



City of Port Orchard Council Work Study Session
January 15, 2019
6:30 p.m.

Mayor:

Rob Putaansuu
Administrative Official

Councilmembers:

Bek Ashby (Mayor Pro-Tempore)

Chair: ED/Tourism/LT Committee

Staff: Development Director

Finance Committee

KRCC / PSRC TransPol / KRCC TransPol

KRCC PlanPol-alt / PRTPO

Shawn Cucciardi

Finance Committee

Land Use Committee

PSRC EDD-alt

Fred Chang

Utilities Committee

Sewer Advisory Committee (SAC)

Staff: Public Works Director

Jay Rosapepe

ED/Tourism/LT Committee

Utilities Committee

Chair: Lodging Tax Committee

Sewer Advisory Committee (SAC)

KRCC-alt / KRCC TransPol-alt

Kitsap Transit-alt

John Clauson

Chair: Finance Committee

Staff: Finance Director

Kitsap Public Health District-alt

KEDA/KADA-alt

Cindy Lucarelli

Chair: Utilities and SAC Committee

Staff: Public Works Director

Chair: Chimes and Lights Committee

Staff: City Clerk

KEDA/KADA

Scott Diener

Chair: Land Use Committee

Staff: Development Director

ED/Tourism/LT Committee

PSRC Growth Mgmt-alt

Department Directors:

Nicholas Bond, AICP

Development Director

Mark Dorsey, P.E.

Director of Public Works/City Engineer

Tim Drury

Municipal Court Judge

Noah Crocker, M.B.A.

Finance Director

Geoffrey Marti

Police Chief

Brandy Rinearson, MMC, CPRO

City Clerk

Contact us:

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Port Orchard, WA 98366

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1. Adoption of an Ordinance Adopting Revisions to Port Orchard Municipal Code Chapter 3.48 Multifamily Property Tax Exemption [Continued from December 18, 2018, Council meeting]-With Possible Action (Bond) **Page 3**
Estimate Time: 20 Minutes
2. Plastic Bag Reduction (Council)
Estimated Time: 15 Minutes
3. Utility Late Fees and Penalties (Crocker) **Page 33**
Estimated Time: 10 Minutes
4. Countywide Planning Policies (Bond) **Page 35**
Estimated Time: 20 Minutes
5. Kitsap County McCormick Woods Traffic Impact Fees (Bond) **Page 109**
Estimated Time: 20 Minutes
6. Police Chief Recruitment Process (Mayor)
Estimated Time: 20 Minutes

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City of Port Orchard Work Study Session Executive Summary

Issue Title: Adoption of an Ordinance Adopting Revisions to Port Orchard Municipal Code Chapter 3.48 Multifamily Property Tax Exemption

Meeting Date: January 15, 2019

Time Required: 20 Minutes

Attendees: Nick Bond, Community Development Director

Action Requested at this Meeting: Provide feedback and direction to staff on the proposed alternative ordinances for revisions to Chapter 3.48 POMC.

Motion on the floor is:

MOTION: By Councilmember Cucciardi, seconded by Councilmember Rosapepe, to approve an ordinance adopting revisions to Chapter 3.48 of the Port Orchard Municipal Code as presented.

Background/Issue: On July 26, 2016, the City Council adopted Ordinance 023-16, which established the City's multifamily property tax exemption program, Chapter 3.48 POMC. The areas currently designated for tax exemption are shown on Figure 1. At the November 13, 2018 City Council meeting, during the Land Use Committee report, staff informed the City Council of a citizen request for expansion of the multifamily property tax exemption area, to include three undeveloped parcels on the south side of SE Sedgwick Rd, adjacent to the east side of Fred Meyer (Figure 2). This site is proposed for a 113-unit apartment development. During this report, the Council was made aware that market rate rents for apartments in Port Orchard were very close to meeting the definition of affordable housing and that other nearby cities have designated all local centers for multifamily property tax exemption. After discussion, the Council requested that a draft ordinance amending the City's tax exemption map be brought forward for consideration.

Based on the November 13 discussion, staff decided to bring forward two alternatives. The first alternative was as requested by Council. The second alternative was prepared out of concern that if the map was amended to add the Sedgwick properties to the tax exemption area, the builder would likely qualify for both the 8- or 12-year exemption, regardless of whether any of the units were made available below market rates.

Two draft ordinances were discussed at the November 20 work-study meeting: one with an expanded tax exemption map including the Sedgwick parcels, without any changes to the 12-year tax exemption designation (Figure 4); and one showing both the Sedgwick expansion and limiting the 12-year tax exemption to the downtown area (Figure 5). For the second alternative, corresponding changes were also made to the text of Section 3.48.040, as shown in the draft ordinance. The reason to retain the 12-year abatement in the downtown area under the second alternative two was to ensure that the additional costs of providing below-grade parking and building on fill could be offset, since downtown rents are likely

to be higher than in other areas of the city if redevelopment occurs, and if affordable housing is provided, it should be in proximity to transit and local services.

The Council continued discussion of these issues at the January 7 Land Use committee meeting, and requested that an expanded discussion on the goals and priorities of the tax abatement areas (affordable housing, redevelopment, etc) be included on the January 15 work-study meeting agenda.

Alternatives: Staff has prepared two alternative draft ordinances. Council is not obligated to take any action at this time. In addition to these options, Council may want to continue studying these issues as they relate to expanding the tax abatement map, and setting more stringent thresholds for the affordable housing component in order to qualify for a tax exemption.

Relationship to Comprehensive Plan: The City's multifamily tax exemption program supports a number of Comprehensive Plan goals and policies, including:

- | | |
|--------------|--|
| Policy LU-1 | Provide a variety of housing types and employment opportunities that meet the needs of diverse socioeconomic interests. |
| Policy LU-17 | Incentivize infill development to preserve and protect open space, critical areas and natural resources. |
| Policy LU-28 | In conjunction with the proposed Centers strategy, enhance downtown Port Orchard's role as the center of the South Kitsap region, reflecting the following principles in development standards and land use plans: <ul style="list-style-type: none"> • Encourage land uses that support transit centers and promote pedestrian activity. • Promote a mix of uses, including retail, office, and housing. • Encourage uses that will provide both daytime and evening activities. • Support civic, cultural, and entertainment activities. • Provide sufficient public open space and recreational opportunities. • Enhance, and provide access to, the waterfront. • Develop enhanced design guidelines and design review requirements that promote attractive, pedestrian-scale development and redevelopment within the City's historic downtown area. |
| Policy HS-4 | Adopt zoning and development regulations that will have the effect of minimizing housing costs and maximizing housing options. |
| Policy HS-7 | Consider the creation of zoning and other land use incentives for the private construction of affordable and special needs housing as a percentage of units in multi-family development. |
| Policy HS-8 | Consider adopting incentives for development of affordable multi-family homes through property tax abatement in accordance with 84.14 RCW, focusing on designated mixed-use local centers with identified needs for residential infill and redevelopment. |

Policy HS-14 Implement zoning and development regulations which encourage infill housing on empty and redevelopable parcels.

Policy HS-1 Consider programs to preserve or rehabilitate neighborhoods and areas that are showing signs of deterioration due to lack of maintenance or abandonment.

Recommendations: Staff recommends that Council discuss the alternatives and provide direction concerning next steps.

Attachments: Draft Ordinance; Maps of Current and Proposed Tax Abatement Areas; Redline Changes to Chapter 3.48 POMC

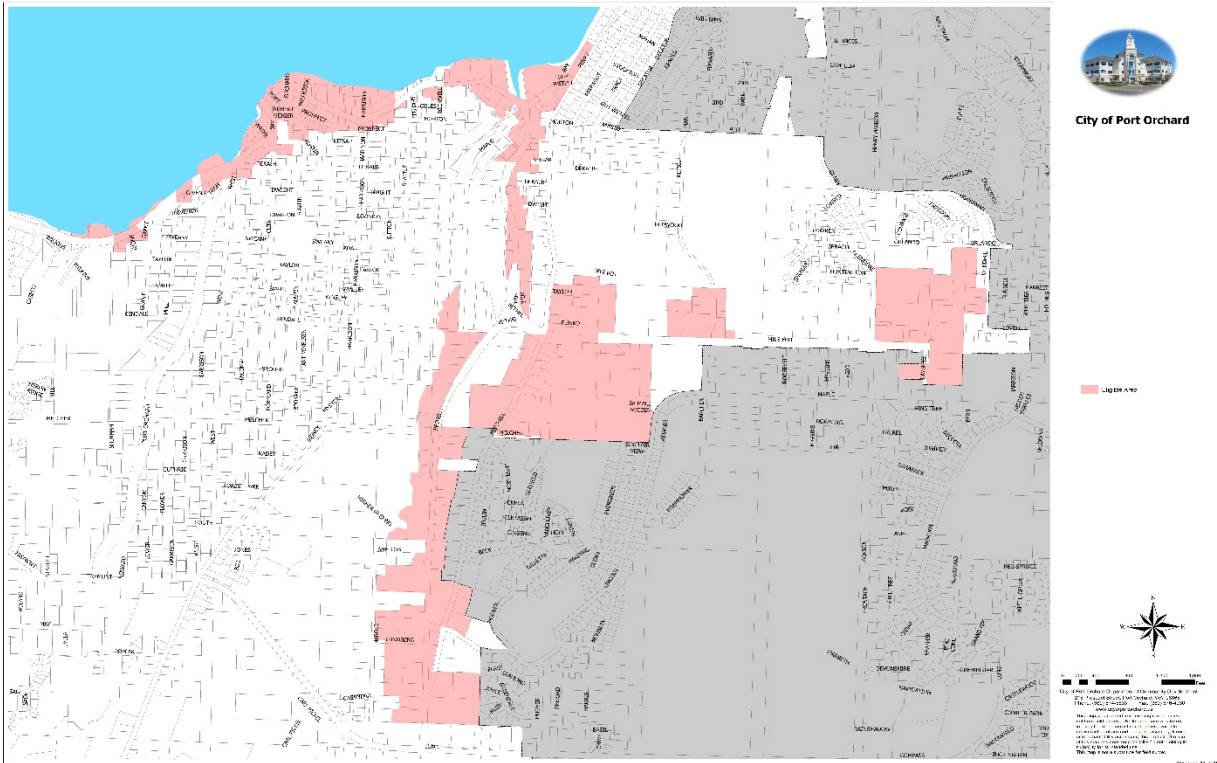


Figure 1: Current Multifamily Property Tax Exemption Area Map, POMC 3.48



Figure 2: Sedgwick Parcels

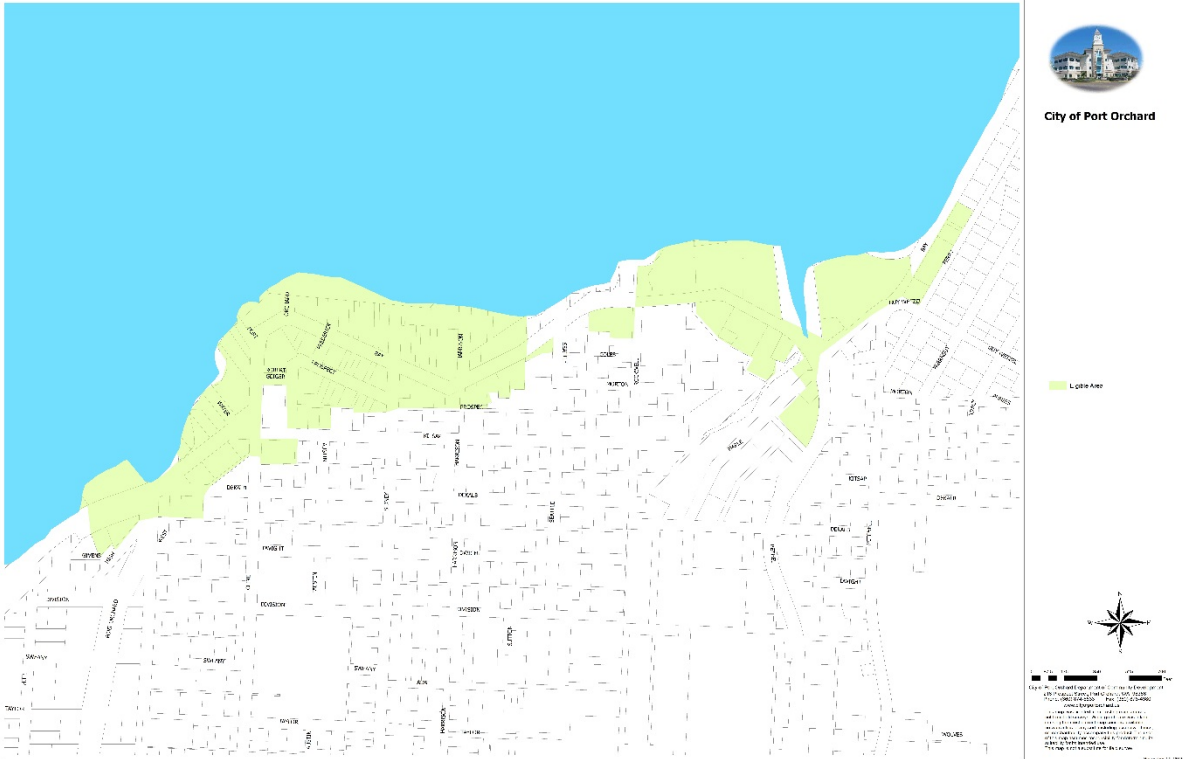


Figure 3: Downtown Parcels

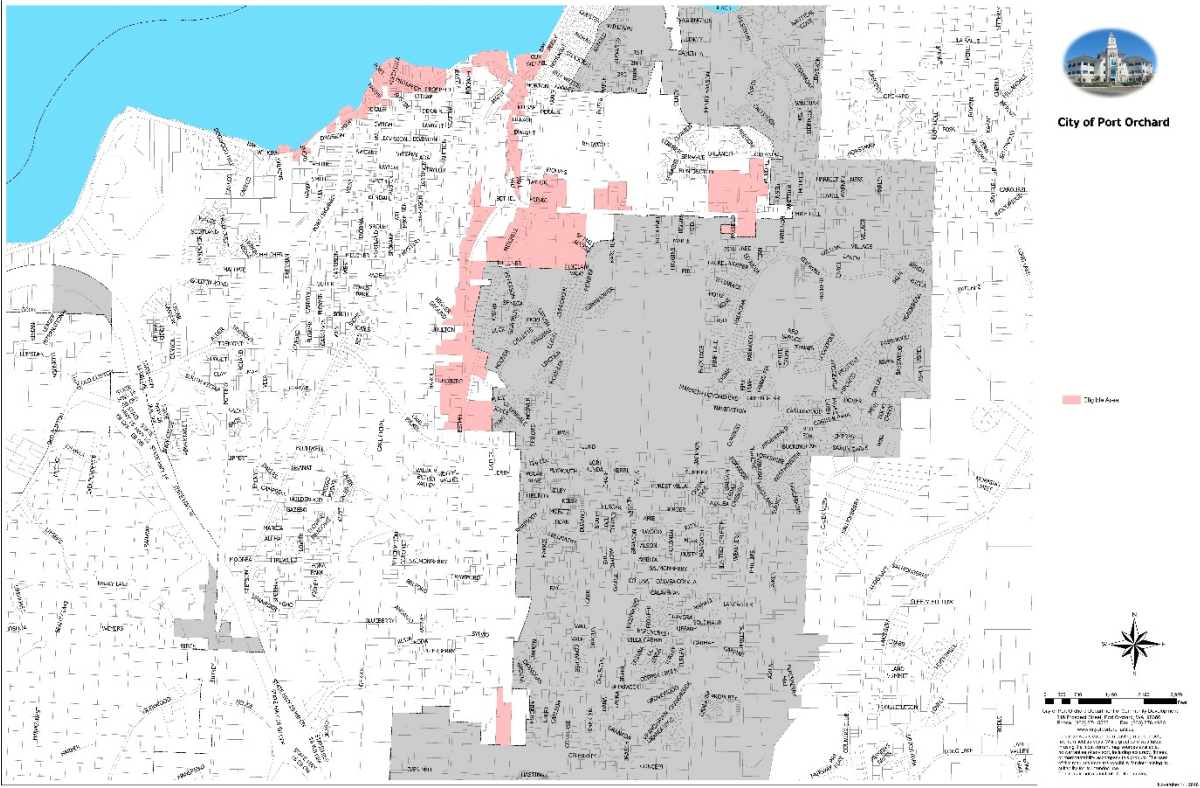


Figure 4: Expanded Tax Exemption Area (Alternative 1)

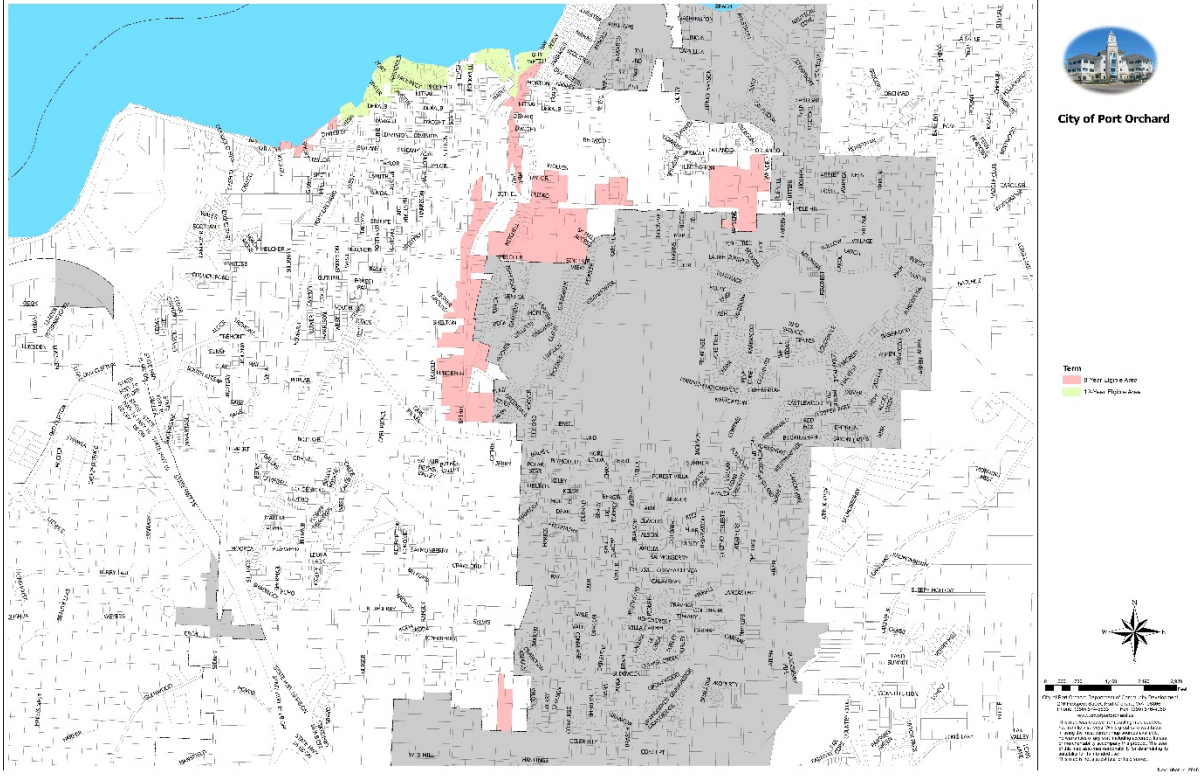


Figure 5: Expanded Tax Exemption Area with Revised 12-Year Area (Alternative 2)

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ORDINANCE NO. XX-18

AN ORDINANCE OF THE CITY OF PORT ORCHARD, WASHINGTON, AMENDING PORT ORCHARD MUNICIPAL CODE CHAPTER 3.48; EXPANDING THE RESIDENTIAL TARGETED AREA FOR MULTIFAMILY PROPERTY TAX EXEMPTION; AMENDING THE DESIGNATED RESIDENTIAL TARGETED AREA AND REQUIREMENTS FOR 12-YEAR MULTIFAMILY TAX EXEMPTIONS; PROVIDING FOR SEVERABILITY AND CORRECTIONS; AND SETTING AN EFFECTIVE DATE.

WHEREAS, on July 26, 2016, the City Council adopted Ordinance No. 023-16, which created Chapter 3.48 of the Port Orchard Municipal Code (Multifamily Property Tax Exemption); and

WHEREAS, Figure 1: Alternative 1 in Chapter 3.48.030 POMC shows the designated residential targeted area for multifamily property tax exemption; and

WHEREAS, Section 3.48.030(3) POMC provides that the City Council may amend the designated residential targeted area; and

WHEREAS, the City has received a request to modify the designated residential targeted area to include additional properties located on the south side of SE Sedgwick Rd, near the intersection of Bethel Rd SE and SE Sedgwick Rd (Assessor's File Nos. 122301-2-064-2003, 122301-2-063-2004 and 122301-2-053-2006); and

WHEREAS, the additional properties requested for inclusion meet the criteria for the multifamily property tax exemption as defined by Chapter 84.14.040 RCW, which include the requirements that a designated targeted area must be located within an urban center, and the area must lack sufficient available, desirable and convenient residential housing, including affordable housing; and

WHEREAS, the City Council desires to include these additional properties in the designated residential targeted area, to encourage additional, affordable housing; and

WHEREAS, Figure 1: Alternative 1 in Section 3.48.030 POMC has been revised to reflect the inclusion of the additional properties in the designated residential targeted area, as shown in Exhibit 1 of this Ordinance; and

WHEREAS, the current market rate for rental housing costs in Port Orchard is significantly below the average rental cost for Kitsap County's other cities, and

WHEREAS, the City Council wishes to further the City's goals of redevelopment and additional, affordable residential units within the City's downtown area, which is likely to have higher costs for development and redevelopment due to the nature of building below-grade parking and building on shoreline fill; and

WHEREAS, the City Council therefore desires to amend the boundaries of the designated residential targeted area, so that the 12-year tax exemption shall apply to only the downtown area, as indicated in Figure 1 of Exhibit 1; and

WHEREAS, on December 18, 2018, the City Council held a properly-noticed public hearing according to the requirements of RCW 84.14.040 and Section 3.48.030(3) POMC;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council hereby adopts the above recitals as findings in support of this ordinance.

Section 2. POMC Chapter 3.48 Amended. Chapter 3.48 POMC as amended, which is attached as Exhibit 1 to this Ordinance and incorporated fully herein by this reference, is hereby adopted.

Section 3. 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 by a court, board, or tribunal of competent jurisdiction, for any reason, or should any portion of this ordinance be pre-empted 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.

Section 4. Corrections. Upon the approval of the City Attorney, the City Clerk is authorized to make any necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 5. Effective Date; Publication. This ordinance shall take effect and be in full force immediately upon its passage. An approved summary of this ordinance consisting of the title shall be published in the official newspaper of the City.

PASSED BY THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON, at a regular meeting thereof this 18th day of December, 2018, and SIGNED by the Mayor and attested by the Clerk in authentication of such passage this ____th day of December, 2018.

Robert Putaansuu, Mayor

ATTESTED:

Brandy Rinearson, CMC, City Clerk

APPROVED AS TO FORM ONLY:

Sharon Cates, City Attorney

EXHIBITS: Exhibit 1 – Amended Chapter 3.48 POMC

EXHIBIT 1:

Chapter 3.48 MULTIFAMILY PROPERTY TAX EXEMPTION

Sections:

- 3.48.010 PURPOSE.**
- 3.48.020 DEFINITIONS.**
- 3.48.030 RESIDENTIAL TARGET AREAS—CRITERIA—DESIGNATION.**
- 3.48.040 TERMS OF THE TAX EXEMPTION.**
- 3.48.050 PROJECT ELIGIBILITY.**
- 3.48.060 APPLICATION PROCEDURE.**
- 3.48.070 APPLICATION REVIEW—ISSUANCE OF CONDITIONAL CERTIFICATE—DENIAL--
APPEAL.**
- 3.48.080 EXTENSION OF CONDITIONAL CERTIFICATE.**
- 3.48.090 APPLICATION FOR FINAL CERTIFICATE.**
- 3.48.100 ISSUANCE OF FINAL CERTIFICATE.**
- 3.48.110 ANNUAL COMPLIANCE REVIEW--REPORTING.**
- 3.48.120 CANCELLATION OF TAX EXEMPTION.**
- 3.48.130 CONFLICT OF PROVISIONS.**

3.48.010 PURPOSE.

As provided for in Chapter 84.14 RCW, the purpose of this chapter is to provide limited exemptions from ad valorem property taxation for multifamily housing in designated residential targeted areas to:

- (1) Encourage increased residential opportunities, including affordable housing units, within areas of the City designated by the City Council as residential targeted areas; and/or
- (2) Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in designated residential targeted areas to increase and improve housing opportunities, including affordable housing; and
- (3) Accomplish the planning goals required under the Growth Management Act, Chapter 36.70A RCW as implemented by the City's comprehensive plan.

3.48.020 DEFINITIONS.

When used in this chapter, the following terms shall have the following meanings, unless the context indicates otherwise:

- (1) "Affordable housing" means the definition provided for in RCW 84.14.010.
- (2) "Department" means the City Department of Community Development.
- (3) "Director" means the Director of the Department of Community Development, or designee.
- (4) "High-cost area" means the definition provided for in RCW 84.14.010.
- (5) "Household" means the definition provided for in RCW 84.14.010.
- (6) "Low-income household" means the definition provided for in RCW 84.14.010.
- (7) "Moderate-income household" means the definition provided for in RCW 84.14.010.
- (8) "Multifamily housing" (for the purposes of this section) means a building having ten (10) or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.
- (9) "Owner" means the definition provided for in RCW 84.14.010.
- (10) "Permanent residential occupancy" means the definition provided for in RCW 84.14.010.
- (11) "Rehabilitation improvements" means the definition provided for in RCW 84.14.010.
- (12) "Residential targeted area" means the definition provided for in RCW 84.14.010 and the area(s) that have been so designated by the City Council pursuant to this chapter.
- (13) "Substantial compliance" means the definition provided for in RCW 84.14.010.
- (14) "Urban center" means the definition provided for in RCW 84.14.010.

3.48.030 RESIDENTIAL TARGET AREAS—CRITERIA—DESIGNATION.

(1) Following notice and public hearing as prescribed in RCW 84.14.040 of the City Council's intention of designating a residential target area, the City Council may, in its sole discretion, designate one or more residential targeted areas. Each residential target area must meet the following criteria, as determined by the City Council:

- (a) The area is within an urban center;
- (b) The area lacks sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if affordable, desirable, attractive, and livable residences were available; and
- (c) Providing additional housing opportunities, including affordable housing, in the area will assist in achieving one or more of the purposes of this chapter.

(2) In designating a residential targeted area, the City Council may also consider other factors including, but not limited to:

(a) Additional housing, including affordable housing units, in the residential targeted area will attract and maintain an increase in the number of permanent residents;

(b) An increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the City's current and future comprehensive plans;

(c) Encouraging additional housing in the residential targeted area is consistent with public transportation plans; or

(d) Additional housing may contribute to revitalization of a distressed neighborhood or area within the City.

(3) At any time the City Council may, by resolution, and in its sole discretion, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.

(4) The following areas are designated as residential targeted areas under this chapter:

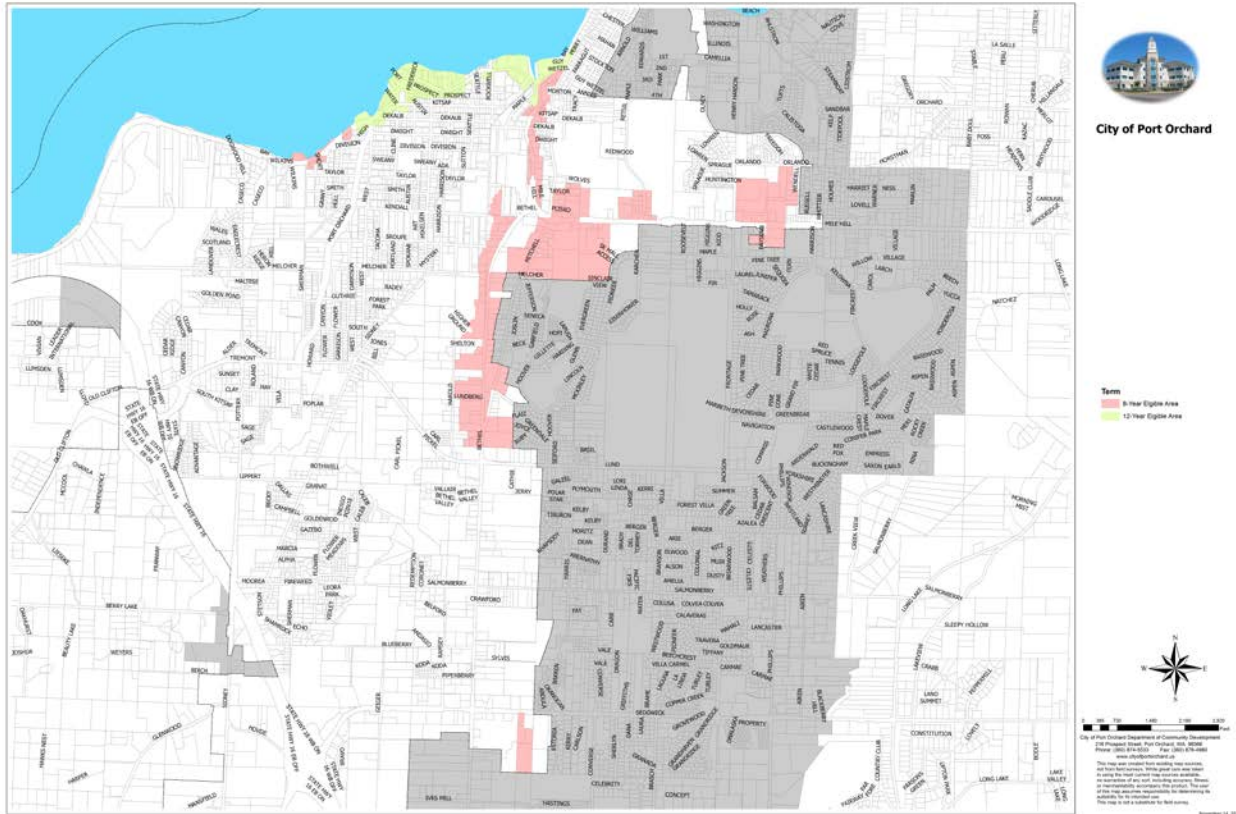


Figure 1

(5) If a part of any legal lot is within a designated residential targeted area then the entire lot shall be deemed to lie within such residential targeted area. Property located outside of, but adjacent to, the described areas is not designated as residential targeted areas.

3.48.040 TERMS OF THE TAX EXEMPTION.

(1) Duration of Exemption. The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(a) Within the areas shown as “8 Year Eligible Area” and “12 Year Eligible Area” in Figure 1 of this chapter, for eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate. No requirements for affordable housing are required for an eight-year tax exemption within either of these areas; or

(b) Within the area shown as “12 Year Eligible Area in Figure 1 of this chapter, for twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(b). For the property to qualify for the twelve (12) year exemption under this subsection, the applicant must commit to renting or selling at least twenty (20) percent of the multifamily housing units as affordable housing units to low- and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions

adopted by the City under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection may be satisfied solely through housing affordable to moderate-income households.

