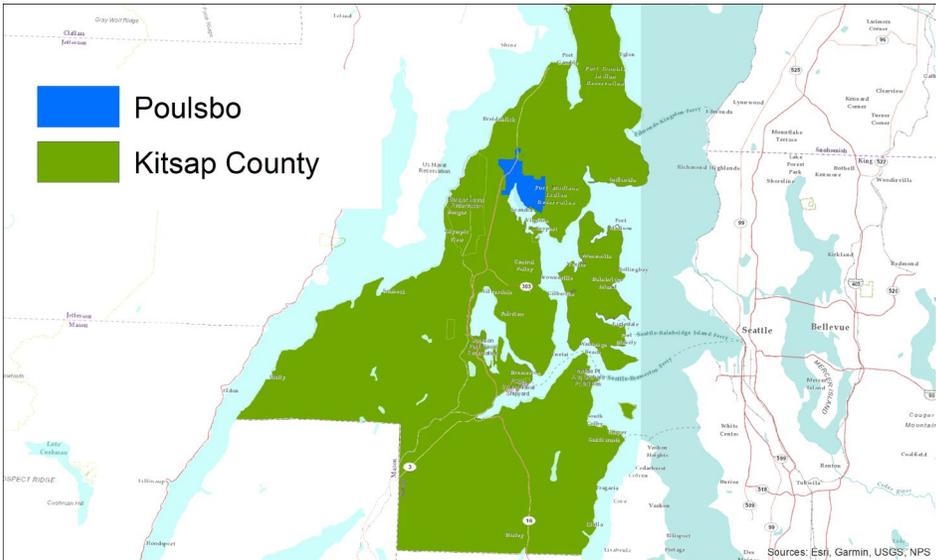


## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Poulsbo – Residential Analysis



## CAPACITY

Projected Capacity (2014)

Multi Family	0
Single Family	2,329

## DELIVERIES

	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	206	36
Single Family	1,715	105

## PRICE

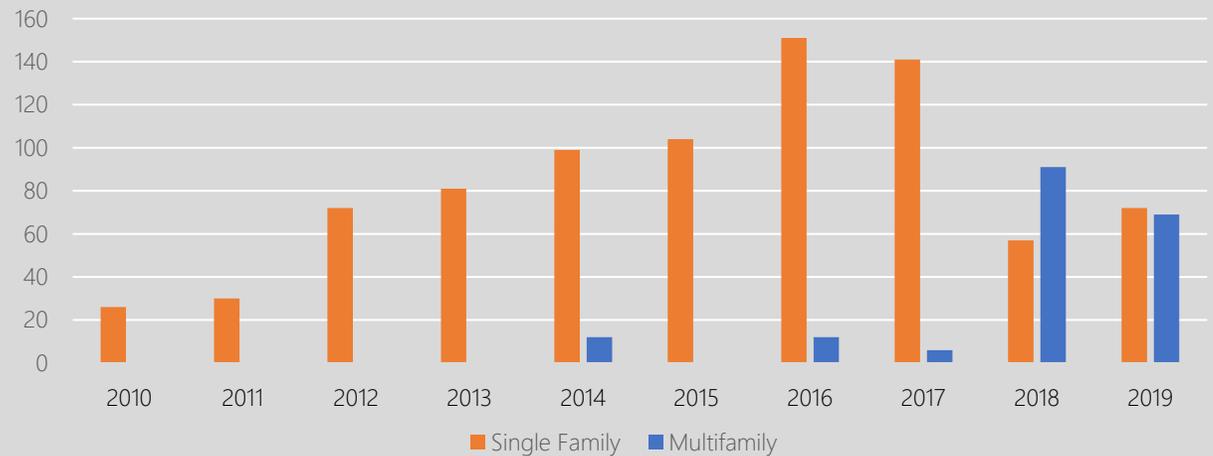
Price Growth

Multi Family	6.1% average y/y 2013-2020
Single Family	7.0% average y/y 2013-2020

## Projected Capacity (2014 BLR)

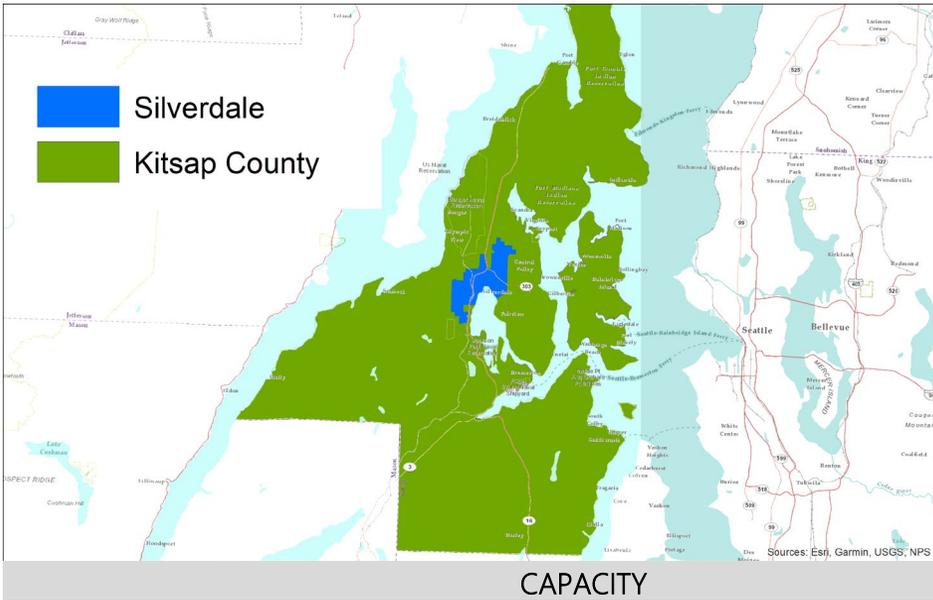


## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# Silverdale – Residential Analysis



Projected Capacity (2014)

Multi Family	1,548
Single Family	2,201

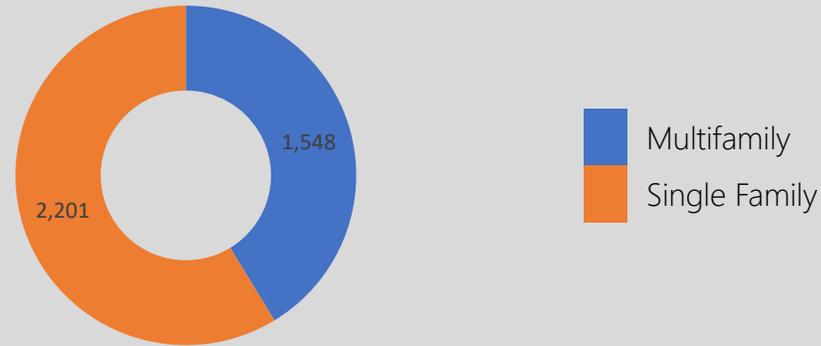
### DELIVERIES

	Total deliveries 2000 - 2019	Avg. Annual Deliveries 2015-2019
Multi Family	671	54
Single Family	650	37

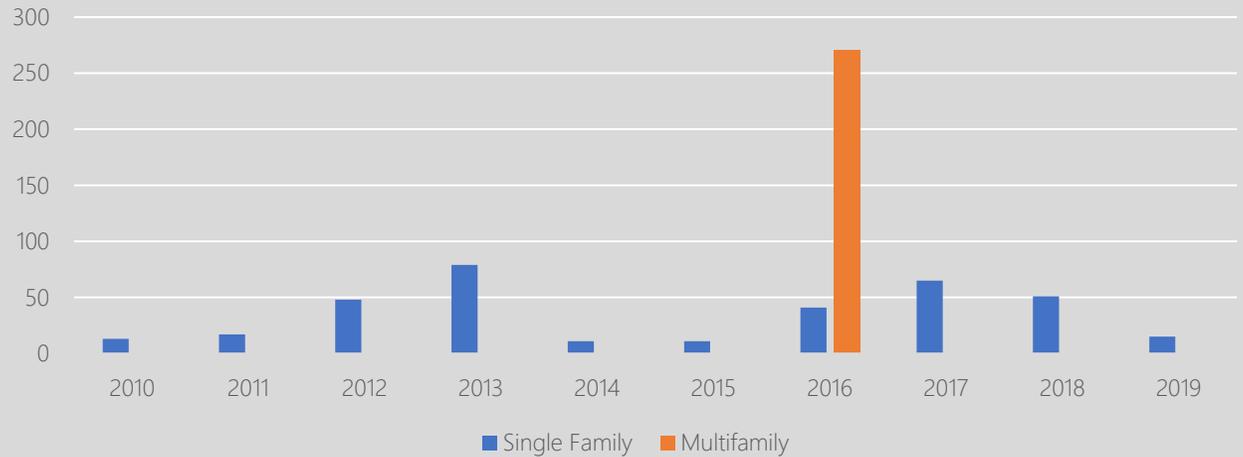
### PRICE

	Price Growth
Multi Family	5.9% average y/y 2013-2020
Single Family	7.9% average y/y 2013-2020

## Projected Capacity (2014 BLR)



## Deliveries Data By Product Type 2010 – 2019



Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Redfin, NWMLS, Costar.

# NON-RESIDENTIAL ANALYSIS

# APPENDIX: Market Factor Range Recommendations – *Commercial*

Table A3 - Market Factor Indicator Summary – *Commercial*

City/UGA	Total Capacity* - SF	Average Annual Deliveries (2001-2020)	Average Annual Deliveries (2001-2010)	Average Annual Deliveries (2016-2020)	Max Annual Delivery Rate	20-year Indicator (2001-2020)	10-year Indicator (2001-2010)	5-year Indicator (2016-2020)	Max Delivery Indicator (Single Year)	Current Market Rents (2021)
Bainbridge	1,441,796	27,615	38,544	14,944	106,407	62%	47%	79%	0%	\$24.20
Bremerton	1,858,537	76,293	131,139	10,609	270,135	18%	0%	89%	0%	\$16.39
Central Kitsap	532,866	19,909	38,626	265	152,873	25%	0%	99%	0%	\$14.75
Kingston	304,882	6,925	13,187	58	112,003	55%	13%	100%	0%	\$20.10
Port Orchard	4,350,361	33,862	60,646	4,649	171,497	84%	72%	98%	21%	\$15.75
Poulsbo	61,789	51,931	77,589	15,631	366,279	0%	0%	0%	0%	\$19.93
Silverdale	2,465,409	108,370	75,722	213,240	999,011	12%	39%	0%	0%	\$20.29
<b>SUBTOTAL</b>	<b>11,015,640</b>	<b>324,904</b>	<b>435,452</b>	<b>259,395</b>	<b>2,178,205</b>	<b>21%</b>	<b>21%</b>	<b>53%</b>	<b>0%</b>	

\*Capacity is taken from the 2014 BLR

Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Costar

## Market Factor Range Recommendations – *Commercial*

	Recommendation	Supporting Observations
Bainbridge	Medium	Highest average commercial rents and relatively consistent deliveries, however, the large amount of capacity and resulting indicator suggest that a <b>medium</b> market factor range should be considered.
Bremerton	Medium	Highest nominal delivery rate in the County and moderate overall capacity suggest a <b>medium</b> market factor range. Market Rents below the median for jurisdictions.
Central Kitsap	Medium	A significant amount of capacity, but deliveries have tapered off in the last 5 years. Market Rents are lower than other jurisdictions. Recommend that a <b>medium</b> market factor range be considered.
Kingston	Medium	There have been only small-scale deliveries over the past 20 years, however with a low amount of capacity and high rents, this capacity could be absorbed quickly should market conditions change. Recommend considering a <b>medium</b> market factor range
Port Orchard	High	Port Orchard has had strong demonstrated deliveries, however, with a large amount of capacity and lower than median rents it's recommend that the City consider a <b>high</b> market factor for commercial only development.
Poulsbo	Low	Relatively high rates of deliveries, with very little capacity, with rents in the middle of the range found across Kitsap County. Should development continue at the historical pace, capacity would be absorbed. Because of this recommending a <b>low</b> Market Factor range.
Silverdale	Medium	The second highest projected capacity in the county in 2014. With strong demonstrated deliveries and strong market rents, it's recommended that the City consider a <b>medium</b> market factor.

# APPENDIX: Market Factor Range Recommendations – *Industrial*

Table A4 - Market Factor Indicator Summary – *Industrial*

City/UGA	Total Capacity* - SF	Average Annual Deliveries (2001-2020)	Average Annual Deliveries (2001-2010)	Average Annual Deliveries (2016-2020)	Max Annual Delivery Rate	20-year Indicator (2001-2020)	10-year Indicator (2001-2010)	5-year Indicator (2016-2020)	Max Delivery Indicator (Single Year)	Current Market Rents (2021)
Bainbridge	205,373	2,795	2,164	2,238	23,058	73%	79%	78%	0%	\$11.27
Bremerton	14,870,761	34,875	48,351	37,245	175,743	95%	95%	95%	76%	\$9.66
Central Kitsap	0	1,885	3,770	0	34,200	0%	0%	0%	0%	\$9.99
Kingston	59,791	3,333	6,666	0	56,860	0%	0%	100%	0%	\$11.57
Port Orchard	955,480	23,763	33,367	27,615	124,298	50%	50%	42%	0%	\$10.79
Poulsbo	128,063	10,192	13,343	9,652	91,554	0%	0%	0%	0%	\$10.58
Silverdale	3,632,694	15,504	7,747	45,188	104,249	91%	91%	75%	43%	\$10.27
<i>SUBTOTAL</i>	<i>19,852,162</i>	<i>92,347</i>	<i>115,408</i>	<i>121,937</i>	<i>609,962</i>	<i>91%</i>	<i>91%</i>	<i>88%</i>	<i>39%</i>	

\*Capacity is taken from the 2014 BLR

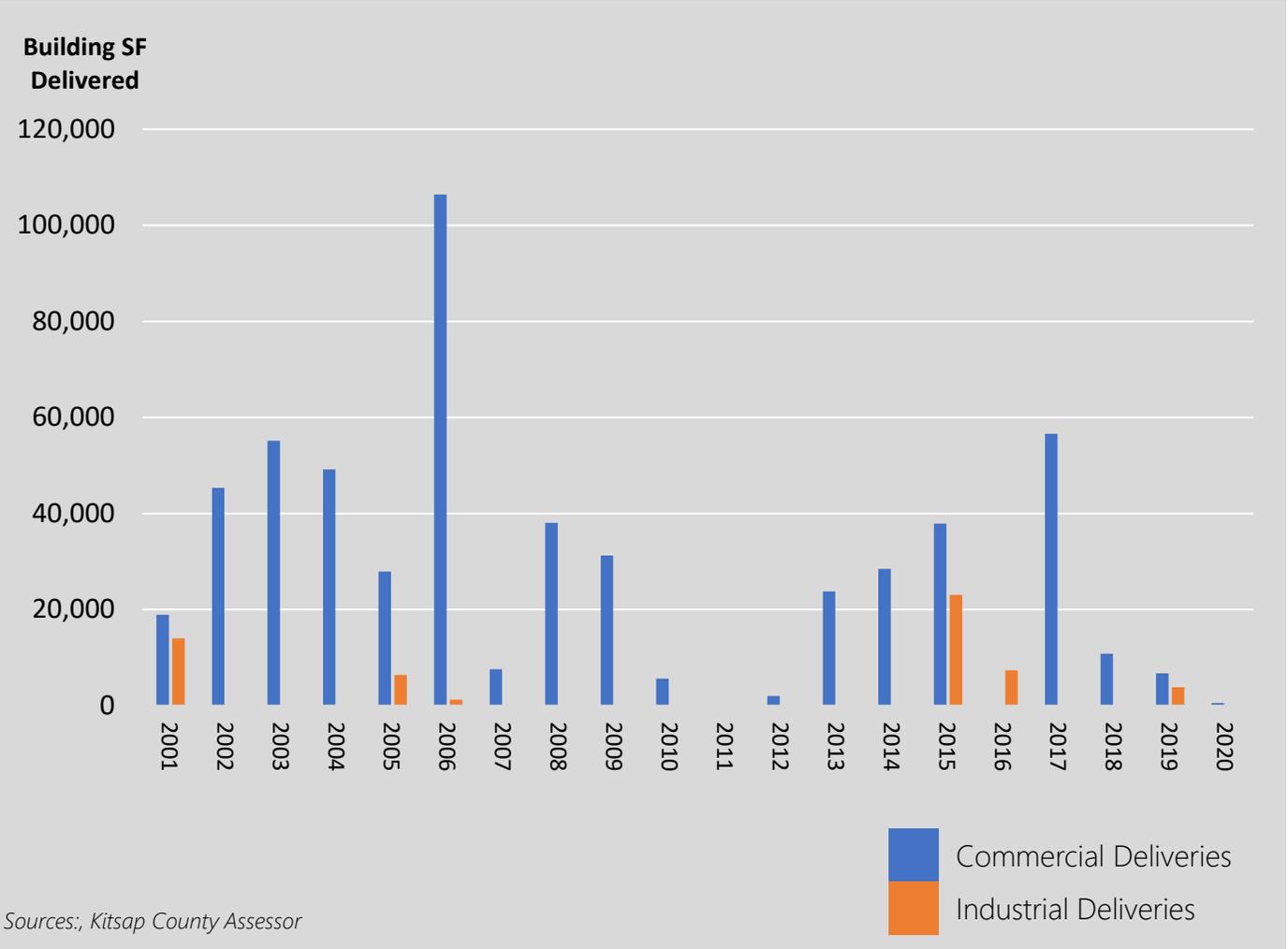
Sources: Kitsap BLR 2014 and 2016 Comp plan Update, Kitsap County Assessor, Costar

## Market Factor Range Recommendations – *Industrial*

	Recommendation	Supporting Observations
Bainbridge	Medium	Recommending a <b>medium</b> Market Factor range for industrial-only zones. Industrial rents are comparatively high and there was very little capacity projected from 2014.
Bremerton	High	Demonstrated deliveries are the highest in the county, however, the large amount of significantly exceeds what is likely to be absorbed during the planning horizon. Recommend considering a <b>high</b> Market Factor range.
Central Kitsap	Low	No Capacity for industrial only, but industrial product has been delivered historically. Recommend considering a <b>low</b> market factor range for industrial. For flex industrial, refer to commercial market factor range recommendation.
Kingston	High	Much of the historic deliveries were self storage/mini warehouse. Limited industrial capacity in 2014. Market rents are relatively high. Recommend considering a <b>high</b> market factor for industrial only but consider using the commercial market factor recommendation if flex office is the predominant product expected to deliver.
Port Orchard	Medium	Moderate capacity and historical deliveries. Rents fall towards close to the regional median. Recommend the <b>medium</b> market factor range
Poulsbo	Low	Limited capacity planned in 2014. Significant deliveries as a % of planned capacity. Recommend the City consider a <b>low</b> market factor range.
Silverdale	High	Demonstrated deliveries are strong, however the large amount of capacity will not be absorbed at demonstrated delivery rates. Recommend considering a <b>high</b> Market Factor Range.

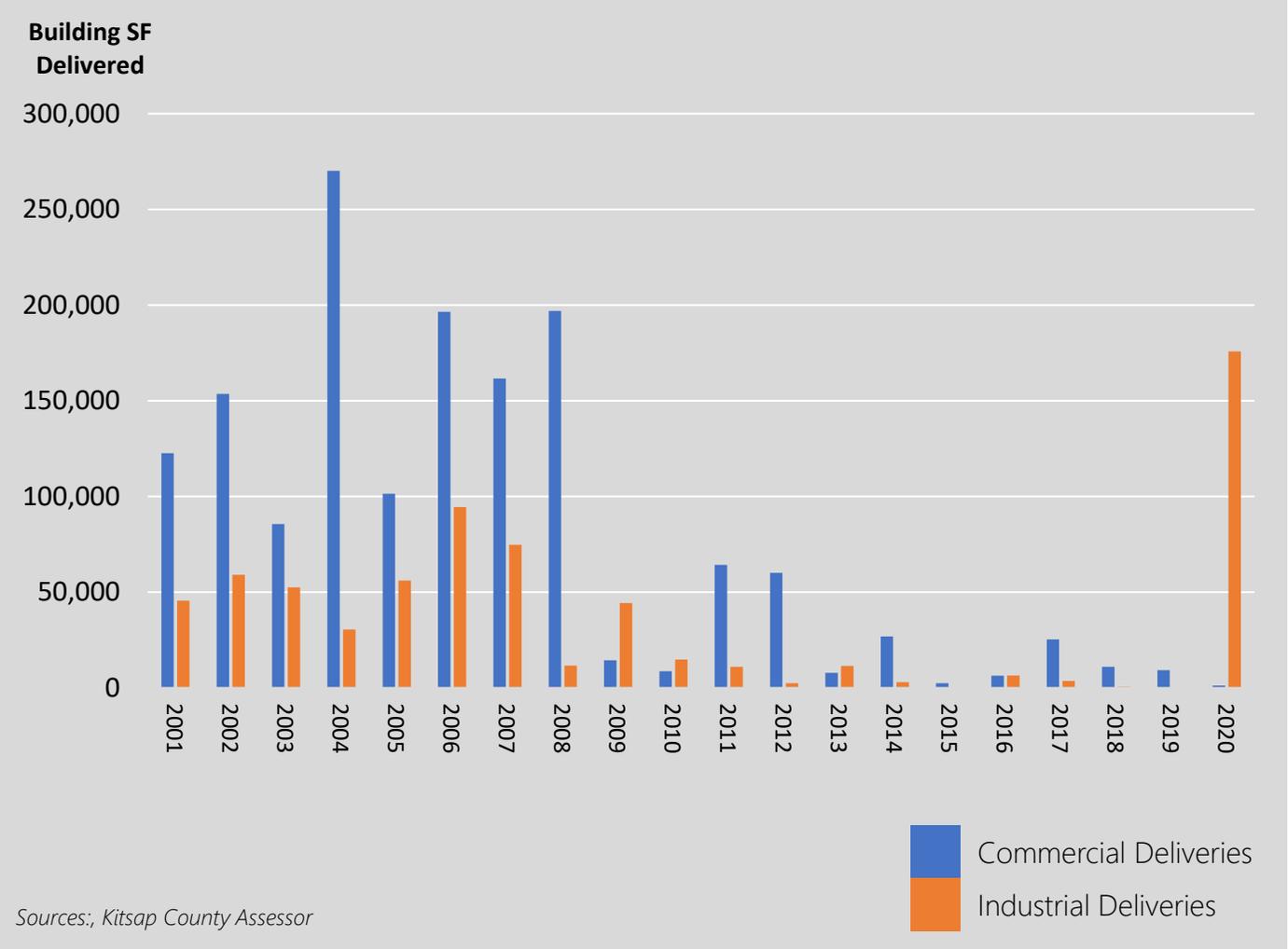
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	18,931	14,000
2002	45,354	0
2003	55,142	0
2004	49,180	0
2005	27,915	6,400
2006	106,407	1,242
2007	7,581	0
2008	38,051	0
2009	31,252	0
2010	5,624	0
2011	0	0
2012	1,996	0
2013	23,756	0
2014	28,482	0
2015	37,911	23,058
2016	0	7,350
2017	56,612	0
2018	10,804	0
2019	6,732	3,840
2020	570	0



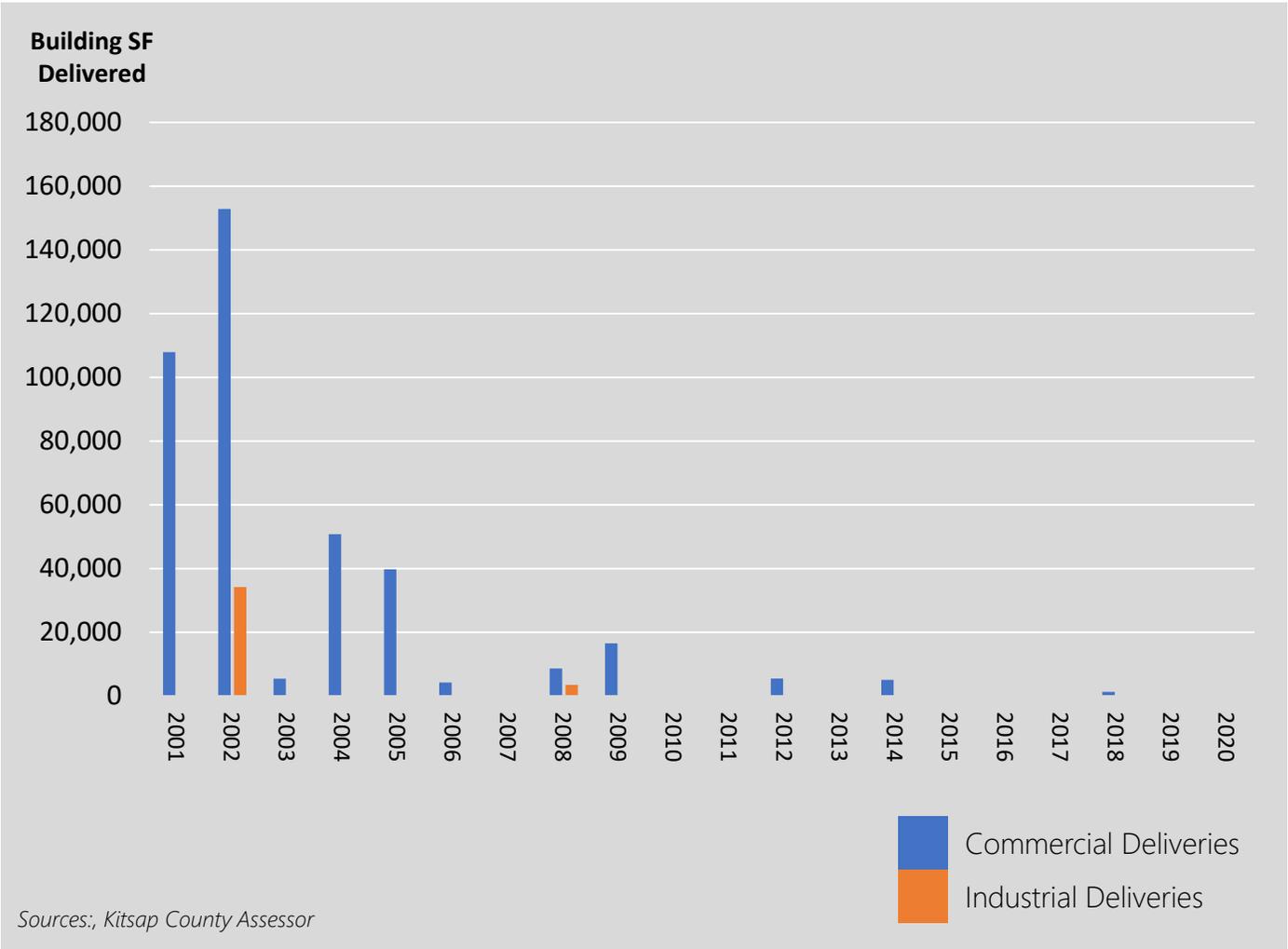
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	122,614	45,532
2002	153,603	59,100
2003	85,557	52,483
2004	270,135	30,460
2005	101,384	56,022
2006	196,455	94,437
2007	161,597	74,775
2008	196,927	11,590
2009	14,406	44,315
2010	8,712	14,796
2011	64,209	10,968
2012	60,100	2,400
2013	7,794	11,461
2014	26,867	2,940
2015	2,448	0
2016	6,359	6,400
2017	25,303	3,600
2018	10,970	480
2019	9,254	0
2020	1,160	175,743



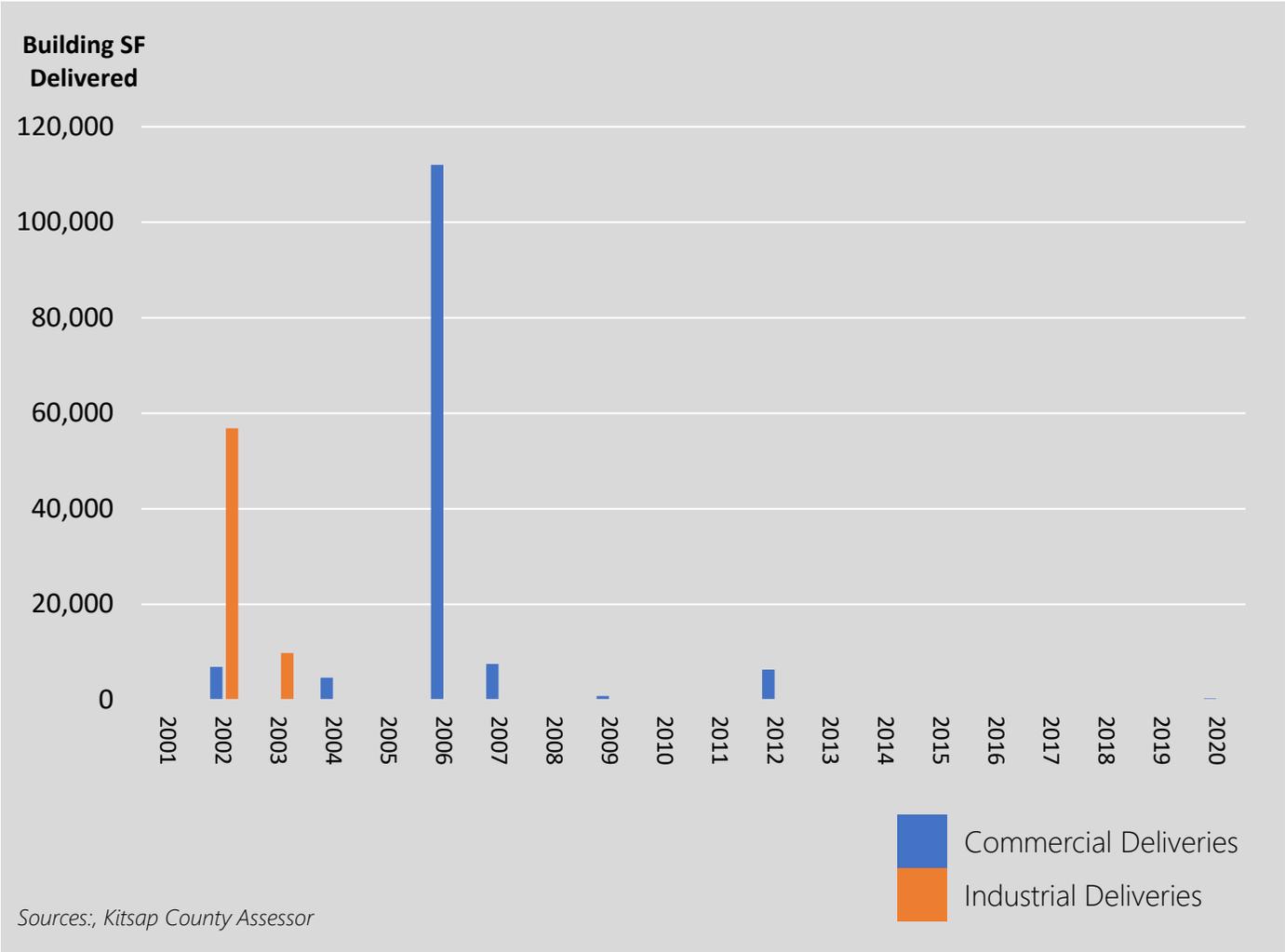
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	107,914	0
2002	152,873	34,200
2003	5,436	0
2004	50,805	0
2005	39,776	0
2006	4,246	0
2007	0	0
2008	8,670	3,500
2009	16,535	0
2010	0	0
2011	0	0
2012	5,487	0
2013	0	0
2014	5,108	0
2015	0	0
2016	0	0
2017	0	0
2018	1,324	0
2019	0	0
2020	0	0



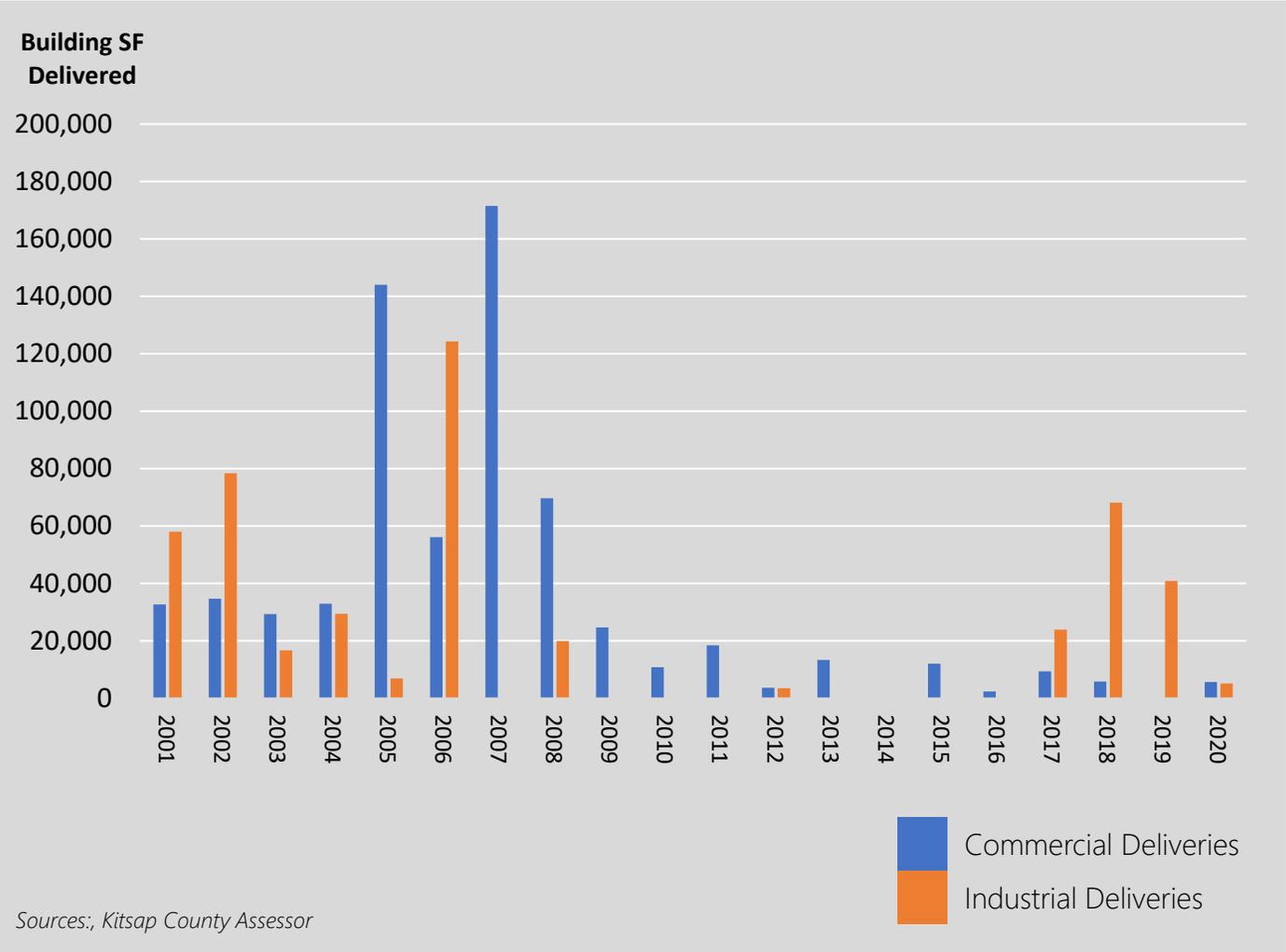
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	0	0
2002	6,912	56,860
2003	0	9,800
2004	4,639	0
2005	0	0
2006	112,003	0
2007	7,520	0
2008	0	0
2009	800	0
2010	0	0
2011	0	0
2012	6,328	0
2013	0	0
2014	0	0
2015	0	0
2016	0	0
2017	0	0
2018	0	0
2019	0	0
2020	289	0