(i) If calculations for the minimum twenty (20) percent of the multifamily housing units required under this subsection result in a fraction, then the minimum number of multifamily housing units for affordable housing shall be rounded up to the next whole number.

(ii) In projects granted 12-year exemptions, housing units identified for households with low, affordable, or moderate annual income shall continue to be made available to low, affordable, or moderate households for the length of the exemption period.

(iii) The mix and configuration of housing units (e.g., studio, one-bedroom, two-bedroom) used to meet the requirement for affordable units under this subsection shall be substantially proportional to the mix and configuration of the total housing units in the project.

(iv) When a project includes more than one building with multifamily housing units, all of the affordable housing units required in this subsection must not be located in the same building.

(2) Limits on Exemption. The exemption does not apply:

(a) To the value of land or to the value of non-housing-related improvements not qualifying under this chapter.

(b) In the case of rehabilitation of existing buildings, to the value of improvements constructed prior to submission of the completed application required under this chapter.

(c) To increases in assessed valuation made by the Kitsap County Assessor on non-qualifying portions of building or other improvements and value of land nor to increases made by lawful order of a County board of equalization, the Department of Revenue, or Kitsap County, to a class of property throughout the County or specific area of the County to achieve the uniformity of assessment or appraisal required by law.

(3) Conclusion of Exemption. At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of Chapter 84.55 RCW.

3.48.050 PROJECT ELIGIBILITY.

A proposed multifamily housing project must meet all of the following requirements for consideration for a property tax exemption:

(1) Location. The project must be located within a residential targeted area as defined in POMC 3.48.030.

(2) Tenant Displacement Prohibited. The project must not displace existing residential tenants of structures that are proposed for redevelopment. If the property proposed to be rehabilitated is not vacant, an applicant shall provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate.

(3) Noncompliance with Building Codes. Existing dwelling units proposed for rehabilitation must fail to comply with one or more standards of the applicable state or City building codes.

(4) Size of Project. The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty (50) percent of the space for permanent residential occupancy. The project, whether new, converted, or rehabilitated multiple-unit housing, must include at least ten (10) units of multifamily housing within a residential structure or as part of an urban development. In the case of existing multifamily housing that is occupied or which has not been vacant for twelve (12) months or more, the multifamily housing project must also provide for a minimum of four (4) additional multifamily units for a total project of at least ten (10) units including the four (4) additional units. Existing multifamily housing that has been vacant for twelve (12) months or more does not have to provide additional units.

(5) Proposed Completion Date. New construction of multifamily housing and rehabilitation improvements must be completed within three (3) years from the date of approval of the application.

(6) Compliance with Guidelines and Standards. The project must be designed to comply with the City's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations. The project must also comply with any other standards and guidelines adopted by the City Council for the residential targeted area.

3.48.060 APPLICATION PROCEDURE.

A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:

(1) The exemption application provided by the City shall be completed and filed with the Department prior to issuance of a building permit for the project. The completed application shall be accompanied by the application fee as authorized by RCW 84.14.080 and as set forth in the City's current fee resolution.

(2) The exemption application shall contain and require such information as deemed necessary by the Director, including:

(a) A brief written description of the project, including timing and construction schedule, setting forth the grounds for the exemption.

(b) Floor and site plans of the proposed project, which may be revised by the owner, provided such revisions are made and presented to the Director prior to the City's final action on the exemption application.

(c) For rehabilitation projects, the applicant shall provide a report prepared by a registered architect identifying property noncompliance with current building codes. This report shall identify specific code violations and must include supporting data that satisfactorily explains and proves the presence of a violation. Supporting data must include a narrative and such graphic materials as needed to support this application. Graphic materials may include, but are not limited to, building plans, building details, and photographs.

(d) If applying for a 12-year exemption, it shall include information describing how the applicant will comply with the affordability requirements set forth in POMC 3.48.040(1)(b).

(e) A statement from the owner acknowledging the potential tax liability when the project ceases to be eligible under this chapter.

(f) An affidavit signed by the owner stating the occupancy record of the property for a period of twelve (12) months prior to filing the application.

(g) Verification of the correctness of the information submitted by the owner's signature and affirmation made under penalty of perjury under the laws of the State of Washington.

3.48.070 APPLICATION REVIEW—ISSUANCE OF CONDITIONAL CERTIFICATE—DENIAL—APPEAL.

(1) Director's Decision. The Director may certify as eligible an application which is determined to comply with all applicable requirements of this chapter. A decision to approve or deny an application shall be made within ninety (90) calendar days of receipt of a complete application.

(2) Approval of Application—Contract Required. If an application is approved, the applicant shall enter into a contract with the City, regarding the terms and conditions of implementation of the project, and pursuant to the following:

(a) The contract shall be subject to approval by the City Council, in the form of a resolution, regarding the terms and conditions of the project and eligibility for exemption under this chapter. This contract shall be a covenant running with the land and shall be binding on the assigns, heirs, and successors of the applicant.

(b) For any development project including owner-occupied units, the contract with the City shall also require that an owners association organized under RCW 64.34.300 be formed for all owner-occupied units within the development, for at least the length of the exemption period granted, to assume the responsibility for collecting from all individual unit owners the information and documents required to complete the annual reporting requirements and for filing the required annual report with the City for each of the individual homeowners pursuant to POMC 3.48.110.

(c) Amendment of Contract. Within three (3) years of the date from the City Council's approval of the contract, an owner may request an amendment(s) to the contract by submitting a request in writing to the Director. The fee for an amendment is as set forth in the City's current fee resolution. The Director shall have authority to approve minor changes to the contract that are reasonably within the scope and intent of the contract approved by the City Council, as solely determined by the Director. Amendments that are not reasonably within the scope and intent of the approved contract, as solely determined by the Director, shall be submitted to the City Council for review and approval. The date for expiration of the conditional certificate shall not be extended by contract amendment unless all the conditions for extension set forth in POMC 3.48.080 are met.

(3) Issuance of Conditional Certificate. Upon City Council approval of the contract required under subsection (2) above, the Director shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three (3) years from the date of City Council approval unless an extension is granted as provided in this chapter.

(4) Denial of Application. If an application is denied, the Director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten (10) calendar days of issuance of the denial.

(5) Appeal. Per RCW 84.14.070, an applicant may appeal a denial to the City Council within thirty (30) calendar days of receipt of the denial by filing a complete appeal application and fee, as set forth in the City's current fee resolution, with the Director. The appeal before the City Council will be based on the record made before the Director. The Director's decision shall be upheld unless the applicant can show that there is no substantial evidence on the record to support the Director's decision. The City Council's decision on appeal will be final.

3.48.080 EXTENSION OF CONDITIONAL CERTIFICATE.

(1) Extension. The conditional certificate and time for completion of the project may be extended by the Director for a period not to exceed a total of twenty-four (24) consecutive months. To obtain an extension, the applicant must submit a written request with a fee, as set forth in the City's current fee resolution, stating the grounds for the extension. An extension may be granted if the Director determines that:

(a) The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner; provided that financial hardship, regardless of the cause or reason, shall not be considered by the Director as a circumstance beyond the control of the owner in order to grant an extension;

(b) The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and

(c) All the conditions of the original contract (and as amended) between the applicant and the City will be satisfied upon completion of the project.

(2) Denial of Extension. If an extension is denied, the Director shall state in writing the reason for denial and shall send notice to the applicant's last known address within ten (10) calendar days of issuance of the denial.

(3) Appeal. An applicant may appeal the denial of an extension to the Hearing Examiner within fourteen (14) calendar days of receipt of the denial by filing a complete appeal application and appeal fee with the Director. The appeal before the Hearing Examiner shall be processed as a closed record hearing. No appeal to the City Council is provided from the Hearing Examiner's decision.

3.48.090 APPLICATION FOR FINAL CERTIFICATE.

Upon completion of the improvements agreed upon in the contract between the applicant and the City and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a final certificate of tax exemption by filing with the Director such information as the Director may deem necessary or useful to evaluate the eligibility for the final certificate, including the following:

(1) A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property;

(2) A description of the completed work and a statement of qualification for the exemption;

(3) The total monthly rent or total sale amount of each multifamily housing unit rented or sold to date;

(4) A statement that the work was completed within the required three (3) year period or any authorized extension;

(5) If a 12-year exemption, information on the applicant's compliance with the affordability requirements of this chapter; and

(6) Any additional information requested by the City pursuant to meeting any reporting requirements under Chapter 84.14 RCW.

3.48.100 ISSUANCE OF FINAL CERTIFICATE.

(1) Director's Decision. Within thirty (30) calendar days of receipt of all materials required for a final certificate, the Director shall determine whether the specific improvements satisfy the requirements of the contract, application, and this chapter.

(2) Granting of Final Certificate. If the Director determines that the project has been completed in accordance with this chapter and the contract between the applicant and the City, and has been completed within the authorized time period, the City shall, within ten (10) calendar days of the expiration of the thirty (30) day review period above, file a final certificate of tax exemption with the Kitsap County Assessor. The Director is authorized to cause to be recorded, at the owner's expense, in the real property records of the Kitsap County Department of Records, the contract with the City, as amended if applicable, and such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the Director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

(3) Denial of Final Certificate. The Director shall notify the applicant in writing that a final certificate will not be filed if the Director determines that:

- (a) The improvements were not completed within the authorized time period;
- (b) The improvements were not completed in accordance with the contract between the applicant and the City; or
- (c) The owner's property is otherwise not qualified under this chapter.

(3) Appeal. An applicant may appeal a denial of a final certificate to the Hearing Examiner within fourteen (14) calendar days of issuance of the denial of a final certificate by filing a complete appeal application and appeal fee with the Director. The appeal before the Hearing Examiner shall be processed as a closed record hearing. No appeal to the City Council is provided from the Hearing Examiner's decision.

3.48.110 ANNUAL COMPLIANCE REVIEW—REPORTING.

(1) Within thirty (30) calendar days after the first anniversary of the date of filing the final certificate of tax exemption and each year for the tax exemption period, the property owner shall be required to file a notarized declaration with the Director indicating the following:

- (a) A statement of occupancy and vacancy of the multifamily units during the previous twelve (12) months;
- (b) A certification by the owner that the property has not changed use and continues to be in compliance with the contract with the City and the applicable requirements of this chapter;
- (c) A description of changes or improvements to the property made after the City's issuance of the final certificate of tax exemption;
- (d) The total monthly rent of each multifamily housing unit rented or the total sale amount of each unit sold during the 12 months ending with the anniversary date;
- (e) A breakdown of the number, type, and specific multifamily housing units rented or sold during the 12 months ending with the anniversary date;

(f) If granted a 12-year exemption, information demonstrating the owner's compliance with the affordability requirements of this chapter, including, but not limited to, the income of each renter household at the time of initial occupancy or the income of each purchaser of owner-occupied units at the time of purchase;

(g) The value of the tax exemption for the project; and

(h) Any additional information requested by the City pursuant to meeting any reporting requirements under Chapter 84.14 RCW.

(2) City staff may also conduct on-site verification of the declaration and reporting required under this section. Failure to submit the annual declaration and report may result in cancellation of the tax exemption pursuant to this chapter and shall result in a review of the exemption per RCW 84.14.110.

(3) If the city issues final tax exemption certificates pursuant to this chapter, the Director shall submit the report required by RCW 84.14.100 to the state Department of Commerce by December 31st of each year.

3.48.120 CANCELLATION OF TAX EXEMPTION.

(1) The Director may cancel a tax exemption on a property if he/she determines any of the following:

(a) The owner is not complying with the terms of the contract or this chapter;

(b) The use of the property is changed or will be changed to a use that is other than residential;

(c) The project violates applicable zoning requirements, land use regulations, building, or fire code requirements; or

(d) The owner fails to submit the annual declaration and report specified in POMC 3.48.110.

(2) If the owner intends to convert the multifamily housing to another use, the owner shall notify the Director and the Kitsap County Assessor in writing within sixty (60) calendar days of the change in use.

(3) Cancellation may occur in conjunction with the annual review or at any such time noncompliance has been determined.

(4) Upon cancellation of the tax exemption, additional taxes, interest, and penalties shall be imposed on the property, and a priority lien may be placed on the land, pursuant to state law.

(5) Notice of Cancellation. Upon determining that a tax exemption is to be canceled, pursuant to RCW 84.14.110(2), the Director shall notify the owner by mail, return receipt requested.

(6) Appeal of Cancellation. The owner may appeal the determination of cancellation to the Hearing Examiner by filing a notice of appeal and appeal fee with the City Clerk within thirty (30) calendar days of the date of the notice of cancellation, specifying the factual and legal basis for the appeal. The appeal shall be heard by the Hearing Examiner as a closed record hearing. No appeal to the City Council is provided from the Hearing Examiner's decision.

3.48.130 CONFLICT OF PROVISIONS.

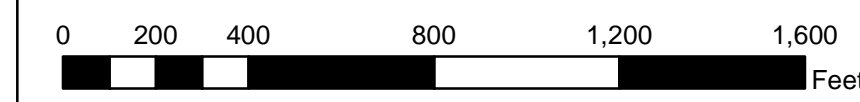
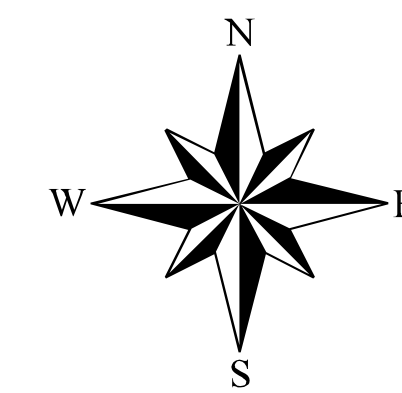
If any provision of this chapter is in legal conflict with the provisions of Chapter 84.14 RCW, as currently adopted or hereafter amended, the provisions of Chapter 84.14 RCW shall apply as if set forth in this chapter.



City of Port Orchard

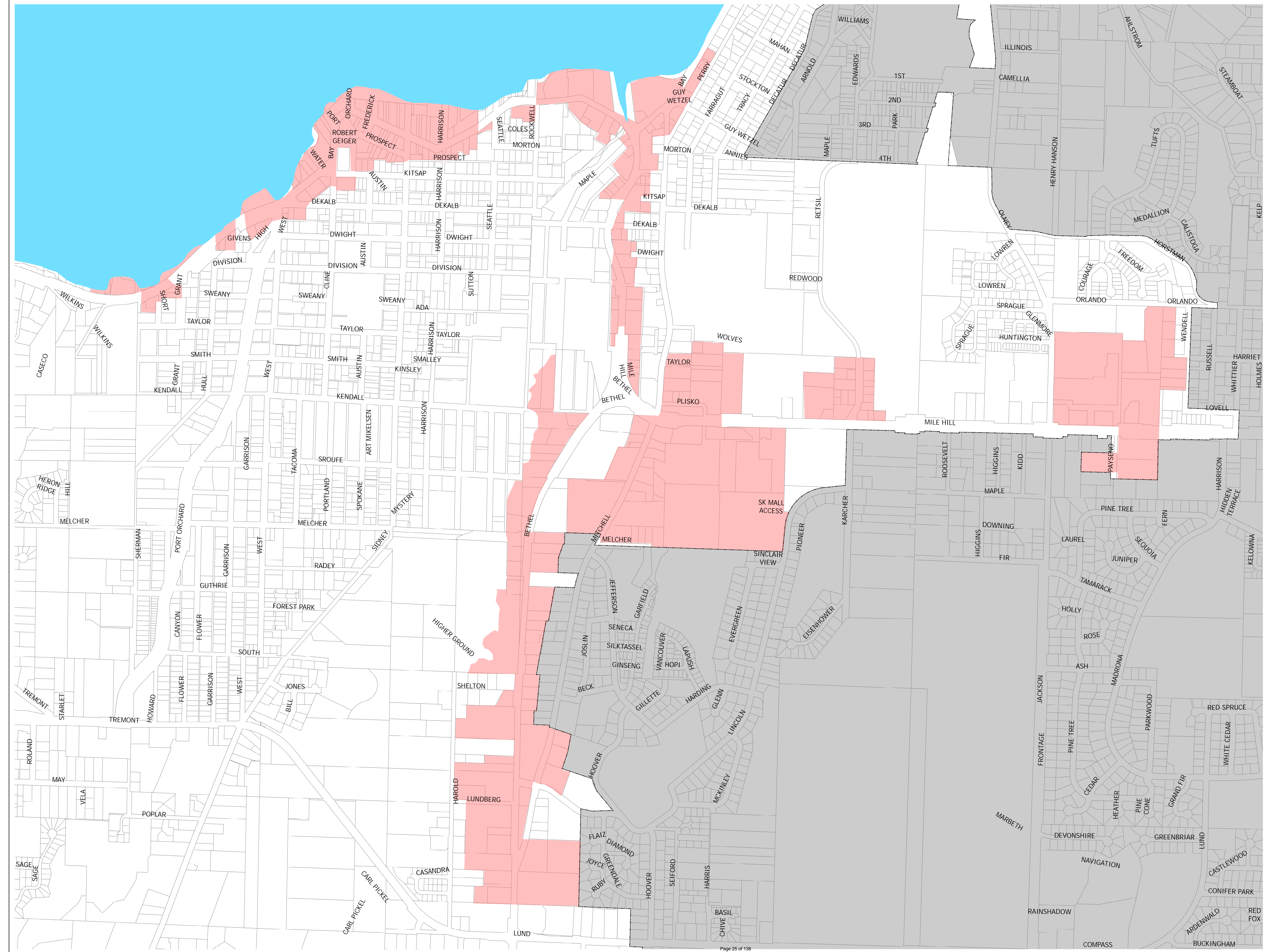
Current Adopted Tax Exemption Map

Eligible Area



City of Port Orchard Department of Community Development
216 Prospect Street, Port Orchard, WA 98366
Phone: (360) 874-5533 Fax: (360) 876-4980
www.cityofportorchard.us

This map was created from existing map sources, not from field surveys. While great care was taken in using the most current map sources available, no warranties of any sort, including accuracy, fitness, or merchantability accompany this product. The user of this map assumes responsibility for determining its suitability for its intended use. This map is not a substitute for field survey.

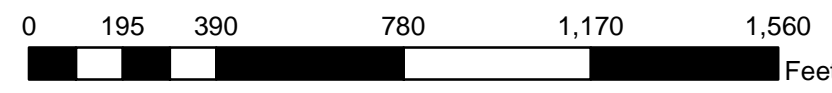
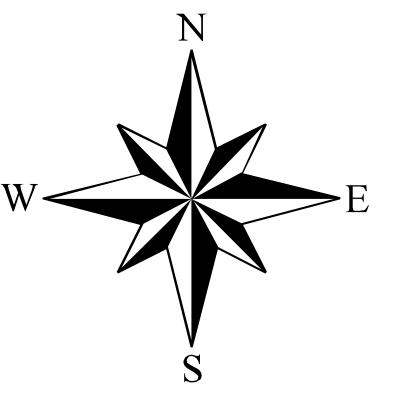




City of Port Orchard

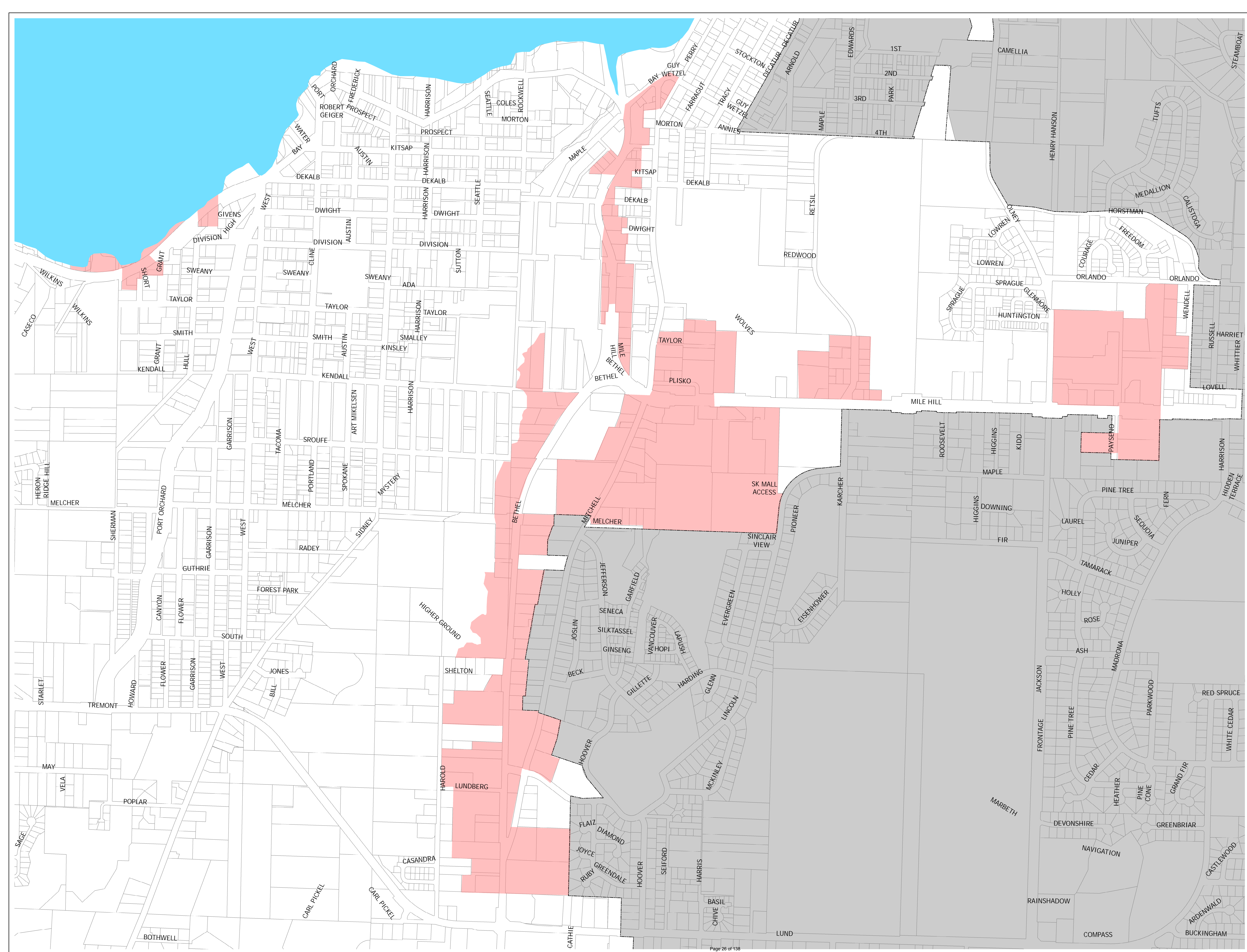
Proposed Tax Exemption Area - Bethel/Mile Hill

 Eligible Area



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216 Prospect Street, Port Orchard, WA 98366
Phone: (360) 874-5533 Fax: (360) 876-4980
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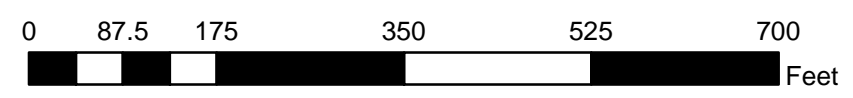
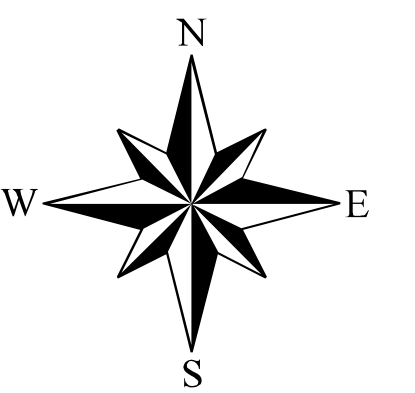




City of Port Orchard

Proposed Tax Exemption Map - Downtown

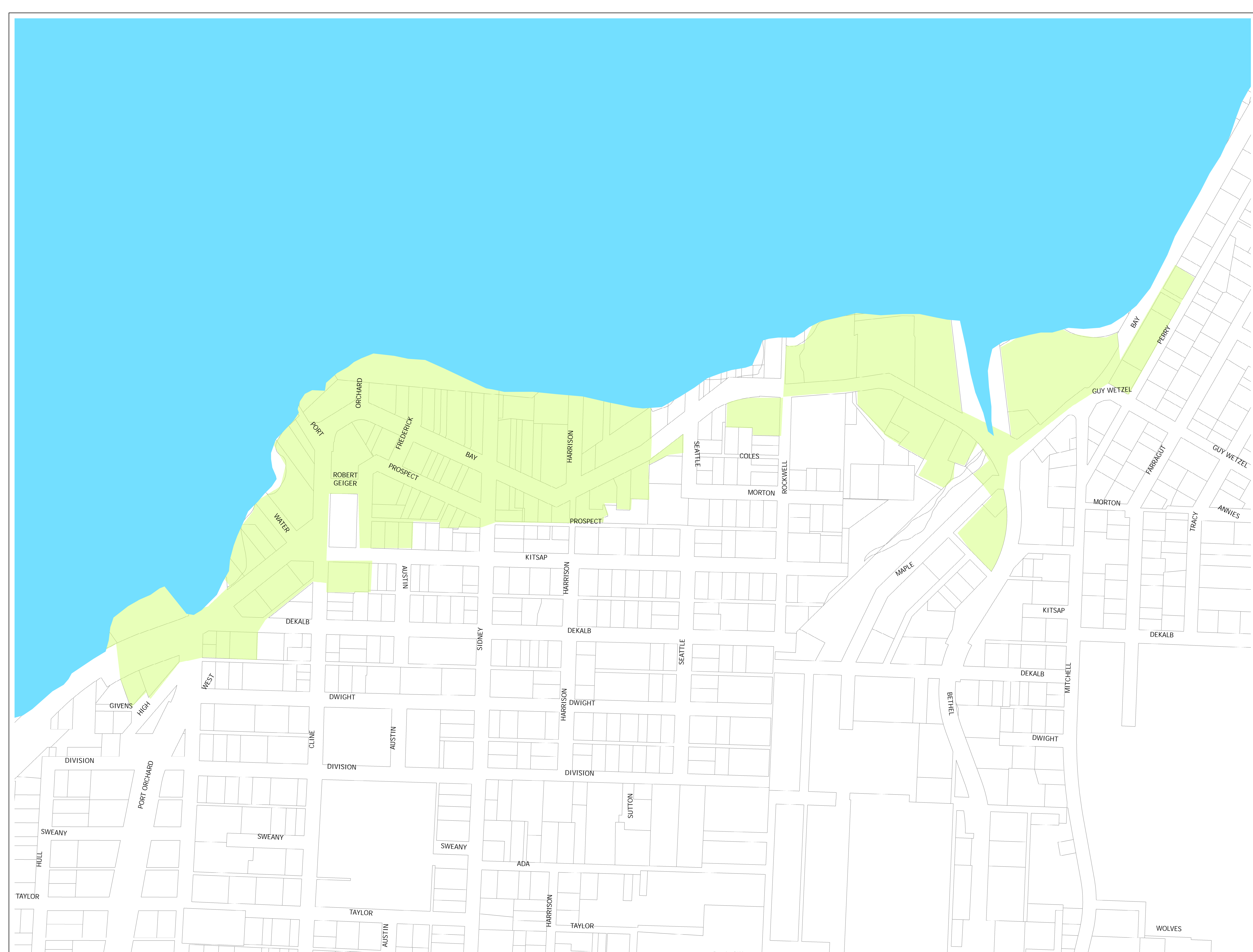
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November 14, 2018

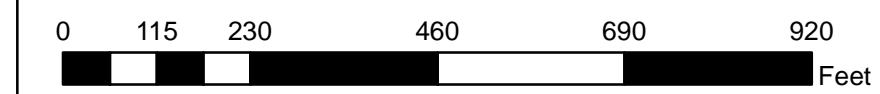
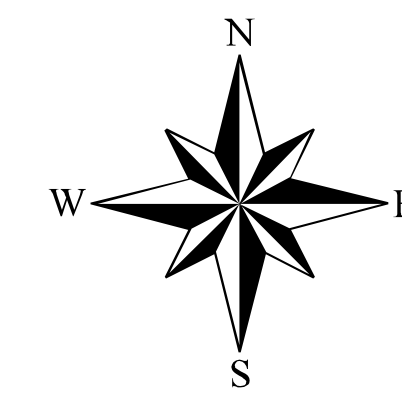




City of Port Orchard

Proposed Tax Exemption Area - Sedgwick

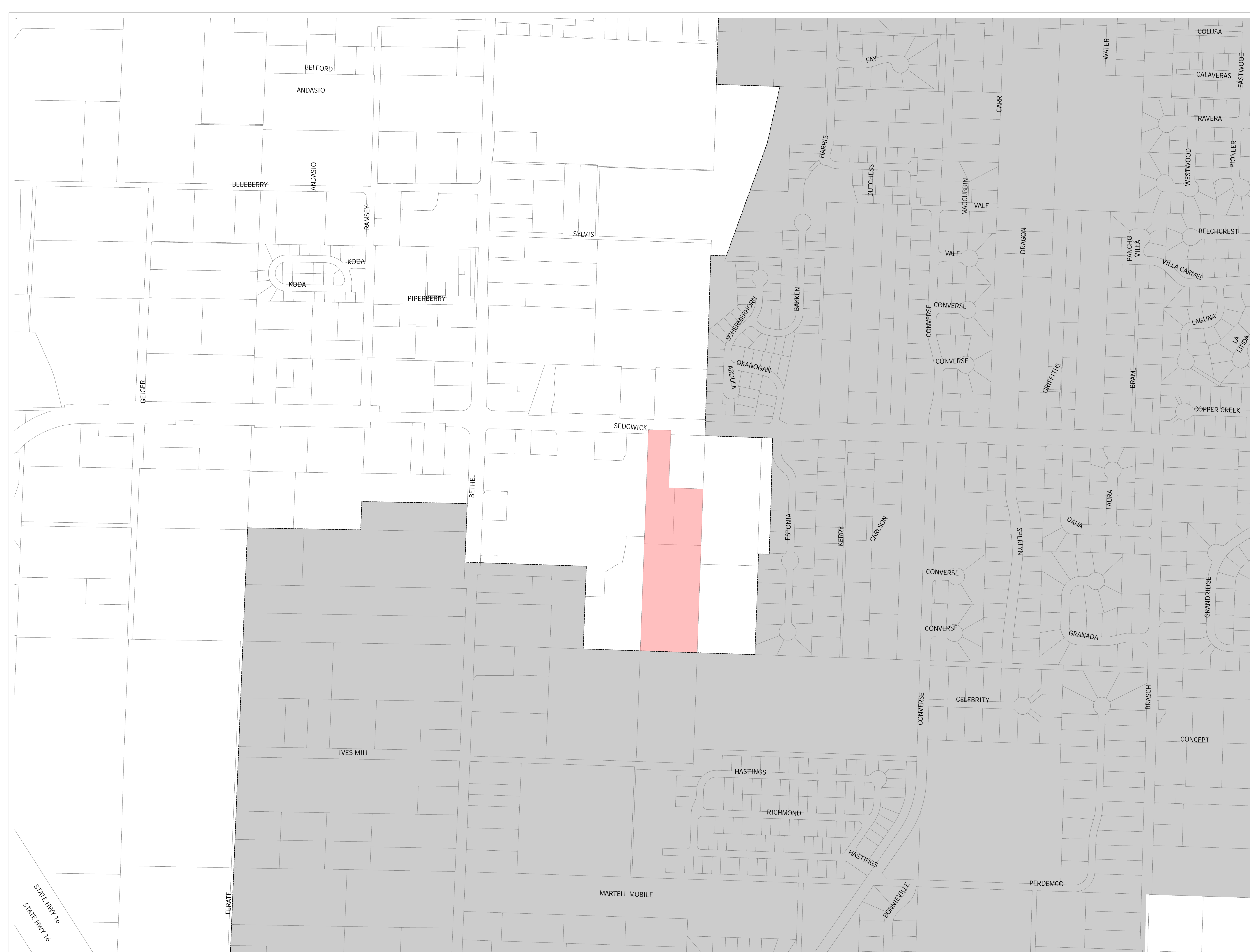
 Eligible Area



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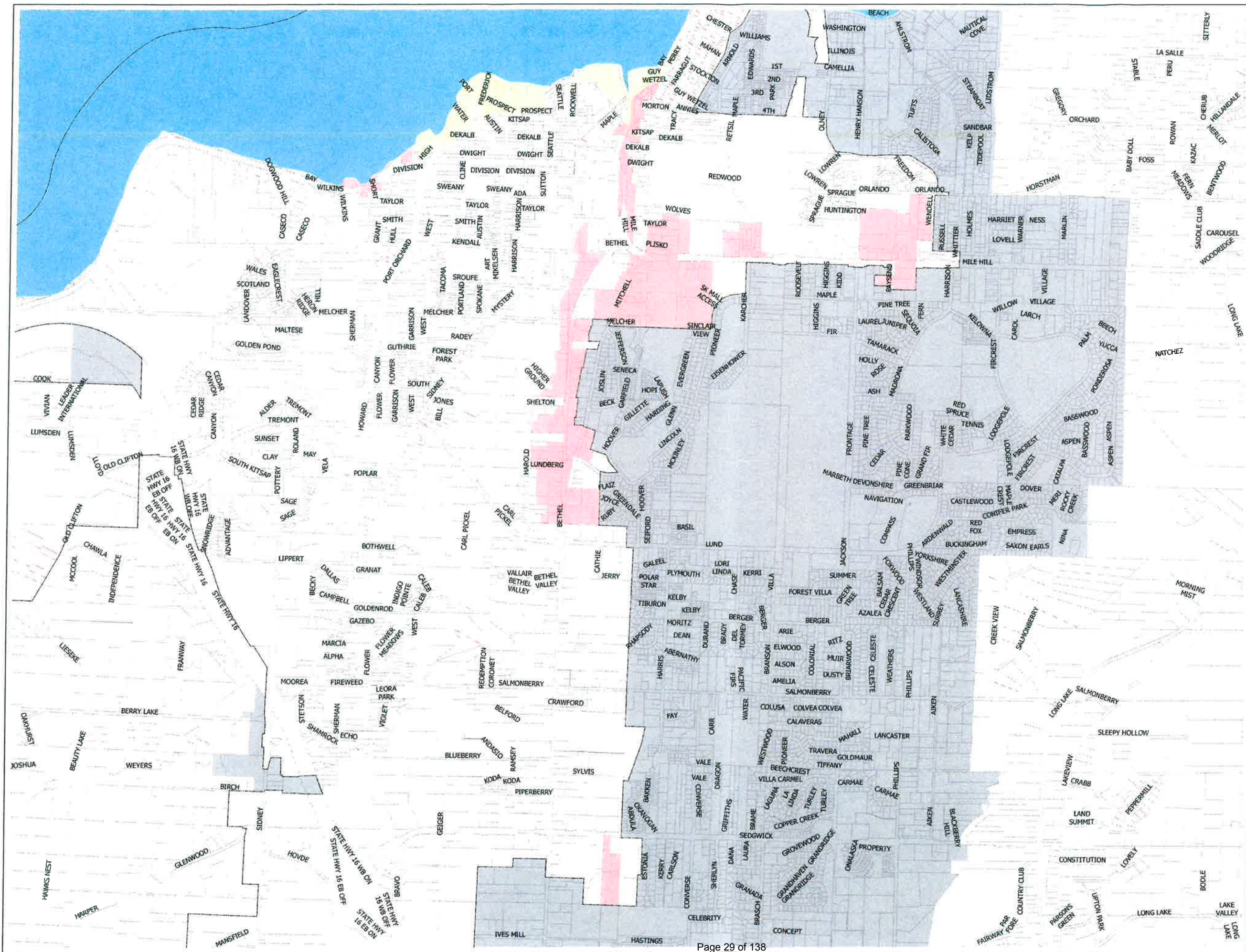
November 14, 2018



STATE HWY 16
STATE HWY 16



City of Port Orchard



Term
 8-Year Eligible Area
 12-Year Eligible Area



City of Port Orchard Department of Community Development
 216 Prospect Street, Port Orchard, WA 98366
 Phone: (360) 874-5533 Fax: (360) 876-4980
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3.48.040 TERMS OF THE TAX EXEMPTION.

(1) Duration of Exemption. The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(a) Within the areas shown as “8 Year Eligible Area” and “12 Year Eligible Area” in Figure 1 of this chapter, fFor eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate. No requirements for affordable housing are required for an eight-year tax exemption within either of these areas; or

(b) Within the area shown as “12 Year Eligible Area in Figure 1 of this chapter, fFor twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(b). For the property to qualify for the twelve (12) year exemption under this subsection, the applicant must commit to renting or selling at least twenty (20) percent of the multifamily housing units as affordable housing units to low- and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the City under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection may be satisfied solely through housing affordable to moderate-income households.

(i) If calculations for the minimum twenty (20) percent of the multifamily housing units required under this subsection result in a fraction, then the minimum number of multifamily housing units for affordable housing shall be rounded up to the next whole number.

(ii) In projects granted 12-year exemptions, housing units identified for households with low, affordable, or moderate annual income shall continue to be made available to low, affordable, or moderate households for the length of the exemption period.

(iii) The mix and configuration of housing units (e.g., studio, one-bedroom, two-bedroom) used to meet the requirement for affordable units under this subsection shall be substantially proportional to the mix and configuration of the total housing units in the project.

(iv) When a project includes more than one building with multifamily housing units, all of the affordable housing units required in this subsection must not be located in the same building.

(2) Limits on Exemption. The exemption does not apply:

(a) To the value of land or to the value of non-housing-related improvements not qualifying under this chapter.

(b) In the case of rehabilitation of existing buildings, to the value of improvements constructed prior to submission of the completed application required under this chapter.

(c) To increases in assessed valuation made by the Kitsap County Assessor on non-qualifying portions of building or other improvements and value of land nor to increases made by lawful order of a County board of equalization, the Department of Revenue, or Kitsap County, to a class of property throughout the County or specific area of the County to achieve the uniformity of assessment or appraisal required by law.

(3) Conclusion of Exemption. At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of Chapter 84.55 RCW.

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City of Port Orchard Work Study Session Executive Summary

Issue Title: Utility Late Fees and Penalties

Meeting Date: January 15, 2019

Time Required: 10 minutes

Attendees: N/A

Action Requested at This Meeting: Provide any questions and direction on the policy topic

Issue: From time to time, customers have requested some flexibility regarding late fees and penalties. Customers have presented some circumstances which might warrant consideration for flexibility for the finance department to address issues for customers.

Background: Currently there is no authority for the Finance Director to waive late fees and penalties for customers for any other circumstance than an error or mistake on the city's part. From time to time, circumstances arise in which customers may be late on a payment. The Finance Department has received requests to waive the fees due to these unforeseen circumstances.

The proposed policy would identify limited circumstances in which a customer could qualify for a waiver of late fees and penalties.

Alternatives: Do nothing.

Recommendation: The Finance Department recommends consideration of the new policy to delegate authority to the Finance director under the policy criteria to waive late fees and penalties that qualify.

Relationship to Comprehensive Plan: N/A

Attachments: Will be provided at meeting.

Follow-up Notes & Outcomes:

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City of Port Orchard

Work Study Session Executive Summary

Issue Title: Countywide Planning Policies

Meeting Date: January 15, 2019

Time Required: 20 Minutes

Attendees: Nick Bond, Community Development Director

Action Requested at this Meeting: Provide feedback and direction to staff and KRCC representatives

Background/Issue: The Centers approach to planning is a major theme found in the Regional Growth Strategy (Vision 2040) and is a major component of the City’s comprehensive plan and the Countywide Planning Policies. This growth strategy directs that a large portion of the region’s growth be to designated centers throughout the region where infrastructure and services can be provided efficiently. Recently, PSRC has adopted new centers guidelines that effect all center types. As such, the countywide planning policies have been identified as needing an update to make them consistent with the PSRC policy. Discussions concerning updating Element C of the Countywide Planning Policies have been ongoing for the past several months at the Land Use Technical Committee (LUTAC). Through this process, many important policy level questions have been raised that require a full City Council discussion. Positions that need to be taken by City staff and KRCC board representatives include the following:

1. The relationship between transportation funding and centers designations.
2. Determining the Port Orchard center types
3. Initiating a minor amendment to the Port Orchard Comprehensive Plan concerning centers.
4. Considering centers criteria for the Countywide Planning Policies.

Additional background concerning these issues can be found in the attached documents including:

1. The PSRC Regional Centers Framework Update, dated March 22, 2018 (pages 11-13)
2. Element C of the Countywide Planning Policies.
3. Appendix F of the Countywide Planning Policies.
4. Port Orchard Comprehensive Plan, Chapter 2, pages 9-13.

Discussion item 1: Funding the Development of Centers: One of the most significant tools for implementing the city’s Comprehensive Plan is transportation funding. In the City’s Comprehensive Plan, we have directed that growth should be prioritized in centers. However, funding is allocated through the competitive countywide process and awarded through the Puget Sound Regional Council. Port Orchard has no Regional Growth Centers or Manufacturing Industrial Centers within the city at this time. As such, this discussion should be limited to “Countywide Centers” and “Local and Other Centers” as described in the PSRC Regional Centers Framework (attached).

At the present time, the countywide funding competition in Kitsap County is less scientific and more political than in other counties. In Pierce County, for instance, there are published countywide scoring criteria that resulting in countywide rankings by project score. The equivalent body to our TransTac evaluates and scores all of the projects submitted to the Pierce County Regional Council, which forms the basis of their funding priorities. In Pierce County in recent years, additional points have been awarded to projects in urban centers based on the type of center and its priority for growth.

In Kitsap County, since there are significantly fewer jurisdictions, geographic equity and political considerations shape our project rankings more than evaluating projects based on their contribution to implementation of the Regional Growth Strategy. As we continue our work to update the Countywide Planning Policies, it is important to understand the relationship between centers designations and transportation funding.

To be discussed: The first item that Council should discuss is whether Port Orchard wishes to advocate that projects serving designated centers be prioritized for countywide funding over projects outside of centers. Should “Countywide Centers” be prioritized above “Local and Other Centers?”

Center Types: Depending on the direction provided in response to Discussion Item 1 above, Discussion Item 2 may be very important or of limited importance.

Each of Port Orchard’s centers is categorized based on the existing Countywide Planning Policy guidelines, and will need to be re-designated under the new PSRC criteria. The two options as this time are “countywide center” or “local and other center.” Which center we choose is likely of no importance unless KRCC decides to prioritize growth and funding for countywide centers over local centers.

If “Countywide Centers” as defined in the Regional Centers Framework are given priority over “Local and Other Centers,” then Port Orchard probably wants to consider designating some if not all of its current centers as listed in the Comprehensive Plan as “Countywide Centers.” However, with the Countywide Center designation comes additional criteria that Port Orchard must meet for each of its centers, including density and area requirements. The Old Clifton industrial park, for instance, is currently too small to be considered as a “Countywide Center”, and would likely need to be designated as a “Local and Other Center” type.

To be discussed: Council should discuss our current center designations and advise as to how each center should be re-designated based on the new PSRC criteria. These changes should be memorialized in an amendment to the Comprehensive Plan in 2019.

Comprehensive Plan Amendment: Staff has begun drafting a Comprehensive Plan amendment to amend terminology related to centers designations, as found in Chapter 2.7 of the Comprehensive Plan. The City’s application deadline is January 31, 2019. The amendment could be done in 2020, but by addressing it now, the city could potentially have its Comprehensive Plan in order in advance of adopting any update to the Countywide Planning Policies.

To be discussed: Council should confirm that it wishes to sponsor a Comprehensive Plan amendment to update the City's centers policy, to be consistent with PSRC criteria and center types.

Specific Amendments to Element C: Discussions at LUTAC concerning the Element C update have included whether KRCC should adopt the PSRC criteria as written, not adopt any criteria (which would leave centers designations up to individual jurisdictions), or adding additional local criteria applicable to Countywide Centers and/or Local and Other Center types.

Port Orchard staff have raised several additional concerns with LUTAC including: (1) Should center map boundaries be added to the CWPPs in an appendix? (2) Should the PSRC criteria be adopted in an appendix and be binding on jurisdictions through the CWPPs as well as through PSRC certification? (3) Should KRCC be required to find that "Countywide" and/or "Local and Other" centers meet a specific set of criteria before being included in appendix F and/or prior to those centers being recognized for preferential funding treatment? (4) Should KRCC review each existing and proposed center to determine if it meets applicable criteria?

In addition, City staff have thought about possible centers criteria that could be applied in addition to those provided by PSRC. For instance, requiring subarea plans (as recommended by PSRC) for Countywide Centers, increasing densities to minimum levels and decreasing parking requirements, multimodal transportation requirements, or providing affordable housing through incentives such as tax exemption or inclusionary zoning policies are all policies that could be mandated as a prerequisite for centers designation.

To be discussed: Council should review Element C as currently written, and consider whether the PSRC criteria should be included in revisions to Element C, and what if any criteria should be placed on centers designations.

Alternatives:

Relationship to Comprehensive Plan: The City will be required to update its Comprehensive Plan to be consistent with the CWPPs.

Recommendations: Staff recommends that Council discuss the issues presented and provide direction to staff and to KRCC representatives.

Attachments: The PSRC Regional Centers Framework Update dated March 22, 2018 (pages 11-13); Element C of the Countywide Planning Policies; Appendix F of the Countywide Planning Policies; Port Orchard Comprehensive Plan Chapter 2 pages 9-13.

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- **Market study.** Manufacturing/industrial centers that have existing employment levels below the level required for new centers at the time of the review must complete a market study to evaluate the potential for and opportunities to best support center growth. The market study must consider a planning horizon reasonably beyond the monitoring period (2025). The market study should show how the center can meet targeted levels of growth within the planning period. The jurisdiction should demonstrate its work to address opportunities identified in the market study.
 - The board will maintain flexibility in evaluating existing centers to consider when centers are very close to the existing conditions criteria, to account from economic recessions, progress and growth, local investments or the lack of investments, and regional importance of a particular area.
 - Criteria related to physical improvements should be included in center plans, but may need to be addressed over the long-term, such as developing a complete walkable street network.

6. Countywide Centers

Each county’s countywide planning policies include criteria and processes for countywide centers, though the approach currently varies significantly by county. Through the Centers Framework Update, designation of countywide centers remains delegated to a countywide process while providing a baseline of consistent regional standards for each county to use. PSRC reviews and certifies countywide planning policies, but PSRC’s role does not include review of countywide centers.

Countywide growth centers serve important roles as places for concentrating jobs, housing, shopping, and recreational opportunities. These are often smaller downtowns, high-capacity transit station areas, or neighborhood centers that are linked by transit, provide a mix of housing and services, and serve as focal points for local and county investment. Countywide industrial centers serve as important local industrial areas. These areas support living wage jobs and serve a key role in the county’s manufacturing/industrial economy. The checklist below represents basic standards expected for countywide centers in each county. Depending on county circumstance and priorities, countywide planning policies may include additional criteria (such as planning requirements or mix of uses) or other additional standards within this overall framework. Countywide center designations will be reviewed by an established timeframe and process set by the countywide planning body.

Countywide Centers	
Countywide Growth Center	Countywide Industrial Center
Center must meet each the following criteria:	Center must meet each the following criteria:
Identified as a countywide center in the countywide planning policies	Identified as a countywide center in the countywide planning policies
Located within a city or unincorporated urban area	Located within a city or unincorporated urban area

Countywide Centers	
Countywide Growth Center	Countywide Industrial Center
<p>(cont.)</p> <p>Demonstration that the center is a local planning and investment priority:</p> <ul style="list-style-type: none"> ○ Identified as a countywide center in a local comprehensive plan; subarea plan recommended ○ Clear evidence that area is a local priority for investment, such as planning efforts or infrastructure <p>The center is a location for compact, mixed-use development; including:</p> <ul style="list-style-type: none"> ○ A minimum existing activity unit density of 10 activity units per acre ○ Planning and zoning for a minimum mix of uses of 20 percent residential and 20 percent employment, unless unique circumstances make these percentages not possible to achieve. ○ Capacity and planning for additional growth <p>The center supports multi-modal transportation, including:</p> <ul style="list-style-type: none"> ○ Transit service ○ Pedestrian infrastructure and amenities ○ Street pattern that supports walkability ○ Bicycle infrastructure and amenities ○ Compact, walkable size of one-quarter mile squared (160 acres), up to half-mile transit walkshed (500 acres) 	<p>(cont.)</p> <p>Demonstration that the center is a local planning and investment priority:</p> <ul style="list-style-type: none"> ○ Identified as a countywide center in a local comprehensive plan; subarea plan recommended ○ Clear evidence that area is a local priority for investment, such as planning efforts, or infrastructure <p>The center supports industrial sector employment:</p> <ul style="list-style-type: none"> ○ Minimum 1,000 existing jobs and/or 500 acres of industrial land ○ Defined transportation demand management strategies in place ○ At least 75% of land area zoned for core industrial uses ○ Industrial retention strategies in place ○ Capacity and planning for additional growth ○ Important county role and concentration of industrial land or jobs with evidence of long-term demand

7. Local Centers and Other Types of Centers

VISION 2040 calls for central places in all jurisdictions to support a centers-based approach to development in the region. These places range from neighborhood centers to active crossroads in communities of all sizes. These centers play an important role in the region and help define our community character, provide local gathering places, serve as community hubs, and are often appropriate places for additional growth and focal points for services.

The Regional Centers Framework recognizes the importance of these places, but does not envision a regional or county designation for all types of local centers. The designation criteria outlined in this

document may provide a path to regional or county designation for locations that continue to grow and change over time.

Per program eligibility requirements, rural centers that participate in PSRC's Rural Town Centers and Corridors funding competition are located in either a freestanding city or town that is outside the region's contiguous urban growth area or a county's unincorporated rural area. These centers are designated through a local planning process, not through the Regional Centers Framework process.

8. Military Installations

Military installations are a vital part of the region, home to thousands of personnel and jobs and a major contributor to the region's economy. While military installations are not subject to local, regional, or state plans and regulations, PSRC recognizes the relationship between regional growth patterns and military installations, and recognizes the importance of military employment and personnel all aspects of regional planning.

Recognition of military installations in the update to VISION 2040 can better acknowledge the role these installations play in the regional economy and in regional growth patterns. Designation criteria for installations can also help establish common expectations for how the region works with and supports military installations. Stakeholders throughout the process have emphasized the need to address base transportation access to benefit surrounding communities, as well as the installations. Per federal statutes, PSRC transportation funds cannot be spent on military installations, but surrounding communities may be eligible to receive funds for projects that connect to installations.

Designation Criteria for Types of Military Installations

PSRC's Executive Board will identify *Major Military Installations* in the update to VISION 2040, subject to adoption of the plan by the General Assembly. Major installations are defined as installations with more than 5,000 enlisted and service personnel. As of 2017, four installations met the minimum size criteria: Joint Base Lewis-McChord in Pierce County, Naval Base Kitsap-Bangor and Naval Base Kitsap-Bremerton⁴ in Kitsap County, and Naval Station Everett in Snohomish County.

This recognition in the regional plan advances active collaboration between military installations, neighboring jurisdictions, and the region. The region recognizes military installations are major employers, associated with congestion, and that regional designation can help work to alleviate impacts. Through this recognition, regional expectations include:

- Ongoing coordination between the military installation, countywide planning forum, and neighboring jurisdictions regarding planned growth, regional impacts, and implementation of multimodal transportation options
- Support for multimodal commute planning and mode split goals for installation
- Completed Joint Land Use Study or similar coordinated planning effort

⁴ For the purpose of regional centers designation, jurisdictions may count military activity towards center thresholds when the installation is directly adjacent or surrounded by the center (such as Naval Base Kitsap-Bremerton and the downtown Bremerton regional growth center).

Adopted Kitsap Countywide Planning Policies

Amended and Adopted 5/11/15

Attached are the Kitsap Countywide Planning Policies as adopted by the Kitsap County Board of Commissioners by ordinance on May 11, 2015 (Ordinance 522-2015). The Countywide Planning Policies as revised are currently in effect in Kitsap County.

The Kitsap Countywide Planning Policies are the framework for growth management in Kitsap County. Under the Growth Management Act, the Puget Sound Region is defined as King, Kitsap, Snohomish and Pierce Counties. The Puget Sound Regional Council is responsible for developing the four-county regional transportation and land use vision. The Kitsap Countywide Planning Policies tailor the Puget Sound Regional Council's regional growth management guidelines to Kitsap County and are the policy framework for the County's and the Cities' Comprehensive Plans. The Kitsap Countywide Planning Policies address 14 separate elements, ranging from urban growth areas to affordable housing.

The Countywide Planning Policies are required by the Growth Management Act and may be appealed (only) by Cities and the Governor of Washington. The original Kitsap Countywide Planning Policies (adopted by Kitsap County in 1992) and subsequent revisions (August 2001, December 2003, November 2004, November 2007, November 2011, November 2013, and May 2015) were developed through a multi-jurisdictional collaboration sponsored by the Kitsap Regional Coordinating Council among: Kitsap County, the Cities of Bremerton, Bainbridge Island, Port Orchard & Poulsbo, the Suquamish & Port Gamble S'Klallam Tribes, the Navy, the Port of Bremerton, and Kitsap Transit.

Kitsap County is lead agency for its environmental review.

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INTRODUCTION

The Growth Management Act (GMA) is founded on the principle that it is in the best interest of the citizens of the State to foster coordination and cooperation among units of local and state government. Cities and counties must engage in a collaborative planning process under the requirements of the Act. Specifically, the Act states that, *"THE LEGISLATURE FINDS THAT UNCOORDINATED AND UNPLANNED GROWTH ... POSE A THREAT TO THE ENVIRONMENT, SUSTAINABLE ECONOMIC DEVELOPMENT, AND THE HEALTH, SAFETY, AND HIGH QUALITY OF LIFE ENJOYED BY RESIDENTS OF THE 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."* To guide the development of Comprehensive Plans and development regulations, the GMA sets forth planning goals (RCW 36.70A.020) in 13 areas:

1. Urban Growth
2. Reduce Sprawl
3. Transportation
4. Housing
5. Economic Development
6. Property Rights
7. Permits
8. Natural Resource Industries
9. Open Space and Recreation
10. Environment
11. Citizen Participation and Coordination
12. Public Facilities and Services
13. Historic Preservation.

The Growth Management Act (RCW 36.70A.210) states that *"A COUNTYWIDE PLANNING POLICY IS A WRITTEN POLICY STATEMENT OR STATEMENTS USED SOLELY FOR ESTABLISHING A COUNTYWIDE FRAMEWORK FROM WHICH COUNTY AND CITY COMPREHENSIVE PLANS ARE DEVELOPED AND ADOPTED ... (TO) ENSURE THAT CITY AND COUNTY COMPREHENSIVE PLANS ARE CONSISTENT..."* as required in RCW 36.70A.100. *"NOTHING IN THIS DOCUMENT SHALL BE CONSTRUED TO ALTER THE LAND USE POWERS OF CITIES."* The Act requires that the countywide policy be collaboratively developed among Cities and the County. Further, *"FEDERAL AGENCIES AND INDIAN TRIBES MAY PARTICIPATE IN AND COOPERATE WITH THE COUNTYWIDE PLANNING POLICY ADOPTION PROCESS."* These policies may also be used for other purposes requiring collaboration and cooperation in addition to the development and adoption of comprehensive plans.

Vision 2040 (adopted by the Puget Sound Regional Council during 2010) serves as the long-range growth management, environmental, economic development, and transportation strategy for King, Kitsap, Pierce, and Snohomish Counties. Vision 2040 includes the Regional Growth Strategy, Multi-County Planning Policies (RCW 36.70A.210) and Implementation Actions.

The 1992 Kitsap Countywide Planning Policies and subsequent revisions in 2001, 2003, 2007, 2011, 2013, and 2015 were developed by a committee of planners representing Kitsap County, the City of Bremerton, the City of Port Orchard, the City of Poulsbo, the City of Bainbridge Island, the Port Gamble S'Klallam Tribe, the Suquamish Tribe, the Navy, and Kitsap Transit.¹ At each point, the Kitsap Regional Coordinating Council conducted a public hearing and prepared a recommendation for adoption by the Kitsap County Board of Commissioners and ratification by Cities and Tribes. The process of review and discussion through the Kitsap Regional Coordinating Council forum is intended to foster consensus whenever possible. County and City Comprehensive Plans must be consistent with the adopted Countywide Planning Policies.

¹ The Kitsap County Health District and Kitsap Economic Development Alliance (KEDA) also reviewed and commented upon the 2011 amendment proposals.

Policies for Update and Ratification (UR):

1. The Kitsap Countywide Planning Policies should be dynamic and regularly monitored for applicability and effectiveness.
 - a. The adopted Countywide Planning Policies should be reviewed through the Kitsap Regional Coordinating Council process at least every five years. Proposed revisions shall be reviewed for impacts according to the State Environmental Protection Act (SEPA) and shall be consistent with the State Growth Management Act (GMA).
 - b. The County or a City may propose a policy amendment to the Countywide Planning Policies.
2. Proposed amendments should be considered on a regular basis and voting is subject to the Kitsap Regional Coordinating Council by-laws.
 - a. Kitsap County shall take action to consider and adopt amendments or revisions to the Countywide Planning Policies following recommendation from the Kitsap Regional Coordinating Council.
 - b. The Kitsap Regional Coordinating Council will strive for ratification by all Cities and Tribes during the 90 days following the Board of County Commissioners' adoption of its subject ordinance. The adopted CPP will become effective upon ratification by three or more cities in Kitsap County.
 - c. A City or Tribal Council that does not ratify the revised Countywide Planning Policies within 90 days of the Board of County Commissioners' adoption of its subject ordinance shall provide a written statement of its objections to the Kitsap Regional Coordinating Council, in order to facilitate further review. (See Appendix A for process flow chart).
 - d. Once the ratified revisions to the Countywide Planning Policies take effect, a City or the Governor's office may appeal the revisions to the Growth Management Hearings Board within a further 60 day period.

Element A. Countywide Growth Pattern

The vision for the future of Kitsap County, “seeks to maintain and enhance the quality of life that makes our County a special place to live and work..... envision a future in which our natural systems are protected; the water quality in our lakes, streams and Puget Sound is enhanced; the village character of some of our smaller towns is preserved; the historical nature of our communities is respected in order to preserve our heritage for future generations; a diversified economic base that supports good jobs, contributes to healthy downtowns in our Cities and affordable housing choices; the rural appearance of our county is perpetuated.

This vision of the future, shared by citizens and elected officials, includes the following elements:

- a. Livable urban communities and neighborhoods, centers for employment, civic activities, housing:
 - Attractive, well designed, bike/pedestrian-friendly and livable urban communities, enhanced by preserved historic properties and neighborhoods, that are supported by efficient and high quality services and facilities, and provide a range of housing choices.
 - Healthy cities that are the region’s centers for employment, affordable housing choices, and civic and cultural activities.
- b. Vital diversified economy: An economy that provides training, education, and living wage jobs for residents, supported by adequate buildable land for a range of employment uses and that encourages accomplishment of local economic development goals as articulated in the Kitsap Economic Development Alliance’s adopted plan, Kitsap 20/20: A Strategy for Sustainable Economic Prosperity.
- c. Efficient multi-modal transportation system: Creation of an efficient, clean, and sustainable multi-modal transportation system – including roads and highways, public transportation, ferries, airports, and opportunities for non-motorized travel – that provides efficient access and mobility for county residents, and supports our land use pattern.
- d. Natural systems protection:
 - Protection and enhancement of the natural environment, including wetlands, streams, wildlife habitat, shorelines, water quality, air, climate, and natural resource lands.
 - Creation of a system of open space, trails, parks, and greenbelts that provide opportunities for recreation and that give structure and separation to urban areas.
- e. Rural character: Maintenance of the traditional character, appearance, economic and ecological functions, and lifestyles of Kitsap County’s rural communities and areas to include the production and distribution of locally grown food.
- f. Responsive Government: An efficient and responsive government that works in partnership with citizens, governmental entities and Tribes to meet collective needs fairly; and that supports education, environmental protection and human services.

A key strategy to accomplish this vision is the intention to encourage future urban growth in areas within incorporated cities and in unincorporated areas that are already characterized by urban growth with existing and planned services and facilities. These actions will work to strengthen our natural environment and rural character, and are geared to reduce taxpayer costs by focusing the expenditure of public funds, encouraging concentrated development where appropriate, and increasing our choices for housing and jobs.”

Balancing historical patterns of growth with a preferred vision of the future and legal requirements is an on-going challenge. Tradeoffs must be made to balance the costs with the gains; flexibility is necessary to adapt to changing conditions. These policies are intended to reflect the long-term goals of the people living, working and doing business here.

Policies for Countywide Growth Pattern (CW):

1. Roles of Cities and Urban Growth Areas/Urban Communities

- a. The primary role of Kitsap's urban communities is to encourage growth, through new development, re-development and in-fill. (See Appendix B for current and projected population distribution.) Population growth should be directed to Cities, urban growth areas and centers with a transportation system that connects people with jobs and housing.
- b. Each of Kitsap's urban communities should foster its unique vision as a high quality place to live and work, through urban design, historic preservation, and arts that improve the natural and human-made environments; promote healthy lifestyles; contribute to a prosperous economy; and, increase the region's resiliency in adapting to changes or adverse events.
- c. In Kitsap, urban communities are closely linked to water and natural amenities and provide open space links to the natural environment.

2. Roles of Kitsap County:

- a. Keep regional vision in mind when making local decisions.
- b. Promote stewardship of unincorporated urban areas and promote annexation into cities or incorporation.
- c. Maintain/enhance natural systems and rural character.
- d. Include a variety of low density rural communities, densities, and uses.