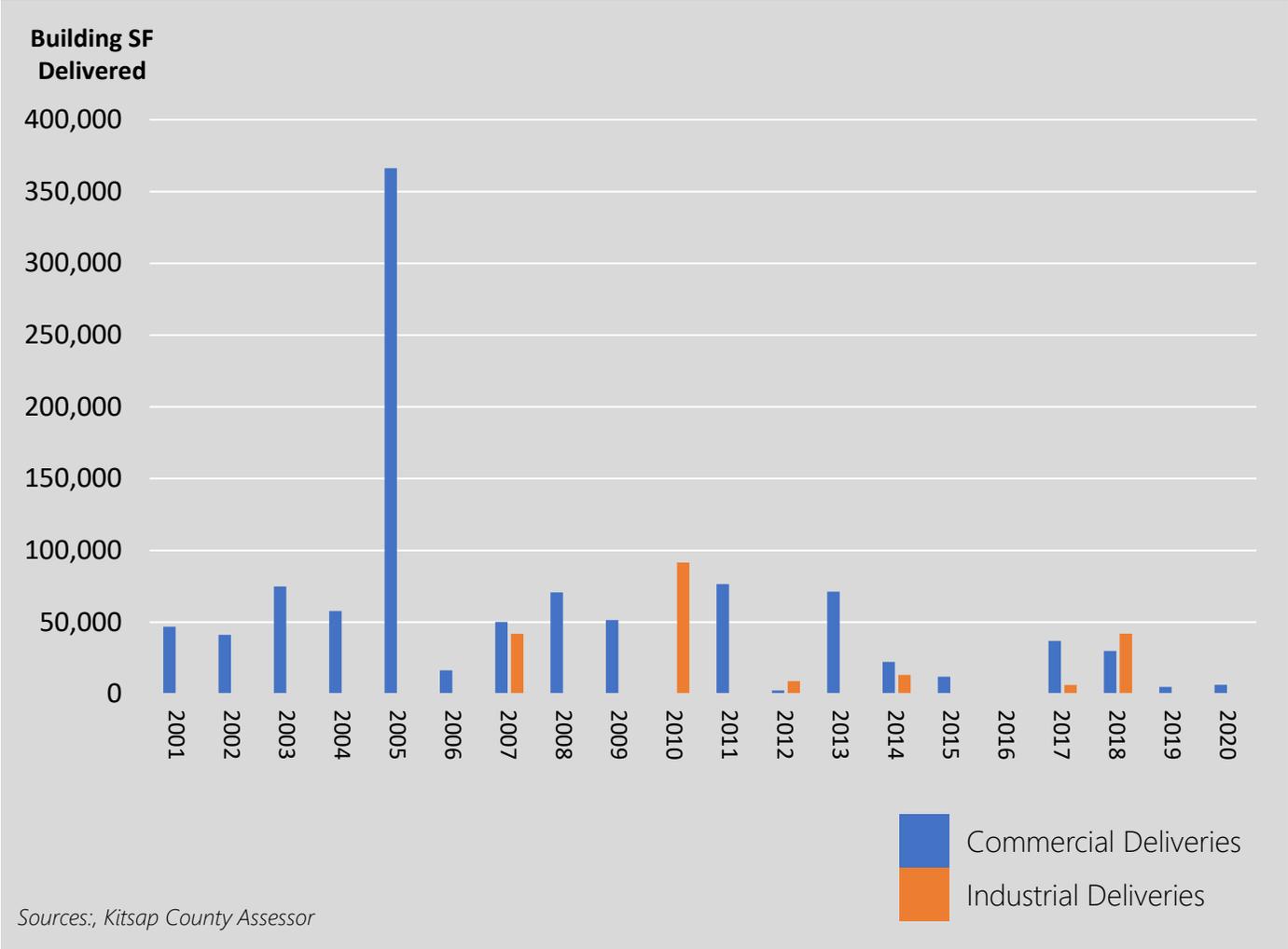
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	32,684	58,011
2002	34,708	78,380
2003	29,313	16,720
2004	32,915	29,424
2005	143,993	6,888
2006	56,123	124,298
2007	171,497	0
2008	69,686	19,950
2009	24,710	0
2010	10,827	0
2011	18,458	0
2012	3,642	3,520
2013	13,374	0
2014	0	0
2015	12,061	0
2016	2,376	0
2017	9,373	23,897
2018	5,842	68,110
2019	0	40,887
2020	5,652	5,180



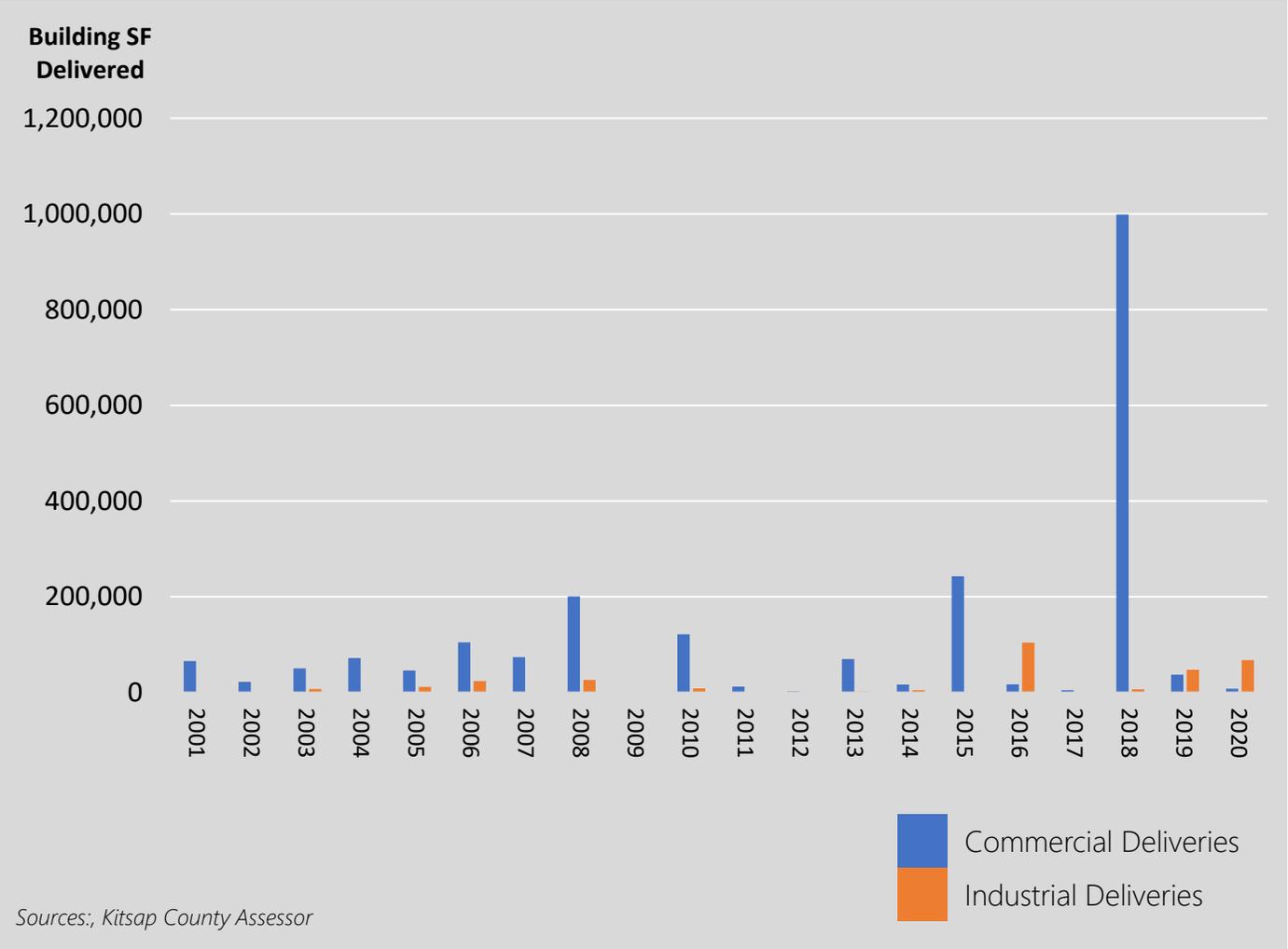
Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	46,819	0
2002	41,225	0
2003	74,894	0
2004	57,811	0
2005	366,279	0
2006	16,406	0
2007	50,129	41,880
2008	70,787	0
2009	51,536	0
2010	0	91,554
2011	76,488	0
2012	2,468	8,934
2013	71,293	0
2014	22,284	13,210
2015	12,053	0
2016	0	0
2017	36,997	6,210
2018	29,904	42,049
2019	4,932	0
2020	6,321	0



Commercial and Industrial Deliveries, 2001-2020

Year	Commercial Deliveries	Industrial Deliveries
2001	65,645	0
2002	22,163	0
2003	50,387	7,370
2004	71,992	0
2005	45,859	11,600
2006	104,846	23,728
2007	73,761	0
2008	200,891	26,048
2009	0	0
2010	121,678	8,720
2011	12,212	0
2012	2,393	0
2013	69,748	1,680
2014	16,685	5,000
2015	242,946	0
2016	16,948	104,249
2017	4,746	0
2018	999,011	6,760
2019	37,397	47,400
2020	8,100	67,532



Appendix C  
LCA Assumption Documentation

## Appendix C: County/City Documentation of Assumptions

### City of Bainbridge Island Documentation of Assumptions

#### Programmatic Infrastructure Gap Review Worksheet

City GIS and Planning Staff met with the City Engineer to review infrastructure system maps, capital plans alongside the Programmatic Infrastructure Gap Review Worksheet, Exhibit 4 of the Kitsap County Land Capacity Analysis Methodology Guidance. Staff then used Exhibit 2. Infrastructure Gap Analysis Decision Tree from the Guidance to confirm whether or not an infrastructure gap precludes all development. Current system plans and the City's adopted Capital Improvement Plan were used for this infrastructure review (see below).

Step 0: Infrastructure Gap Analysis	
Transportation	<p>No Transportation Gaps to be Mapped.</p> <p>All identified deficiencies (gaps) in IWTP are included in capital plan.</p>
Stormwater	No Stormwater Gaps.
Drinking Water	<p>Gap areas identified: Areas that are not served by Group A or Group B systems (e.g. gap between Washington Water System &amp; Emerald Heights. System in the vicinity of Lynwood Center Road). City staff confirmed the status of Group B systems with WA State Dept. of Health. Gap Does not constrain future development.</p> <p>Any substantial deficiencies identified that are substantial are on COBI capital plan (e.g. fireflow) or not enough to preclude development.</p>
Public Sewer	<p>There are many areas on Bainbridge Island outside of Sewer Service Areas and (2) areas that are within sewer service areas, but farther than 300 feet away from sewer mains. Developability (e.g. the ability to serve new development with on-site septic systems) of underutilized lots in these areas will be affected by LCA Steps 1-3 related to size and the presence of critical areas. No further reduction of areas related to lack of sewer service alone.</p>

No infrastructure gaps were identified. Identified infrastructure gaps are either already on a capital plan to be addressed, or the gap does not constrain all growth (see Exhibit 2) ☒

[Island-wide Transportation Plan \(IWTP\)](#)

[2021 Stormwater Management Program Plan](#)

[2015 General Sewer Plan](#)

[2017 Water System Plan](#)

[2021/2022 Adopted Budget Capital Improvement Plan](#)

## RESIDENTIAL LCA

### Step 1. Define Development Status and Classify Parcels

- **Step 1.1: Identify Pipeline Properties (OPTIONAL).**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption
- **Step 1.2: Identify Excluded Properties.**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption
- **Step 1.3: Identify Vacant Properties.**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption
- **Step 1.4: Identify Partially Utilized Properties.**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption
- **Step 1.5: Identify Under-Utilized Properties.**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption
- **Step 1.6: Identify Platted Lots.**
  - Used assumption outlined in guidance ☒
  - Provide explanation if deviating from standards assumption

### Step 2: Exclude Parcels Unlikely to Develop

- Used assumption outlined in guidance ☒

- Provide explanation if deviating from standards assumption

### Step 3: Identify Critical Areas

- Used assumption outlined in guidance □

City Planning staff discussed what level of reduction should be applied to the different types of critical areas given the regulations in the City’s Critical Areas Ordinance, [BIMC 16.20](#). The following staff participated in this critical area review: Planning Director Heather Wright, Planning Manager David Greetham, Associate Planner Annie Hillier.

Type	Buffer Width	Minimum Building Setback	% Reduction	Comment
<b>Streams and Buffers</b>				
DNR Water-courses	50-200 ft.	15 ft.	75%	<a href="#">BIMC 16.20.110</a>
<b>Wetlands</b>				
Wetlands	25-300 ft.	15 ft.	90%	<a href="#">BIMC 16.20.140</a>
<b>Water Bodies: N/A for City; Some ponds qualify as wetlands</b>				
<b>Geohazards: <a href="#">BIMC 16.20.130</a></b>				
<b>Landslide Hazard Areas</b>	20-75 ft.	N/A	90%	
<b>Moderate Geohazards:</b> Moderate Slopes (15-39%) Mapped Erosion Hazard Areas USGS Mapped Landslides	20-75 ft. (slopes/landslides)	N/A	25%	
<b>Seismic Hazard Areas:</b> Liquifaction Areas Fault Hazard Area (50 ft. on either side of fault)	N/A	N/A	25%	

Type	Buffer Width	Minimum Building Setback	% Reduction	Comment
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**Critical Aquifer Recharge Areas (CARAs):** All of Bainbridge Island is identified as an *Aquifer Recharge Area*. In the R-0.4, R-1 and R-2 zones (approximately 91% of total area of Bainbridge Island). Development > 800 sq. ft. of new hard surface in these areas requires designation of an *Aquifer Recharge Protection Area (ARPA)* pursuant to [BIMC 16.20.100](#). City subdivision standards allow substantial clustering, and therefore designating an ARPA does not preclude further subdivision in the same way that the presence of a large wetland would.

#### Step 4: Identify Future Roads/Right of Way Needs

#### Step 5: Identify Future Public Facility Needs

City GIS and Planning Staff met with the City Engineer and Engineering Manager to discuss the reductions necessary for future roads, rights of way and other public facilities through development permits. The engineering staff had reviewed many recent developments, both residential subdivisions and commercial development to analyze how much area in these developments had been set aside for roads and other public facilities through these permits. The engineering staff then used averaging to suggest to following reductions be used for the LCA.

**Step 4 Future Roads/Right of Way: 10%**

**Step 5 Future Public Facilities: 15%**

#### Step 6: Account for Unavailable Lands (Market Factor)

The range for *unavailable lands* for Bainbridge Island identified in the Market Factor Guidance is 5-20%. In reviewing the guidance, staff recommends an *Unavailable Lands Reduction* of 10% for both residential and commercial lands.

#### Step 7: Determine Available Net Acres

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

#### Step 8: Apply Density in Each Zone to Calculate Housing Unit Capacity

##### Residential Density Assumptions by Zone

Zoning <a href="#">BIMC 18.12.020-2</a>	Allowed Density (units per acre)	Percent Residential	Assumed Densities: Description/Rationale
Residential 0.4 (R-0.4)	1 unit per 100,000 sq. ft.	100%	Maximum base density per zone.
Residential 1 (R-1)	1 unit per 40,000 sq. ft.	100%	Maximum base density per zone.
Residential 2 (R-2)	1 unit per 20,000 sq. ft.	100%	Maximum base density per zone.