3. To achieve these goals, the Kitsap Regional Coordinating Council member jurisdictions should:

- a. Make decisions together when needed.
- b. Coordinate and cooperate on land use policy, capital planning, environmental issues, and cultural resource management/planning.
- c. Establish and keep updated a Buildable Land Analysis Program.
- d. Develop a program for the Transfer of Development Rights to preserve lands with important public benefits.
- e. Maintain/preserve distinct urban identities with green breaks or other natural features.
- f. Promote tiering and/or phasing of infrastructure development within Urban Growth Areas.
- g. Develop and implement land use policies, regulations and incentives to promote the efficient use of urban areas.
- h. Incorporate provisions addressing community health into appropriate regional, countywide, and local planning and decision-making processes.

Element B. Urban Growth Areas

The basic premise for designating Urban Growth Areas is to encourage the location of urban density residential, commercial and industrial developments in areas where services can be most economically provided. The benefits of directing growth to designated urban areas include:

- Higher density residential development within walking or bicycling distance of jobs, transit, schools and parks.
- Limiting urban expansion into rural and forested areas.
- Promotion of in-fill or redevelopment of existing urban areas.
- Preservation of open space, critical areas and lands designated for resource protection.
- Accommodation of employment growth in a concentrated pattern.
- More economical provision and maintenance of streets, sewer/water lines and other public facilities.
- Promotion of attractive residential neighborhoods and commercial districts which provide a sense of community.
- A harmonious relationship with regional planning as articulated by Vision 2040 and Transportation 2040, adopted by the Puget Sound Regional Council as the growth and transportation strategy for central Puget Sound.

Policies for Urban Growth Areas (UGA):

1. Land Utilization & Monitoring Programs:

Consistent with RCW 36.70A.115, the County and Cities shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their housing and employment growth (derived from population distribution), as adopted in the applicable Countywide Planning Policies and consistent with the 20-year population forecast from the WA Office of Financial Management and Vision 2040 guidance. (Implements Multi-County Planning Policy DP-Action-15).

- a. The County and the Cities shall maintain a Land Capacity Analysis Program using consistent, agreed-upon methodology to estimate the land supply available to accommodate future residential, commercial, and industrial growth.
- b. The County and the Cities shall participate in an agreed-upon Buildable Lands Analysis Program to monitor and evaluate the effectiveness of their respective Comprehensive Plans.
- c. The County and Cities shall establish procedures for resolving disputes in collection and analysis of Land Capacity data. In the event a resolution cannot be achieved, the Kitsap Regional Coordinating Council shall be a forum to review and if possible facilitate any disputes between parties.

Background: The Growth Management Act was amended in 1997 requiring Kitsap County and Cities to monitor countywide development activities in five-year intervals in order to test their Comprehensive Plans' growth and land absorption assumptions. Two different analyses are used: (1) The Land Capacity Analysis, first conducted by Kitsap County in 2002, estimates the existing land supply based on a set of defined assumptions, e.g. market factor, speed of land absorption, critical areas exclusions, etc. It uses a consistent, agreed-upon methodology, with allowance for documented variations for individual jurisdiction's conditions. (2) The Buildable Land Analysis (as required by the State GMA) uses recorded permit activity to track and monitor residential, commercial, and industrial growth. It will be updated throughout Kitsap County in 2007. It is an adaptive management tool for comparing development assumptions, targets, and objectives with actual development. If inconsistencies are found, the County and Cities must then implement reasonable measures, other than adjusting Urban Growth Areas, that will be taken in order to comply with the GMA. The following countywide planning policies relate to this regional program to monitor the buildable land supply for future growth as forecasted by the State and distributed through the Kitsap Regional Coordinating Council

2. **Each jurisdiction is responsible for implementing appropriate reasonable measures within its jurisdictional boundaries. If the Buildable Lands Analysis shows that a jurisdiction's Comprehensive Plan growth goals are not being met, that jurisdiction shall consider implementing additional reasonable measures in order to use its designated urban land more efficiently.**
3. **Process and criteria for establishing, expanding, and adjusting Urban Growth Areas in Kitsap County:**
 - a. Urban Growth Areas are areas “within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature” (RCW 36.70A.110(1)) except under specific circumstances, as fully contained communities and master planned resorts as authorized by the Growth Management Act.
 - b. Unincorporated Urban Growth Areas shall be associated with an existing or future city.
 - c. All Urban Growth Areas shall be reflected in County and respective City comprehensive plans.
 - d. Sufficient area must be included in the Urban Growth Areas to accommodate the adopted 20-year population distribution as adopted by the Kitsap Regional Coordinating Council and consistent with WA Office of Financial Management projections.
 - e. A jurisdiction may define growth tiers within its Urban Growth Area (RCW 36.70A.110.3) to focus public and/or private investment where growth is desired. Utility development and/or expansion may be phased to support efficient and cost-effective growth and to prioritize investments.
 - f. The County, City, or interested citizens may initiate an amendment to an existing Urban Growth Area through the comprehensive plan amendment process as authorized by the Growth Management Act.
 - g. Any jurisdiction seeking to expand its Urban Growth Area shall achieve densities and urban growth patterns consistent with the Growth Management Act and the City's adopted Comprehensive Plan and any inter-local agreement between the City and the County.
 - h. If an adopted or proposed, 20-year projected population distribution requires the expansion of its Urban Growth Area, the respective jurisdiction shall conduct planning and analysis, addressing the following conditions:
 - i. Update and confirm the capacity analysis for land within the existing Urban Growth Area for residential, commercial, and/or industrial lands, which takes into account all development approved within the overall UGA since the last UGA expansion. This shall be based upon updated Buildable Land and Land Capacity Analyses that follow the guidelines of RCW 36.70A.215 or other analysis determined appropriate for the particular UGA involved. To maximize consistency across jurisdictions, each jurisdiction shall use consistent methodology in calculating capacity.
 - ii. Review the planning and zoning regulations and any incentive programs in place to determine expected densities and urban growth patterns in the existing UGA consistent with the Growth Management Act and the jurisdiction's adopted Comprehensive Plan.
 - iii. Determine whether the adoption and implementation of suitable reasonable measures should be considered, if the Buildable Land Analysis shows that its Comprehensive Plan growth goals are not being met.

- iv. Data collection and analysis for the Land Capacity Analysis should be done cooperatively. The County will be responsible for data describing growth and capacity in the unincorporated portion of the Urban Growth Area, and the City for the incorporated portion.
- i. Expansion of Urban Growth Areas shall direct growth first to areas already characterized by urban growth that have adequate existing public facility and service capabilities to serve development; second to areas already characterized by urban growth that will be served adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided; and third to areas that are adjacent to incorporated cities or established Urban Growth Areas once the available land meeting the first or second priority has been designated. Areas which have existing public facilities or where public facilities can be reasonably extended and are not currently at urban densities should be considered first within this category.
- j. A jurisdiction, as part of its Comprehensive Plan amendment or Subarea Plan process, that proposes an expansion of the UGA shall prepare or update a comparison of potential areas for expansion, including.
 - i. Planning and zoning regulations currently in place.
 - ii. An evaluation of how a full range of urban-level infrastructure and services would be provided within potential expansion areas, including appropriate capital facility analysis.

Fire	Storm Water	Solid Waste
Police	Potable Water	Park & Recreation Facilities
Transportation	Sewer	Schools
Utilities: Power and Telecommunications, including Broadband		
Emergency Medical Services		

All service providers including special districts and adjacent jurisdictions should be included in the evaluation. Best available infrastructure technology may be used provided that it has been approved by the jurisdiction as part of a broader review of available technology.
 - iii. Although specific standards and criteria are not implied, other factors shall be addressed in evaluating areas for Urban Growth Area expansion, including but not limited to: environmental constraints; economic development; preservation of cultural, historical, and designated resource lands.
- k. The City and County shall conduct early and continuous public involvement when establishing, expanding, or adjusting Urban Growth Areas, and shall do so jointly when appropriate. Residents of unincorporated areas should be consulted and actively involved in the process affecting them.

4. Coordinated Growth Management in Urban Growth Areas:

- a. Adopted City and County comprehensive plans shall reflect the intent that all land within unincorporated Urban Growth Areas will either annex to a city or incorporate within the 20-year planning horizon.
- b. To maximize the efficient use of urban lands, subdivisions in Urban Growth Areas shall be consistent with the associated jurisdiction's Comprehensive Plan and underlying zoning densities.
- c. As described in the Growth Management Act, cities are the primary provider of municipal services and facilities in their Urban Growth Areas, responsible for demonstrating within their Comprehensive Plans the capacity to provide all urban services within their associated Urban Growth Area(s). This may be accomplished through a collaborative process with Kitsap County and/or other service providers.
- d. The County and Cities shall establish procedures to facilitate the smooth transfer of governance for associated Urban Growth Area(s) through the adoption of Urban Growth Area Management Agreements (UGAMAs), as per Appendix C: Urban Growth Area Management Agreements.
- e. For Urban Growth Areas:
 - i. The County should plan with associated cities and local communities to address land uses, infrastructure needs, level of service standards as identified in these policies, and other issues as needed. The results should be reflected in the County Comprehensive Plan.
 - ii. The County should provide a level of urban facilities and services consistent with the County's ability and appropriateness to provide such services for those Urban Growth Areas that will be associated with a specific city or that will eventually incorporate.

5. Distribution of 20 year population increments, as forecasted by the WA Office of Financial Management:

- a. The Kitsap Regional Coordinating Council shall coordinate the process for distributing the forecasted population for the period 2005 – 2025 and every five years thereafter, consistent with the requirements of the Growth Management Act. Kitsap County shall adopt any revision to the population distribution as part of its next Comprehensive Plan amendment process and the Cities shall base their Comprehensive Plan amendments upon that distribution. The distribution process should consider countywide demographic analysis, the Land Capacity Analysis, and the OFM projections and it shall promote a countywide development pattern targeting over three quarters (76%) of new population growth to the designated Urban Growth Areas. The County and the Cities recognize that the success of this development pattern requires not only the rigorous support of Kitsap County in the rural areas, but also Cities' Comprehensive Plans being designed to attract substantial new population growth.

Population distribution will be reviewed through the Kitsap Regional Coordinating Council process every five years. The review will include an analysis of the Cities' and County's progress in achieving target distributions. If the 76% UGA target mentioned above for new population growth and the overall population targets are met or exceeded, the target for new population will revert to five sixths (83%), as per the revised County-wide Planning

Policies adopted by Kitsap County Ordinance #258-01 on August 20, 2001. Otherwise, the target may be reaffirmed or explicitly modified.

- i. Each jurisdiction with a designated Urban Growth Area shall develop an estimate and/or range of the additional population that it could accommodate and service during the 20 year planning horizon, consistent with its vision for future community character. The estimate shall consider the need for increasing population density within the Urban Growth Areas to promote efficient service delivery, avoid sprawl, and preserve community character.
- ii. The population estimates and/or ranges shall be provided to the Kitsap Regional Coordinating Council, with a statement of need concerning adjusted Urban Growth Area boundaries.
- iii. The Kitsap Regional Coordinating Council shall compile the jurisdictions' population estimates, including the estimate of additional population capacity for areas outside the Urban Growth Areas, and determine whether adjustments to the overall distribution are required in order to fit within the OFM projected range.
- iv. The Kitsap Regional Coordinating Council, after conducting a public hearing, shall recommend the estimate and/or ranges of 20 year population distribution to Kitsap County for adoption as an amendment to the Countywide Planning Policies.
- v. Kitsap County should give substantial weight to the Kitsap Regional Coordinating Council's recommendation in adopting the 20-year population distribution.
- vi. Following adoption of the estimates and/or ranges, each jurisdiction should update its comprehensive plan, so as to arrive at a final population target consistent with the estimate and/or within the original range.
- vii. After each jurisdiction has completed its comprehensive plan update, the final adopted target should be compiled and reviewed through the Kitsap Regional Coordinating Council process and the revised population distribution incorporated into the Countywide Planning Policies. A final distribution to Urban Growth Areas versus non-Urban Growth Areas within the range specified above should then be calculated.

6. Policies for Growth Outside of Urban Growth Areas: Fully Contained Communities, National Historic Towns and Master Planned Resorts

- a. A Master Plan review process and decision criteria for fully contained communities, national historic towns, and master planned resorts should be incorporated in the County's Comprehensive Plan, must reflect the standards and requirements in the GMA, and in addition must address the following:
 - i. Provision of necessary public facilities, including but not limited to parks, schools, and

Under the Growth Management Act (RCW 36.70A.350), fully contained communities (FCCs) may be considered, provided that a portion of the twenty-year population forecast is reserved for & subsequently distributed to the FCC. The GMA requires that FCCs provide for a mix of uses that would provide jobs, housing, & public facilities and services to support a long-term residential population.

The GMA (RCW 36.70A.360) also allows the consideration of proposed master planned resorts (MPR's) outside of Urban Growth Areas for shorter-term residential uses. Master planned resorts are described as self-contained, fully integrated planned developments in areas with significant natural amenities.

The GMA allows for areas with a federal landmark designation to be developed as National Historic Towns (RCW 36.70A.520). The designation may allow urban services in rural areas dependent upon historic development pattern. Its boundaries and land uses must be consistent with those over the course of its history, but not specific to any point in time.

Vision 2040 policies state that new FCC's are to be avoided.

public safety facilities should be provided within or along with the development, consistent with adopted capital facility and level of service standards;

- ii. Future assessment of adverse impacts to public infrastructure, nearby communities, adjacent rural areas, environmental resources, and designated resource lands. Such impacts should first be avoided, second minimized, and third mitigated;
 - iii. Provisions for review of such developments through the Kitsap Regional Coordinating Council process, in addition to other procedural requirements.
- b. Consistent with guidance provided in Vision 2040, the Kitsap Regional Coordinating Council shall avoid the establishment of a Fully Contained Community (FCC). Only if it is found necessary to accommodate future urban population growth may the Kitsap Regional Coordinating Council recommend the creation of an FCC and a corresponding new community reserve population. Any such designation shall be fully consistent with all Countywide Planning Policies establishing new Urban Growth Areas (Elements B3 and B5) and RCW 36.70A.350 (2), which, in part, requires that a new community reserve population be established no more than once every five years as a part of the designation or review of Urban Growth Areas and that the Urban Growth Areas shall be accordingly offset.

In addition, the following shall be included in any County Comprehensive Plan requirements governing FCCs:

- i. a phasing plan that monitors and requires concurrent development of commercial and employment uses with residential development, to insure that the community is fully contained;
 - ii. a mechanism to insure that the timing of the development components will be fully regulated by the phasing plan;
 - iii. a substantial public benefit.
- c. As Vision 2040 requires comprehensive review and consideration of the regional impacts of any proposed Fully Contained Community, the County shall forward the proposal to adjacent counties, the Puget Sound Regional Council, and the Kitsap Regional Coordinating Council for review at the earliest possible point in the process. The Kitsap Regional Coordinating Council shall review the proposal for regional impacts to the following:
- i. the regional growth strategy as included in Vision 2040;
 - ii. the split in population growth between the countywide urban and rural areas;
 - iii. other elements of the Countywide Planning Policies.

Element C: Centers of Growth

Centers are intended to be compact and centralized working, shopping and/or activity areas linked to other Centers by transit and non-motorized facilities. [See H. Transportation: 5-6] Centers and their boundaries are intended to be locally determined by the County and the Cities where a community-wide focal point can be provided, significant population and/or employment growth can be located, and the increased use of transit, walking and bicycling can be supported. Designated Centers are intended to define the pattern of future residential and commercial/industrial growth and incorporate opportunities for parks, civic, and public space development in Kitsap County. (See Appendix F for listing of Kitsap Designated Centers.)

Policies for Centers of Growth (C):

- 1. In decisions relating to population growth and resource allocation supporting growth, Centers have a high priority.**
- 2. The Kitsap Countywide Planning Policies encourage the development of Centers according to the following typology:**

The Puget Sound Regional Council has defined several types of Centers within Urban Growth Areas in the four-county planning region, with planning guidelines (Vision 2040).

- a. Regional Growth Centers:
 - i. Metropolitan Centers function as anchors within the region for a high density mix of business, residential, public, cultural and recreational uses, and day and night activity. They are characterized by their historic role as the central business districts of the major cities within the central Puget Sound region, providing services for and easily accessible to a population well beyond their city limits. Metro Centers may also serve national or international roles." (Vision 2040)
 - ii. Urban Centers are areas with the comprehensive planning to support a wide range of commercial, housing, and cultural choices. All areas of the Urban Center are serviced by transit throughout the day and much of the area is within walking or bicycling distance. Significant in-fill opportunities exist with the highest residential, commercial, and employment densities expected. (Vision 2040)
- b. Regional Manufacturing/Industrial Centers are major, existing regional employment areas of intensive, concentrated manufacturing and industrial land uses which cannot be easily mixed at higher densities with other incompatible uses. To preserve and maximize land at these centers for manufacturing, industry and related uses, large retail uses or non-related offices are discouraged. Provision of adequate public facilities and services, including good access to the region's transportation system, is very important to the success of manufacturing/industrial centers." (Vision 2040)
- c. The following are other types of centers within Kitsap County:
 - i. Town or City Centers are usually the existing downtown core of a city or Urban Growth Area. There is an abundant mix of shopping, service, employment, and cultural opportunities. Multifamily housing may be intermixed and single family housing may

be within walking or bicycling distance. Infill should include mixed use and higher densities surrounding the Town Center.

- ii. Mixed Use Centers are a generic category that can be described in terms of neighborhoods or districts within a city or Urban Growth Area. The designation represents a commitment to planning for Center development, with a planned mix of housing, commercial, service, and employment opportunities. Most shopping and commercial uses are within a short walking or bicycling distance of housing. There is a higher proportion of multi-family housing at relatively high densities. Navy facilities could be considered for this designation.
- iii. Activity and Employment Centers are areas of concentrated employment and are a magnet for significant numbers of people usually during daytime hours because of business and/or manufacturing activities. They may be located outside of Urban Growth Areas, consistent with the Growth Management Act. Industrial and business parks and Navy employment centers are in this category. Within Urban Growth Areas, the opportunity to include a proportional residential element should be determined on a case-by-case basis, considering the unique geography and economics of the area.
- iv. Transportation Hubs are locations of regional inter-modal connection that may be located outside of Urban Growth Areas. Examples are ferry terminals, the Bremerton National Airport, or certain transit stations.

3. Recognizing that communities evolve over time, a jurisdiction may request of the Kitsap Regional Coordinating Council an initial designation or a change in Center status. This request shall be considered and a decision made during the next Countywide Planning Policies amendment cycle. A change in Center status may require action by the Puget Sound Regional Council.

4. In addition to meeting the applicable criteria above, a request for Center designation or a change in Center status should address the following: (See Appendix G)

- a. Current or programmed transportation resources (including roads, ferries, transit, airports, bicycle, pedestrian)
- b. Balance of living wage employment opportunities with residential
- c. Proximity and connectivity among jobs, housing, retail services
- d. Types and density of residential uses
- e. Inclusion of affordable housing
- f. Provision of community gathering space, parks, and cultural opportunities
- g. Impacts to ecological functions.

Living wage is the minimum hourly wage needed by a sole provider working full time (2080 hours per year) to cover the costs of food, shelter, clothing, and other basic necessities for their family. The assumption is that living wages vary across communities, based on differences in the cost of living and size of household.

[Sources: Economic Policy Institute & KEDA]

Living Wage: Living Wage Calculator for Kitsap County, Pennsylvania State University: <http://www.livingwage.geog.psu.edu/>

Minimum Wage: WA State Dept of Labor & Industries: <http://www.lni.wa.gov/>

Element D: Rural Land Uses and Development Patterns

Rural areas of Kitsap County are characterized as having a variety of parcel sizes, with a diversity of land use activities. These areas also contain significant amounts of complex natural systems. It is a high priority to preserve and enhance the rural character of these areas. Counties are responsible for designating and regulating rural areas through the comprehensive planning process. However, rural preservation is a regional issue and it is important to coordinate these planning objectives with the Cities.

Policies for Rural Land Uses and Development Patterns (R):

1. Preserving rural character and enhancing the natural environment.

- a. Preserve the character of identified rural areas by protecting and enhancing the natural environment, open spaces, recreational opportunities, and scenic and historic areas. Support small scale farming and working resource land, promote locally grown food, forestry, eco- and heritage-tourism. Support low-density residential living and cluster development that provides for a mix of housing types, rural levels of service, cultural activities, and employment that services the needs of rural areas at a size and scale that is compatible with long-term character, productivity, and use of these lands.
- b. This policy is not intended to preclude the future designation of Urban Growth Areas.

2. Preserving rural land use and development patterns:

- a. **Rural Communities** are already-existing residential and commercial areas of more intensive rural development designated in the Kitsap County Comprehensive Plan under RCW 36.70A.070.5. In-fill is expected. Rural Communities should be serviced by transportation providers and other services consistent with the Levels of Service adopted by Kitsap County for roads and by Kitsap Transit for transit upon their designation as an area of more intensive rural development.
- b. **Transportation Hubs** may be located within existing areas of more intensive development. Walking, bicycling, and transit are the major forms of travel. Transportation Hubs are locations of regional intermodal connection. Examples are ferry terminals and transit stations with convenience services.
- c. The County shall develop criteria consistent with the Growth Management Act for designating future industrial and commercial development outside of Urban Growth Areas that protect rural character while encouraging vehicle trip reduction. The criteria should allow for industrial resource-based land use and recreation and for convenience commercial that is scaled to serve the daily needs of rural residents.

3. Establishing and maintaining rural levels of service:

- a. Rural level-of-service standards shall address sewage disposal, water, transportation and other appropriate services. The standards shall be developed based upon levels of service typically delivered in rural areas consistent with RCW 36.70A.030 (16).
- b. For purpose of trip reduction, develop a range of alternative modes of transportation consistent with rural levels of service to connect Rural Communities with urban Centers.

- c. When sewers need to be extended to solve isolated health, environmental, and sanitation problems, they shall be designed for limited access so as not to increase the development potential of the surrounding rural area.

4. Conserving small-scale natural resource use in rural areas:

- a. Rural land use designations in the County's Comprehensive Plan shall recognize ecological functions and support rural uses such as farming, forestry, mining, recreation, and other rural activities, and permit a variety of low-density residential uses which preserve rural character and ecological functions, and can be sustained by rural service levels.
- b. The County's Comprehensive Plan policies shall promote clustering residential development and other techniques to protect and enhance significant open spaces, natural resources, cultural resources, and critical areas for more effective use of the land. Clustering should not increase residential housing units in the overall area designated as rural, consistent with designated rural densities. Development clusters shall be designed, scaled and sited in a manner consistent with rural character and the provision of rural levels of service.
- c. The County's Comprehensive Plan policies shall support Rural Communities as locations of employment, a mix of housing types, and cultural activities for rural areas that primarily function as locations for service needs such as grocery stores, shopping, and community services, and small-scale cottage industries for the surrounding rural area.

Element E. Countywide Strategies for Open Space Preservation, Resource Preservation, Critical Areas, Air Quality, and Water Quality/Quantity

Open space is defined as land area consisting of natural systems, resource lands and critical areas that include building limitations for future development. These critical areas include wetlands, wildlife conservation areas, steep slopes, frequently flooded areas and areas with a critical recharging affect. These open space lands also include aesthetic functions such as view sheds of the water or ridgelines. Many of these natural systems are inter-connected and cross multi-jurisdictional boundaries within the County. The strategy is to conserve these areas and connect them to create a regional open space network to protect critical areas, conserve natural resources, and preserve lands and resources of countywide and local significance. The purpose of these strategies is to enhance the quality of countywide water, soil, and air resources and, potentially, climate.

Policies for Open Space Preservation, Resource Protection, Critical Areas, Air, and Water Quality/Quantity (PPCAAW):

1. Creating a regional network of open space:

- a. The County and the Cities shall implement the Kitsap County Open Space Plan and the Kitsap County Consolidated Greenway Plan which identify a countywide green space strategy that incorporates planning efforts of the County, Cities, state agencies, non-profit interest groups and land trusts in the County.
- b. The County and the Cities shall preserve and enhance, through inter-jurisdictional planning, significant networks and linkages of open space, regional parks and public/private recreation areas, wildlife habitats, critical areas and resource lands; historic and cultural landscapes; water bodies and trails.
- c. The County and the Cities shall frame and separate urban areas by creating and preserving a permanent network of urban and rural open space, including parks, recreation areas, critical areas and resource lands.

2. Conserving and enhancing the County’s natural resources, critical areas, water quality/quantity, and environmental amenities while planning for and accommodating sustainable growth:

- a. The County and the Cities shall protect critical areas (wetlands, aquifer recharge areas, fish and wildlife habitat conservation areas, frequently flooded areas, steep slopes, and geologically hazardous areas) and should consider other environmental amenities such as view corridors, canopy cover, and ridgelines.
- b. The County and the Cities shall establish and implement Best Management Practices to protect the long-term integrity of the natural environment, adjacent land use, and the productivity of resource lands.
- c. The County and the Cities shall establish procedures to preserve significant historic, visual and cultural resources including views, landmarks, archaeological sites, and areas of special locational character.

- d. The County and the Cities shall encourage the use of environmentally sensitive development practices to minimize the impacts of growth on the County's natural resource systems.
 - e. The County and the Cities shall protect and enhance the public health and safety and the environment for all residents, regardless of social or economic status, by reducing pollutants, as defined by WA State and federal law.
 - f. The County and the Cities shall work together to identify, protect, and restore networks of natural habitat areas and functions that cross jurisdictional boundaries.
 - g. The County and Cities shall protect and enhance ecosystems that support Washington State's Priority Habitat and Species as identified by the Washington Department of Fish and Wildlife.
- 3. Protection of air quality is accomplished by reducing the levels of toxins, fine particles, and greenhouse gases released into the environment, especially through transportation activities.**
- a. The County and Cities, in their respective comprehensive plans, should include specific goals and policies to enhance air quality by reducing the release of toxins, fine particles, and greenhouse gases.
 - b. The County and Cities should adopt and implement purchasing policies/programs for vehicles/equipment that use clean efficient fuels.
- 4. Protection of water quality and quantity is accomplished by reducing the amount of toxins and pathogens in our water supply.**
- a. The County and Cities should adopt policies in their Comprehensive Plans to reflect that surface and storm water and aquifer recharge areas should be treated as a resource.
 - b. The County and Cities should continue to be models for low impact development and implement such programs whenever practical.
 - c. The County and Cities should develop and implement a program, as funding allows and where feasible, to retrofit infrastructure that was developed prior to the implementation of best practices in surface and storm water management programs.
- 5. Listed species recovery under the Endangered Species Act (ESA):**
- a. The County and the Cities shall preserve, protect, and where possible, restore the functions of natural habitat to support ESA-listed species, through the adoption of comprehensive plan policies, critical area ordinances, shoreline master programs and other development regulations that seek to protect, maintain or restore aquatic ecosystems associated habitats and aquifer through the use of management zones, development regulations, incentives for voluntary efforts of private landowners and developers, land use classifications or designations, habitat acquisition programs or habitat restoration projects.
 - b. The County and the Cities shall provide incentive-based non-regulatory protection efforts such as acquisition of priority habitats through fee-simple and conservation easements from willing sellers.

- c. The County and the Cities shall jointly establish and implement monitoring and evaluation program to determine the effectiveness of restoration, enhancement, and recovery strategies for salmon including ESA-listed species. Each jurisdiction shall apply an adaptive management strategy to determine how well the objectives of listed species recovery and critical habitat preservation/restoration are being achieved.

6. Coordination of watershed and land use planning:

- a. The County and the Cities shall participate in a planning program that determines changes in stream hydrology and water quality under different land use scenarios at full build-out of designated land use classifications.
- b. The County and the Cities shall coordinate land use planning using watersheds or natural drainage basins to implement strategies for restoration of aquatic habitat and to reduce impacts to other natural systems and participate in efforts to improve the health of our waterways.
- c. Kitsap County shall coordinate and maintain a regional database of best available science for the purpose of modifying Critical Areas Ordinances, if funding is available.
- d. Upon adoption of a state classification system, the Cities and the County shall establish a single system for stream typing.

Element F. Contiguous, Compatible, and Orderly Development

Upon designation of Urban Growth Areas, the County and Cities will need to develop consistent implementation measures to ensure that development occurs in an orderly and contiguous manner. The intent of the following countywide planning policies is to minimize differences in urban development regulations and standards between the County and the Cities and to facilitate the economical provision of urban services to development.

Policies for Contiguous, Compatible, and Orderly Development (CCOD):

- 1. Encouragement of cooperative inter-jurisdictional planning by federal, tribal, state, local, and special purpose government:**
 - a. Inter-jurisdictional discussion, information exchange, and coordination of proposals shall be initiated as early and expeditiously as possible by the responsible agencies, to aid in the smooth transition of governance.
 - b. Initial inventories and analyses of utilities and public services information are critical to the planning process and shall be made available as early and expeditiously as possible by the responsible agencies.
 - c. The Kitsap Regional Coordinating Council may establish or designate on-going technical committee(s) comprised of representatives from utilities and service providers to investigate long-range regional needs for various facilities and services, including but not limited to those for transportation, sewer and storm drainage, availability and delivery of potable water, solid waste, broadband, parks and recreation, and open space.
 - d. The Countywide Planning Policies will further the implementation of Vision 2040 and Transportation 2040 as adopted by the Puget Sound Regional Council.
- 2. Inter-regional coordination of land use and transportation, environmental, and infrastructure planning:**
 - a. The County and the Cities shall participate in the Puget Sound Regional Council and the Peninsula Regional Transportation Planning Organization.
 - b. Locally-generated data shall be provided to the Puget Sound Regional Council and the Peninsula Regional Transportation Planning Organization for use in their coordination of population forecasts, land use, and transportation.
 - c. The planning proposals of these regional organizations shall be monitored and adjustments recommended to insure that they accurately reflect local needs and plans.
 - d. Recognize and work with corridors that cross jurisdictional boundaries (including natural systems, and transportation and infrastructure systems) in community planning, development, and design.
- 3. Fiscal equity:**
 - a. It is recognized that fiscal disparities exist as a result of growth and changes in municipal boundaries. The Kitsap Regional Coordinating Council shall monitor the Revenue Sharing Inter-local Agreement among the County and Cities (shown as Appendix D) and seek additional ways to address fiscal disparities as they relate to promoting coordinated development and the implementation of the Growth Management Act.

- b. The County and the Cities shall work together to insure that all fees associated with development approval are based upon the real cost of service and act to encourage development within designated Urban Growth Areas.
 - c. The Kitsap Regional Coordinating Council shall facilitate on-going regional discussion on revenue equity issues.
- 4. Community design and development:** Strategies should promote orderly development that reflects the unique character of a community and encourages healthy lifestyles through building and site design and transportation connectivity. In addition, sustainable economic and environmental development techniques should be utilized to enhance the quality of life:
- a. Utilize design strategies to ensure that changes in the built environment provide continuous and orderly development.
 - b. Encourage development that reflects unique local qualities and provides an economic benefit to the community.
 - c. Design mixed use developments and local street patterns to improve the environment for overall mobility and accessibility to and within the development through multi-modal transportation options that serve all users.
 - d. Design of transportation networks should fit within the context of the built and natural environment, enhancing the community, connectivity, and physical activity in the area community wide and specifically in designated growth centers and high transit areas.
 - e. Design schools, institutions and public facilities to be compatible with the surrounding community character and needs.
 - f. Use sustainable building techniques (such as rehabilitation/re-use, LEED [Leadership in Energy & Environmental Design], Low Impact Development, energy-efficient fixtures, etc.) in the design and development of the built environment.
 - g. Support urban design, historic preservation, and arts to enhance quality of life.
 - h. Promote solar, wind, tidal, wave generation, and other renewable energy generation where appropriate to serve the community.

Element G. Siting Public Capital Facilities

The Growth Management Act requires local governments to inventory existing capital facilities owned by public entities, to identify locations and to determine capacities to meet future demand for growth without decreasing levels of service. The Washington State Office of Financial Management is responsible for identifying and maintaining a list of essential state public facilities that are required or likely to be built within the next six years as required by the Growth Management Act. Counties and cities are also required to coordinate the siting of countywide and statewide capital facilities to mitigate potential adverse impacts from the location and development of these facilities.

Policies for Siting Public Capital Facilities (CF):

1. Identification of needed capital facilities:

- a. The County and the Cities shall each inventory their existing capital facilities and identify needed facility expansion and construction and provide that data to the Kitsap Regional Coordinating Council.
- b. The Kitsap Regional Coordinating Council shall develop and maintain a list of public capital facilities needed to serve Kitsap County as a whole, based upon the County and Cities' Comprehensive Plans, the Countywide Coordinated Water System Plan, and other appropriate system plans. These include, but are not limited to, solid and hazardous waste handling facilities and disposal sites, water and wastewater treatment facilities, regional water supply inter-tie facilities, education institutions, airports, local correctional facilities, in-patient facilities including hospitals and regional park and recreation facilities, and government buildings that serve Kitsap County as a whole, including those essential public facilities as defined in RCW 36.70A.200.

2. Location of capital and public facilities:

- a. If the primary population served by the facility is urban, the facility should be located in a City or Urban Growth Area where feasible.

3. Establishing a process and review criteria for the siting of facilities that are of a countywide or statewide nature:

- a. When essential public facility as defined in RCW 36.70A.200 is proposed in Kitsap County, and its location has not been evaluated through a regional siting process pursuant to WAC 365-196-550 (3) (d), the Kitsap Regional Coordinating Council shall appoint a Facility Analysis and Site Evaluation Advisory Committee composed of citizen members selected by the member jurisdictions to represent a broad range of interest groups to evaluate proposed public facility siting. At a minimum this evaluation shall consider:
 - i. The impacts created by existing facilities;
 - ii. The potential for reshaping the economy, the environment and community character;
 - iii. The development of specific siting criteria for the proposed project, giving priority consideration to siting within Designated Centers;
 - iv. The identification, analysis and ranking of potential project sites;

- v. Measures to first minimize and second mitigate potential physical impacts including, but not limited to, those relating to land use, transportation, utilities, noise, odor and public safety;
 - vi. Measures to first minimize and second mitigate potential fiscal impacts.
- b. Certain public capital facilities such as schools and libraries that generate substantial travel demand should be located first in Designated Centers or, if not feasible to do so, along or near major transportation corridors and public transportation routes.
 - c. Some public capital facilities, such as those for waste handling, may be more appropriately located outside of Urban Growth Areas due to exceptional bulk or potentially dangerous or objectionable characteristics. Public facilities located beyond Urban Growth Areas should be self-contained or be served by urban governmental services in a manner that will not promote sprawl. Utility and service considerations must be incorporated into site planning and development.
 - d. Uses shall adhere to local health district or state agency rules regarding commercial and industrial use of on-site sewage systems.
 - e. The multiple use of corridors for major utilities, trails and transportation rights-of-way is encouraged.
 - f. County and City comprehensive plans and development regulations shall not preclude the siting of essential public facilities.
 - g. Public facilities shall not be located in designated resource lands, critical areas, or other areas where the siting of such facilities would be incompatible.

4. Air transportation facilities in Kitsap County:

- a. The Counties and the Cities shall recognize the importance of airports as essential public facilities and the preservation of access to the air transportation system.
- b. The County and the Cities shall ensure the safety of the community and airport users through compatible land use planning adjacent to airports and coordination of the airport with ground access. Examples would include not encouraging or supporting higher residential densities, schools, or hospitals near airports or airport approach corridors.
- c. The County and the Cities shall plan for heliports throughout Kitsap County for emergency use.

Element H. Transportation

The Growth Management Act requires that transportation planning be coordinated among local and state jurisdictions. The Growth Management Act further requires that transportation planning be coordinated with the land use elements of local comprehensive plans. Coordination of land use and transportation plans will allow Kitsap County and the Kitsap Cities to meet three inter-related transportation goals:

- o Serve Designated Centers to reduce sprawl, conserve land and make more efficient use of infrastructure,
- o Preserve the natural environment, including water and air quality and, potentially, climate.
- o Provide a balanced system for the efficient, clean, safe movement of people, goods and services among Designated Centers within Kitsap County and the larger Puget Sound region.

The intent of the following policies is to define appropriate methods and strategies to achieve these goals through inter-regional and intra-regional coordination among transportation and land use planning agencies.

For the purpose of this Policy, the following transportation facilities are of countywide significance:

- a. state and federal highways;
- b. major arterials;
- c. public transit facilities and services;
- d. non-motorized facilities connecting designated centers;
- e. marine transportation facilities (ferries, shipping);
- f. airports and heliports (passenger and/or freight);
- g. rail facilities (passenger and/or freight)

The following facilities and system components should be included in the multi-modal network:

- a. roads, including major highways, arterials and collectors;
- b. public transit, including bus, rail, and park & ride lots;
- c. non-motorized facilities;
- d. vehicle and public or private passenger only ferries;
- e. airports;
- f. parking facilities that support the multi-modal network;
- g. facilities related to transportation demand management;
- h. intelligent transportation systems (ITS).

Policies for Transportation (T):

1. Strategies to optimize and manage the safe use of transportation facilities and services:

- a. The County and the Cities shall each emphasize the maintenance and preservation of their existing transportation network.
- b. Through the regular update of the Transportation Element of their Comprehensive Plan, the County and the Cities should each identify Level of Service (LOS) and prioritize operational and safety deficiencies, with the goal of substantially reducing deaths and serious injuries.

- c. The County and the Cities should utilize Transportation System Management strategies such as parking restrictions, traffic signal coordination, transit queue jumps (traffic signal modification equipment that allows busses to move ahead of other vehicles), ramp metering, striping non-motorized transportation facilities, traffic calming devices, and real time sensor adjustments for traffic signals.
- d. The County and the Cities should develop and implement access management regulations that provide standards for driveway spacing and delineation, and encourage the joint use of access points where practical.
- e. The County and the Cities shall actively seek opportunities to share facilities, expertise, and transportation resources, such as multiple use park & ride/parking lots or shared traffic signal maintenance responsibility.

2. Reducing the rate of growth in auto traffic, including the number of vehicle trips, the number of miles traveled, and the length of vehicle trips taken, for both commute and non-commute trips:

- a. The County and the Cities shall provide both infra-structure and policy incentives to increase the use of non-SOV modes of travel.

- i. The range of infrastructure incentives to encourage the use of non-SOV modes of travel could include the following:

- Provide public transit, including preferential treatments for transit, such as queue by-pass lanes (dedicated bus lanes that allow for transit queue jumps), traffic signal modifications, and safe, transit stops.
- Provide integrated transfer points to facilitate seamless trips between transit and other modes of travel, particularly at ferry terminals, including park & ride lots, bike storage facilities, carpool/vanpool and transit advantages to ease ingress/ egress, with proximity to actual connection points, and innovative transit-oriented development.
- Provide non-recreational bicycle and pedestrian facilities, including safe neighborhood walking and biking routes to school.
- During the development of all state, county, and city highway capacity improvement projects, consider the market for non-SOV travel and the addition of High Occupancy Vehicle (HOV) lanes, park & ride lots, and appropriate infrastructure for both bicycling and walking.

- ii. The range of policy incentives to encourage the use of non-SOV modes of travel could include the following:

The State of Washington has taken steps to reduce greenhouse gas emissions and vehicle miles traveled. Not only does reducing the overall amount of travel produce benefits for improving air quality and curbing emissions related to climate change, it also lessens traffic congestion. Developing a transportation system that provides more opportunities for walking, bicycling, or using transit also creates more choices and options for people.

The WA State Dept of Transportation and Vision 2040 policies identify telework (or tele-commuting) as a viable transportation alternative. The WSDOT-funded 2008 Kitsap Telework Pilot Project noted the particular importance of telework in rural areas, where citizens tend to drive greater distances.

- Increased emphasis on the Commute Trip Reduction Program already in place (including ridesharing incentives), with Kitsap Transit designated as the lead agency, including program promotion and monitoring.
 - Managed parking demand at ferry terminals, employment, and retail centers to discourage SOV use through privileged parking for HOV users, fee structure and parking space allocations.
 - Encouraging telecommuting and home-based businesses as a viable work alternative.
 - Encouraging the shift of work and non-work trips to off-peak travel hours.
 - Congestion pricing.
 - Auto-restricted zones.
 - Promotion of driver awareness through educational efforts.
- d. The County and the Cities shall develop standards for Complete Streets that address bicycle and pedestrian facilities for development of new streets and reconstruction of existing streets as appropriate, consistent with State law.
- e. In Designated Centers, the jurisdictions should complete missing vehicular and non-motorized links between key arterials to accommodate pedestrian and bicycle facilities, without compromising safety standards.
- f. The County and the Cities shall develop bicycle and pedestrian plans, which should be coordinated across jurisdictional boundaries with particular consideration to providing safe routes for children to walk and to bike to school.
- g. Kitsap Transit shall review and comment on development proposals where appropriate, to facilitate convenient use and operation of appropriate transit services.

Vision 2040 and Transportation 2040 emphasize Complete Streets, which ensure that transportation facilities serve all users and all ages and abilities. By designing and operating Complete Streets, local jurisdictions provide pedestrians, bicyclists, motorists, and transit riders with safer travel and can avoid expensive retrofits, encourage physical activity and help create walkable communities. There is no singular design prescription for Complete Streets; each one is unique and responds to its community context.

3. Environmental impacts of transportation policies:

- a. Transportation improvements shall be located and constructed so as to discourage/minimize adverse impacts on water quality and other environmental features.
- b. The County, the Cities, and Kitsap Transit shall consider programming capital improvements and transportation facilities that alleviate and mitigate impacts on air quality, greenhouse gas emissions and energy consumption, such as: high-occupancy vehicle lanes; public transit; vanpool/ carpool facilities; electric and other low emission vehicles including buses; bicycle and pedestrian facilities that are designed for functional transportation.

- c. The County and the Cities shall ensure environmental protection, water quality, and conformance with ESA requirements through best management practices throughout the life of the transportation facilities, including:
 - i. Facility design, and in particular low impact development strategies for the collection and treatment of storm water and surface run-off.
 - ii. Avoiding construction during the rainy season.
 - iii. Regular and routine maintenance of systems.
 - d. The County, the Cities, and Kitsap Transit should support Puget Sound Clean Air Agency public education about anti-pollution measures.
- 4. Recognizing that the County and the Cities each encompass a range of development and density patterns, each jurisdiction shall designate its Centers consistent with the criteria set forth in Element C of the Countywide Planning Policies. The following policies relate to planning guidelines to support transit and pedestrian travel appropriate to each type of urban and rural development or re-development:**
- a. The County and the Cities shall each prepare development strategies for their Designated Centers that encourage focused mixed use development and mixed type housing to achieve densities and development patterns that support multi-modal transportation.
 - b. In Urban Growth Areas, comprehensive plans should promote pedestrian- and transit-oriented development that includes access to alternative transportation and, in the interest of safety and convenience, includes features, such as lighting, pedestrian buffers, sidewalks, and access enhancements for physically challenged individuals.
 - c. Rural Communities shall accommodate appropriate pedestrian/bicycle connections and transit service and facilities consistent with rural levels of service in order to minimize vehicle trips.
- 5. Transportation linkages between designated local and regional Centers:**
- a. Regional corridors shall be designated for automobile, freight, transit, HOV facilities, rail, marine, bicycle, and pedestrian travel between centers as part of the countywide transportation plan.
 - b. The transportation system linking Designated Centers within the county shall be transit-oriented and pedestrian and bicycle friendly.
- 6. Freight transportation:**
- a. Preferred routes for the movement of freight shall be identified as part of the countywide transportation plan.
 - b. The County and the Cities shall work to ensure that compatible land uses are applied along designated freight corridors; including, but not limited to, corridors for air, rail, road and marine traffic.
 - c. The County and the Cities shall use appropriate roadway standards for designated freight corridors.

7. Transportation relationships with the Puget Sound Regional Council and the Peninsula Regional Transportation Planning Organization:

- a. The Countywide Planning Policies should support adopted regional and state plans and policies.
- b. The County and the Cities shall actively participate in the Puget Sound Regional Council and the Peninsula Regional Transportation Planning Organization (RTPO) to assure that transportation planning in the two regions is consistent and accurately reflects local needs related to identified regional system components.
- c. The Kitsap Regional Coordinating Council shall serve as the point of coordination to assure Puget Sound Regional Council and Peninsula RTPO planning programs are consistent and mutually beneficial to jurisdictions within Kitsap County.
- d. The Transportation Improvement Program (TIP) for Kitsap County shall continue to be a part of the regional TIP adopted by the Puget Sound Regional Council. Local review, comment and recommendations shall be coordinated through the Kitsap Regional Coordinating Council.

8. Identification of needed transportation related facilities and services within Kitsap County:

- a. The Puget Sound Regional Council and the Peninsula RTPO shall identify regional system components and related improvements within Kitsap County with the concurrence of the Kitsap Regional Coordinating Council.
- b. A countywide transportation plan developed by the Kitsap Regional Coordinating Council shall be prepared pursuant to the Growth Management Act to identify countywide transportation facility and service needs. A technical committee including transit and local, regional, and state transportation providers shall be used in this process.

9. Coordination of intra-county transportation planning efforts:

- a. The Puget Sound Regional Council reviews Cities' and the County's Comprehensive plans for consistency of land use and transportation elements.
- b. The County and the Cities shall address compatibility between land use and transportation facilities by:
 - i. Not using new road improvements to justify land use intensification.
 - ii. Managing access on new transportation facilities outside Urban Growth Areas.
 - iii. Allowing phased development of improvements including acquiring right of way.
 - iv. Using comprehensive plans and development regulations to ensure that development does not create demands exceeding the capacity of the transportation system, such as: density limits in areas outside of Urban Growth Areas; concurrency management and adequate public facility regulation; integrated multi-modal and non-motorized networks.
- c. The County and the Cities shall work together in a coordinated, iterative process to periodically reassess whether regional land use and transportation goals can realistically be met. If transportation adequacy and concurrency cannot be met, the following actions should be considered:

- i. Adjust land use and/or level of service (LOS) standards and consider adopting multi-modal solutions.
- ii. Make full use of all feasible local option transportation revenues authorized but not yet implemented.
- iii. Work with Washington State Department of Transportation (including Washington State Ferries), Kitsap Transit, and the private sector to seek additional State transportation revenues, state and federal grants for infrastructure improvements, and local options to make system improvements necessary to accommodate projected population growth.
- d. Adjacent jurisdictions in Kitsap County shall develop consistent street classification system and street standards.
- e. Kitsap Regional Coordinating Council may establish a process for evaluating development impacts including those that may affect neighboring jurisdictions within the county.
- f. The Kitsap Regional Coordinating Council shall function to ensure that transportation planning, system management and improvements at local, regional, and state levels are coordinated, complementary, and consistent with adopted comprehensive land use plans.

10. Coordinated and consistent level of service (LOS)'standards:

- a. The County and the Cities should develop comparable level of service standards among the County, Cities and the State of Washington for identified regional system components.
- b. The County and the Cities shall adopt roadway LOS standards. Urban growth management agreements shall designate level of service standards.
- c. The County and the Cities shall adopt transit LOS in the form of "Service Standards" adopted by the Kitsap Transit Board of Commissioners. The standards shall consider both frequency of service and bus capacity.
- d. Consistent with State law, the County and Cities shall recognize the Level of Service Standards for Highways of Statewide Significance, including principal arterial ferry routes, that have been adopted by the Washington State Department of Transportation, in their respective Comprehensive Plans.
- e. For State highways and facilities of regional significance, including the Southworth ferry route, the County and the Cities shall include the Level of Service Standards adopted for these routes by the Puget Sound Regional Council, the Peninsula RTPO, and the Washington State Department of Transportation, in their respective Comprehensive Plans.
- f. On highways and streets which are subject to concurrency requirements, the County and the Cities shall each identify capacity deficiencies and either address them in terms of identified funding, adjust the LOS standard on a temporary basis, or place a temporary moratorium on development.
- g. On highways and streets which are subject to concurrency requirements, new development should not cause LOS to degrade to a level lower than the adopted standard, consistent with State law.

Element I. Housing

The Growth Management Act requires cities and counties to encourage the availability of housing that is affordable for all income levels at a variety of housing densities. Local jurisdictions are also encouraged to preserve existing housing resources in their communities, and to provide an adequate supply of housing with good access to employment centers to support job creation and economic growth. (WAC 365.196.410)

VISION 2040 takes a comprehensive approach to addressing the range of housing needs. Housing is addressed throughout the Countywide Planning Policies. See box on right for specific references.

Jobs-Housing Balance:

Jobs-housing balance refers to relationship of housing supply and the job base. There are transportation implications in terms of improving accessibility between where jobs are located and where people live, as well as access to goods, services and other amenities. Policies in Element C: Centers of Growth, Element F: Contiguous, Compatible and Orderly Development, and Element J: Countywide Economic Development are all part of the County's overall approach to jobs-housing balance.

Best Practices in Housing:

The County and the Cities recognize the value of housing practices that preserve existing neighborhoods and communities, use land more efficiently, make services more economical, and meet the diverse needs of our county's changing demographics. The Community Design and Development Policies in Element F: Contiguous, Compatible and Orderly Development address key innovative practices and design principles for development and housing.

Affordable Housing:

Housing affordability refers to the balance (or imbalance) between household income and housing costs. Affordable housing is a major challenge in Kitsap County.

The following definitions relate to the Countywide Planning Policies: **Housing** shall mean housing intended for a full range of household incomes. These income levels are defined as follows (WAC 365.196.410 [2]-e-i-C):

- **Extremely low-income** shall mean those households that have incomes that are at or below 30% of the countywide median.
- **Very low-income** shall mean those households that have incomes that are within the range of 31 - 50% of the countywide median.
- **Low-income** shall mean those households that have incomes that are within the range of 51 - 80% of the countywide median.
- **Moderate-income** shall mean those households that have incomes that are within the range 81-95% of the countywide median.
- **Middle-income** shall mean those households that have incomes that are within the range of 96-120% of the countywide median.
- **Upper-income** shall mean those households that have incomes above 120% of the countywide median.

Countywide Planning Policies Addressing Jobs-Housing Balance:

C:2/	Centers as areas of a mix of
C:4	business, commercial and residential uses
F:4-c	Mixed used development
J:1-b	Employment for diverse segments of the community
J:1-e	Economic Prosperity and increased job opportunities
J:2	Promoting development of designed industrial and commercial areas
J:3	Monitoring land supply

Policies for Affordable Housing (AH):

- 1. Coordinated process among County, Cities, and housing agencies for determining and fulfilling housing needs, and the equitable distribution of affordable housing at all income levels in Kitsap County:**
 - a. The County and the Cities should inventory the existing housing stock consistent with the Growth Management Act synchronized with County and Cities' respective Comprehensive Plan updates, and correlate with current population and economic conditions, past trends, and ten year population and employment forecasts, to determine short and long range housing needs, including rental and home ownership. Navy personnel housing policy should also be considered.
 - b. Local housing inventories, projections, and equitable distribution strategies should be compiled, updated, and monitored under the coordination of the Kitsap Regional Coordinating Council to identify countywide conditions and projected needs.
 - c. Sufficient land supply for housing including various housing types shall be identified and monitored through regular updates to the countywide Buildable Lands Analysis [see Element B-1 Land Utilization and Monitoring Programs].
 - d. The County and the Cities should each identify specific policies and implementation strategies in their Comprehensive Plans and should enact implementing regulations to provide a mix of housing types and costs to achieve identified goals for housing at all income levels, including easy access to employment centers.
 - e. The County and the Cities shall incorporate a regular review of public health, safety, and development regulations pertaining to housing implementation strategies to assure that:
 - i. protection of the public health and safety remains the primary purpose for housing standards
 - ii. regulations are streamlined and flexible to minimize additional costs to housing.
- 2. Recognizing that the market place makes adequate provision for those in the upper economic brackets, each jurisdiction should develop some combination of appropriately zoned land, regulatory incentives, financial subsidies, and/or innovative planning techniques to make adequate provisions for the needs of middle and lower income persons.**
- 3. Recognizing the percentage share of the existing and forecasted countywide population and housing stock, as well as the distribution of existing housing for those households below 120% countywide median income, the County and the Cities should develop coordinated strategies to disperse projected housing for those below 120% countywide median income throughout Kitsap County, where they are specifically found to be appropriate, in consideration of existing development patterns and densities. These strategies should promote the development of such housing in a dispersed pattern so as not to concentrate or geographically isolate low-income housing in a specific area or community.**

4. Provision of affordable housing for households below 120% countywide median income should include:

- a. Housing options located throughout Kitsap County in Urban Growth Areas and Rural Communities, as defined in Element D (2-a), in a manner to provide easy access to transportation, employment, and other services.
 - i. Designated Centers should include such housing options.
 - ii. Rural self-help housing programs should be encouraged first in UGA's and Rural Communities and then allowed in other appropriate areas as defined by the U.S. Department of Agriculture.
- b. Local comprehensive plan policies and development regulations that encourage and do not exclude such housing.
- c. Housing strategies that include:
 - i. preservation, rehabilitation and redevelopment of existing neighborhoods as appropriate, including programs to rehabilitate and/or energy retro-fit substandard housing;
 - ii. provision for a range of housing types such as multi-family, single family, accessory dwelling units, cooperative housing, and manufactured housing on individual lots and in manufactured housing parks;
 - iii. housing design and siting compatible with surrounding neighborhoods;
 - iv. mechanisms to help people purchase their own housing, such as low interest loan programs, "self-help" housing, and consumer education.
 - v. innovative regulatory strategies that provide incentives for the development of such housing, such as: reducing housing cost by subsidizing utility hook-up fees and rates, impact fees, and permit processing fees; density incentives; smaller lot sizes; zero lot line designs; inclusionary zoning techniques, such as requiring housing for specified income levels in new residential developments; transfers of development rights and/or a priority permit review and approval process and/or other provisions as appropriate.
- d. Housing policies and programs that address the provision of diverse housing opportunities to accommodate the homeless, the elderly, physically or mentally challenged, and other segments of the population that have special needs.
- e. Participation with housing authorities to facilitate the production of such housing. The County and the Cities shall also recognize and support other public and private not-for-profit housing agencies. Supporting housing agencies is encouraged through public land donations, guarantees, suitable design standards, tax incentives, fee waivers, providing access to funding sources and support for funding applications, or other provisions as appropriate.

5. The County and the Cities shall collaborate with PSRC to evaluate availability of appropriate housing types to serve future residents and changing demographics.

Element J. Countywide Economic Development

Growth Management Act requires that general economic development policies be identified in the Countywide Planning Policies. Consistent with the goals of the Act, economic development planning must be coordinated with local comprehensive plans. The intent of the following policies is to encourage coordinated economic growth among all jurisdictions in Kitsap County and to add predictability and certainty to the private investment decision.

Policies for Countywide Economic Development (ED):

1. A general strategy for enhancing economic development and employment:

- a. The County and the Cities recognize that a healthy economy is important to the health of residents and quality of life in the county. Economic development should be balanced with environmental concerns and protect the quality of life.
- b. A healthy economy provides a spectrum of jobs including entry-level, living wage, and advanced wage earner employment that, raises family income levels and provides opportunities for diverse segments of the community.
- c. The County and the Cities recognize that the economy in Kitsap County is very dependent on the U.S. Navy and diversification is necessary. Diversification should be promoted through a multi-faceted strategy that includes broadening the customer bases of existing contracting industries, expanding the number of local businesses that benefit from defense contracting, and building the base of business activity that is not directly connected to the Department of Defense.
- d. The County and the Cities shall collaborate with ports, tribes, and other special districts to encourage economic growth and diversification that is consistent with comprehensive plans and policies for land use, transportation, public transit, regional water supply, capital facilities, urban governmental services and environmental quality.
- e. Local governments are encouraged to utilize the Kitsap Economic Development Alliance (KEDA) as a resource to provide advice on economic development needs, the potential for retaining and expanding existing industries, including the U.S. Dept. of Defense, and attracting new industries, especially those that would improve wage and salary levels, increase the variety of job opportunities, and utilize the resident labor force.
- f. The County and the Cities should cooperate / participate with the Puget Sound Regional Council's economic initiatives, including focus on identified industry clusters and clean industry and with the KEDA's adopted plan, Kitsap 20/20: A Strategy for Sustainable Economic Prosperity.
- g. The County and the Cities recognize that widespread access to broadband capability will enhance economic development in Kitsap County. Local governments are encouraged to collaborate with the KEDA to promote the expansion of telecommunications in Kitsap County and to coordinate telecommunications policy with regional and federal agencies, including public utility districts, Bonneville Power Administration, regional transportation planning organizations, and neighboring counties.

- h. Investments in our people, in particular, efforts of local educational institutions to provide, improve and expand vocational and post-secondary education programs, should be supported to assure a highly skilled, technically trained resident work force.

2. The role of government agencies in assuring coordinated, consistent efforts to promote economic vitality and equity throughout Kitsap County:

- a. The County and the Cities shall promote Urban Growth Areas and existing industrial sites as centers for employment.
- b. The County and the Cities shall encourage the full utilization/development of designated industrial and commercial areas. The County and the Cities shall promote revitalization within existing developed industrial and commercial areas to take advantage of the significant investments in existing buildings and infrastructure.
- c. The County and the Cities shall cooperate with tribes, ports, other special districts, and all economic development interests to identify the capital facility needs to support economic development and should identify necessary funding sources.
- d. The County and the Cities shall collaborate with tribes, ports, and other special districts to identify innovative development methods such as public and private partnerships and community development assistance financing to increase economic vitality.
- e. The County and the Cities shall collaborate with the KEDA and the Ports to establish a common method to monitor the supply of designated commercial and industrial sites and to ensure adequate land supply for the expansion of existing enterprises and the establishment of new economic enterprises. The monitoring method shall indicate environmental constraints, infrastructure availability and capacity, and shall use the Kitsap County Geographic Information System and Land Capacity Analysis as a regional database for this information.
- f. The County and the Cities shall establish common infrastructure policy and standards, including telecommunications infrastructure.
- g. The County, Cities and KEDA shall collaborate to identify opportunities that favor local suppliers for goods and services.

3. The Kitsap Regional Coordinating Council shall coordinate the development of land supply monitoring methods, common infrastructure policy and standards, and other strategies among the County, the Cities, Tribes, Ports, and other special districts to encourage economic development in Kitsap County:

- a. The County and the Cities shall each establish and monitor a development review process that is timely, predictable, efficient, fair, and consistent.
- b. Where more than one jurisdiction is involved in planning and permitting a business development, the jurisdictions shall work collaboratively to provide consistent development regulations and permitting.
- c. The County and the Cities shall encourage small business enterprises and cottage industries, and allow appropriate and traditional home occupations as permitted by local regulations.

Element K. An Analysis of the Fiscal Impact

In order to preserve and maintain the community's quality of life and level of government services, jurisdictions are expected to fully evaluate their financial capacity to provide the full range of urban services (as described in Element B – 3[j]) within designated Urban Growth Areas.

Policies for Analysis of Fiscal Impact (FI):

1. The Countywide Planning Policies recognize three opportunities for jurisdictions to consider and plan for urban-level infrastructure and services:
 - a. During each jurisdiction's comprehensive plan amendments, through the Capital Facilities Plan, including sub-area plans, Urban Growth Area boundary changes, incorporations, partial dis-incorporations, proposed new fully contained communities and master planned resorts.
 - b. At the point where a jurisdiction is comparing and analyzing geographic areas for possible expansion of its Urban Growth Area (as described in Element B – 3[j]).
 - c. As part of the development of the Urban Growth Area Management Agreement (see Element B-4 [d] and Appendix C).

These analyses and plans should identify infrastructure and service costs as well as the anticipated revenues to support them.

2. Special districts should be included in planning for the provision of urban level services in Urban Growth Areas and should include future population growth in their plans.
3. The Kitsap Regional Coordinating Council shall facilitate on-going regional discussion of infrastructure and service delivery strategies (see Element F-1 [c]) and revenue equity issues (see Element F-3 [c]).

Element L. Coordination with Tribal Governments

The Suquamish Tribe, the Port Gamble S'Klallam Tribe, and other federally recognized Indian tribes have reservations and/or trust resources within Kitsap County, Washington. These tribes are parties to treaties with the United States Government through which certain rights and privileges both on and off reservation were articulated and remain in effect. These tribes have authorities, responsibilities, interests and treaty rights within their respective reservation boundaries and Usual and Accustomed Areas. Since future growth and land use decisions in Kitsap County affect all governmental entities, governmental agencies must be well informed and continuously involved in regional and local planning.

Policies for Coordination with Tribal Governments (CT):

1. Meaningful and substantial opportunities for early and continuous tribal government participation shall be incorporated into regional and local planning activities.
2. Local jurisdictions should work with the tribes to develop agreements that provide for discussion on comprehensive planning issues among governments and ensure that the tribes are consulted on issues within their interest. The parties will jointly determine the appropriate contents of the agreements and a schedule for completing them.
3. Tribal governments, federal agencies, and county and local governments are encouraged to coordinate plans among and between governments and agencies to address substantive areas of mutual interest especially where geographical areas overlay and promote complementary and cooperative efforts.
4. City and County governments are encouraged to include Tribal governments in joint comprehensive planning and development activities for areas within the Tribes' Usual and Accustomed areas. Activities include but are not limited to the establishment and revision of urban growth boundaries, distribution of forecasted population; regional transportation, capital facility, housing and utility plans; and policies that may affect natural and/or cultural resources.
5. All County, City, and Tribal government agencies shall be included in the normal public notice and comment procedures of other agencies and kept informed of matters of interest to them.
6. The County, the Cities, and Tribal governmental agencies are encouraged to keep one another informed about matters of local and regional interest by mutually agreeable means and schedule.

Element M. Coordination with Federal Government including Navy

The federal government has unique authorities, responsibilities, interests affecting land use and other activities. Military installations are of particular importance to the economic health of Washington State, as well as to national security. Since the impacts of future growth and development in Kitsap County affect all governmental entities, governmental agencies must be well informed and continuously involved in regional and local planning.