Zoning <b>BIMC 18.12.020-2</b>	Allowed Density (units per acre)	Percent Residential	Assumed Densities: Description/Rationale
Residential 2.9 (R-2.9)	1 unit per 15,000 sq. ft.	100%	Maximum base density per zone.
Residential 3.5 (R-3.5)	1 unit per 12,500 sq. ft.	100%	Maximum base density per zone.
Residential 4.3 (R-4.3)	1 unit per 10,000 sq. ft.	100%	Maximum base density per zone.
Residential 5 (R-5)	1 unit per 8,500 sq. ft.	100%	Maximum base density per zone.
Residential 6 (R-6)	1 unit per 7,260 sq. ft.	100%	Maximum base density per zone.
Residential 8 (R-8)	1 unit per 5,400 sq. ft.	100%	Maximum base density per zone.
Residential 14 (R-14)	1 unit per 3,100 sq. ft.	100%	Maximum base density per zone.
Central Core	0.4 FAR	50%	Mixed Use Zone: Base Residential FAR level for zone. <a href="#">See BIMC 18.12.020-3</a> . Assumed unit size to determine housing capacity in these zones: 1,000 sq. ft.
Madison	0.4 FAR	75%	
Ericksen	0.3 FAR	50%	
Gateway	0.5 FAR	50%	
Ferry Terminal	0.4 FAR	75%	
High School Road 1 & 2	0.3 FAR	50%	
Neighborhood Center (NC)	1 unit per 20,000 sq. ft.	50%	Mixed Use Zone: Maximum base density per zone. <a href="#">See BIMC 18.12.020-3</a>
NC/R-12	1 unit per 3,630 sq. ft.	50%	

**Step 8.4. Address Capacity for Accessory Dwelling Units (ADU's) for Additional Urban Housing Capacity (Optional)**

- Used this assumption, please explain rationale below

For each residential zone, averaged the number of ADU permits during 7 yr. BLR Period (2013-2019) per year. Then forecast that average per year over rest of planning period 2020-2036, 16 years to total estimated ADU capacity. Then that total ADU forecast from 2020-2036 was divided evenly, 50/50 between partially utilized and vacant lands for each zone.

## Step 9: Apply Average Household Size to Calculate Population Capacity

### Average Household Assumptions by Jurisdiction and UGA

- Used assumption outlined in guidance
- Provide assumption and explanation below if deviating from guidance

## COMMERCIAL/INDUSTRIAL LCA

### Programmatic Infrastructure Gap Review Worksheet

No infrastructure gaps were identified

Same infrastructure gap analysis for commercial/ industrial and residential areas. See Infrastructure Gap Discussion above on pages 1-2.

## Step 1. Define Development Status and Classify Parcels

### ▪ **Step 1.1: Identify Pipeline Properties (OPTIONAL).**

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### ▪ **Step 1.2: Identify Excluded Properties.**

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### ▪ **Step 1.3: Identify Vacant Properties.**

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### **Step 1.4: Identify Under-Utilized Properties.**

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### **Step 1.5: Identify Platted Lots.**

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### Step 3. Identify Critical Areas

- Used assumption outlined in guidance

Same critical area analysis for commercial/ industrial and residential areas. See pages 3-4 above.

### Step 4. Identify Future Roads/Right of Way Needs

### Step 5. Identify Future Public Facility Needs

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

Same future right-of-way/public facility analysis for commercial/ industrial and residential areas. See pages 4 above.

**Step 4** Future Roads/Right of Way: 10%

**Step 5** Future Public Facilities: 15%

### Step 6. Account for Unavailable Lands (Market Factor)

The range for *unavailable lands* for Bainbridge Island identified in the Market Factor Guidance is 20-35%. In reviewing the guidance, staff recommends an *Unavailable Lands Reduction* of 10% for both residential and commercial lands. Staff is recommending a lower reduction than the range in the guidance because the majority of commercial and mixed used development capacity is on vacant lands, not in redevelopable lands. The guidance indicates that vacant lands are often assumed to be more likely to develop than infill or redevelopment.

### Step 7. Determine Available Net Acres

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

## Step 8. Apply FAR in each Zone to Calculate Building Square Footage Capacity

### Non-Residential Lot Coverage or Floor Area Ratio (FAR) Assumptions by Zone

Zoning <b>BIMC 18.12.020-3</b>	Lot Coverage % or FAR Assumed for Capacity Calculation	Percent Non- Residential	Assumed FAR: Description/Rationale
Central Core	0.6 FAR	50%	Mixed Use Zone: Base Commercial FAR level for zone. <a href="#">See BIMC 18.12.020-3.</a>
Madison	0.4 FAR	25%	
Ericksen	0.3 FAR	50%	
Gateway	0.15 FAR	50%	
Ferry Terminal	0.1 FAR	25%	
High School Road 1 & 2	0.3 FAR	50%	
Neighborhood Center (NC)	1.05 FAR: 35% Lot Coverage x 3-story development (recent development)	50%	Mixed Use Zone Development Standards. <a href="#">See BIMC 18.12.020-3.</a>
NC/R-12		50%	
Business/Industrial	0.7 FAR: 35% Lot Coverage x 2-story development (recent development)	100%	Development Standards. <a href="#">See BIMC 18.12.020-3.</a>
Water-dependent/ Industrial	1.0 FAR: 50% Lot Coverage x 2-story development (consider SMP building heights)	100%	

### Step 8.2. Calculate Net Commercial/Industrial Square Footage Capacity

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

### Step 8.3. Address Pipeline Development

- Used assumption outlined in guidance
- Provide explanation if deviating from standards assumption

## Step 9.2 Select Employment Density Assumptions for Commercial and Industrial Zones

### Employment Density Assumptions by Zone

Zoning	Commercial or Industrial	Employment Density Assumed for Capacity Calculation	Assumed Densities: Description/Rationale
Central Core	Commercial	1 employee/ 400 sq. ft.	For the Commercial/Mixed Use Zones, the recommended range was 300-600 sq. ft. The guidance recommends using the lower end of the range if retail and office uses are expected, as opposed to bigger-box retail, which is the case for the Bainbridge Island Mixed Use zones. The 2014 BLR used 500 sq. ft./employee.
Madison	Commercial	1 employee/ 400 sq. ft.	
Ericksen	Commercial	1 employee/ 400 sq. ft.	
Gateway	Commercial	1 employee/ 400 sq. ft.	
Ferry Terminal	Commercial	1 employee/ 400 sq. ft.	
High School Road 1 & 2	Commercial	1 employee/ 400 sq. ft.	
Neighborhood Center (NC)	Commercial	1 employee/ 400 sq. ft.	
NC/R-12	Commercial	1 employee/ 400 sq. ft.	
Business/Industrial	Industrial	1 employee/ 800 sq. ft.	
Water-dependent/Industrial	Industrial	1 employee/ 800 sq. ft.	

	Step 0	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
<b>Residential Capacity</b>	<b>Infrastructure Gap Review (Gross Acres)</b>	<b>Define Development Status</b>	<b>Exclude Parcels Unlikely to Develop (-)</b>	<b>Identify Critical Areas (-)</b>	<b>Identify Future Roads/Right of Way Needs (-)</b>	<b>Identify Future Public Facility Needs (-)</b>	<b>Account for Unavailable Lands (-)</b>	<b>Determine Net Acres</b>	<b>Calculate Housing Capacity (units)</b>	<b>Apply Average Household to Calculate Population</b>
Redevelopable Subtotal	0.00	13524.48	11104.06	602.09	137.65	185.82	105.30	1389.56	627	1511
Vacant Subtotal	0.00	2190.55	0.00	507.93	128.29	173.19	98.14	1283.00	1245	3219
<b>Total</b>	<b>0.00</b>	<b>15715.03</b>	<b>11104.06</b>	<b>1110.02</b>	<b>265.94</b>	<b>359.01</b>	<b>203.44</b>	<b>2672.56</b>	<b>1872</b>	<b>4729</b>

<b>Mixed Use Capacity</b>										
Redevelopable Subtotal	0.00	242.26	205.49	4.88	2.78	3.76	2.13	11.99	121	269
Vacant Subtotal	0.00	39.04	16.78	0.00	2.04	2.76	1.56	8.96	137	303
<b>Total</b>	<b>0</b>	<b>281.3</b>	<b>222.27</b>	<b>4.88</b>	<b>4.83</b>	<b>6.51</b>	<b>3.69</b>	<b>20.95</b>	<b>258</b>	<b>572</b>

Redevelopment Total	0	13766.74	11309.55	606.97	140.43	189.58	107.43	1401.55	748	1780
Vacant Total	0	2229.59	16.78	507.93	130.33	175.95	99.70	1291.96	1381	3522
<b>Total Capacity</b>	<b>0</b>	<b>15996.33</b>	<b>11326.33</b>	<b>1114.90</b>	<b>270.76</b>	<b>365.53</b>	<b>207.13</b>	<b>2693.51</b>	<b>2130</b>	<b>5301</b>

Capacity by Zone

<b>Residential Capacity</b>	<b>Net Acres</b>	<b>Single Family Units</b>	<b>Multi Family Units</b>	<b>Population Capacity</b>
Residential 0.4 (R-0.4)	1284.07	399	0	1023
Residential 1 (R-1)	627.19	473	0	1184
Residential 2 (R-2)	705.31	791	0	1977
Residential 2.9 (R-2.9)	16.57	19	0	49
Residential 3.5 (R-3.5)	11.38	35	0	97
Residential 4.3 (R-4.3)	15.04	44	0	125
Residential 5 (R-5)	0.63	31	0	75
Residential 6 (R-6)	0.00	0	0	0
Residential 8 (R-8)	11.09	66	0	164
Residential 14 (R-14)	1.27	14	0	33
Subtotal	2672.56	1872	0	4729
<b>Mixed Use Capacity</b>	<b>Net Acres</b>	<b>Single Family Units</b>	<b>Multi Family Units</b>	<b>Population Capacity</b>
Central Core Overlay (CC)	3.22	0	31	69
Madison Avenue Overlay (MA)	2.86	0	44	98
Ericksen Avenue Overlay (EA)	2.32	0	26	58
Gateway Overlay (GATE)	1.41	0	31	68
Ferry Terminal Overlay (FERRY)	1.32	0	22	48
High School Road Districts I and II (HSR)	7.50	0	95	210
Neighborhood Center (NC)	2.20	0	7	17
NC/R-12	0.13	0	2	4
Subtotal	20.95	0	258	572
<b>Total</b>	<b>2693.51</b>	<b>1872</b>	<b>258</b>	<b>5301</b>

City of Bainbridge Island  
Commercial/Industrial/Mixed Use  
Land Supply Capacity

DRAFT August 20, 2021

	Step 0 Infrastructure Gap Review (Gross Acres)	Step 1 Define Development Status	Step 2 Exclude Parcels Unlikely to Develop (- )	Step 3 Identify Critical Areas (-)	Step 4 Identify Future Roads/Right of Way Needs (-)	Step 5 Identify Future Public Facility Needs (-)	Step 6 Account for Unavailable Lands (-)	Step 7 Determine Net Acres	Step 8 Apply FAR to determine square footage capacity	Step 9 Calculate Employment Capacity by Employment density
<b>Commercial Capacity</b>										
Redevelopable Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0
Vacant Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>

<b>Industrial Capacity</b>										
Redevelopable Subtotal	0.00	71.48	66.84	1.85	0.28	0.38	0.21	1.92	55561	69
Vacant Subtotal	0.00	45.01	8.83	13.11	2.31	3.11	1.76	15.88	484326	605
<b>Total</b>	<b>0.00</b>	<b>116.49</b>	<b>75.67</b>	<b>14.96</b>	<b>2.59</b>	<b>3.49</b>	<b>1.98</b>	<b>17.80</b>	<b>539886</b>	<b>675</b>

<b>Mixed Use Capacity</b>										
Redevelopable Subtotal	0.00	11.24	0.00	0.00	0.00	0.00	0.00	11.24	61432	154
Vacant Subtotal	0.00	6.95	0.00	0.00	0.00	0.00	0.00	6.95	119499	299
<b>Total</b>	<b>0.00</b>	<b>18.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18.19</b>	<b>180931</b>	<b>452</b>

Redevelopment Total	0.00	82.72	66.84	1.85	0.28	0.38	0.21	13.16	116992	223
Vacant Total	0.00	51.96	8.83	13.11	2.31	3.11	1.76	22.83	603825	904
<b>Total Capacity</b>	<b>0.00</b>	<b>134.68</b>	<b>75.67</b>	<b>14.96</b>	<b>2.59</b>	<b>3.49</b>	<b>1.98</b>	<b>35.99</b>	<b>720817</b>	<b>1127</b>

Capacity by Zone

Residential Capacity	Net Acres	Net Square Foot Capacity	Employment Capacity
Central Core Overlay (CC)	3.22	39,207	98
Madison Avenue Overlay (MA)	0.96	11,247	28
Ericksen Avenue Overlay (EA)	2.32	7,963	20
Gateway Overlay (GATE)	1.41	9,200	23
Ferry Terminal Overlay (FERRY)	0.44	1,590	4
High School Road Districts I and II (H)	7.50	30,771	77
Neighborhood Center (NC)	2.21	74,813	187
NC/R-12	0.13	6,141	15
Business/Industrial	17.80	539,886	675
Water-dependent Industrial	-	-	-
<b>Subtotal</b>	<b>35.99</b>	<b>720817</b>	<b>1127</b>
<b>Total</b>	<b>35.99</b>	<b>720817</b>	<b>1127</b>

# Appendix E: Draft Housing Availability and Affordability Memo

## INTRODUCTION

This Housing Availability and Affordability Memo, prepared by Kitsap County with support from BERK Consulting and Heartland LLC, evaluates the findings of several recent housing needs assessments and the Kitsap County's 2021 Buildable Lands Program (BLP) Update. The purpose is to identify and explain housing availability and affordability across the countywide market spectrum and in context with the Washington State Growth Management (GMA) and the BLP requirements. This memo is informed by a review of the following reports and data:

- [Housing Memorandum: Issues Affecting Housing Availability and Affordability](#) (Washington State Department of Commerce, 2019)
- [City of Bremerton & Kitsap County Affordable Housing Recommendations Report](#) (ECONorthwest, 2020)<sup>1</sup>
- Real estate market data from [CoStar](#) and [University of Washington Center for Real Estate Research](#) (current and historical)
- Draft [Regional Housing Strategy](#) (Puget Sound Regional Council, 2021)

This memo begins with a summary assessment of housing market conditions and growth trends in Kitsap County gleaned from the 2020 *City of Bremerton and Kitsap County Affordable Housing Recommendations Report*. This includes a discussion of factors that shape housing demand as well as barriers that have prevented the housing market from meeting the demand. Demand in the context of GMA and BLP are the adopted 20-year growth targets included in the Kitsap Countywide Planning Policies (CPPs). This is covered in this 2021 Buildable Lands Report (BLR), Chapter 3: Growth and Development Trends to the planning horizon of 2036. Next, using data summarized in the BLR, capacity for housing units is review by urban growth area, then by zone, including whether the zone may be intended for single-family or multi-family residential development. This memo further takes the BLR's urban land capacity analysis or supply results noted in Chapter 4: Growth Capacity and breaks it down further by housing product type and density level within cities and unincorporated urban growth areas (UGAs). Using guidance from the *City of Bremerton and Kitsap County Affordable Housing Recommendations Report* and Puget Sound Regional Council's (PSRC) recent release of their *Draft Regional Housing Strategy*, this memo assigns a range of density and product type that is associated with a particular Area Median Income (AMI).

Finally, based on the Commerce Guidance in *Housing Memorandum: Issues Affecting Housing Availability and Affordability*, we include recommendations for potential measures jurisdictions could consider, following evaluation of observations and if deemed necessary, as part of future comprehensive plan and/or development regulations amendments to help overcome land use and regulatory barriers that impact housing development.

<sup>1</sup> Note, the [City of Bremerton & Kitsap County Affordable Housing Recommendations Report](#) was completed after the BLR evaluation period and the analysis included does not match the years of the evaluation period.

## SUMMARY ASSESSMENT OF HOUSING MARKET CONDITIONS

While the dynamics of housing markets are complex, a fundamental challenge that impacts housing affordability is enough housing supply to meet demand. This is found throughout Washington State and the Puget Sound region, and Kitsap County is no exception. Across all housing types, supply has not kept pace with demand. In the GMA and BLP context, supply is related to results of the urban land capacity analyses contained in Chapter 4 of the BLR report. As noted in Commerce’s *Housing Memorandum*, “Demand has largely been driven by macroeconomic changes beyond local government control.”<sup>2</sup> However, there are steps Kitsap County can take to understand and evaluate local conditions and adopt reasonable measures to increase supply of housing for all economic segments<sup>3</sup>.