Policies for Coordination with Federal Government (CF):

1. Meaningful and substantial opportunities for early and continuous federal government participation shall be incorporated into regional and local planning activities.
2. It is recognized that constitutional and statutory provisions may constrain federal government agencies from entering into local agreements and processes. However, when possible, the County, the Cities, and federal governments should establish intergovernmental cooperative agreements promoting coordination and involvement in activities that are of mutual interest.
3. Federal agencies and county and local governments are encouraged to coordinate plans among and between governments and agencies to make plans as consistent and compatible as possible for properties over which they have authority or activities they authorize and the adjacent areas affected.
4. Federal government agencies are encouraged to participate in City, County, and joint comprehensive planning and development activities that may affect them, including the establishment and revision of urban growth areas encompassing, adjacent to or within federally-owned lands; distribution of forecasted population; regional transportation, capital facility, housing and utility plans; and policies that may affect natural and/or cultural resources of interest.
5. The following policies relate to promoting coordination among the Cities, County, and the federal government including the Navy:
 - a. All jurisdictions should promote planning that considers the impact of new growth to avoid the potential for encroachment on military readiness activities as described below when developing zoning ordinances or designating land uses affecting military facilities. Each jurisdiction and the Navy should coordinate to identify the types of development and areas of interest to the Navy, method of notice, and opportunities for comment.
 - b. "Military readiness activities" mean all of the following:
 - i. Training, support, and operations that prepare the men and women of the military and Naval ships and submarines for combat.
 - ii. Operation, maintenance, and security of any military installation.
 - iii. Testing of military equipment, vehicles, weapons, and sensors for proper operation or suitability for combat use.
 - c. "Impacts" include but are not limited to:
 - i. Aircraft, boat, and rail traffic.
 - ii. Incompatible adjacent land uses.

- d. Through the Kitsap Regional Coordinating Council, jurisdictions should monitor issues that arise in implementing these policies, and should identify areas for improved coordination.
6. All County, City, and federal governmental agencies shall be included in the normal public notice and comment procedures of other agencies and kept informed of matters of interest to them. (RCW 36.70A.530)
7. The County, the Cities, and federal governmental agencies are encouraged to keep one another informed of matters of local and regional interest by mutually agreeable means and schedule.

Element N. Roles and Responsibilities

The County, Cities, Tribal governments, and special districts are all involved in planning activities related to their statutory authority and responsibility. In addition to the responsibilities defined in previous countywide planning policies, this section further clarifies the planning roles and responsibilities of the Kitsap Regional Coordinating Council and member agencies.

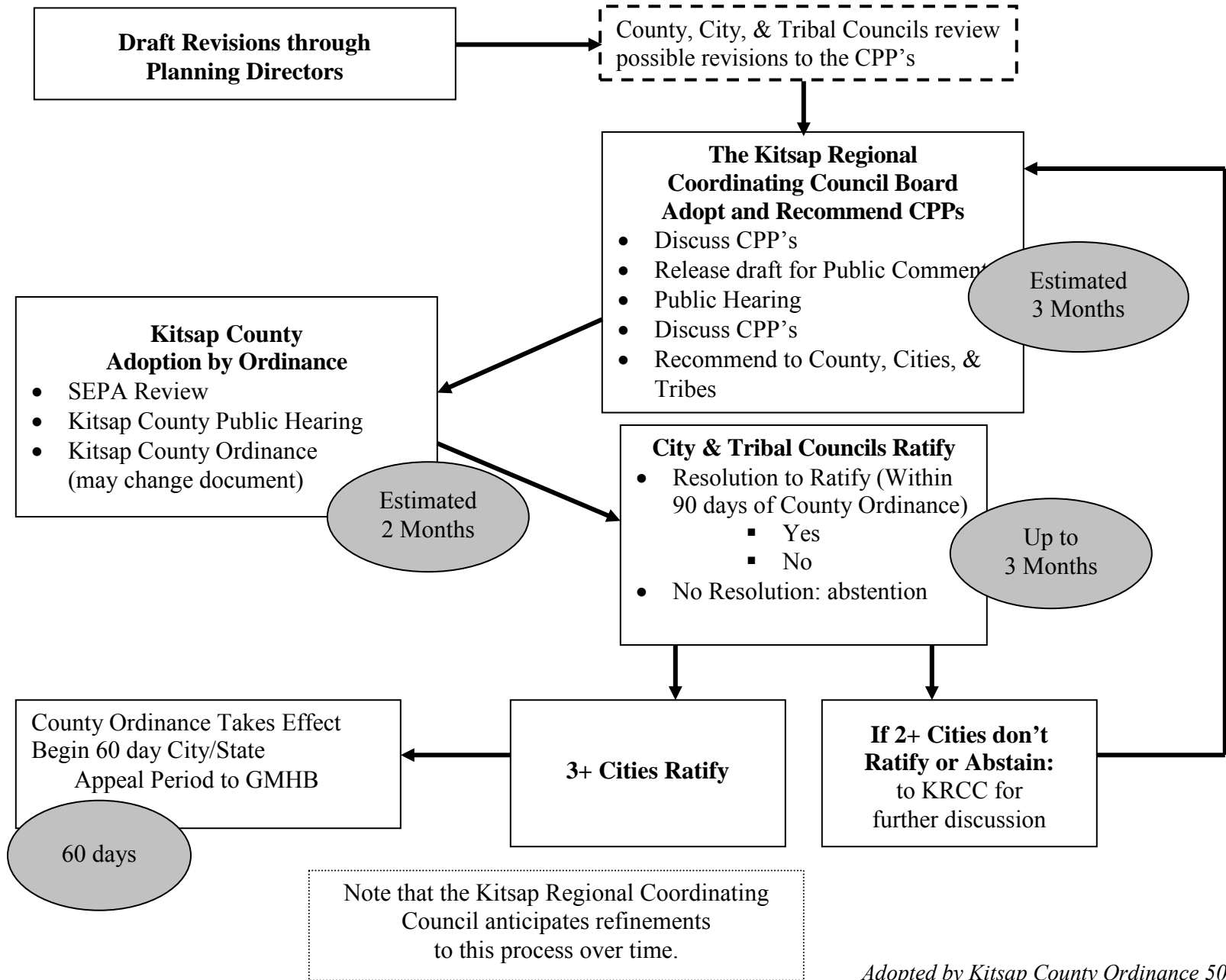
Policies for Roles and Responsibilities (RR):

- 1. The KITSAP REGIONAL COORDINATING COUNCIL was established by interlocal agreement (see Appendix E) to assure coordination, consensus, consistency, and compliance in the implementation of the Growth Management Act and comprehensive planning by County, city and tribal governments within Kitsap County. The Kitsap Regional Coordinating Council also provides a voice for all jurisdictions and opportunity for citizens and stakeholders to provide input to planning policies to be applied countywide. The interlocal agreement adopted by the County, the Cities and the Tribal governments declared that the Kitsap Regional Coordinating Council is necessary to maintain a regular intergovernmental communication network for all local and tribal governments within the county, facilitate compliance with the coordination and consistency requirements of the Growth Management Act, provide an effective vehicle to resolve conflict among and/or between jurisdictions with respect to urban growth boundaries or comprehensive plan consistency, and to build consensus on planning solutions for countywide growth management issues. The Kitsap Regional Coordinating Council shall:**
 - a. Submit agreed-upon recommendations on behalf of member jurisdictions to multi-county regional agencies and State government on proposed changes to multi-county regional plans, State plans, and laws.
 - b. Provide a forum, as necessary, for achieving coordination in the development of local plans and resolving planning and plan implementation issues that are common among jurisdictions.
 - c. Promote coordination and consistency among local plans and between local plans and the Countywide Planning Policies and the Growth Management Act to the extent necessary to achieve regional policies and objectives. Through the Kitsap Regional Coordinating Council forum, jurisdictions should establish a process to monitor and review individual comprehensive plans and associated implementation mechanisms to determine consistency with the Countywide Planning Policies.
 - d. Serve as a forum for resolving disputes locally. The process shall not preclude appeals to the Central Puget Sound Growth Planning Hearings Board if the local process has been exhausted without resolution of the dispute.
 - e. Promote coordination of educational programs and the dissemination of planning-related information of regional interest.
 - f. Coordinate the review, revision and monitoring of the Countywide Planning Policies.
 - g. Apply for grants and administer contracts relative to regional tasks and plans.

- h. Conduct the region-wide growth management planning consistent with these policies.
 - i. Initiate and coordinate the development of other regional planning policies and implementation mechanisms that may improve the effectiveness of the comprehensive planning process.
 - j. Define and implement procedures that assure opportunities for early and continuous public involvement in policy discussions facilitated by the Kitsap Regional Coordinating Council.
- 2. KITSAP COUNTY is the regional government within the county boundaries providing various services within unincorporated and incorporated areas as required and specified by law and by legal agreements. Kitsap County shall:**
- a. Be responsible for the development, adoption and implementation of comprehensive plans and development regulations and the processing of land use permits for the unincorporated portions of the county.
 - b. Be responsible for coordinating water quality planning in multi-jurisdictional watersheds and for other environmental planning activities as agreed to by all affected and interested jurisdictions.
 - c. Be responsible for coordinating the response on the listing for the federal Endangered Species Act in multi-jurisdictional watersheds as agreed to by all affected and interested jurisdictions.
 - d. Be responsible for being a regional sewer provider to the unincorporated areas of Kitsap County as needed to improve water quality consistent with levels of service outlined in the County Comprehensive Plan.
 - e. Maintain a geographic information system to serve as a regional planning data base.
 - f. Execute Urban Growth Area Management Agreements with each city to address joint issues identified in the Countywide Planning Policies and other matters agreed to be of mutual interest.
 - g. Define and implement procedures that assure opportunities for early and continuous public involvement throughout short and long range planning projects.
- 3. CITIES within Kitsap County provide a variety of services primarily to residents within their respective municipal boundaries. Cities shall:**
- a. Provide urban governmental services as identified in the Growth Management Act (Chapter 36.70A RCW) and adopted urban growth management agreements.
 - b. Be responsible for the development, adoption and implementation of comprehensive plans and development regulations and the processing of land use permits within the incorporated portion of the respective city.
 - c. Participate with other agencies in multi-jurisdictional planning activities including but not limited to environmental planning, e.g. water quality planning and coordinating the response on the listing for the Federal Endangered Species Act in multi-jurisdictional watersheds transportation planning, and growth management strategies.

- d. Execute a separate Urban Growth Area Management Agreement with Kitsap County to address joint issues identified in the Countywide Planning Policies and other matters agreed to be of mutual interest.
 - e. Define and implement procedures that assure opportunities for early and continuous public involvement throughout short and long range planning projects.
- 4. SPECIAL DISTRICTS are governmental subdivisions of the county that are usually established to provide a defined scope of services. Special districts shall:**
- a. Be responsible for service provision, capital facility planning and other activities as authorized by law and legal agreements.
 - b. Coordinate capital planning and implementation strategies with local governments to assure consistency with comprehensive plan policies, the Countywide Planning Policies, and the WA State Growth Management Act;
 - c. Participate in service provision identification required in each urban growth management agreement;
 - d. Coordinate with other agencies as appropriate in multi-jurisdictional planning activities;
 - e. Provide technical assistance as appropriate to assist local governments in comprehensive plan development, adoption and implementation;
 - f. Encourage cooperative agreements and consolidate when possible to formalize participation in local and regional processes;
 - g. Define and implement procedures that assure opportunities for early and continuous public involvement throughout short and long range planning projects.
 - h. Site and size facilities consistent with local plans.
- 5. The County and Cities shall coordinate with the County Department of Emergency Management to ensure the integrity of the National Incident Management system and coordinated response in the event of disasters and other emergencies.**

**Appendix A:
Kitsap Countywide Planning Policy Ratification Process**



*Adopted by Kitsap County Ordinance 509-2013
Nov. 25, 2013*

Appendix B-1: Population Distribution Through 2035 2036

Jurisdiction	Census 2010 ¹	Population Growth ²	2035 2036 Targets ³
City of Bremerton	37,729	14,288	52,017
Bremerton UGA	9,082	4,013	13,095
Total Bremerton	46,811	18,301	65,112
City of Bainbridge Island	23,025	5,635	28,660
City of Port Orchard	12,323	8,235	20,558
Port Orchard UGA	15,044	6,235	21,279
Total Port Orchard	27,367	14,470	41,837
City of Poulsbo	9,222	1,330	10,552
Poulsbo UGA	478	3,778	4,256
Total Poulsbo	9,700	5,108	14,808
Central Kitsap UGA	22,712	7,764 6,764	30,476 29,476
Silverdale UGA	17,556 15,556	5,779 8,779	23,335 24,335
Kingston UGA	2,074	2,932	5,006
UGA (Includes Cities) Total	145,434 147,245	63,800 61,989	209,234
Rural Non-UGA	105,699 103,888	16,638 18,449	122,337
Total County	251,133	80,438	331,571

- ¹ 2010 Census data reflects incorporated city and UGA boundaries as of August 31, 2012
² Population growth reflects new residents through the 2035 planning horizon
³ Changes in City or UGA boundaries during the planning horizon may affect the population distributions. This table may be updated periodically to reflect such changes. These updates do not constitute policy changes to the CPP's and will not require adoption and ratification by member agencies.

Appendix B-1 reflects three adjustments to Adopted Appendix B:

- (1) Scriveners error: Census 2010 (Silverdale UGA, Total UGA, and Rural Non-UGA)
- (2) Shift in Population Growth of 1,000 from Central Kitsap UGA to Silverdale UGA
See attached White Paper for analysis
- (3) Extension of Planning Horizon from 2035 → 2036, reflecting WA Dept. of Commerce instruction re: definition of planning horizon

Adopted by Kitsap County Ordinance 522-2015
 May 11, 2015



Kitsap Regional Coordinating Council

Chair
Commissioner Robert Gelder ❖
Kitsap County

Vice-Chair
Mayor Anne Blair ❖
City of Bainbridge Island

Commissioner Charlotte Garrido
Commissioner Ed Wolfe
Kitsap County

Mayor Patty Lent ❖
Council Member Leslie Daugs
Council Member Greg Wheeler
Council Member Dino Davis *
City of Bremerton

Council Member Wayne Roth
Council Member Steve Bonkowski *
City of Bainbridge Island

Mayor Tim Matthes
Council Member Bek Ashby ❖
Council Member Jeff Cartwright *
City of Port Orchard

Mayor Becky Erickson
Council Member Ed Stern * ❖
City of Poulsbo

Council Chair Leonard Forsman
Fisheries Director Rob Purser*
Suquamish Tribe***

Council Chair Jeromy Sullivan
Noo-Kayet CEO Chris Placentia *
Port Gamble S'Klallam Tribe***

Commissioner Axel Strakeljahn
Commissioner Larry Stokes *
Port of Bremerton

Captain Tom Zwolfer
Silvia Klatman, PAO *
Naval Base Kitsap**

Executive Director John Clauson
Kitsap Transit ***

Mary McClure
Executive Management
McClure Consulting LLC

* Alternate

** Ex Officio Member

*** Associate Member

❖ Executive Committee

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Countywide Planning Policy: Appendix B-2

Kitsap Countywide Employment Targets: 2010 – ~~2035~~ 2036

Originally Adopted by Resolution (No.2014-01),
by the KRCC Executive Board: July 22, 2014

Countywide Employment / Population Ratio: 2.65				
	Growth Allocation: 2010- 2035 2036		Sector Share Summary	
	Total Job Growth	Percent Job Growth	Commercial Job Growth	Industrial Job Growth
Bremerton City	18,003	39%	13,493	4,509
Bremerton UGA	1,385	3%	962	422
Bainbridge Island	2,808	6.1%	1,984	823
Port Orchard City	3,132	6.8%	2,571	560
Port Orchard UGA	1,846	4%	1,712	134
Poulsbo City	4,155	9%	3,607	548
Poulsbo UGA	46	0.1%	44	2
Central Kitsap UGA	1,200	2.6%	1,030	171
Silverdale UGA	9,106	19.7%	6,679	2,427
Kingston UGA	600	1.3%	437	163
Urban UGA (includes Cities)	42,281	91.6%	32,521	9,760
Rural Non-UGA	3,877	8.4%	2,817	1,060
Total County	46,158	100%	35,338	10,820

Adopted by Kitsap County Ordinance 522-2015

May 11, 2015

Appendix C: Urban Growth Area Management Agreements

The intent of the Urban Growth Area Management Agreement is to facilitate and encourage annexation and/or incorporation of urban areas over the 20 year planning period and to ensure compatibility of development within the unincorporated Urban Growth Area. Each Urban Growth Area Management Agreement shall:

1. Describe the goals and procedures of the joint planning process including roles and responsibilities for the unincorporated Urban Growth Area, with the goal of having compatible City and County plans, zoning, and development regulations. The following provisions should apply to the entire Urban Growth Area associated with the City unless mutually agreed otherwise by the City and County:
 - a. The City's zoning code, densities, and development, sub-division, environmental, and construction standards.
 - b. The City's Levels of Service.
 - c. The Comprehensive Plan of the City should reflect land use planning for the entire Urban Growth Area.
2. Identify responsibility and mechanisms for comprehensive plan amendments, zoning changes and development applications within unincorporated Urban Growth Areas. Significant weight should be given to City preferences.
3. Identify services to be provided in the Urban Growth Area, the responsible service purveyors, and the terms under which the services shall be provided, including:

Fire	Storm Water	Solid Waste
Police	Potable Water	Park & Recreation Facilities
Transportation	Sewer	Schools
Utilities: Power and Telecommunications, including broadband where available		
EMS		

All service providers, including special districts, and adjacent jurisdictions should be included in Urban Growth Area planning.

4. Reference the adopted Revenue Sharing Inter-local Agreement, as appropriate (see Appendix D).
5. Develop pre-annexation plans, which shall include:
 - a. Conditioning City service extensions upon actual annexation for properties contiguous to the City boundary or to agreements of no protest to future annexation for properties not contiguous.
 - b. Offering pre-annexation agreements to property owners interested in annexation and needing assurances from the City about services, planning, or other issues.
 - c. Plans for tiering and/or phasing of infrastructure development, appropriate to the individual Urban Growth Area.
 - d. City priorities for City-led annexation efforts as appropriate.
6. Describe the development and implementation of a public involvement program that identifies roles and responsibilities for respective jurisdictions, including actions and timeline.
7. Be reflected in County and City Comprehensive plans.

Adopted by Kitsap County Ordinance 476-2011
Nov. 14, 2011

b

Appendix D

Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, City of Port Orchard and City of Poulsbo Concerning Revenue Sharing Upon Annexation and In Conjunction With Major Land Use Decisions Within a City's Urban Growth Area

Adopted by all parties in November-December, 2001.

Effective November 24, 2010, the City of Port Orchard is officially withdrawn from this agreement.

Effective November 29, 2011, the City of Bremerton is officially withdrawn from this agreement.

This Agreement, made pursuant to Chapter 39.34 RCW, is between KITSAP COUNTY (hereinafter, the County), a political subdivision of the State of Washington, and the CITY OF BAINBRIDGE ISLAND, the CITY OF BREMERTON, the CITY OF PORT ORCHARD, and the CITY OF POULSBO, (hereinafter, the Cities), municipal subdivisions of the State of Washington.

WHEREAS, through the Kitsap Regional Coordinating Council, the County and the Cities have worked together constructively on revenue sharing issues that in the past have been adversarial; and

WHEREAS, the County and Cities sought a balanced set of revenue sharing provisions that would benefit both the County and the Cities and support the orderly evolution of logical land use patterns and jurisdictional boundaries; and

WHEREAS, the County and Cities reached accord on a set of Principles of Agreement for Revenue Sharing in Annexations and in Major Land Use Decisions; and

WHEREAS, the County and Cities desire to implement the Principles of Agreement through an interlocal agreement;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

SECTION 1 ANNEXATIONS

The purpose of this section is to provide a framework for logical and orderly annexations that are consistent with the Growth Management Act, Chapter 36.70A RCW (hereinafter GMA), and to mitigate the fiscal impact to the County of annexations initiated after the effective date of this agreement.

- 1.1** The Cities each confirm their willingness to eventually annex all land within their designated Urban Growth Area (hereinafter UGA) boundaries.
- 1.2** Each City shall encourage annexation of all lands equally, and will support logical and coordinated annexations, consistent with the intent of the GMA.
- 1.3** As part of the Kitsap Regional Coordinating Council's 2002 Work Program, the County and Cities will continue to address coordinated development within the UGAs, including infrastructure standards and funding.
- 1.4** Before the County constructs a major infrastructure improvement within a City's designated UGA, the County and the City will negotiate and execute an interlocal agreement that specifies the level at which the City shall reimburse the County for a portion of its investment in the infrastructure improvement if the area where the improvement is to be located is annexed within a specified period of time.

- 1.5** The County and the Cities anticipate that each specific proposed annexation will require negotiation of other issues particular to its time, place and geography. The Cities and the County commit to completing these negotiations and executing an interlocal agreement on such issues in a timely manner.
- 1.6** As part of this agreement, the County will not oppose annexations within that City's designated UGA or invite the Boundary Review Board to invoke jurisdiction.
- 1.7** The Cities agree to share with the County revenue lost to the County and gained by the annexing City as follows:
- A. Revenue sharing payments shall be based on the following three sources of revenue:
1. The County's portion of the local retail sales tax levied under Chapter 82.14 RCW.
 2. The ad valorem property tax levied by the County pursuant to RCW 36.82.040 for establishment and maintenance of county transportation systems.
 3. The admission tax levied by the County pursuant to Chapter 36.38 RCW.
- B. For purposes of this Section, "lost revenue" means an amount computed as follows:
- The combined total of the County's collections from all three sources within the annexation area during the calendar year preceding annexation
- minus
- The combined total of the County's collections from all three sources within the annexation area during the first full calendar year following annexation.
- C. The amount of the payment from the City to the County will be based on a three-year "soft landing" approach as follows:
1. The Year 1 payment will be equal to 75% of the County's lost revenue.
 2. The Year 2 payment will be equal to 50% of the County's lost revenue.
 3. The Year 3 payment will be equal to 25% of the County's lost revenue.
- D. The calculation of lost revenue pursuant to subsection B of this Section requires revenue data for one full year following annexation. Therefore, the County shall initiate a request for payment under this Section by written notice to the annexing City within two years of the effective date of the annexation.

SECTION 2 MAJOR LAND USE ACTIONS

The purpose of this section is to recognize that retail development near jurisdictional boundaries has an impact on neighboring jurisdictions and, in particular, on existing businesses and the demand for public services and facilities. This Section is designed to mitigate these impacts by providing that sales tax revenues from new major business development within a City's designated UGA, or from the

relocation of an existing major business from a City to a location within the City's designated UGA, will be shared with the affected City.

2.1 For purposes of this Agreement, "major land use" means:

- A. A new development within a City's designated UGA that houses any single retail tenant greater than 40,000 square feet.
- B. The expansion of an existing retail business within the City's designated UGA if the expansion is greater than 40,000 square feet.
- C. A retail business greater than 25,000 square feet that is relocated from a City to the City's designated UGA. Or
- D. An automobile, truck, recreational vehicle, manufactured or mobile home, or boat dealership, regardless of the size of the building permitted, that is newly located within a City's designated UGA, or relocated from a City to the City's designated UGA.

2.2 The County agrees to share with the affected City revenue lost to the City and gained by the County due to a major land use, as follows:

- A. Revenue sharing payments will be required only for local retail sales tax revenues generated from major land uses. Because there are limitations, related to confidentiality, on using a figure based on actual sales tax collections from the new or relocated business, the revenue sharing payment will be based on estimated sales tax revenues derived by using industry standards, such as the Washington State Department of Revenue or the Urban Land Institute, for taxable retail sales per square foot for businesses.
- B. For purposes of this Section, "lost revenue" means an amount computed as follows:

$$\begin{array}{c} \text{Total gross enclosed building square footage of the major land use} \\ \times \\ \text{Industry standard annual average retail sales per square foot for category of business that most closely} \\ \text{resembles the major land use} \\ \times \\ \text{Tax rate levied under Chapter 82.14 RCW} \end{array}$$

for the first full calendar year following the date on which the County issues a certificate of occupancy for the major land use.

- C. The County will make revenue sharing payments for the first full three years after the major land use receives a certificate of occupancy.
- D. The revenue sharing payment from the County to the affected City will be calculated according to the following formulas:
 - 1. For the relocation of a major retail business from a City to the City's designated UGA:
 - a. The Year 1 payment will be equal to 75% of the City's lost revenue;
 - b. The Year 2 payment will be equal to 50% of the City's lost revenue; and

- c. The Year 3 payment will be equal to 25% of the City’s lost revenue.
- 2. For new development within a City’s designated UGA that houses any single retail tenant greater than 40,000 square feet, the payment amount will be 50% of the City’s estimated lost revenue each year for the first three years.
- F. The calculation of lost revenue pursuant to subsection B of this Section requires revenue data for one full year following issuance of a certificate of occupancy. Therefore, the affected City shall initiate a request for payment under this Section by written notice to the County within two years of the date the major land use receives the County’s permission to occupy the building.

SECTION 3 MISCELLANEOUS

- 3.1 Duration.** This Agreement will remain in effect until the terms of the Agreement are fulfilled. There is no other term agreed to by the parties
- 3.2 Reevaluation.** Any City or the County may request immediate reevaluation of this Agreement by the Kitsap Regional Coordinating Council Revenue Sharing Policy Committee. If the reevaluation fails to yield a resolution satisfactory to the requesting party within six months from the date the request for reevaluation was made, the requesting party may initiate the process for termination provided in this Agreement.
- 3.3 Termination.** After completion of the Reevaluation process required by this Agreement, a party may terminate this Agreement by 12 months’ written notice to the other parties. Termination does not extinguish the obligations of the terminating party under this Agreement for annexations initiated, or major land uses for which an application is filed, prior to the effective date of termination.
- 3.4 Filing.** When fully executed, this Agreement shall be filed with the Kitsap County Auditor.
- 3.5 Notices.** Any notices required by this Agreement shall be delivered, or mailed postage prepaid, and addressed to:

<u>Kitsap County</u> Clerk to the Board Office of the Kitsap County Board of Commissioners 614 Division Street Mail stop 4 Port Orchard, WA98366	<u>City of Bainbridge Island</u> City Clerk City of Bainbridge Island 280 Madison Avenue N. Bainbridge Island, WA98110	<u>City of Bremerton</u> City Clerk City of Bremerton 345 6 th Street, Suite 600 Bremerton, WA98337
<u>City of Port Orchard</u> City Clerk City of Port Orchard 216 Prospect Street Port Orchard, WA98366	<u>City of Poulsbo</u> Mayor City of Poulsbo 200 NE Moe Street Poulsbo, WA98370	<u>Kitsap Regional Coordinating Council</u> Chair Kitsap Regional Coordinating Council P.O. Box 1934 Kingston, WA98346

- 3.6 Administration.** As this Agreement contemplates no joint or cooperative undertaking, each party shall administer the Agreement as to its own responsibilities under the Agreement. The

Kitsap Regional Coordinating Council shall oversee the revenue sharing process provided for in this Agreement.

- 3.7 Reporting.** The County and the Cities shall report to the Kitsap Regional Coordinating Council at the start of each calendar year any payments made or received by the reporting jurisdiction pursuant to this Agreement during the preceding calendar year.
- 3.8 Waiver.** The failure by the County or any City to enforce any term or condition of this Agreement shall not be construed to constitute a waiver of any other term or condition, or of any subsequent breach of any provision, of this Agreement.
- 3.9 Entire Agreement.** This Agreement includes the entire agreement of the parties with respect to any matter addressed in this Agreement
- 3.10 Amendment.** This Agreement may be amended only upon the written agreement of the parties made with the same formalities as those required for its original execution.
- 3.11. Countywide Planning Policy.** To the extent that anything in this Agreement may be found to be inconsistent with any part of the Kitsap County-wide Planning Policy, the County and City in 2002 will review the applicable parts of the County-wide Planning Policy and revise them in accordance with this Agreement.
- 3.12 Review.** The County and the Cities shall review this Agreement within the Kitsap Regional Coordinating Council in December of 2003, and every five years thereafter.
- 3.13 Effective Date.** This Agreement shall take effect retroactively to September 4, 2001, as this date has been expressly agreed upon by all the parties.

**KITSAP REGIONAL COORDINATING COUNCIL
INTERLOCAL AGREEMENT**

Adopted by Kitsap County, all four Cities and the Port of Bremerton: 11/22/12 – 02/14/13.
Amendments to the 2001 ILA that established KRCC were made in 2006 and 2007.

THIS AGREEMENT is made and entered into by and between the undersigned parties pursuant to provisions of the Interlocal Cooperation Act of 1967, Chapter 39.34 RCW.

WHEREAS, the undersigned members recognize the need and desirability to participate in a forum for intergovernmental coordination, cooperation, and consultation among member agencies in order to bring about a continuous and comprehensive regional planning process and efficient service delivery; and

WHEREAS, the undersigned members desire jointly to undertake continuous, cooperative study and planning of regional and governmental issues of mutual interest, including but not limited to development, land use, housing, capital facilities, service, utilities, finances, public buildings, water supply, water distribution and drainage, air and water pollution, parks and recreation, transportation planning, and economic development; and

WHEREAS, it is the belief of the undersigned members that regional deliberations, planning, and review can best be achieved with the creation of a separate legal entity whose function and activities are subject to policy direction from the undersigned member agencies according to the provisions of this Agreement; and

WHEREAS, the State Growth Management Act (GMA) requires local jurisdictions to coordinate and ensure consistency when developing comprehensive land use plans and the undersigned members desire to establish the Kitsap Regional Coordinating Council as a separate legal entity to facilitate coordination and consistency of comprehensive land use plans as required by the GMA; and

WHEREAS, the undersigned members desire to use the Kitsap Regional Coordinating Council for developing County-wide Planning Policies (CPPs) under the GMA as a framework to guide Kitsap County and cities situated within the County in developing their comprehensive land use plans.

THEREFORE, in consideration of mutual promises and covenants herein it is hereby agreed:

I. NAME

This Agreement establishes the KITSAP REGIONAL COORDINATING COUNCIL (“Council”), a separate legal entity since 2001.

II. DURATION

The Agreement shall remain in force and effect perpetually or until terminated by majority vote of the member agencies.

III. DEFINITIONS

For the purpose of this Interlocal Agreement, the following terms have the meaning prescribed to them in this section unless the context of their use dictates otherwise:

A. “Member agency” means a voting and dues paying municipal or other government entity located within Kitsap County which is a party to this Agreement.

B. “State” means the State of Washington.

C. “Region” means the territory physically lying within the boundaries of Kitsap County.

D. “Kitsap Regional Coordinating Council” or “Council” means the separate legal entity established by this Agreement to represent member agencies to carry out those powers and managerial and administrative responsibilities delegated pursuant to the provisions of this Agreement.

E. "Majority vote" means more than one-half of the votes cast when a quorum is present and must include a majority of votes from County commissioners and a majority of votes from the representatives of at least two separate cities.

F. "Executive Board" shall mean the representatives of member agencies of the Kitsap Regional Coordinating Council identified in Article IV.B. of this Agreement.

G. "Cost Allocation" means annual dues (the annual allocation among Member agencies of the cost of Council operations determined by the Executive Board for the purposes of calculating members' obligations to contribute to the funding of Council operations for the year, and for the purposes of calculating obligations and distributions in the event of withdrawal or termination).