Kitsap County, along with the City of Bremerton, took a step in this direction with the commissioning of an Affordable Housing Inventory and Market Analysis that was completed in 2020 with the production of the *City of Bremerton & Kitsap County Affordable Housing Recommendations Report*. This was not a study driven by the Growth Management Act, chapter 36.70A RCW, and thus cannot be used to fulfill the Housing Needs Assessment required under RCW 36.70A.070(2). For example, the 2020 report:

- Evaluates data based on census defined areas rather than urban growth areas and thus adds in a mix of rural development data. Additionally, it cannot be directly compared with other BLP data as the collection timeframe was 2010-2017, not the 2013-2019 evaluation period of this BLP update.
- Has an evaluation horizon that was also on the heels of a worldwide economic recovery from the great recession (2007-2009) where residential financing, construction and real estate were some of the hardest hit economic sectors during that time.
- Relied on 2016 local comprehensive plan updates and the land capacity results included in that 2016 update
- Did not review previous BLRs issued during its 2010-2017 timeline, and only included land supply information that was part of previous comprehensive plan updates completed in 2016.<sup>4</sup>

In summation, nevertheless, it does provide a useful foundation to assess Kitsap County’s housing inventory and to understanding local opportunities and barriers to housing. The City of Bremerton & Kitsap County Affordable Housing Recommendations Report estimated that Kitsap County would likely need approximately 25,150 new housing units by 2036 to keep up with demand, and that over the 2010-2017 time period, only 42 new units were created for every 100 new households formed. In other words, after accounting for demolition of obsolescence of units, there were 3,600 units created. The larger groups of incoming populations to Kitsap County are both the higher earning households (over \$80,000 per year) and the very low-income households (under \$20,000 per year) where the housing supply is not enough for either of these groups. Given the low supply of new housing, the increased competition from

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<sup>2</sup> Source: Housing Memorandum: Issues Affecting Housing Availability and Affordability (Washington State Department of Commerce, 2019) at 2.

<sup>3</sup> RCW 36.70A.070 (2); RCW 36.70A.110

<sup>4</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendations Report p. 11](#)

higher-income<sup>5</sup> households put many renter households at risk of rent increases and displacement.<sup>6</sup> Additionally, the City of Bremerton & Kitsap County Affordable Housing Recommendations Report notes many factors that affect housing production involve partners from the private and public sectors.<sup>7</sup>

## Key Drivers of Housing Demand

The Commerce memo and Appendix C<sup>8</sup> of the *City of Bremerton & Kitsap County Affordable Housing Recommendations Report* noted several drivers to housing demand. These include, but are not limited to the following:

- Employment and population growth across the Central Puget Sound region has been strong, particularly among medium- and higher-wage sectors.<sup>9</sup> These new workers need places to live.
- Homes in Kitsap County are relatively affordable compared to homes in King County and many parts of the Central Puget Sound Region. As home prices in nearby counties have climbed rapidly, Kitsap County has become an attractive and more affordable alternative. This has caused a spike in demand and increasing housing prices.<sup>10</sup>
- Kitsap County also includes many homes used as second residences or short-term rentals. As this secondary market grows, it can lead to greater stratification of housing prices and put many homes out of reach of what local permanent residents can afford.<sup>11</sup>
- About 21% of single-family homes are rented.<sup>12</sup> High demand for single family homes and rising prices increase pressure for landowners to sell the homes, potentially displacing the renter household.
- Multifamily housing in urban areas can typically be provided at a much lower costs per unit to meet the needs of lower, moderate, and middle-income households.<sup>13</sup>

## Barriers to New Housing Production and Housing Affordability

Through public and private sector interviews, below is a summary of some of the barriers identified to production of housing.

- **Construction costs:** The high and rising costs of residential construction is similar in all counties across the Central Puget Sound Region.<sup>14</sup> Yet housing prices and rents are typically much lower in parts of Kitsap County than the remainder of the region. As a result, there has been a lack of production of

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<sup>6</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendations Report](#) p. 11.

<sup>7</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendations Report p. 15-35](#)

<sup>8</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendation Report, Appendix C.](#)

<sup>9</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendations Report](#), p.11.

<sup>10</sup> Source: Heartland LLC. and Windermere, [Q1 2021 Western Washington Gardner Report.](#)

<sup>11</sup> Source: Heartland LLC and ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Inventory and Market Analysis – Appendix C: Housing Needs Analysis](#), p. 14.

<sup>12</sup> Source: American Community Survey, 2019.

<sup>13</sup> While construction costs are typically higher per square foot for multifamily structures, they can be much less than single family homes on a per unit basis. This is particularly true when accounting for land costs, as multifamily development can be done at a higher density with a more efficient use of space. However these costs and efficiencies are also influenced by land use regulations, fees, permitting, and other factors.

<sup>14</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Inventory and Market Analysis – Appendix C: Housing Needs Analysis at 18.](#)

higher-density housing products such as podium-style mixed-use developments where higher rents are needed to balance the high cost of construction. Such development has only been constructed near regional transportation centers, such as near the ferry terminals in Bremerton and Bainbridge Island.

- **Parking requirements:** Related to overall construction costs, the development cost of parking and the ability to achieve the desired densities greatly impacts the feasibility of a development and the type of product delivered. With some exceptions in the Bremerton and Bainbridge submarkets, multifamily projects in Kitsap County are developed with surface parking (rather than higher cost structured parking). While this reduces the cost of construction significantly, it also reduced the number of units that can be built on a parcel.
- **Zoning and allowable density:** Across the board, stakeholders consistently expressed that low allowable density in residential zones, specifically widespread single-family housing zones, was a fundamental barrier to financial feasibility of new housing construction.<sup>15</sup>
- **Parcelization and Lack of large vacant parcels:** According to the recent *City of Bremerton & Kitsap County Affordable Housing Recommendations Report*,<sup>16</sup> larger greenfield development sites, which are the most attractive and efficient for multifamily developers, are in short supply. Multifamily capacity is thus more often found in infill sites and/smaller sites, leading to potentially higher development costs, and necessitating denser forms of parking not typically achieved in the Kitsap market.
- **Access to transit:** Kitsap County’s natural geography means that access to buses and ferries is spotty, at best. The transit system currently best serves commuters who are traveling in and out of the County, as opposed to local workers. In 2021, Bainbridge Island initiated an on demand share ride service in partnership with Kitsap Transit.
- **NIMBYs:** Current residents who speak out to prevent new or certain types of development, known as NIMBYs (an acronym for not-in-my-backyard), can have significant impacts on housing development by increasing the perceived or real riskiness of a project. They may have negative stereotypes of people who live in subsidized housing or aesthetic concerns about what higher density development looks like and how it could affect their neighborhood character. These constituents often protest proposed regulatory changes that would allow for more housing, such as upzoning and abolishing parking minimums.
- **Lack of funding or subsidies:** Many developers, particularly on the affordable side, cited a simple lack of funds for low-income housing development. Existing local funds, such as HOME or CDBG, are too small to make a project feasible. State low-income housing tax credit funds are prioritized for high-needs populations, and as such are very difficult to obtain for general low-income or workforce housing. Additional funding sources are critical to fill this need.
- **Lack of “missing middle” housing production:** The City of Bremerton & Kitsap County Affordable Housing Recommendations Report reviewed housing production data and found that Kitsap County is

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<sup>15</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Inventory and Market Analysis – Appendix A: Housing Landscape Overview , p.25.](#)

<sup>16</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Inventory and Market Analysis – Appendix A: Housing Landscape Overview at 25.](#)

largely made up of single-family detached housing and a small proportion of higher density multifamily, but little in between. Findings from this BLR's land capacity analysis covered in Chapter 4 and discussed in Exhibit 4 below review AMI and capacity of various housing product types.

A summary of housing market conditions and challenges to housing production by housing type is presented in Exhibit 1.

**Exhibit 1. Market Conditions and Challenges by Housing Product Type**

Product Type	Market Conditions	Challenges
Detached Single Family	Single family detached makes up 74% of the housing stock in Kitsap County. Median price in Bremerton is \$325,000. <sup>17</sup>	While single family home production has occurred throughout the county, it has not kept pace with high demand.
Condominiums and Missing Middle (Townhomes, Duplex, Etc.)	Only 2% of owner-occupied housing stock are condominiums or missing middle types. Median prices for condominiums and townhomes have jumped 40% to 50% over the past three years. <sup>18</sup>	Continued high demand for detached single family development and familiarity with this product type by the local developer community is a barrier to the production of missing middle product styles. Analysis of permit data indicates detached single-family homes are being built in zones that allow for multifamily and missing middle formats. This is particularly true in unincorporated UGA areas, where 90% of all units permitted in Urban Medium and Urban High zones were single family.
Mobile Homes	The majority of mobile homes (including manufactured homes) are located on “unique, often large parcels” <sup>19</sup> in unincorporated areas, including rural areas. Over 75% of these are not in parks but are situated on their own parcels. There have been very few mobile homes permitted in recent years. <sup>20</sup>	Mobile/manufactured homes typically provide a much lower cost housing option that is available in the prevailing housing market. High demand for new single-family homes is creating pressure to redevelop parcels with aging mobile/manufactured homes. This will result in the loss of existing “naturally occurring” affordable housing stock.
Multifamily and mixed-use residential	The inventory of multifamily units has grown by 10% over the past ten years, but rents have increased by 50% over that same period. Less than a quarter of multifamily units are in unincorporated Kitsap County. Countywide, 64% of new multifamily construction is for garden-style apartments with surface parking. <sup>21</sup>	In many areas of the county, higher density mixed use multifamily development is not financially feasibility under current market conditions (relatively low rents compared to the rest of the region). High construction costs and requirements for off-street parking result in lower return on investment than can be found in many other parts of the Central Puget Sound Region.

<sup>17</sup> Source: American Community Survey, 2019. Washington Center for Real Estate Research (WCRER), 2020

<sup>18</sup> Source: WCRER, 2020

<sup>19</sup> Source: ECONorthwest, 2020, [City of Bremerton & Kitsap County Affordable Housing Recommendations Report p. 12, Appendix B p. 6, 18-19.](#)

<sup>20</sup> Source: Kitsap County Assessor, 2021

<sup>21</sup> Source: Costar, 2021

## Housing Needs by Affordability Level

PSRC’s Draft Regional Housing Needs Assessment forecasts that Kitsap County will grow by 42,500 households between 2020 and 2050. This draft regional assessment of Puget Sound communities breaks down these households by income level relative to Area Median Income (AMI). For Kitsap County, the AMI for a family of four is \$94,100.

Exhibit 2. Estimated Housing Units Needed in Kitsap County by Income Level, 2020-2050 presents the number of housing units PSRC estimates are needed at each income level, as well as information about relevant housing types for providing new housing at each income level.

Of course, housing costs vary significantly across Kitsap County and in many cases new construction will be targeted at higher income households. For example, a review of for-sale listings indicates that nearly all new townhomes in Kitsap County are in high-cost neighborhoods and priced for upper-income households. While adding new higher-priced townhomes to the supply helps to reduce competition for the older units which are more affordable to middle and lower income households, it is also possible to produce townhomes at lower price-points with the right conditions. Exhibit 2. Estimated Housing Units Needed in Kitsap County by Income Level, 2020-2050

### Exhibit 2. Estimated Housing Units Needed in Kitsap County by Income Level, 2020-2050

Income Level (% of AMI)	Number of Units	% of Units	Housing Types Potentially Affordable (New Construction)
0-30%	4,000	9%	Public subsidy needed. Apartments are typically the most cost-effective housing type.
31-50%	3,500	8%	Public subsidy is usually needed. Apartments are typically the most cost-effective housing type.
51-80%	7,000	16%	Market-rate apartments; accessory dwelling units; multiplex
81-100%	4,000	9%	Townhomes; condominiums; cottage style single family homes
101-120%	5,000	12%	Single family homes
Above 120%	19,000	45%	Single family homes
<b>All Households</b>	<b>42,500</b>		

Source: PSRC [Draft Regional Housing Needs Assessment](#) (2021); BERK, 2021.

**Exhibit 2.** Estimated Housing Units Needed in Kitsap County by Income Level, 2020-2050 implies that at least 43% of new housing production should be in multifamily buildings or missing middle housing types like townhomes, ADUs, or cottage style homes.

## CAPACITY FOR NEW HOUSING PRODUCTION

This section summarizes capacity for new housing production in urban Kitsap County by density level, or the number of units per acre.<sup>22</sup> The density of new housing development is strongly related to the types of housing that are likely to be provided and the associated AMI. This section is based on the urban residential results noted in Chapter 4: Growth Capacity of the BLR Report.

Exhibit 3 shows the density level categories used in this memo, as well as examples of residential development in Kitsap County that fall into each category. It also summarizes potential income levels served at each density level based on typical market conditions. However, as discussed above, market conditions can vary significantly by jurisdiction. This Exhibit thus only provides a general guide for understanding the potential alignment between zoning and income levels served.

As indicated in Exhibit 3, medium high and high density housing development has the greatest potential to support providing housing at affordability levels below 80% of AMI. According to Exhibit 2, about 33% of the population growth in Kitsap County will be among households with income levels below 80% of AMI—or about 14,500 households by the year 2050. This is equivalent to a need of about 9,700 households over the next 20 years. Compare this to the total capacity for medium high and high density development throughout Kitsap County as show in in Exhibit 4. There is currently a capacity for less than 4,500 units, but may be up to about 6,000 units if zones are built out to the maximum allowed density. While subsidized affordable housing can be developed at lower density levels, it is typically more costly to do so on a per unit basis. Higher density market rate housing (such as apartments) can be affordable to households within incomes between 50 and 80% of AMI if sufficient capacity is available for development.

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<sup>22</sup> Note that these density levels are based on dwelling units per net acre. In other words, it measures units per buildable acre, excluding critical areas, street right of ways, and common areas.

**Exhibit 3. Density Categories for Summarizing Residential Capacity with Representative Housing Types**

Density Level	Units per Net Acre	Description	Example	Potential Income-Levels Served (New Construction)
<b>Very low</b>	Less than 4	Detached single family homes on large lots.  <i>Example: Single family home in Port Orchard, WA</i>		Greater than 120% of AMI
<b>Low</b>	4-10	Detached single family homes on typical suburban lots.  <i>Example: Single family neighborhood in Silverdale, WA.</i>		100% of AMI or greater
<b>Medium-Low</b>	10-24	Small lot single family homes, duplex, triplex, & lower-density townhouses.  <i>Example: Townhomes in Bainbridge Island, WA</i>		80% of AMI or greater
<b>Medium-High</b>	24-48	Low-rise apartments and condominiums; higher-density townhomes.  <i>Example: Golden Tides II apartments in Silverdale UGA.</i>		50% of AMI or greater.  <i>Potential to serve lower income levels with public subsidy.</i>
<b>High</b>	48+	Mid- and high-rise apartments and condominiums.  <i>Example: 606 apartments in Bremerton, WA.</i>		50% of AMI or greater.  <i>Potential to serve lower income levels with public subsidy.</i>

Image sources: Zillow.com (Very Low), NWMLS (Medium-Low), and Google Street View, 2021 (other categories).

Exhibit 4 summarizes all housing capacity in urban Kitsap County by assumed density level by zone used in the Buildable Lands Report.

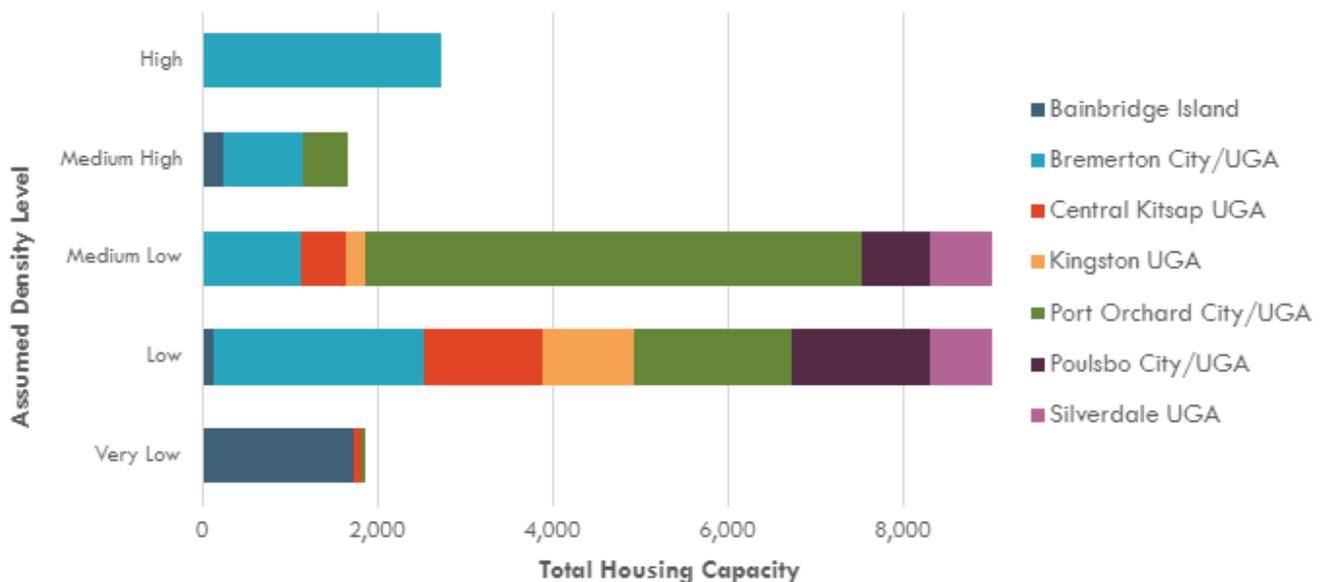
**Exhibit 4. Residential Capacity by Assumed Density Level (Cities and Unincorporated UGAs combined)**  
Pending

DENSITY LEVEL (UNITS PER ACRE)		TYPICAL HOUSING TYPE	TOTAL HOUSING UNIT CAPACITY (% OF TOTAL COMBINED LAND CAPACITY RESULTS)
Very Low	Less than 4	Large lot single family home	1,860 (7%)
Low	4 - 10	Typical single family home	10,116 (40%)
Medium Low	10 - 24	“Missing middle”: Small lot single family homes, cottage developments, multiplex, and lower density townhomes.	9,124 (36%)
Medium High	24 - 48	“Missing middle”: Low-rise apartments or condos. Higher density townhomes.	1,620 (7%)
High	48+	Mid- and high-rise apartments or condos.	2,726 (11%)
<b>Total Capacity</b>			<b>25,446</b>

Source: Kitsap County Buildable Lands Report, 2021; BERK, 2021.

Exhibit 5 visualizes how capacity within each density level is distributed among jurisdictions and UGAs, with a more detailed data table presented on the page that follows.

**Exhibit 5. Residential Capacity by Assumed Density Level and Jurisdiction/UGA**



Source: Kitsap County Buildable Lands Report, 2021; BERK, 2021.

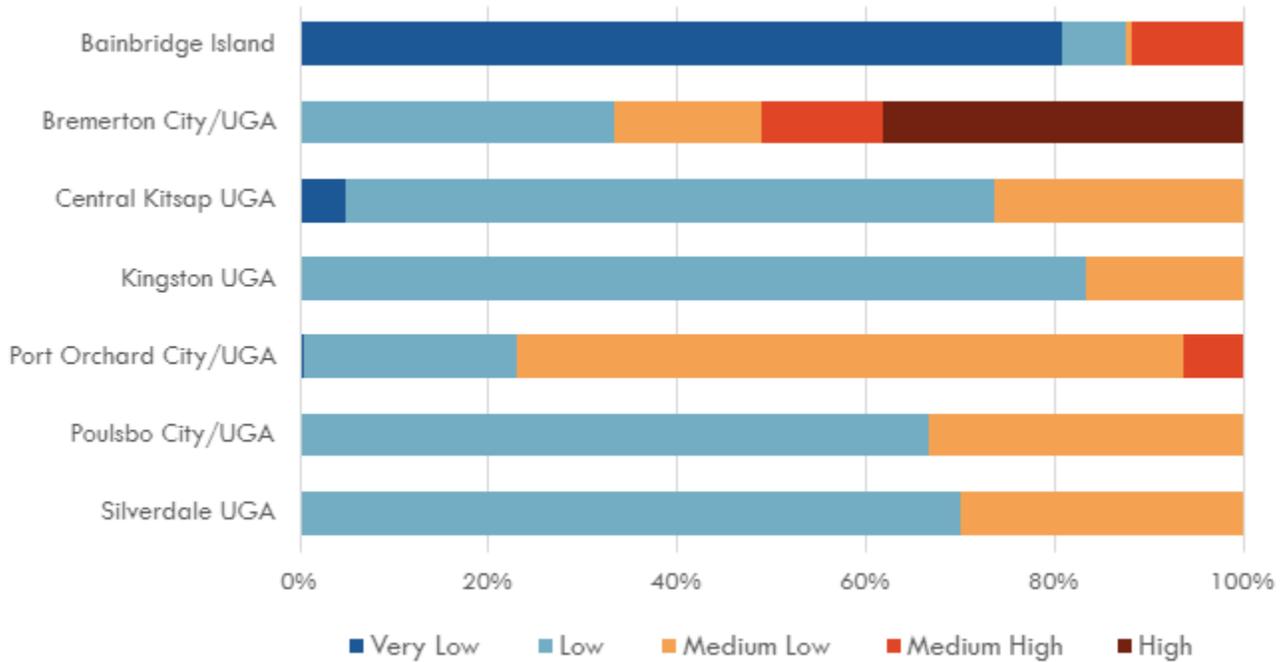
Exhibit 6 indicates nearly all the very low density unit capacity is in Bainbridge Island. Capacity for low density development is distributed across all the jurisdictions and UGAs, with the largest share in Bremerton. By far, the greatest share of medium low density is in the City of Port Orchard. Compared to lower density zones, there is significantly less capacity for medium high density housing, and the majority of available capacity is in the City of Bremerton. All the unit capacity for high density development is in City of Bremerton.

**Exhibit 6. Housing Unit Capacity and Jurisdiction**

Jurisdiction	Very Low	Low	Medium Low	Medium High	High
City of Bainbridge Island	1,724	141	16	249	-
City of Bremerton	-	1,752	672	913	2,726
City of Port Orchard	36	774	5,351	497	-
City of Poulsbo	-	1,180	782	-	-
Bremerton UGA	2	636	445	-	-
Central Kitsap UGA	98	1,367	521	-	-
Kingston UGA	-	1,027	203	-	-
Port Orchard UGA	-	1,041	321	-	-
Poulsbo UGA	-	384	-	-	-
Silverdale UGA	-	1,814	774	-	-
<b>Total</b>	<b>1,860</b>	<b>10,116</b>	<b>9,124</b>	<b>1,620</b>	<b>2,726</b>

Exhibit 7 shows the breakdown of residential capacity for each city/UGA. All areas except Bremerton and Port Orchard have over 60% of their housing capacity at the Low or Very Low density level. Low density zones are assumed to build out at between 4 and 10 housing units per acre, or the equivalent of about 11 to 28 residents per acre.

**Exhibit 7. Residential Capacity by Jurisdiction/UGA**



Source: Kitsap County Buildable Lands Report, 2021; BERK, 2021.

## RECOMMENDATIONS

There are many actions that jurisdictions in Kitsap County can take to promote more housing development, including construction of new housing types consistent with the GMA and CPPs. Considerations could also increase housing diversity and, where appropriate, increase urban density. The actions recommended here build upon those in the *City of Bremerton & Kitsap County Affordable Housing Recommendations Report*, with a focus on those actions considered by local planning agencies and consistent with provisions of the Growth Management Act and related mandates. The recommendations of this memo should also be considered holistically with the findings of the 2021 Buildable Lands Report. Not all recommendations may apply and will be dependent on individual jurisdictions local circumstances.

### Encourage “Missing Middle” Housing Development

Based upon the summary findings of this memo, the urban housing stock in Kitsap County is predominantly detached single family homes along with some multi-family. As a result, there is a lack of wide diversity of housing options to meet the varied housing needs of all economic segments of Kitsap communities.

The BLR land capacity analysis indicates about 42% of capacity is in zones with assumed densities within the missing middle range (Medium Low or Medium High density). Nearly half (49%) of the capacity for housing production is in zones where the maximum allowed density is consistent with missing middle housing formats. However, despite this capacity, very little housing is being built in missing middle formats. Therefore, actions should focus on a review of development standards and administrative processes that may present unnecessary barriers to missing middle housing development. These types of potential barriers are the focus of the next recommendation.

### Review and Revise Housing Barriers in Development Regulations

Regular assessment of exiting development regulations is warranted in order to remove unnecessary surprises and barriers to housing production . The goal of these refinements is to encourage more residential development in urban areas and increase the achieved density consistent with the GMA, the CPPs and local comprehensive plans. This review should include considerations noted in Chapter 5 of this BLR and Appendix D: Kitsap County Reasonable Measures Evaluation . This review could include, but is not limited to:

#### *Minimum Lot Widths*

For example, review and evaluation of lot width minimums could potentially make townhome development a more feasible option in the County’s urban medium and urban high zones. The BLR indicates there was little if any townhome development during the evaluation period. Typically, urban medium and urban high zones require lot widths of 40 to 60 feet. Fee-simple townhome lots are typically between 16 and 25 feet wide.

#### *Setbacks*

Building setbacks from property lines can be a major barrier to the feasibility of certain housing products such as cottages or townhomes. Typical setbacks are 5 to 20 feet depending on the housing type and location, but reductions to r zero lot line development without requiring

additional permit review should be considered. Streamlining the permit review process can help to incentive development of missing middle housing products.

### *Building Heights & Density Bonuses*

Building height restrictions can be a major barrier to the feasibility of multifamily housing construction. Additionally, jurisdictions can review and refine existing incentives to more effectively encourage higher density housing development.

### *Parking Requirements*

The *City of Bremerton & Kitsap County Affordable Housing Recommendations Report* calls for reducing or waiving off-street parking requirements for missing middle housing types, particularly when permitting an ADU within an existing structure. Doing so can potentially help improve project feasibility, in combinations with other actions.

## Establish Additional Affordable Housing Options

Recently, state law changes have removed barriers for local jurisdiction consideration of several funding programs. These programs include, but not limited to:

### *Multifamily Tax Exemption (MFTE)*

Washington state law (RCW 84.14) allows for cities to exempt multifamily housing developments from property taxes in certain areas for a period of eight years, or for 12 years in exchange for affordability restrictions on some of the units. This exemption reduces the costs of operating (and therefore developing) multi-family housing and can potentially help to increase the supply of market rate and affordable housing.

As of June 2021, Bremerton and Port Orchard are the only jurisdiction in Kitsap County with an MFTE program in place. Bainbridge Island is in the process of adopting 12 and 20 year programs. Following several legislative attempts, in 2021 the Washington State legislature through SB 5287 made it possible for unincorporated urban centers in Kitsap County to consider a MFTE program.

### *Modifying Local Sales Tax Revenue for Affordable Housing*

In 2021, the state legislature passed HB 1070, which added the ability to use funds collected through the 1/10<sup>th</sup> of 1% sales tax for affordable housing, as well as related maintenance and operations. Many Kitsap jurisdictions are considering HB 1070.

### *SHB 1406: State/Local Sales Tax Revenue Sharing*

Many Kitsap County jurisdictions have employed a local tax to fund affordable housing since it's the passage of SHB 1406 in 2019. This bill created a sales tax revenue sharing program that allows cities and counties to access a portion of the state sales tax revenue to make local investments in affordable housing. To utilize the program, local jurisdictions had to pass a resolution of intent by January 2020 and an ordinance by July 2020.

## Review Up-Zoning Urban Land for Multi-Family Housing

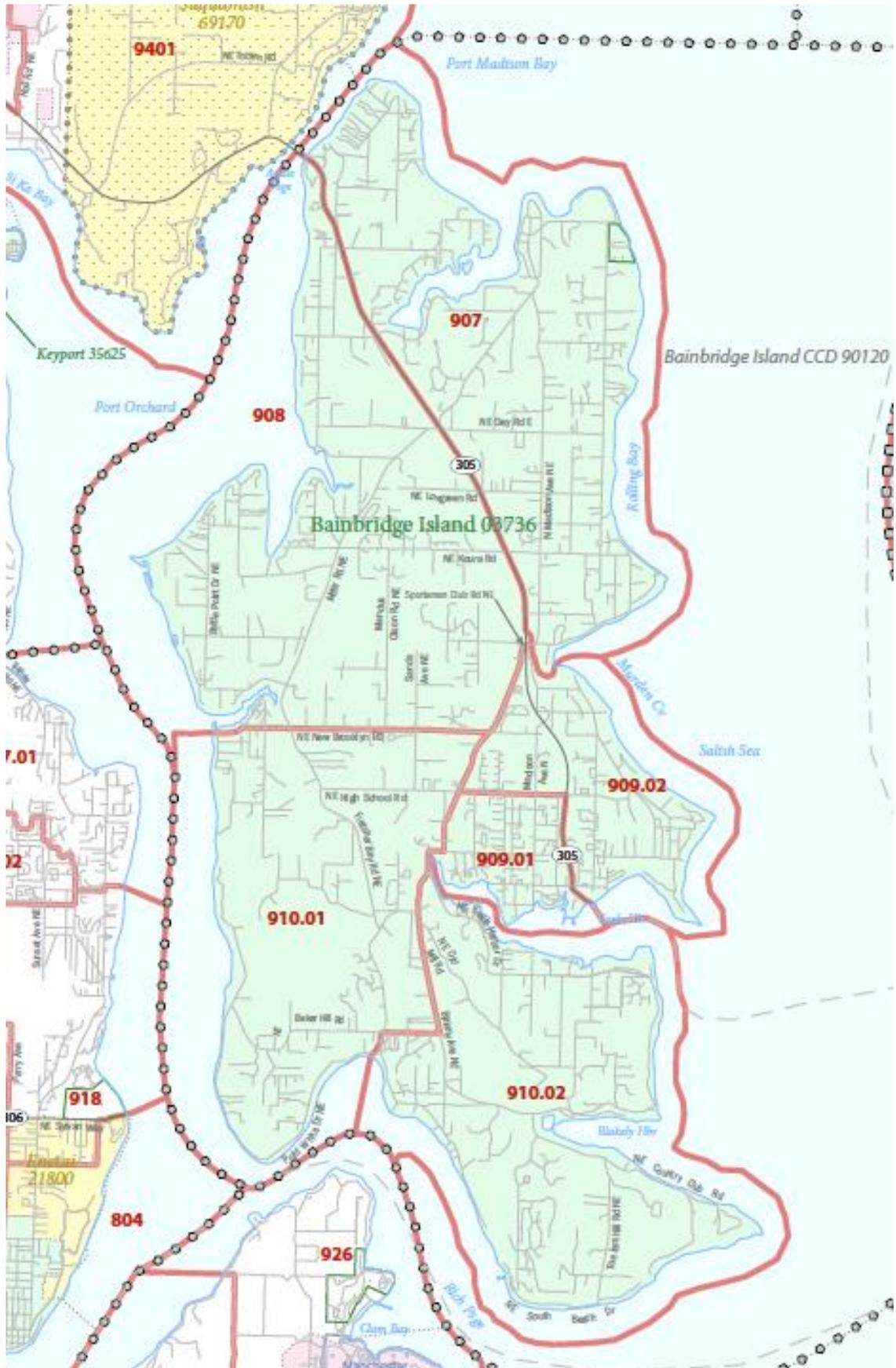
The *City of Bremerton & Kitsap County Affordable Housing Recommendations Report* identifies transit-oriented development (TOD) near existing transit infrastructure such as ferry terminals as a key opportunity to encourage higher density housing production. This can enable more households to live within easy access to the jobs and opportunities that are accessible via the ferry and transit systems. The Report also found that the vast majority of housing currently near ferry terminals is single family and inconsistent with TOD goals.

The BLR analysis of land capacity by geographic urban area, by zone and further by density level in this memo provides some insights into the current potential for TOD in the following areas:

- **Bremerton:** Bremerton is the only jurisdiction with a ferry terminal that has any capacity for high density housing development.<sup>23</sup> Much of that capacity is in the Downtown Subarea close to the ferry terminal. A new pedestrian-only Fast Ferry service opened in July of 2017, joining the existing ferry service access route directly to Downtown Seattle.
- **Bainbridge Island:** While the zones in close proximity to the ferry terminal do allow for Medium-High density development, the BLR land capacity analysis indicates there is currently very limited capacity for new housing development near the Bainbridge Island ferry terminal. The market assessment indicates that housing demand and prices in Bainbridge Island could likely support even higher density zoning near the ferry terminal to increase capacity and encourage redevelopment where appropriate.
- **Kingston:** The recently opened Kitsap Transit Kingston Fast Ferry provides direct access to downtown Seattle for travelers on foot or bicycle. This investment changes market conditions in the UGA, creating the potential for TOD if supportive zoning and infrastructure were available. Kitsap County made modifications to the Sub-area plan and associated zoning code in April 2020 by removing the maximum density allowance and increasing the height allowance to help address barriers to investment in the high-capacity transit station area. Further review of the development codes and up-zones near the ferry terminal could help to increase capacity for TOD. Actions to encourage growth would also be consistent with the Countywide Center designation for Kingston.

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<sup>23</sup> Port Orchard approved a downtown subarea plan near its passenger ferry terminal which contains capacity for redevelopment and TOD.



Bainbridge Island 2020 Census Tracts



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 10 Minutes

**AGENDA ITEM:** (8:40 PM) Request from Councilmember Deets to Schedule a Discussion on the Process for Placing Coastal Salish Art in One or Both of the Future Hwy 305 Roundabouts on a Future Council Agenda,

**SUMMARY:** Council will discuss the attached request from Councilmember Deets to place a discussion of the process for placing Coastal Salish art on one or both of the future roundabouts on Hwy 305 (i.e., Adas Will and West Port Madison).