H. "Ex Officio Member" means a non-voting, non-dues paying member of the Council.

I. "Two-thirds majority vote" means a majority vote and also requires a majority of votes from County commissioners and a majority of votes from the representatives from at least two separate cities.

J. "Associate Member" means a member of the Council which is not a party to this Agreement and who enters into a separate agreement with the Council that establishes the Associate Member's level of participation in Council activities.

IV. MEMBERSHIP AND REPRESENTATION

A. Membership. Membership (except for Associate Members and Ex Officio Members) is established by execution of this Agreement and payment of any required cost allocation as established by the Executive Board.

B. Executive Board. The Executive Board is comprised of the following representatives of member agencies:

1. County Government: three (3) members of the Kitsap County Board of Commissioners;
2. City Governments:
 - a. The Mayor of each city having a population of 10,000 persons or less;
 - b. The Mayor and one (1) member of the City Council of each city having a population between 10,001 persons and 30,000 persons;
 - c. The Mayor and two (2) members of the City Council of each city having a population greater than 30,000 persons;
 - d. A city with a Council/Manager form of government may select one (1) member of the City Council instead of a Mayor. The number of additional City Council members representing the city shall be as described in 2(a-c) above.
3. Port of Bremerton: one (1) representative consisting of a Port Commissioner.
4. City Council, and Port of Bremerton representatives may be selected by whatever means established by each specific member agency for a two (2) year term.

C. The determination of the population of cities will be the most recent annual population estimate of cities and towns prepared by the Washington State Office of Financial Management.

D. A municipal or government entity or a federally recognized Indian Tribe that desires to become a member of the Council must obtain permission to do so by majority vote of the Executive Board. The required permission applies to any entity that wishes to become a Member or Ex Officio Member. A municipal or government entity or a federally recognized Indian tribe that wishes to become an Associate Member must obtain permission to do so by a majority vote of the Executive Board, and must

present a draft agreement for the Executive Board's consideration, establishing the proposed terms, duties, powers and privileges for Associate Member status.

V. POWER, AUTHORITY, AND PURPOSE

This Agreement does not confer additional substantive powers or authorities on member agencies. The powers and authorities conferred herein are limited to the powers that each member agency is authorized by law to perform. The Council has the following power, authority, and purpose:

- A. Provide a regional forum for regional deliberations and cooperative decision-making by the region's elected officials in order to bring about a continuous and comprehensive planning process, and foster cooperation and mediate differences among governments throughout the region.
- B. Consistent with the GMA, coordinate and ensure consistency when developing comprehensive land use plans.
- C. Consistent with the GMA, develop CPPs to be used as a framework to guide the County and the Cities in developing their comprehensive land use plans;
- D. Coordinate actions to provide for the distribution of state and federal grant funds, including but not limited to federal transportation funding, community development block grants, and low income housing grants.
- E. Undertake continuous, cooperative study and planning of regional and governmental problems of mutual interest, including but not limited to development, land use, housing, capital facilities, services, utilities, finances, public buildings, water supply, water distribution and drainage, air and water pollution, parks and recreation and transportation planning.
- F. Coordinate actions to provide for a sustainable economy and environment for the region.
- G. Carry out such other planning and coordinating activities authorized by majority vote of the Council including participation in other forums and organizations.
- H. Establish Bylaws, to be amended from time to time, that govern the procedures of the Council. The Bylaws, as may be amended, are incorporated into this Agreement by this reference as if fully set forth herein.
- I. Contract for administrative services and enter into other agreements as deemed appropriate and/or necessary to implement this Agreement.
- J. Purchase, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of the Council.
- K. Sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of its property and assets.
- L. Sue and be sued, complain and defend, in all courts of competent jurisdiction in the Council's name.
- M. To engage in any other activity necessary to further the Council goals and purposes to the extent authorized by chapter 39.34 RCW.
- N. Apply for such federal, state, or private funding of any nature as may become available to assist the organization in carrying out its purposes and functions.
- O. Identify and examine issues such as governance, growth policies, development standards, service provision, revenue-cost sharing and municipal annexations in urban growth areas.
- P. Strive to represent the consensus of views on growth management and planning issues among member agencies. The Council makes recommendations on behalf of those jurisdictions to multi-county regional agencies and State government on behalf of member agencies, on proposed changes to multi-county regional plans, state plans and laws.

Q. Represent the views or position of member agencies within the County on issues of consistency or the resolution of conflicts related to the multi-county regional growth strategy and transportation plan.

R. Make appointments to committees and boards of multi-county regional organizations (e.g. Puget Sound Regional Council, Peninsula Regional Transportation Planning Organization) where appointments are requested to represent more than one member agency of the Council. Members appointed to such committees and boards shall represent the consensus of the views of the Council. If consensus is not reached on a particular issue, the members appointed to such committees and boards shall represent the majority and minority views of the Council, in order to accurately portray the status of discussions on that issue.

S. Review this Interlocal Agreement no fewer than every 10 years with the assistance of legal counsel.

VI. FINANCING

A. **Cost Allocation.** All members shall pay the annual cost allocation as described in the Bylaws. If payment by a member is not paid timely after notice of the cost allocation is received, the member is subject to having its membership status revoked by majority vote of the Executive Board.

B. **Local Government Accounting.** All services and transfers of property to the Kitsap Regional Coordinating Council shall be paid and accounted for in accordance with RCW 43.09.210.

VII. FISCAL YEAR AND BUDGET

A. **The Fiscal Year.** The fiscal year shall coincide with the calendar year.

B. **Adoption of Budget.** By September of each year the Executive Board shall adopt a draft annual work program, budget, and cost allocation for the ensuing fiscal year that identifies anticipated activities, goals, revenues, and expenditures for completing the work program. The final work program, budget, and cost allocation for the ensuing year shall be adopted by the Executive Board no later than November of each year. No increase or decrease to the final budget shall occur without the approval of the Executive Board.

C. **Notice of Budget.** On or before September 30, the Executive Board shall provide written notice of the ensuing year's draft budget, work plan, and cost allocation to the designated representative(s) of each member agency. On or before November 30, the Executive Board shall provide written notice of the final budget, work plan, and cost allocation adopted for the ensuing fiscal year to the designated representative(s) of each member agency.

D. **Accounting, Budgeting, and Reporting.** The Council shall be subject to the Budgeting Accounting & Reporting System (BARS) applicable to Category 1 local governments.

E. **Fiscal Agent.** The Council may retain a fiscal agent. The fiscal agent may be a member agency who shall serve, and be subject to removal, pursuant to the terms and conditions as established by agreement between the fiscal agent and the Council.

F. **Contracting.** All contracts made by or on behalf of the Council shall be in accordance with state law, including, but not limited to: Chapter 39.04 RCW, and Chapter 42.23 RCW, and Chapter 42.24 RCW.

VIII. WITHDRAWAL FROM AGREEMENT

Any member agency has the right to withdraw from this Interlocal Agreement by giving the Executive Board six (6) months prior written notice. Unless otherwise provided by future agreement, any member agency that withdraws shall remain responsible for its financial and other obligations with regard to Council activities until the effective date of withdrawal and with regard to agreements to which the Council is a party and which exist at the time of such notice of withdrawal. Withdrawal by one member agency to this Interlocal Agreement shall not terminate the Agreement as to any other remaining member agencies. Except as provided in Article IX of this Agreement, any member agency that withdraws from this Agreement forfeits any rights it may have to the Council's assets; provided, however, such forfeiture shall not take effect if the Council dissolves within one (1) year of the date of the withdrawal notice.

*Adopted by Kitsap County Ordinance 509-2013
November 25, 2013*

IX. DISPOSAL OF ASSETS

Upon dissolution of the Council, any Council assets, after payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement, shall be distributed to member agencies which are members of the Council on the date of dissolution. Distribution of assets shall be in proportion to the funding formula for cost allocation as described in the Bylaws, in accordance with Article VI.B. of the Agreement, and existing at the time of dissolution. The debts, liabilities, and obligations of the Council shall not constitute a debt, liability, or obligation of any member agency. If assets cannot reasonably be distributed in proportion to the funding formula, the Council shall declare the assets to be surplus, and shall offer the assets for sale according to the requirements of chapter 43.19 RCW, and shall distribute the proceeds from the sale in proportion to the funding formula established by the Executive Board in accordance with Article VI.B. of this Agreement.

X. LIABILITY AND INSURANCE

A. Any loss or liability to third parties resulting from negligent acts, errors, or omissions of the Council, Member agencies (excluding Associate Members), Ex Officio Members, and/or employees while acting within the scope of their authority under this Agreement shall be borne by the Council exclusively, and the Council shall defend such parties, at its cost, upon request by the member agency, ex officio agency, and/or employee.

B. The Executive Board shall obtain commercial general liability, and auto liability insurance coverage for the Council, Executive Board, and any staff employed by the Council, at levels no less than \$1 million single occurrence and \$2 million aggregate for each type of liability that is insured. The policy shall name each member agency, and their respective elected officials, officers, agents, and employees as additional insured's. The Executive Board shall annually evaluate the adequacy of the Council's insurance coverage.

C. The Executive Board shall require that all contractors and subcontractors utilized by the Council obtain insurance coverage consistent with Article X.B.

XI. LEGAL REPRESENTATION

The Council may retain legal counsel. Legal counsel may be an employee of a member agency, an outside entity, or an individual. In the event of a conflict of interest, the Council may retain substitute or additional legal counsel. Additionally, Council may retain outside legal counsel concerning any matter the Council deems appropriate. Retained counsel shall serve, and be subject to removal, pursuant to the terms and conditions established by agreement between legal counsel and the Council. An adjustment in cost allocation to Members will be made if the Council retains outside legal counsel.

XII. ENTIRE AGREEMENT

This Agreement supersedes all previous Kitsap Regional Coordinating Council interlocal agreements and all prior discussions, representations, contracts, and/or agreements between the parties relating to the subject matter of this Agreement and constitutes the entire contract between the parties.

XIII. MODIFICATION

Except as provided by Article XIX, the terms of this Agreement shall not be altered or modified unless agreed to in writing by all member agencies and such writing shall be executed with the same formalities as are required for the execution of this document.

XIV. WAIVER

The failure of any party to insist upon strict performance of any of the terms and conditions of this Agreement shall not be construed to be a waiver or relinquishment of same, but the same shall be and remain in full force and effect.

XV. NOTICE

*Adopted by Kitsap County Ordinance 509-2013
November 25, 2013*

Except as provided in Article XVIII of this Agreement, any notice required by this Agreement shall be made in writing to the representative(s) identified in Article IV.B. of this Agreement. Notice is effective on the third day following deposit with the U.S. Postal Service, regular mail.

XVI. SEVERABILITY

If any of the provisions of this Agreement are held illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

XVII. CHOICE OF LAW AND VENUE

This Agreement shall be governed by the laws of the State of Washington, both as to its interpretation and performance. Any action at law, suit in equity, or other judicial proceeding arising in connection with this Agreement may be instituted and maintained only in a court of competent jurisdiction in Kitsap County, Washington.

XVIII. CLAIMS

A. Any claim for damages made under chapter 4.96 RCW shall be filed with the Chair of the Kitsap Regional Coordinating Council, c/o the Clerk of the Kitsap County Board of Commissioners, 614 Division Street, MS-4, Port Orchard, Washington, 98366.

B. Upon receipt of a claim for damages, or any other claim, a copy of the claim will be provided by the Clerk of the Board to each member of the Executive Board.

XIX. EXECUTION AND FILING

A. Counterparts. The parties agree that there shall be multiple original signature pages of this Agreement distributed for signature by the necessary officials of the parties. Upon execution, the executed original signature pages of this Agreement shall be returned to the Clerk of the Kitsap County Board of Commissioners, who shall file an executed original of this Agreement with the Kitsap County Auditor. The Clerk of the Board shall distribute duplicate conformed copies of the Agreement to each of the parties. Parties that sign on as Members at a later date will provide original signature pages of this Agreement to the Clerk of the Kitsap County Board of Commissioners, who shall file the signature pages provided with the Kitsap County Auditor. The Clerk of the Board shall distribute duplicate conformed copies of the signature pages filed later, to each of the parties. Addition of parties at a later date will not constitute a modification under Section XIII of this Agreement.

B. Later Approval and Filing. Later approval and filing of this Agreement by additional parties as set forth in Article IV, Section D, shall be deemed an authorized amendment to the Agreement already on file with the Kitsap County Auditor, without the need for reconsideration and approval by parties that have already approved and executed the Agreement.

XX. EFFECTIVE DATE

This Agreement shall go into effect among and between the parties upon its execution by all of the parties, as evidenced by the signatures and dates affixed below and upon its filing with the County Auditor as provided in Article XIX.

Adopted 2004

Appendix F: Regional and Kitsap Designated Centers List

Regional (Adopted by PSRC)	City of Bremerton	Metro Center
	Silverdale Urban Core	Urban Center
	South Kitsap Industrial Area	Industrial/Employment Center
Jurisdiction	Jurisdiction's (Comp Plan) Designation	KRCC Center Designation
Kitsap County	Kingston	Town or City Center/Transportation Hub
Kitsap County	Southworth	Transportation Hub
Kitsap County	Suquamish	Activity/Employment Center~ Transportation Hub
City of Bremerton	Harrison Employment Center	Activity/Employment Center
City of Bremerton	NW Corporate Campus Employment Center	Activity/Employment Center
City of Bremerton	Port Blakely Employment Center	Activity/Employment Center
City of Bremerton	Upper Wheaton District Center	Mixed Use Center/ Neighborhood
City of Bremerton	Lower Wheaton District Center	Mixed Use Center/ Neighborhood
City of Bremerton	Sylvan/Pine Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Perry Avenue Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Manette Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Charleston Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Haddon Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Winslow Core	Town or City Center
City of Bainbridge Island	Day Road Light Manufacturing Area	Activity/Employment Center
City of Bainbridge Island	Lynnwood - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Rolling Bay - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Island Center - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Poulsbo	Poulsbo Town Center	Town or City Center
City of Poulsbo	Olhava	Mixed Use Center/ Neighborhood
City of Port Orchard	City of Port Orchard	Town or City Center/ Transportation Hub
City of Port Orchard	Tremont Community Services	Activity/Employment Center
City of Port Orchard	South Kitsap Mall – Mixed Use Center	Mixed Use Center/ Neighborhood
Kitsap Transit	Historic Mosquito Fleet Terminals	Transportation Hub

*- Special Planning Areas

Appendix G: Centers & Local Areas of More Intensive Rural Development (LAMIRD) Matrix

	Type of Growth	UGA Criteria Apply (per GMA)	Mixed Use: High Density Residential with Jobs	<u>Federal Funding Cycles</u> PSRC- managed Transportation Funding : Centers & Corridors *
Incorporated UGA	Urban	Yes	Yes	N/A
Unincorporated UGA	Urban	Yes	Yes	N/A
PSRC Centers: • Regional • Industrial/Employment	Urban	Yes	Yes	Regional Competitive & Countywide
Kitsap Regional Coordinating Council Centers				
Town/City Center	Urban	Yes	Yes	Countywide
Mixed Use/Neighborhood	Urban	Yes	Yes	
Employment/Activity	Urban if in UGA; Rural if outside UGA		Limited if not in UGA	
Transportation Hubs	Urban if in UGA; Rural if outside UGA			
Fully Contained Communities	Urban	Yes	Yes	Countywide if designated as Kitsap Center
Master Planned Resorts	Recreational	No	Limited	Rural set-aside **
LAMIRDs	In-fill Consistent with Existing Character	No	Limited to Existing density with no intensification of use	Rural set-aside **
Industrial in Rural	Employment/Activity Resource-based Industrial	No	No	Rural set-aside **
Rural	Non-urban Rural Character	No	No	Rural set-aside **
Resource Lands	No Residential Growth	Limited	No	Rural set-aside **

* Non-motorized/Enhancement Transportation Funding can be used anywhere in Kitsap County.

** 10% each funding cycle, set by federal statute (1991).

ORDINANCE NO. 522-2015

RELATING TO GROWTH MANAGEMENT, AMENDING THE COUNTY-WIDE
PLANNING POLICIES

BE IT ORDAINED:

Section 1. The Kitsap County Board of County Commissioners makes the following Findings:

- A. The Kitsap County County-wide Planning Policies (CPPs) are intended to establish a county-wide framework from which county and city comprehensive plans are developed and adopted pursuant to RCW 36.70A.210 of the Washington State Growth Management Act (GMA).
- B. The CPPs are developed through a cooperative and collaborative process that involves the Cities of Bainbridge Island, Bremerton, Port Orchard and Poulsbo, as well as the Suquamish and Port Gamble S'klallam Tribes, through the Kitsap Regional Coordinating Council (KRCC).
- C. Kitsap County has adopted County-wide Planning Policies that promote contiguous and orderly development and establish provisions for urban services to such development, as well as policies for siting public capital facilities of county-wide or statewide nature, affordable housing, coordinated county and city Urban Growth Area (UGA) planning, economic development and employment, and participation with local tribes.
- D. Planning is an iterative process; therefore, it is appropriate that the County-wide Planning Policies should be reviewed and assessed through the KRCC at least every five years, with revisions, if necessary consistent with the State Growth Management Act, Ch. 36.70A RCW.

Section 2. General Procedural Findings. The Kitsap County Board of Commissioners makes the following findings regarding the process and public participation aspects of amending the County-wide Planning Policies:

- A. The Kitsap County Regional Coordinating Council is an organization consisting of elected officials from Kitsap County, the four Kitsap County cities, Bainbridge Island, Bremerton, Poulsbo and Port Orchard, as well as the Suquamish and Port Gamble S'Klallam Tribes. One of the functions of the KRCC is to coordinate land use planning throughout Kitsap County.
- B. Beginning in 2013, the Kitsap Regional Coordinating Council began an update process for the Countywide Planning Policies in order to establish Population and Employment Targets for the 20-year planning horizon.
- C. On March 3, 2015, the Kitsap Regional Coordinating Council held a work study session on the proposed Countywide Planning Policies.

D. On March 3, 2015, the Kitsap County Coordinating Council submitted the proposed amendments to the Washington State Department of Commerce for State Agency 60-Day Review.

E. On April 7, 2015, the Kitsap County Coordinating Council conducted a public hearing on the proposed amendments. Two residents of unincorporated Kitsap County testified.

D. On April 7, 2015, the Kitsap Regional Coordinating Council approved the proposed amendments and forwarded the proposed Countywide Planning Policies to Kitsap County to begin the County's legislative process.

E. On April 13, 2015, State Environmental Protection Act (SEPA) checklists were completed and submitted to the County's SEPA official.

F. On April 15, 2015, the SEPA official issued a Determination of Nonsignificance. A fourteen day appeal period was opened. No appeals were submitted by the requisite date of April 30, 2015.

G. On May 11, 2015, the Board of Commissioners held a hearing to consider the proposed revision to the countywide planning policies.

H. Pursuant to Appendix A of the CPPs, Ratification Process, the Cities of Bremerton, Bainbridge Island, Port Orchard and Poulsbo, and the Suquamish and S'Klallam Tribal Councils must ratify the amendment within 90 days of the date of the County's adoption of this Ordinance. If at least three Cities fail to ratify the amendment within this timeframe, the amendments to the CPPs shall not take place and the matter shall be referred back to the Kitsap Regional Coordinating Council for further discussion.

Section 3. The Kitsap County Board of Commissioners find that the following proposed revisions to the CPPs are appropriate and should be adopted. These changes are summarized as follows and set forth in Attachment A, which is incorporated by reference herein:

A. Changes:

1. Appendix B-1:

- i. Corrects a scrivener's error regarding the Silverdale Urban Growth Area 2010 Census population.
- ii. Finalizes a shift in Population Growth of 1,000 people from the Central Kitsap Urban Growth Area to the Silverdale Urban Growth Area.
- iii. Extends the Planning Horizon to 2036, reflecting Washington State Department of Commerce recommendation.

2. Appendix B-2: Amendment adopts 20-Year Employment Targets for all

Kitsap jurisdictions extending to 2036.

B. All other provisions in the CPPs, as adopted by Kitsap County Ordinance 509-2013, remain unchanged.

Section 4. Effective Date. This ordinance shall take effect upon the earliest date that it is ratified by at least three Cities within the County.

Section 5. Severability. If any provision of this Ordinance, or its application to any person, entity or circumstance is for any reason held invalid, the remainder of the Ordinance, or the application of the provision to other persons, entities or circumstances is not affected.

Section 6. Clerical/Typographical Error. Should this Ordinance, upon being enacted by the Kitsap County Board of Commissioners during its deliberations on May 11, 2015, have anything inadvertently left out or in error upon publication, the explicit action of the Board as discussed and passed shall prevail upon subsequent review and verification by the Board.

DATED THIS 11th day of May, 2015

KITSAP COUNTY BOARD OF
COMMISSIONERS



Robert Gelder

ROBERT GELDER, CHAIR

Charlotte Garrido

CHARLOTTE GARRIDO, COMMISSIONER

Edward E. Wolfe

EDWARD E. WOLFE, COMMISSIONER

Dana Daniels

Dana Daniels
Clerk of the Board

Approved as to form:

Shelley G. Kreep

Deputy Prosecuting Attorney

Adopted 2004

Appendix F: Regional and Kitsap Designated Centers List

Regional (Adopted by PSRC)	City of Bremerton	Metro Center
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	South Kitsap Industrial Area	Industrial/Employment Center
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Kitsap County	Southworth	Transportation Hub
Kitsap County	Suquamish	Activity/Employment Center~ Transportation Hub
City of Bremerton	Harrison Employment Center	Activity/Employment Center
City of Bremerton	NW Corporate Campus Employment Center	Activity/Employment Center
City of Bremerton	Port Blakely Employment Center	Activity/Employment Center
City of Bremerton	Upper Wheaton District Center	Mixed Use Center/ Neighborhood
City of Bremerton	Lower Wheaton District Center	Mixed Use Center/ Neighborhood
City of Bremerton	Sylvan/Pine Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Perry Avenue Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Manette Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Charleston Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bremerton	Haddon Neighborhood Center	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Winslow Core	Town or City Center
City of Bainbridge Island	Day Road Light Manufacturing Area	Activity/Employment Center
City of Bainbridge Island	Lynnwood - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Rolling Bay - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Bainbridge Island	Island Center - Neighborhood Service Centers*	Mixed Use Center/ Neighborhood
City of Poulsbo	Poulsbo Town Center	Town or City Center
City of Poulsbo	Olhava	Mixed Use Center/ Neighborhood
City of Port Orchard	City of Port Orchard	Town or City Center/ Transportation Hub
City of Port Orchard	Tremont Community Services	Activity/Employment Center
City of Port Orchard	South Kitsap Mall – Mixed Use Center	Mixed Use Center/ Neighborhood
Kitsap Transit	Historic Mosquito Fleet Terminals	Transportation Hub

*- Special Planning Areas

Policy LU-30 Ensure land use designations and development support existing maritime industries, promote creative uses of the waterfront, and facilitate the planning and construction of waterfront parks and gathering places.

2.7 The Centers Strategy

2.7.1 Introduction

The post-war 1920s have become synonymous with the beginning of a development pattern known as urban sprawl. Sprawl expands development over large amounts of land, resulting in long distances between homes, jobs, and stores. It also significantly increases dependence on the automobile and traffic on neighborhood streets and highways, as driving is required for nearly every activity. This development pattern also draws economic resources away from existing communities and spreads them thinly and inefficiently, far away from a community's historic core. This increases spending on new roads, new water and sewer lines, and police and fire protection. This ultimately leads to the degradation of the older city, higher taxes, and fewer available resources for already existing communities. In the early 1990s, Washington sought to combat this adverse development style by adopting the GMA. Among other ambitions, the GMA suggested a new development pattern broadly known as Centers.

The criteria for designation of a center of local importance are found in the Puget Sound Regional Council (PSRC) VISION 2040, which is a regional strategy for accommodating the expected 2040 population of the Puget Sound region. According to VISION 2040, local centers serve important roles as sub-regional hubs and secondary concentrations of development. They provide a dense mix of housing and services, such as stores, medical offices, and libraries. They serve as focal points where people come together for a variety of activities, including business, shopping, living, and recreation. They often have a civic character with community facilities, such as municipal buildings and other public places. Local centers should be served by regular local transit and regional express transit service, and should have a complete network of sidewalks and access to bicycle paths and transit facilities.

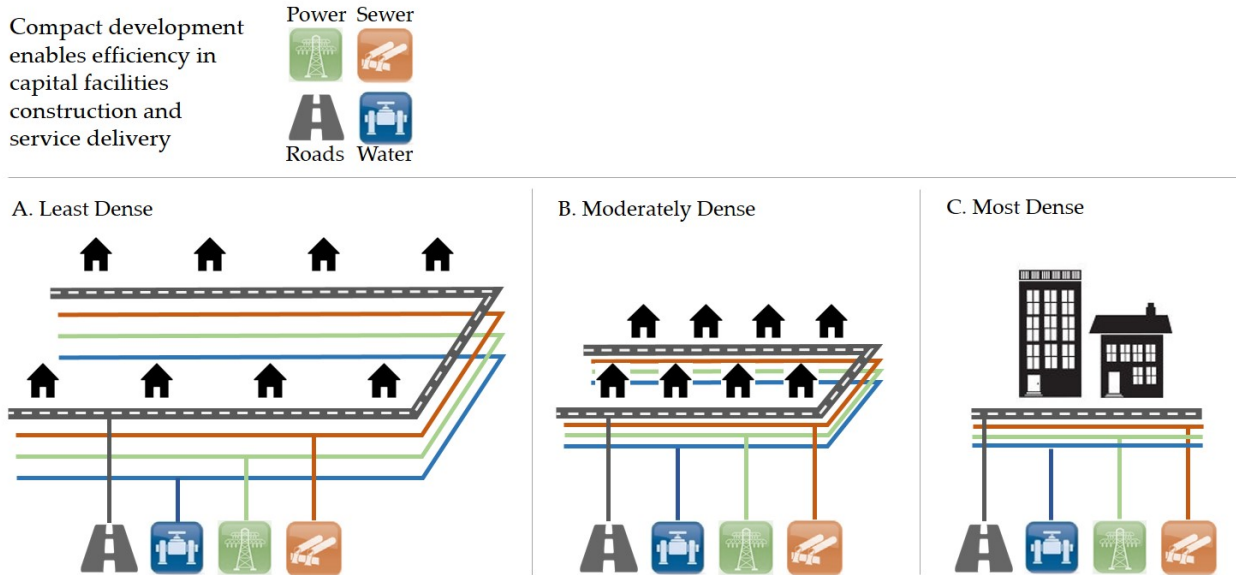


Figure 3 – The advantages of infrastructure and land use concurrency

2.7.2 What are Centers?

Traditional neighborhoods often had smaller business districts that served surrounding residential areas. These districts typically had retail shops, markets, and services that were a short walk from the homes in the area. Additionally, these districts created a unique identity that solidified the neighborhood. With the increased cost of fuel and the economic recession, residents of Port Orchard have expressed a preference for the development of smaller, local retailers and service providers in places that knit people and commerce together on a local level.

Centers are focused areas of development that have key uses which enable the City to deliver services more cost-efficiently and equitably, pursue a development pattern that is environmentally and economically sound, and provide a means of influencing growth and change through collaboration with the community in planning for the future of these areas. This strategy helps to accommodate growth in designated areas while preserving the existing character of the community, thereby retaining more open space and the dominant pattern of existing development. Centers accomplish these objectives by:

- Concentrating a thoughtful mix of supporting uses.
- Allowing more intense development while maintaining appropriate scale.
- Offering a wider variety of housing types that meets the needs of the broader community.
- Minimizing the dependence on vehicle trips.

The Centers strategy is a comprehensive and long-term approach to planning for a sustainable future that helps preserve those aspects of the community that residents value. This approach is intended to maximize the benefit of public investment in infrastructure and services and promote collaboration with private interests and the community to achieve mutual benefits.

Providing opportunities for residents, jobs, stores, services, and open spaces to be located in close proximity can reduce the reliance on cars for shopping and commuting and offer better access to daily wants and needs. Increasing residential and employment densities in key locations makes transit and other public services convenient for more people and therefore makes these services more efficient.



Figure 4 – Community Recreation Space

The CPPs define four different types of Centers:

1. Town or City Centers
2. Mixed-Use Centers
3. Activity/Employment Centers
4. Transportation Hubs

To see more detailed definitions of these Centers please refer to the Kitsap County Countywide Planning Policies.



Figure 5 – Rendering of a concept for a pedestrian-focused town center.

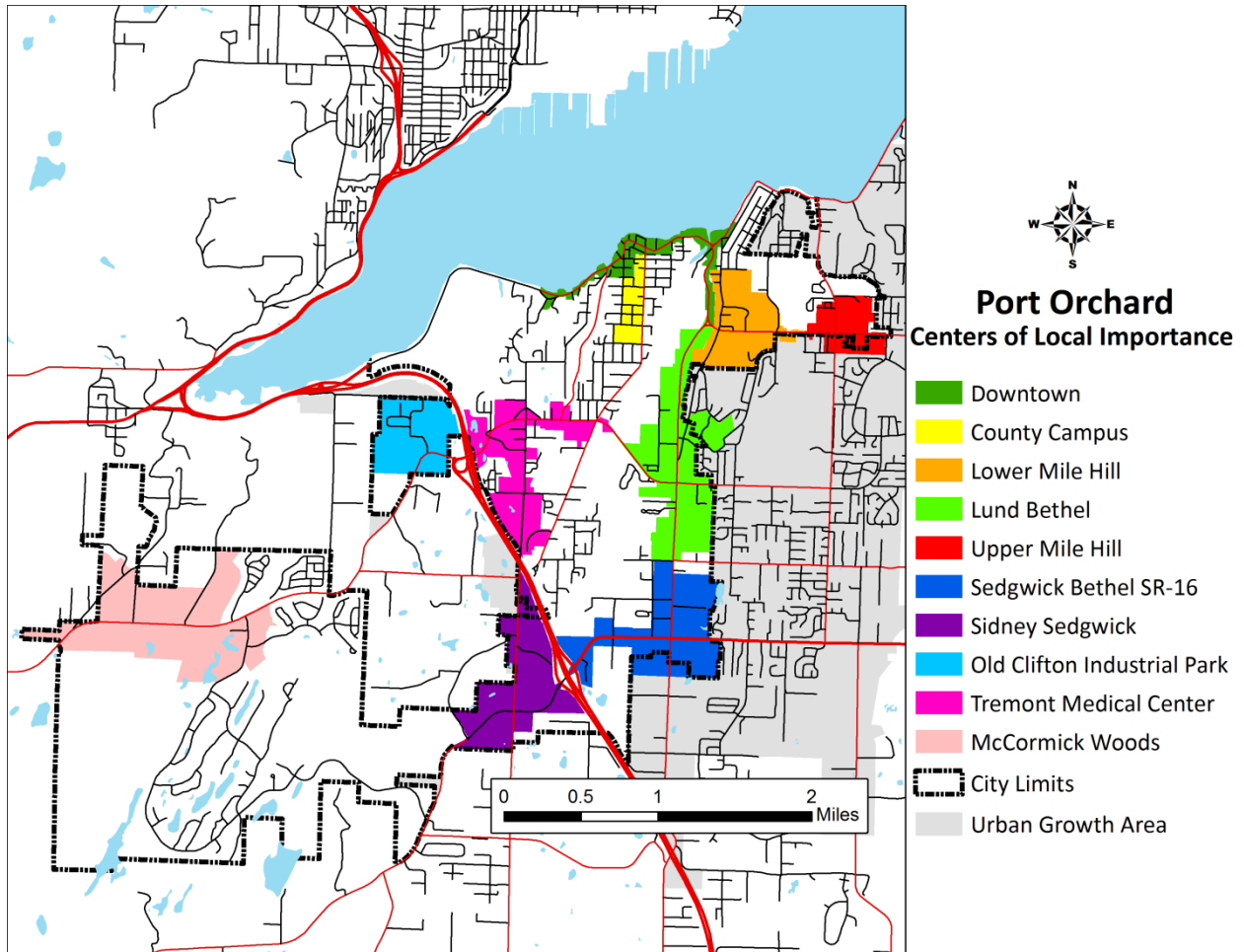
2.7.3 Designated Local Centers (Existing and Planned)

Prior to 2014, Port Orchard had 3 identified local centers in its comprehensive plan; the Downtown, the Tremont Center and the South Kitsap Mall Centers. After completing a series of annexations, the City Council filed a comprehensive plan amendment in 2014 to expand the number of designated local centers within Port Orchard. Sub-area planning had previously occurred for some of these areas while other newly designated areas were identified as areas for which subarea planning would need to occur in the future.