**AGENDA CATEGORY:** Discussion

**PROPOSED BY:** City Council

**RECOMMENDED MOTION:** Discussion and potential placement on a future Council agenda.

**STRATEGIC PRIORITY:** Green, Well-Planned Community

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	

**BACKGROUND:**

**ATTACHMENTS:**

[Agenda Item Request from Councilmember Deets.pdf](#)

**FISCAL DETAILS:**

**Fund Name(s):**

**Coding:**

## Christine Brown

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**From:** Christine Brown  
**Sent:** Thursday, September 2, 2021 5:01 PM  
**To:** Christine Brown  
**Subject:** FW: Request for Addition to Council Agenda

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**From:** Joe Deets <[jdeets@bainbridgewa.gov](mailto:jdeets@bainbridgewa.gov)>  
**Sent:** Thursday, September 2, 2021 9:42 AM  
**To:** Blair King <[bking@bainbridgewa.gov](mailto:bking@bainbridgewa.gov)>; Ellen Schroer <[eschroer@bainbridgewa.gov](mailto:eschroer@bainbridgewa.gov)>  
**Subject:** Request for Addition to Council Agenda

Blair and Ellen,

Following up on a discussion I had with Blair, this is to confirm my request that we add to a future City Council Meeting Agenda a discussion on the process for placing Coastal Salish art in one or both of the future roundabouts on Hwy 305 (i.e. Adas Will and West Port Madison). In terms of timing, it is requested that this discussion occur during the September 21<sup>st</sup> Study Session, immediately after the scheduled presentation from Suquamish Tribal Chairman Leonard Forsman.

Many thanks,

Joe

Joe Deets  
Bainbridge Island City Council, District 7, North Ward  
E-mail: [jdeets@bainbridgewa.gov](mailto:jdeets@bainbridgewa.gov)  
Mobile: 206-473-1864



CITY OF  
BAINBRIDGE ISLAND

## City Council Study Session Agenda Bill

**MEETING DATE:** September 21, 2021

**ESTIMATED TIME:** 5 Minutes

**AGENDA ITEM:** (8:50 PM) Receive Planning Commission's Recommendation on proposed amendment to Chapter 16.18 BIMC related to Tree Removal, Forest Stewardship and Vegetation Maintenance, regarding permit exemption for defensible space wildfire mitigation activities (Ordinance No. 2021-07, Exhibit A) - Planning,

**SUMMARY:** The purpose of this item is to transmit the Planning Commission's recommendation to the City Council pursuant to BIMC 2.16.180, legislative review of land use regulations and area-wide rezones. BIMC 2.16.180 provides, in part, that the Planning Commission's written recommendation and other documents upon which its decision is based shall be immediately transmitted to the City Council and Department Director. Included with this item is the packet considered by the Planning Commission when it considered this matter on September 9, 2021.

City staff plans to proceed in accordance with BIMC 2.16.180, which will include providing to the City Council at a subsequent Council meeting a more complete version of proposed draft Ordinance No. 2021-07, as revised by the Planning Commission. The version attached to this agenda item is for reference but is incomplete. City staff are in the process of incorporating revisions to the draft ordinance based on the Planning Commission's motion at its meeting on September 9, 2021 (see Background section below). The version of the draft ordinance included with this agenda item has not yet gone through legal review by the City Attorney's Office.

**AGENDA CATEGORY:** Report

**PROPOSED BY:** Planning & Community Development

**RECOMMENDED MOTION:** In accordance with BIMC 2.16.180, receive information on the Planning Commission's recommendation to allow certain tree and vegetation wildfire mitigation activities without a permit.

**STRATEGIC PRIORITY:** Healthy and Attractive Community

**FISCAL IMPACT:**

<b>Amount:</b>	
<b>Ongoing Cost:</b>	
<b>One-Time Cost:</b>	
<b>Included in Current Budget?</b>	

**BACKGROUND:** BIMC 16.18.040 allows for certain tree and vegetation management activities without a permit. Based on the City Council's authorization for the Planning Commission to proceed with consideration of emergency measures to allow for certain wildfire mitigation activities without a permit, the Planning

Commission held a public hearing on September 9, 2021 and unanimously approved a motion to add a permit exemption to BIMC 16.18.040 for certain wildfire mitigation activities. The Planning Commission recommendation also includes revisions to BIMC 16.18.030 (Applicability) and BIMC 16.18.130 (Definitions) to further clarify the intent of the permit exempt activities.

City staff and the Planning Commission worked in close coordination with the Bainbridge Island Fire Department (BIFD) on the proposed draft code language. The BIFD will be an ongoing resource in review of wildfire mitigation activities, and has offered to be available as a resource when the Council considers draft Ordinance No. 2021-07 and Exhibit A.

Regarding the Planning Commission's written recommendation related to proposed draft Ordinance No. 2021-07, on September 9, 2021, following a public hearing and consideration of comments received, the Planning Commission made the following motion:

I make a motion that we approve all of the discussed changes that come from, I think, the majority of Katy's points, the additions you have made, potentially a review of the checklist that Lisa suggested and any of the other references that Chief Teran as well as David had made. There's a bunch of things we've discussed, put all that in, I make a motion to move forward. Approve draft ordinance 2021-07 and Exhibit A providing for a permit exemption for certain tree and vegetation wildfire mitigation activities in Chapter 16.18 BIMC.

**ATTACHMENTS:**

[Draft Ordinance No. 2021-07 Wildfire Mitigation - Planning Commission Public Hearing Draft](#)

[Ex. A to Draft Ordinance No. 2021-07 Sept 2021](#)

**FISCAL DETAILS:**

**Fund Name(s):**

**Coding:**

**ORDINANCE NO. 2021-07**

**AN ORDINANCE** of the City Council of Bainbridge Island, Washington, relating to fire safety measures and wildfire mitigation activities for residents of Bainbridge Island.

**WHEREAS**, on May 7, 2019, the City Council instructed City staff to draft a new ordinance to revise the City’s tree and vegetation regulations; and

**WHEREAS**, on February 25, 2020, the City Council endorsed the continuing work by City staff and the City Arborist to draft an ordinance that would include changes to Chapter 16.18 of the Bainbridge Island Municipal Code (“BIMC”) (Tree Removal, Forest Stewardship, and Vegetation Maintenance), Chapter 16.32 BIMC (Protection of Landmark Trees), and BIMC 18.15.010 (Development Standards and Guidelines); and

**WHEREAS**, at public meetings of the Planning Commission, City staff provided information and materials to the Planning Commission and the Planning Commission considered draft regulations related to draft Ordinance No. 2020-28 (which was renumbered in 2021 to Ordinance No. 2021-07) on August 13, September 10, October 29, November 11, and December 10, 2020; and

**WHEREAS**, on December 17, 2020, the Planning Commission held a public hearing to consider draft Ordinance No. 2020-28, including Exhibits A – E, received public input, and after closing the public hearing, made a recommendation of approval of draft Ordinance No. 2020-28 to the City Council; and

**WHEREAS**, included in the draft ordinance was an exemption from permitting requirements related to applicable properties with a primary structure to perform work within a 30-foot defensible space pursuant to minimum standards of Firewise USA®, the Bainbridge Island Community Wildfire Protection Plan, or as recommended by the Bainbridge Island Fire Department; and

**WHEREAS**, the City notified the Department of Commerce on January 21, 2021 of its intent to revise its development regulations relating to tree removals and vegetation management practices; and

**WHEREAS**, the City issued a State Environmental Policy Act (“SEPA”) Determination of Non-Significance for Ordinance No. 2021-07 (formerly Ordinance No. 2020-28) on January 29, 2021; and

**WHEREAS**, on April 27, 2021 at a regular business meeting, the City Council considered Ordinance No. 2021-07, took no action on the ordinance, and the Council expressed a collective interest in further considering the ordinance at a future meeting; and

**WHEREAS**, on May 13 and 27, 2021, City staff returned to the Planning Commission to discuss additional revisions to draft Ordinance No. 2021-07 based on City Council comments; and

**WHEREAS**, Kitsap County Fire District No. 2, which is commonly known as the Bainbridge Island Fire Department (“Fire Department”), has identified the need for reasonable provisions for wildfire mitigation and forest stewardship that support responsible wildfire mitigation and provide a pathway for wider forest stewardship planning; and

**WHEREAS**, at a public meeting on July 8, 2021, the Planning Commission discussed and requested that the City Council take immediate action on an amendment to Chapter 16.18 BIMC, Tree Removal, Forest Stewardship and Vegetation Maintenance, to adopt the recommended exemption from permitting requirements related to allowing certain fire safety activities within a 30’ defensible space; and

**WHEREAS**, on July 6, 2021, Governor Inslee signed an emergency order declaring a wildfire state of emergency for Washington State; and

**WHEREAS**, on July 14, 2021, the Washington State Department of Ecology issued a drought advisory for numerous counties in Washington State; and

**WHEREAS**, on July 20, 2021 at a regular meeting, the City Council discussed the recommendation of the Planning Commission and directed the City Manager to work with the City Attorney to prepare for the Council’s consideration at its July 27, 2021 meeting an ordinance to adopt the recommendation of the Planning Commission; and

**WHEREAS**, the revisions to the Bainbridge Island Municipal Code recommended by the Planning Commission required additional legal review to ensure that the intended regulations were clear for the public and City staff to understand and for City staff to enforce, as applicable; and

**WHEREAS**, on August 10, 2020 the City Council adopted Resolution No. 2021-13 to direct the City Manager to work with City staff to work and coordinate with the Fire Department, on a high-priority basis, to provide information and outreach to the Bainbridge Island community regarding the importance of fire safety measures and wildfire mitigation activities, including specific actions residents can take to help protect their property and the community from fires, including vegetation and structure fires; and

**WHEREAS**, pursuant to Resolution No. 2021-13, City staff coordinated with the Fire Department to outline the tree and vegetation activities allowed within 30’ of the primary residence without a permit that reflect the best practices recommended by Firewise USA®, the Bainbridge Island Community Wildfire Protection Plan; and

**WHEREAS**, on August 12, 2020 at a regular business meeting, the Planning Commission considered Ordinance No. 2021-07, Exhibit A and recommended moving the draft forward for a public hearing; and

**WHEREAS**, on September 9, 2021 at a regular business meeting, the Planning Commission held a public hearing on Ordinance No. 2021-07, Exhibit A and made a recommendation of approval to the City Council; and

**WHEREAS**, on September X, at a regular business meeting, the City Council considered Ordinance No. 2021-07, and recommended that it be forwarded to consent agenda on X; and

**WHEREAS**, on X, at a regular business meeting, the City Council adopted Ordinance No. 2021-07 and Exhibit A on the consent agenda; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:**

**Section 1. Findings of Fact.** The recitals set forth above are hereby adopted as findings of fact in support of this ordinance, as well as supplemental findings of fact to the related ordinances that preceded this ordinance regarding the interim official control regulating Landmark Trees as described herein.

**Section 2.** Chapter 16.18 of the Bainbridge Island Municipal Code is hereby amended and revised as set forth in the attached Exhibit A, which is incorporated by reference as if fully set forth herein.

**Section 3. Interpretive Authority.** The City of Bainbridge Island Director of Planning and Community Development, or designee, is hereby authorized to issue official interpretations arising under or otherwise necessitated by this ordinance.

**Section 4. Severability.** Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

PASSED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2021.

APPROVED by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Rasham Nassar, Mayor

ATTEST/AUTHENTICATE:

By: \_\_\_\_\_

Christine Brown, CMC, City Clerk

FILED WITH THE CITY CLERK: \_\_\_\_\_, 2021  
PASSED BY THE CITY COUNCIL: \_\_\_\_\_, 2021  
ORDINANCE NO. 2021-07

Exhibit A:

**Chapter 16.18**  
**TREE REMOVAL, FOREST STEWARDSHIP, AND VEGETATION MAINTENANCE**

Sections:

- 16.18.010 Overview.**
- 16.18.020 Findings.**
- 16.18.025 Purposes.**
- 16.18.030 Applicability.**
- 16.18.040 Activities allowed without a permit.**
- 16.18.050 Activities requiring a permit.**
- 16.18.060 General regulations and standards.**
- 16.18.070 Tree removal/vegetation maintenance permit administration and review process.**
- 16.18.080 After-the-fact tree removal/vegetation maintenance permit.**
- 16.18.090 Mitigation and restoration.**
- 16.18.100 Performance assurance.**
- 16.18.110 Appeals.**
- 16.18.120 Violations, restoration and enforcement.**
- 16.18.130 Definitions.**

**16.18.010 Overview.**

A. The policies presented in this chapter rest on an assumption that in, the care of trees and vegetation on their property, citizens will be guided by common sense and best practices, responsive to the purposes stated in BIMC [16.18.025](#). Sanctions shall be applied to activities that are found by the planning director to be reckless and destructive, and to any action or negligence that adversely affects a neighboring property, pursuant to the provisions of BIMC [16.18.120](#) and other applicable provisions of the code.

B. To a large extent, work carried out in landscaped yards and forested areas does not require a permit (see BIMC [16.18.040](#)). However, property owners who are considering major changes to the landscape and trees on their property should seek advice and professional services from a licensed arborist who is certified by the American Society of Consulting Arborists or the International Society of Arboriculture, or a landscape professional who is certified by the city.

C. This chapter is one of several in the municipal code that pertain to the care of trees, vegetation, and forested areas on Bainbridge Island. Its policies and nonregulatory provisions pertain especially to the plans and ongoing activities of island residents, outside of their homes or places of business but on their

own property, when the use and enjoyment of the property involves stewardship and maintenance of trees and vegetation. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.020 Findings.**

A. Forested areas and trees on individual lots are integral parts of Bainbridge Island's character; they enhance the city's appearance and livability, as well as providing significant environmental benefits and natural resource values.

B. Conserving and managing the island's forested areas and native vegetation is a central goal of the Bainbridge Island Comprehensive Plan: see Guiding Principles 1 and 5 and related Policies; Goals LU-6, 12 and 13; EN-3, 4, 5, 18 and 19; WR-3 and 4; and Policies LU 4.10 and EN 15.3.

C. Trees are valued by homeowners and, when well cared for, enhance property values.

D. Removal of trees and understory vegetation, combined with extensive disturbance of soils, cause loss of habitat and wildlife, runoff and soil erosion, degradation of surface water and aquifer recharge, and adverse impacts on air quality, as well as loss of aesthetic appeal.

E. The community forest resources of the island are best understood as a mosaic, with some large and many small pieces, on publicly owned and private properties. When clearing for development further fragments the mosaic, both individual and community interests are affected.

F. On Bainbridge Island and elsewhere, examples exist to demonstrate that development for residential and other uses can be compatible with careful conservation of forest conditions and other natural features; and that such development can be cost-effective, attractive, energy-efficient, and well adapted to our climate. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.025 Purposes.**

This chapter is adopted for the following purposes:

A. To promote the public health, safety, and general welfare of Bainbridge Island citizens without preventing the reasonable use of private property.

B. To preserve and enhance the city's physical and aesthetic character, to promote the healthy functioning of our island's natural systems, and to provide economic benefits to the community, for the sake of present and future generations.

C. To implement the purposes of the State Growth Management Act relating to conservation of natural resources, pursuant to Chapter [36.70A](#) RCW.

D. To implement goals and policies in the current comprehensive plan, the Community Forest Management Plan (2006), the Bainbridge Island Open Space Study (October 2008), and the Bainbridge Island Community Wildfire Protection Plan (2010), or subsequent updated versions.

E. To promote forest stewardship practices and carefully planned development that results in minimal disturbance to the prior conditions of a property and neighboring properties.

F. To implement a long-range policy of maintaining the island's forest canopy cover while taking measures to prevent wildfires and protect structures in accordance with recommendations of the Bainbridge Island fire department.

G. To allow limited tree and vegetation removal to provide for solar access, agriculture and gardens.

H. To promote infiltration of stormwater and aquifer recharge; to minimize erosion and prevent pollution; to prevent landslides; to protect the waters of Puget Sound and the quality and quantity of water in wells.

I. To maintain in a healthy state significant trees, clusters of trees, and forested areas, allowing for thinning, pruning, removal of invasive and undesirable vegetation, selective harvest and replanting, developing and maintaining trails, and removal of dead or dangerous trees. (Ord. 2018-19 § 1 (Exh. A), 2018)

#### **16.18.030 Applicability.**

Provisions of this chapter apply citywide to all properties where trees and naturally occurring vegetation are found, except where the following chapters of the municipal code apply:

A. This chapter does not apply to any portion of a parcel that is identified as a critical area pursuant to Chapter [16.20](#) BIMC, Critical Areas, including buffers or setbacks, or that is designated as an Aquifer Recharge Protection Area (ARPA). However, this chapter does apply to parcels that are defined as a critical area under Chapter 16.20 BIMC for the sole reason that they are located in an aquifer recharge area, including designated aquifer recharge protection areas (ARPAs) or prescribed critical area buffers or setbacks. Chapter [16.20](#) BIMC applies to critical areas, designated ARPAs, and buffer zones, and critical area setbacks.

B. This chapter does not apply to the portion(s) of a shoreline property within 200 feet landward of an ordinary high water mark, where the regulations of Chapter [16.12](#) BIMC (the Shoreline Master Program) apply. (Ord. 2018-19 § 1 (Exh. A), 2018)

#### **16.18.040 Activities allowed without a permit.**

The following activities are allowed without a tree removal/vegetation maintenance permit, subject to any other applicable city regulations:

A. Routine landscaping and maintenance of vegetation, such as pruning and planting, removal of invasive/exotic species, management of brush and seedling trees. Pruning should comply with ANSI A300 (Part 1 – 2017), Tree, Shrub and Other Woody Plant Management – Standard Practices, to maintain long term health. This includes maintenance of trees and vegetation required to be retained or planted through a land use permit such as a subdivision, site plan review, or conditional use permit.

B. Outside of the Mixed Use Town Center and High School Road zoning districts, removal of some healthy significant trees (see BIMC [16.18.130](#), Definitions) is allowed without a permit, except for trees required to meet any tree retention provisions of this chapter, BIMC [18.15.010](#) (Landscaping, screening, and tree retention, protection and replacement), Chapter [17.12](#) BIMC (Subdivision Design Standards) or other applicable provisions of the code.

1. On a lot that is larger than one acre, a property owner may remove up to six significant trees in any 36-month period without a permit.

2. On a lot one acre or less in size, a property owner may remove up to three significant trees in any 36-month period without a permit.

3. After the tree removal limits of this section have been reached, see BIMC [16.18.050](#), [16.18.060](#), and [16.18.070](#) related to obtaining a tree removal/vegetation maintenance permit.

C. Removal of trees and ground cover in emergency situations involving immediate danger to life or structure or substantial fire hazards. If this activity would ordinarily require a tree removal/vegetation maintenance permit, it shall be obtained as soon as possible after the emergency situation is stabilized.

D. Removal of dead or fallen trees. The city encourages property owners to leave dead trees in place for ecological benefit such as wildlife snags or nurse logs where possible. If a standing dead tree poses a hazard, creating a shorter wildlife snag is recommended.

E. Routine maintenance activities in rights-of-way and required roadside buffers, including removal of hazard trees and invasive/exotic species, trimming of overgrown hedges, thinning and planting to replace removed vegetation to control vegetation on road and utility rights-of-way (see Chapter [12.04](#) BIMC).

F. The installation and maintenance of fire hydrants, water meters, and pumping stations, and street furniture by the city or utility companies or their contractors.

G. Pruning and limbing of significant trees that are required to be retained, to remove dead or hazardous branches, and to improve the tree's form and long-term vitality, provided that such work is done by an ISA certified arborist. (Ord. 2018-19 § 1 (Exh. A), 2018)

H. Voluntary wildfire mitigation activities, other than tree removals requiring a permit in BIMC 16.18.050.A or BIMC 16.32 (Protection of Landmark Trees), within a 30-foot defensible space including the following:

- 1) Vegetation removal underneath a propane tank;
- 2) Pruning of trees up to six to ten feet from the ground to remove ladder fuels. For shorter trees (less than 30 feet in height), do not exceed 1/3 of the overall tree height;
- 3) Removal of trees to provide space of 18 feet between crowns with the distance increasing with the percentage of slope;
- 4) Removal of trees within 5' of the of the furthest attached exterior point of the structure.

Landowners may obtain assistance with wildfire mitigation activities from the Bainbridge Island Fire Department Deputy Fire Marshall and the City Arborist. Further information can be obtained from the applicable sections of the Fire Code, the Climate Action Plan and the Bainbridge Island Community Wildfire Protection Plan. The Fire Department and Department of Planning and Community Development will maintain a checklist to provide guidance in implementing wildfire mitigation, and both the checklist and this code section will be reviewed annually to ensure they are consistent with best practices to mitigate wildfire danger.

#### **16.18.050 Activities requiring a permit.**

The following activities require an applicant to obtain a tree removal/vegetation maintenance permit prior to commencing:

A. A permit is required for any tree removal or vegetation maintenance in an area required to be retained or planted, pursuant to BIMC [18.15.010](#), through a land use permit such as a subdivision, a site plan review, or a conditional use permit. Tree retention requirements for the R-2.9, R-3.5 and R-4.3 single-family residential zones (subsection E of this section) also apply (see below).

B. For developed properties located within the Mixed Use Town Center and High School Road zoning districts, a tree removal/vegetation maintenance permit is required for removing any tree eight inches in diameter or greater, measured four and one-half feet above grade. The applicant must demonstrate that the requested removal meets one of the following criteria:

1. The tree is dead, or determined to be hazardous, as certified by an International Society of Arboriculture (ISA) Tree Risk Assessment Qualified (TRAQ) arborist; or
2. The removal is necessary to allow reasonable use or enable permitted construction, and no alternative is feasible; or

3. The removal is necessary to maintain utilities, provide access, or fulfill the terms of an easement or covenant recorded prior to the adoption of the ordinance codified in this chapter.

C. For undeveloped properties within the Mixed Use Town Center and High School Road zoning districts, a tree removal/vegetation maintenance permit is required to remove any tree except trees that are hazardous, dead, fallen, or contributing to an emergency. The tree removal permit will be reviewed for consistency with any applicable provisions of BIMC [18.15.010](#) that would apply to future development permits.

D. For properties located outside of the Mixed Use Town Center and High School Road zoning districts, a tree removal/vegetation maintenance permit is required for removing more than the number of significant trees allowed without a permit, pursuant to BIMC [16.18.040](#).B. A permit is required:

1. On a lot that is larger than one acre, a property owner needs an approved permit to remove seven or more significant trees in any 36-month period, up to any retention requirements of subsection E of this section (if applicable).

2. On a lot one acre or less in size, a property owner needs an approved permit to remove four or more significant trees in any 36-month period, up to any retention requirements of subsection E of this section (if applicable).

E. In the R-4.3, R-3.5 and R-2.9 zoning districts, existing single-family residential development, developing single-family residences and vacant parcels shall retain at least 30 tree units per acre, or at least as many tree units as the property had on October 31, 2018, pursuant to BIMC [18.15.010](#).G. Replanting may be required as described in BIMC [18.15.010](#).G. (Ord. 2018-19 § 1 (Exh. A), 2018)

#### **16.18.060 General regulations and standards.**

A. While nonnative and invasive species should be kept under control and eradicated if possible, native understory vegetation shall be maintained and land disturbing activity shall be kept to a minimum. Stump pulling and use of heavy equipment is only allowed if the activity will not affect the health of adjacent trees.

B. An applicant shall protect any trees or landscaped area that must be retained during approved tree removal or vegetation maintenance work, pursuant to the protection provisions of BIMC [18.15.010](#).C.4.

C. Once a portion of a property is cleared, the property owner shall ensure that invasive species do not reestablish or expand into cleared areas.

D. Any tree or vegetation removal or maintenance undertaken without a permit pursuant to this section shall be done to ensure long-term health of the trees or vegetation. A property owner shall follow the ANSI A300 (Part 1 – 2017), Tree, Shrub and Other Woody Plant Management – Standard Practices (Pruning), or 60 percent live-crown ratio, whichever standard is more appropriate for the species.

E. A forest practice permit from the State Department of Natural Resources may be required pursuant to Chapter [76.09](#) RCW. Failure to obtain a forest practice permit when applicable shall be grounds for denial of all applications for permits or approvals, including building permits and subdivision approvals, relating to nonforestry uses of the land for a period of six years, in accordance with RCW [76.09.060](#). (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.070 Tree removal/vegetation maintenance permit administration and review process.**

A. For activities requiring a permit, the process begins with submission of a complete permit application, usually after discussion of the proposed activity with a member of the planning staff.

B. Tree removal and vegetation maintenance activities shall comply with this chapter's provisions for permits and related regulations. Permits for tree removal/vegetation maintenance may require the planting of replacement trees and/or other city permits such as a site assessment review (Chapter [15.19](#) BIMC).

C. The planning director shall grant a tree removal/vegetation maintenance permit if the application meets the requirements of this chapter and is consistent with other relevant city codes, including but not limited to Chapters [15.19](#), [15.20](#), [16.12](#), [16.20](#) and [17.12](#) BIMC and BIMC [18.15.010](#). If the tree removal permit application is denied, the decision may be appealed pursuant to BIMC [16.18.110](#).

D. No work authorized by a tree removal/vegetation maintenance permit shall commence until a permit notice has been posted by the applicant at a conspicuous location on the subject property. The notice shall describe specific plans for tree removal and land disturbing activity and shall remain posted in said location until the authorized tree removal has been completed.

E. Any tree removal/vegetation maintenance permit granted under this chapter shall expire one year from the date of issuance. Upon a showing of good cause, the permit may be extended for six months by the planning director. Approved tree removal permits shall not be amended without authorization of the planning director.

F. A tree removal/vegetation maintenance permit may be suspended or revoked by the planning director because of incorrect information supplied or any violation of the provisions of this chapter. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.080 After-the-fact tree removal/vegetation maintenance permit.** 

A. In response to a report that one or more trees have been removed improperly or vegetation maintenance activity did not comply with requirements of this code, the city's code enforcement officer shall investigate. If in fact the reported activity was legitimate without a permit, no action will be taken. If the reported activity would have been allowed if a permit had been applied for, an after-the-fact tree removal/vegetation maintenance permit shall be issued. The person or persons responsible for unauthorized tree removal shall be made aware of all the conditions for approval and any applicable regulations and remedies. The fee for an after-the-fact permit shall be established by a resolution of the city council.

B. If the reported activity would not have been permitted, entirely or in some particulars, the code enforcement officer, in consultation with the planning director or the city attorney, shall follow the procedures for enforcement and penalty in BIMC [16.18.120](#). (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.090 Mitigation and restoration.** 

A. For alterations to or removal of significant trees or vegetation that require a permit under this chapter, the following minimum performance standards for mitigation shall be met when replanting or other mitigation is required; provided, that if the applicant can demonstrate that greater functions or values can be obtained through the application of different standards, these standards may be modified:

1. Historic structural and functional values shall be restored, including water quality and habitat functions;
2. Historic soil types and configuration shall be replicated;
3. The disturbed area shall be replanted with vegetation that replicates the vegetation historically found on the site in species types, sizes, and densities. The historic functions and values should be replicated at the location of the alteration;
4. Any applicable tree retention or replanting requirements shall be met through restoration, if required.

B. Information demonstrating compliance with the requirements of this section shall be submitted to the director. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.100 Performance assurance.**

A. The planning director may require, as a condition for the granting of a permit, that the applicant furnish a performance assurance in a form approved by the planning director, in order to obligate the applicant,

after the approved tree removal has been accomplished, to complete all required replanting, erosion control, and cleanup on the property. The surety device shall be in an amount equal to the estimated cost of such services, with surety and conditions satisfactory to the planning director.

B. In order to stay enforcement, the director may choose to enter into a voluntary correction agreement (VCA). This is a civil contract entered between the city and the applicant. The VCA will outline several performance items that will be required within an agreed-upon time frame. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.110 Appeals.**

Appeals of the planning director's decision on a tree removal/vegetation maintenance permit application shall be in accordance with the administrative decision procedures established in Chapter [2.16](#) BIMC. (Ord. 2018-19 § 1 (Exh. A), 2018)

**16.18.120 Violations, restoration and enforcement.**

A. It is a violation of this chapter for any person to fail to comply with a requirement of this chapter. It is also a violation of this chapter for any person to:

1. Initiate or maintain, or cause to be initiated or maintained, the removal of significant tree(s) or native vegetation within the city without first obtaining permits or authorizations required by this chapter, or in a manner that violates the terms or conditions of such permits or authorizations or this chapter;
2. Misrepresent any material fact in any application, plans or other information submitted to obtain permits or authorizations under this chapter; or
3. Remove or deface any sign, notice, complaint, or order required by or posted in accordance with this chapter.

B. When a significant tree or vegetation has been removed or altered in violation of this chapter, all ongoing development work shall stop, and the significant tree or vegetation shall be restored or replaced. The city shall have the authority to issue a stop work order to cease all ongoing development work, and order restoration, rehabilitation, or replacement measures at the owner's or other responsible party's expense to compensate for violation of provisions of this chapter.

C. Restoration Plan Required. All development work shall remain stopped until a restoration plan is prepared and approved by the director. Such a plan shall be prepared by a qualified professional using the best available science and shall describe how the actions proposed meet the minimum requirements

described in BIMC [16.18.090](#). The director shall, at the violator's expense, seek expert advice in determining the adequacy of the plan. Inadequate plans shall be returned to the applicant or violator for revision and resubmittal.

D. Site Investigations. The director is authorized to make site inspections and take such actions as are necessary to enforce this chapter. The director shall present proper credentials and make a reasonable effort to contact any property owner before entering onto private property.

E. Penalties. Any development or activity carried out contrary to the provisions of this chapter shall constitute a public nuisance and may be enjoined as provided by the statutes of the state of Washington. Enforcement of this chapter and the imposition of penalties for violations of this chapter shall be as provided for in Chapter [1.26](#) BIMC; provided, that in addition to the civil penalties provided for in BIMC [1.26.090](#), an additional penalty shall be imposed on any person, party, firm, corporation, property owner, or other legal entity who fails to complete a required restoration plan, who conducts any disturbance (including cutting or removing trees or vegetation) in violation of this chapter, or who is otherwise in violation of this chapter.

For such violations, the additional penalty shall be in the amount equal to 200 percent of the cost of restoration as approved under a restoration plan pursuant to subsections B and C of this section for a minor violation. For a major violation, the additional penalty shall be in the amount equal to 200 percent of the cost of restoration as approved under a restoration plan pursuant to subsections B and C of this section, or \$2,500, whichever is greater. The director shall determine whether the disturbance is a minor or major violation. Any person, party, firm, corporation, or other legal entity who knowingly and willfully refuses to complete a required restoration pursuant to subsections C and D of this section shall be guilty of a misdemeanor punishable by not more than 30 days in jail and/or not more than a \$1,000 fine. (Ord. 2018-19 § 1 (Exh. A), 2018)

#### **16.18.130 Definitions.**

“Applicant” means a person, corporation, or organization that files an application for a land use or development permit with the city: either the owner of the land in question, or the authorized agent of such a person.

“Aquifer recharge protection area (ARPA)” means a portion of a development site comprised of native or equivalent vegetation in which existing vegetation, topography and supporting soils are free of development, uses or activities detrimental to the aquifer recharge of the total site area.

“Arborist” means an individual engaged in the profession of arboriculture who, through experience, education, and related training, possesses the competence to provide for or supervise the management

of trees and other woody plants. Must be concurrently an International Society of Arboriculture (ISA) Certified Arborist to perform any role required of a Certified Arborist.

“Arborist, ISA Certified” means an arborist holding a current International Society of Arboriculture (ISA) Certified Arborist credential.

“Arborist, Tree Risk Assessment Qualified (TRAQ)” means an arborist who has successfully completed the International Society of Arboriculture (ISA) TRAQ training course and assessment and holds a valid ISA TRAQ credential.

“Clearing” means the destruction and removal of vegetation by manual, mechanical, or chemical methods.

“Defensible space” means an area either natural or manmade where material capable of causing a fire to spread has been treated, cleared, reduced, or changed to act as a barrier between an advancing wildfire and the loss to life, property, or resources. In practice, “defensible space” is defined as an area a minimum of 30 feet around a structure that is cleared of flammable brush or vegetation.

“Invasive/exotic species” means opportunistic plant species (either native or non-native) that colonize disturbed ecosystems and may come to dominate the plant community in ways that are seen by us as reducing the values provided by the previous plant community.

“Ladder fuels” means fuels which provide vertical continuity between strata, thereby allowing fire to carry from surface fuels into the crowns of trees or shrubs with relative ease. They help initiate and assure the continuation of crowning.

“Land disturbing activity” means any activity that results in a change in the existing soil cover (both vegetative and nonvegetative) and/or the existing soil topography. Land disturbing activities include, but are not limited to, clearing, grading, filling and excavation. Compaction that is associated with stabilization of structures and road construction shall also be considered a land disturbing activity. Vegetation maintenance practices are not considered land disturbing activity. Stormwater facility maintenance is not considered land disturbing activity if conducted according to established standards and procedures.

“Low impact development (LID)” means a stormwater and land use management strategy that strives to mimic predisturbance hydrologic processes of infiltration, filtration, storage, evaporation and transpiration by emphasizing conservation, use of on-site natural features, site planning, and distributed stormwater management practices that are integrated into a project design.

“Low impact development best management practices (LID BMPs)” means distributed stormwater management practices, integrated into a project design, that emphasize predisturbance hydrologic

processes of infiltration, filtration, storage, evaporation and transpiration. LID BMPs include, but are not limited to: bioretention, rain gardens, permeable pavements, roof downspout controls, dispersion, improvements to soil quality and depth, minimal excavation foundations, vegetated roofs, and water reuse.

“Significant tree” means a: (1) a live evergreen tree 10 inches in diameter or greater, measured four and one-half feet above existing grade; or (2) a live deciduous tree 12 inches in diameter or greater, measured four and one-half feet above existing grade; or (3) in the Mixed Use Town Center and High School Road zoning districts, any live tree eight inches in diameter or greater, measured four and one-half feet above existing grade; or (4) any live trees located within a required critical area or critical area buffer as defined in Chapter [16.20](#) BIMC.

“Vegetation” means plant matter, including trees, shrubs and ground cover. (Ord. 2018-19 § 1 (Exh. A), 2018)