The following Center's of Local Importance (local centers) have been designated through the City's comprehensive planning process:

1. Downtown Port Orchard (City Center)
2. Tremont Medical Center (Activity/Employment Center)
3. County Campus (Activity/Employment Center) – Previously known as the Government/Civic Center District
4. South Kitsap Mall/Lower Mile Hill (Mixed Use Center)
5. Upper Mile Hill (Mixed Use Center)

6. Sedgwick Bethel (Mixed Use Center)
7. Tremont/Lund/Bethel (Mixed Use Center)
8. Sedgwick/Sydney (Mixed Use Center)
9. Old Clifton Industrial Park (Activity/Employment Center)
10. McCormick Woods/Old Clifton (Mixed Use Center)



2.7.4 General Center Goals and Policies

The following are a list of general goals and suggested policies that Centers should seek to fulfill. Although Centers have common elements, it should be acknowledged that each Center is unique and have/will have a different set of priorities. Centers goals should be tailored to the specific Center in question. Generally, Centers should seek to:



City of Port Orchard Work Study Session Executive Summary

Issue Title: Kitsap County McCormick Woods Traffic Impact Fees

Meeting Date: January 15, 2019

Time Required: 20 Minutes

Attendees: Nick Bond, Community Development Director

Action Requested at this Meeting: Provide feedback and direction to staff and the Mayor.

Background/Issue: McCormick Woods was annexed into Port Orchard in 2009. Prior to annexation, Kitsap County collected traffic impact fees for McCormick Woods which remain unspent. These fees have sat and collected interest and as of January 10, 2019, total \$402,678.55 in accordance with information provided by Eric Baker with the County. Pursuant to section 12 of the attached 2005 McCormick Transportation Agreement with Kitsap County, upon annexation these funds were to be transferred to Port Orchard, provided that the City agreed to be bound by the agreement. The City has assumed the County’s role with regard to other portions of this agreement, yet these funds have not been transferred.

Staff has discussed a variety of options for enforcing this agreement. One option would be for the City to simply invoice the County for the \$402,678.55 impact fee fund balance. Section 12 from the attached development agreement reads:

12. **Annexation.** As provided by RCW 36.70B.190, while this Agreement is in effect, “the agreement is binding on . . . a city that assumes jurisdiction through incorporation or

annexation of the area covering the property covered by the development agreement.” In the event McCormick Urban Village is annexed or incorporated into a municipality, and the municipality agrees that it is bound by this agreement, all impact fees collected by Kitsap County pursuant to this Agreement that represent the proportional share of the costs for system improvements reasonably related to the McCormick Urban Village regional system improvements that are listed in the Capital Facilities Plan and that are available at the time of annexation shall be conveyed to the municipality for use in funding construction of the necessary transportation system improvements which are the subject of this Agreement.

Relationship to Comprehensive Plan: The collection and expenditure of traffic impact fees for approved transportation projects is consistent with the City’s transportation impact fee ordinance (Ord. 023-15), which has been adopted into the Comprehensive Plan by reference (Appendix B).

Alternatives: Various.

Recommendations: Staff recommends that Council discuss this issue and the possible alternatives for moving forward, and provide direction to staff.

Attachments: 2005 Development Agreement with McCormick Woods

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McCORMICK URBAN VILLAGE

DEVELOPMENT AGREEMENT FOR TRANSPORTATION

THIS AGREEMENT is entered into between Kitsap County, a Washington municipal corporation ("the County"), and GEM I LLC, a Washington corporation ("GEM").

RECITALS

A. WHEREAS, GEM is the owner of the undeveloped lands included in the South Kitsap UGA/ULID #6 Sub-Area Plan ("Plan"), known as "McCormick Urban Village"; and

B. WHEREAS, Kitsap County has adopted Kitsap County Code ("KCC") Chapter 17.428, "Master Planning Requirements for the South Kitsap UGA/ULID #6 Sub-Area" to implement the Sub-Area Plan; and

C. WHEREAS, GEM has applied for a Master Plan Approval under Application No 0418788 pursuant to the requirements of KCC Chapter 17.428 for portions of the McCormick Urban Village north of Old Clifton Road designated Urban Cluster Residential, and known as McCormick North Phases I and II; and

D. WHEREAS, Kitsap County Code Section 17.428.060(B)(6) requires that the Master Plan Application include a plan for "the phasing of on and off-site public-street and transportation facilities (e.g., sidewalks, bike and pedestrian trails and paths, bus stops, street lights, traffic signals, utilities or improvements of adjacent streets) consistent with Titles 18 and 19. . . ."; and

E. WHEREAS, Kitsap County Code 17.428.060(B)(6)(c)(ii) requires that the Master Plan Application's transportation analysis "identify potential methods for funding the design and construction of the system improvements needed to serve the affected areas at full build-out"; and

F. WHEREAS, in the Master Plan Scoping Summary Report for McCormick North - Phase I, dated April 21, 2004, the Department of Community Development ("DCD") required that the master plan include a full transportation phasing plan including funding sources for McCormick Urban Village (i.e., the entire area that is subject to the ULID #6 Sub-Area Plan); and

G. WHEREAS, Kitsap County Code Section 4.110.230(C), Independent Fee Calculations, allow developers to submit and the County to approve an independent fee calculation for a particular development that replaces the fees in KCC 4.110.200 or 4.11.210; and

H. WHEREAS, GEM has submitted, as part of the Master Plan Application, the McCormick Urban Village Transportation Plan, which assesses the traffic impacts of and identifies the Kitsap County transportation system improvements needed to support the full build

Development Agreement - 1

out of McCormick Urban Village, estimates the costs of constructing the identified system improvements, and calculates the traffic impact fees that represent the development's proportionate share of these system improvements; and

I. WHEREAS Kitsap County has reviewed the McCormick Urban Village Transportation Plan for compliance with all adopted standards and requirements; and

J. WHEREAS, the Kitsap County Departments of Community Development ("DCD") and Public Works have reviewed the fee calculations submitted by GEM as part of the Transportation Plan and determined 1) that the traffic improvements identified in the Transportation Plan and listed here in Exhibit A mitigate the traffic impacts of the full build-out of the McCormick Urban Village; and 2) that the traffic impacts fees set forth in this Agreement fund 100% of the McCormick Urban Village's proportionate share of the estimated costs of the necessary transportation system improvements within the jurisdiction of Kitsap County, as well as contribute to the funding of the regional improvements which are the subject of the regional traffic impact fees already imposed pursuant to KCC Chapter 4.110; and

K. WHEREAS, the parties wish to assure that the traffic impact fees collected within the area of the McCormick Urban Village are expended to fund the required system improvements; and

L. WHEREAS, the parties anticipate that development of McCormick Urban Village will occur over a period of years and that they wish to implement a plan for funding and constructing the required Kitsap County transportation system improvements at such time as impacts occur and improvements are warranted; and

M. WHEREAS, the parties wish to have an assurance that the increase in impact fees provided by this Agreement satisfies Kitsap County's requirements to mitigate traffic impacts projected to occur to the County's transportation system as the result of the build-out of McCormick Urban Village, and

N. WHEREAS, GEM wishes assurance that it will receive impact fee reimbursements, as appropriate, from Kitsap County if and when GEM constructs certain transportation system improvements, which are listed in the Transportation Plan and would otherwise be constructed by Kitsap County; and

O. WHEREAS Kitsap County has jurisdiction over land within unincorporated Kitsap County and is authorized under RCW 82.02.050-.090 and KCC Chapter 4.110 to impose impact fees to pay for system improvements that are reasonably related to the new development; and

P. WHEREAS, RCW 36.70B.170, *et. seq.*, authorizes counties to enter into development agreements providing for, among other things, "development standards and other provisions that shall apply to and govern and vest the development, use, and mitigation of the development."

AGREEMENT

NOW, THEREFORE, the County and GEM agree as follows:

1. **Applicability.** This Agreement applies only to those parcels within the McCormick Urban Village, shown on the map attached as Exhibit C, that are owned by GEM as of the execution date of this Agreement and listed in Exhibit D, and to parcels within the McCormick Urban Village which are acquired by GEM after the date of this Agreement. GEM will notify the County of any such purchase so that the later-purchased parcels can be incorporated into the County's tracking system designed to carry out this Agreement. In accordance with section 19 below, subsequent sales of these parcels will not affect this Agreement's applicability. Any reference to ULID #6 or McCormick Urban Village for purposes of collecting or reimbursement of impact fees shall be limited to the applicable parcels.
2. **County Adoption of Alternative Fees.** Kitsap County hereby adopts, pursuant to KCC 4.110.230(C), the McCormick Urban Village Traffic Impact Fees attached hereto as Exhibit A. Funds generated by fees paid pursuant to Exhibit A shall be expended on transportation system improvement projects listed in Exhibit A, so long as the improvement has been listed on the County's Transportation Improvement Program (TIP) pursuant to Section 3 of this Agreement, provided the portion of the fee designated as the "regional per trip fee" is still to be expended on regional improvements within the applicable service area to the extent that those regional improvements are located outside the McCormick Urban Village, and provided the administrative fee specified in Exhibit A shall be retained by Kitsap County and placed in the general fund. In the event that the fee schedule in KCC 4.110.200 for regional improvements outside the McCormick Urban Village is adjusted in the future, the "regional per trip fee" set forth in Exhibit A shall be adjusted accordingly.
3. **County Inclusion of Projects in Six-Year TIP.** When appropriate, in its annual update of its Six-Year Transportation Improvement Program (TIP), Kitsap County shall include, as warranted, the appropriate transportation system projects from the McCormick Urban Village Transportation Plan. The Conceptual Improvement Phasing Plan in the McCormick Urban Village Transportation Plan shall be reviewed and modified as appropriate at the time of the TIP update, taking into consideration county resources and competing priorities, in order to assure that Kitsap County transportation system improvements anticipated for various portions of the McCormick Urban Village are developed reasonably concurrent with the residential and other uses of McCormick Urban Village and other developments which generate the need for such improvements.
4. **County Construction of Improvements.** As funding allows, Kitsap County (or GEM, pursuant to Section 5 of this Agreement) shall construct the transportation system improvements identified in Exhibit A, according to the McCormick Urban Village Transportation Plan. The County anticipates that GEM will construct the Glenwood Connector Roadway improvement as well as the Clifton Road \ Feigley Road intersection

Development Agreement - 3

improvement except for the traffic signal. The timing of construction of such improvements shall be reviewed and modified as appropriate at the time of specific land use approvals for development within McCormick Urban Village in order to assure that Kitsap County transportation system improvements anticipated for various portions of the McCormick Urban Village are developed reasonably concurrent with the residential and other uses of McCormick Urban Village and other developments which generate the need for such improvements.

5. **GEM Construction of Improvements.** With the County's prior approval, GEM may construct improvements that this Agreement anticipates will be constructed by Kitsap County under Section 4 above. In the event that GEM constructs projects pursuant to this Section, the design and construction thereof shall be coordinated with and approved by the Kitsap County Departments of Community Development and Public Works, shall be subject to Kitsap County permit requirements in effect at the date of application for construction permits, and shall be subject to the requirements of RCW Chapter 39.04 to the extent the improvement can be classified as a public work. As described below, for each such improvement so constructed, GEM may apply for an impact fee reimbursement.
6. **Reimbursement for Construction by GEM.** As allowed by KCC Chapter 4.110 and to the extent funds are available, the County shall reimburse GEM for the cost of construction. Such reimbursement shall be paid from non-regional impact fees actually collected by Kitsap County from development within the McCormick Urban Village pursuant to this Agreement, and other approved sources of funds for construction of County road improvements. The reimbursement from impact fees shall be equal to thirty-five percent (35%) of the sub-area impact fees collected pursuant to this Agreement. These funds shall be paid to GEM after GEM applies for reimbursement for the improvement GEM constructed and the reimbursement amount has been calculated and approved by Kitsap County, and then annually thereafter until the approved reimbursement amount for that project has been fully repaid. If GEM constructs multiple improvements, each reimbursement request will be evaluated separately, and will not increase the percentage reimbursed, but will be added to the total amount to be reimbursed. In the event that GEM constructs more than thirty-five percent of the improvements listed in Exhibit A, the parties will meet and modify, if necessary and as appropriate, the percentage of the sub-area impact fees to be paid to GEM as reimbursement.

In no event shall GEM be entitled to reimbursements pursuant to this Agreement which are in excess of amounts actually spent constructing improvements listed on Exhibit A and in no case shall GEM be reimbursed for improvements not listed on Exhibit A.

These provisions are intended to assure that GEM pays its proportionate share of the cost of the improvements subject to this Agreement through the payment of impact fees and that Kitsap County pays for the share of the cost of the improvements which are attributable to existing traffic and/or traffic generated by other development, consistent with KCC Chapter 4.110 relating to Roads Impact Fees.

7. **Limits on County Authority.** Nothing in this Agreement shall be construed as limiting Kitsap County's authority to assess fees or impose conditions requiring construction of traffic improvements on projects outside the area which is the subject of the McCormick Urban Village.
8. **Projects Outside Kitsap County Jurisdiction.** At such time as Kitsap County enters into a formal agreement regarding funding of transportation improvements with any other jurisdiction, such as WSDOT or the City of Port Orchard, and such agreement provides for the imposition of additional traffic impact fees for specific projects administered by such other jurisdictions, GEM and Kitsap County agree to amend this Agreement so that future development within McCormick Urban Village shall be subject to such additional fees.
9. **Dedication of Right-of-Way.** To the extent that road improvements which occur pursuant to this Agreement require additional right-of-way, GEM will dedicate that portion of the additional right-of-way which is to be located on property owned by GEM or its affiliates. Such dedications shall occur within a mutually agreeable timeframe prior to the bid solicitation for the project requiring the additional right-of-way.
10. **County Adoption of Special Non- Motorized Mitigation Payment.** Kitsap County shall adopt, as a SEPA mitigation measure, the McCormick Urban Village Non-Motorized Mitigation Fee in the amount of \$8.69 per trip as more specifically set forth in the McCormick Urban Village Transportation Plan. This fee is intended to represent a proportionate share payment to address the impacts of the McCormick Urban Village. The revenue from this fee shall be used in part for the design and construction of a regional bike lane along Old Clifton Road between Sunnyslope Drive and the Port Orchard City limits at SR-16, as identified in the Kitsap County Bicycle Facilities Plan (May 2001). The Non-Motorized Mitigation Fee shall be collected in accordance with KCC Chapter 4.110 and in addition to the Traffic Impact Fees described in Section 2 of this Agreement. The timing of the construction of the regional bike lane will be coordinated with other improvements to Old Clifton Road, the schedule for which shall be determined by Kitsap County as set forth in Sections 3 and 4, above.
11. **Concurrency.** Kitsap County agrees that adoption and implementation of this Development Agreement will provide adequate road system capacity for the full build-out of the McCormick Urban Village in accordance with the adopted ULID #6 Sub-Area Plan. A concurrency approval for full build-out of the McCormick Urban Village in accordance with the adopted ULID #6 Sub-Area Plan shall be issued by Kitsap County. No further concurrency applications will be required for future development applications which are consistent with the adopted ULID #6 Sub-Area Plan. Kitsap County reserves the right to require concurrency review and approval for future development within the McCormick Urban Village to the extent that such development exceeds the levels approved by that Sub-Area Plan.
12. **Annexation.** As provided by RCW 36.70B.190, while this Agreement is in effect, "the agreement is binding on . . . a city that assumes jurisdiction through incorporation or

annexation of the area covering the property covered by the development agreement.” In the event McCormick Urban Village is annexed or incorporated into a municipality, and the municipality agrees that it is bound by this agreement, all impact fees collected by Kitsap County pursuant to this Agreement that represent the proportional share of the costs for system improvements reasonably related to the McCormick Urban Village regional system improvements that are listed in the Capital Facilities Plan and that are available at the time of annexation shall be conveyed to the municipality for use in funding construction of the necessary transportation system improvements which are the subject of this Agreement.

13. **Vesting Rules.** This Agreement shall remain in effect for all development within the McCormick Urban Village that is listed in the ULID #6 Sub-Area Plan for a period ending 15 years after the completion of construction of all of the improvements listed in Exhibit A. Kitsap County will not impose additional transportation impact fees against development that pays impact fees pursuant to this Agreement except to the extent that the fee for regional improvements outside the McCormick Urban Village is modified as set forth in Section 2. With respect to McCormick North Phase II, South Kitsap School District shall not be required to pay any impact fees now or later established under the provisions of this Agreement so long as the school site is used for school purposes.
14. **Application of KCC Chapter 4.110.** Except as provided under Paragraph 13, the provisions of KCC 4.110, as now or hereafter amended, shall apply to the fees collected pursuant to this Agreement, including but not limited to, establishing procedures for collection of impact fees, requirements regarding the point in time when fees must be paid, adjustments based on the Consumer Price Index, and exemptions from impact fee requirements for certain uses.
15. **Indemnification.** To the fullest extent permitted by law, GEM shall indemnify, defend, and hold harmless the County, its elected and appointed officials, officers, employees and agents from and against all claims, actions, suits, liability, loss, expenses, damages and judgments, including attorneys fees and costs, regarding the collection and/or reimbursement of impact fees pursuant to this Agreement. In the event that a court of competent jurisdiction determines that fees collected pursuant to this Agreement have been improperly collected, the party holding such fees (including any fees that have been paid to GEM as a reimbursement pursuant to this Agreement) shall be refunded to the original payor(s) of the impact fees. In the event that a court of competent jurisdiction determines that the collection of impact fees to pay for any of the road projects listed in Exhibit A is improper, the fee established by this Agreement shall be adjusted accordingly, and the SEPA review process for all subsequent land use approvals for development within McCormick Urban Village shall include an evaluation of the need for and allocation of responsibility for design and construction of the improvements that were originally intended to be constructed using the impact fees established by this Agreement.

16. **Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable, in whole or in part, the validity of the remaining provisions will not be affected, and the parties' rights and obligations will be construed and enforced as if the Agreement did not contain the particular provision held to be invalid. If any provision of the Agreement conflicts with any statutory provision of the State of Washington, the provision will be deemed inoperative to the extent of the conflict or modified to conform to statutory requirements.
17. **Amendments.** Except as otherwise provided in this Section, no change or modification of this Agreement shall be valid unless the same is in writing and is signed by the authorized representatives of Kitsap County and GEM. No purported or alleged waiver of any of the provisions of this Agreement shall be binding or effective unless in writing and signed by the party against whom it is sought to be enforced.
18. **Serious Threat to Public Health and Safety.** Pursuant to RCW 36.70B.170(4), the County reserves the authority to impose new or different regulations to the extent required by a serious threat to public health and safety.
19. **Binding Effect.** This Agreement shall be recorded with the Kitsap County Auditor and shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto. Any city that assumes jurisdiction through incorporation or annexation of the area subject to this Agreement shall also be bound to this Agreement, pursuant to RCW 36.70B.190. A list of parcels subject to this Agreement as of the date of execution of this Agreement is attached hereto as Exhibit D.
20. **Relationship of the Parties.** Notwithstanding any other provision of this Agreement, or any other agreements, contracts, or obligations which may derive herefrom, nothing herein shall be construed to make the County or GEM partners or joint venturers, or to render any other parties liable for any of the debts or obligations of the other parties, it being the intention of this Agreement merely to create the agreements set forth herein with regard to transportation improvements to mitigate the traffic impacts of the McCormick Urban Village.
21. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any action with respect to this Agreement shall be brought in Kitsap County Superior Court, Port Orchard, Washington.
22. **Multiple Originals.** This Agreement may be executed in multiple copies, each of which shall be deemed an original.
23. **Construction.** The captions throughout this Agreement are for convenience and reference only and the words contained in them shall not be held to expand, modify, amplify or aid in the interpretation, construction or meaning of this Agreement. All parties hereto have been represented by legal counsel and accordingly hereby waive the general rule of construction that an agreement shall be construed against its drafter.

EXECUTED by the parties on the dates hereinafter indicated.

DATED: 4/25/05 KITSAP COUNTY BOARD OF COMMISSIONERS



Chris Endresen
CHRIS ENDRESEN, Chair

ATTEST: *Jan Angel*
JAN ANGEL, Commissioner

Opal Robertson
Opal Robertson
Clerk of the Board

Patty Lent
PATTY LENT, Commissioner

APPROVED AS TO FORM:

By: *J. Nickel*
Deputy Prosecuting Attorney

Date: 4-25-05

GEM 1, LLC

By: *Scott D. Wolcott*
Scott D. Wolcott
Managing Member

Date: 4-18-05

California PA#
STATE OF WASHINGTON)
)
Sacramento PA#
COUNTY OF ~~KITSAP~~)

SS.

I certify that I know of have satisfactory evidence that Scott D. Wolcott is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledge it as the

Managing Member of GEM 1, LLC to be the fee and voluntary act of such party for the purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 18th day of April 2005.



P. A. O'Halloran
NOTARY PUBLIC in and for the State of
Washington, residing at Sacramento.
My appointment expires: 01/01/09.

APPROVED AS TO FORM:

By: [Signature]
Attorney for GEM 1, LLC

Date: 4-18-05

EXHIBIT A

	GEM's Proportionate Share ¹
Clifton \ Sunnyslope intersection	126,000
Clifton \ Feigley intersection	235,000
Clifton \ Campus Parkway intersection	371,000
Clifton \ McCormick Woods Drive intersection	110,000
Clifton \ Anderson Hill Road intersection	173,000
Clifton \ Berry Lake Road intersection	165,000
Glenwood Connector Roadway ²	2,000,000
Sunnyslope Road Widening	384,000
Clifton Road Widening	2,000,000
sub-total	5,564,000
Contingency @ 30%	1, 669,200
Total	7,233,200
# of Trips	50,380
Sub-area Per Trip Fee	\$143.57
County administrative fee (1% of sub-area per trip fee)	\$1.44
Regional Per Trip Fee	\$4.56
Total Per Trip Fee	\$149.57

* Does not include the Non-Motorized Fee established pursuant to Section 10.

¹ GEM's Proportionate Share has been calculated using the percent of the impacts on transportation created by the McCormick Village as set forth in the ULID #6 Environmental Impact Statement.

² The Glenwood Connector Roadway will be designated as a system improvement to support the full build-out of McCormick Village. The McCormick Village's fair share of the improvement is 100%. The Glenwood Connector Roadway is not a public work for purposes of RCW chapter 39.04.

EXHIBIT B

MCCORMICK URBAN VILLAGE TRANSPORTATION PLAN

EXHIBIT C

MAP OF McCORMICK URBAN VILLAGE

McCormick Urban Village Transportation Plan

April 25, 2005

Introduction

This Transportation Plan defines transportation improvement needs and an implementation program to support full build out of McCormick Urban Village. The Transportation Plan was prepared pursuant to the requirements of KCC 17.428.060(6), and includes the following components:

- Transportation Analysis
- Transportation Phasing Program
- Independent Roads Impact Fee Calculation

The transportation analysis identifies project transportation impacts and the improvements that will be needed to support full build out of McCormick Urban Village, consistent with the *South Kitsap UGA/ULID#6 Sub-Area Plan*¹.

In addition to identifying transportation improvement needs, the Transportation Plan presents an initial program for phasing improvements based on a conceptual development phasing strategy. The transportation phasing program will be reevaluated and modified, if necessary, as the McCormick Urban Village plan is implemented through master planning and other public permitting processes, in order to assure that transportation improvements occur concurrently with the development which creates the need for the improvements.

The Transportation Plan also includes a proposed program for funding the needed transportation system improvements through modification of the County's Roads Impact Fee. The impact fee program is intended to provide a systematic process for funding transportation improvements to meet County requirements. Consistent with current Kitsap County policy, the proposed program for funding includes the required Kitsap County transportation system improvements.

A *Development Agreement for Transportation* has been drafted to implement this Transportation Plan.

Transportation Analysis

The transportation analysis for the McCormick Urban Village identifies the transportation system needed to support build out of the Sub-Area Plan. It is consistent with the overall transportation needs and strategies identified in the McCormick Urban Village Plan and EIS. This transportation analysis expands the analysis contained in the Plan and EIS to address the specific needs of the McCormick Urban Village. It differs from the analysis contained in the South Plan and EIS to the extent that it does not identify or plan for build out of other potential major developments such as the South Kitsap Industrial Area (SKIA) and the Northwest

¹ The *South Kitsap UGA/ULID#6 Sub-Area Plan*, now known as the *McCormick Urban Village Plan*, was adopted by Kitsap County on December 8, 2003.

Corporate Campus, which will be the subject of separate transportation analyses specific to the impacts of those developments.

The transportation analysis is presented as follows:

- Access and Circulation
- Roads Improvement Plans
- Non-motorized Transportation Facilities
- Transit Service Plan
- Transportation Demand Management Program

Access and Circulation

Old Clifton Road is and will continue to serve as the primary arterial connection between the McCormick Urban Village and the regional transportation system. Old Clifton Road is an east-west corridor, currently classified by the County as a minor arterial. It currently has two travel lanes, with turn lanes at some intersections. To the east of the project site it connects to Tremont Street, which provides access to/from the City of Port Orchard, and to SR-16, which is the state highway connecting Kitsap County to Pierce County, Tacoma and the I-5 corridor. To the west, Old Clifton Road connects Sunnyslope Road and SR-3, the state highway connecting south Kitsap County to central and north Kitsap County, and to Mason County.

A new collector road from the southeast portion of the existing McCormick Woods development to/from Glenwood Road and the SR-16 interchange at Sedgwick Road also is required and will be constructed by January 2006. This connection will serve as an additional access between the McCormick Urban Village and other parts of the Kitsap County road system.

Some of the Village development sites will access Old Clifton Road from existing streets. These include Anderson Hill Road, McCormick Woods Drive, and Feigley Road.

Anderson Hill Road is a north-south, minor arterial north of Old Clifton Road. It is located on the east side of the Master Plan. Only right-turn movements are allowed to/from Anderson Hill Road at SR 16. This route provides ingress to the Master Plan from Bremerton and other areas to the north. Traffic traveling north from the McCormick Urban Village will use Old Clifton Road to connect to SR-16 or will connect to SR-3 via Sunnyslope Road. Anderson Hill Road has two travel lanes and unpaved shoulders. A stop sign provides traffic control at the approach of Anderson Hill Road to Old Clifton Road. Traffic on Old Clifton Road is not presently controlled at this location.

McCormick Woods Drive is a two-lane roadway that provides access and circulation to the existing McCormick Woods residential and golf course development south of Old Clifton Road. At the intersection with Old Clifton Road, McCormick Woods Drive is stop sign controlled. Traffic on Old Clifton Road is not presently controlled at this location.

Feigley Road is a narrow, two-lane roadway with no shoulders. It is located north of Old Clifton Road and connects to Gorst and to the City of Bremerton. Only right-turn movements are allowed to and from Feigley Road at SR-16. A stop sign on Feigley Road controls traffic at its

intersection with Old Clifton Road. Traffic on Old Clifton Road is not presently controlled at this location.

The conceptual land use plan for the McCormick Urban Village identifies additional circulation and access roadways which will be needed to support the full development of the McCormick Urban Village. In order to create a usable parcel for a school site, the existing "old" Feigley Road will be cul-de-sac'd approximately 1,000 feet north of Old Clifton Road and a new extension of Feigley will be constructed along the east boundary of the school site, intersecting Old Clifton Road approximately 1,500 feet east of the existing intersection.

A new access and circulation road system will also be developed within the McCormick West area, including a connection between the new roads in McCormick West and existing McCormick Woods Drive. This connection would provide for local circulation within major areas of the Master Plan without requiring travel on Old Clifton Road. This will enhance connectivity between the residential areas and the village center, community center, parks, and golf course, provide a secondary access point to both McCormick Woods and McCormick West, and reduce potential impacts on Old Clifton Road.

Internal access and circulation roads will be developed as part of the application for each development area. These will include on-site circulation roads and new intersections with Old Clifton Road, Feigley Road, and Anderson Hill Road. The objective is to provide a limited number of new access points along Old Clifton Road to help maintain the capacity and safe operational status of the arterial while providing adequate accessibility for the development.

Roads Improvement Plan

Road improvements that will be required to accommodate the additional traffic generated by the Master Plan were identified based on the proposed development as shown in Table 1. The table identifies the number of vehicle trips that would be generated by each development component. Full build out of the McCormick Urban Village will generate an estimated total of 4,935 trips during the PM peak hour and 50,380 trips per day.

Table 1: Proposed Development and Trip Generation

Development Component	Amount (1)	PM Peak Hour Trips	Daily Trips
McCormick Woods Conference Center		122	1,630
Unbuilt McCormick Woods	471 du's	476	4,740
McCormick North Phase 1 (East)	500 du's	505	5,030
McCormick North Phase II (Feigley)	200 du's	202	2,010
McCormick Woods West	1750 du's	1768	17,610
Village Residential (Multi-Family)	680 du's	422	4,490
Village Business Park	40 Acres	674	5,990
Village Retail	6 Acres	244	2,810
McCormick Woods Retail	4 Acres	163	1,870
Jr High and High Schools	2,500 students	359	4,200
Total		4,935	50,380

(1) The maximum total number of units allowed in McCormick Urban Village (including existing units in McCormick Woods) is 4,162. A slightly higher number of units has been assumed for the purposes of this analysis only.

The development-generated traffic was distributed to the vicinity road system using the same distribution model that was used in the transportation analysis for the McCormick Urban Village Plan. Traffic operations at each affected intersection in the area were evaluated to identify the improvements which will be needed to accommodate the proposed development. Potential intersection improvements that resolve deficiencies are shown in Figure 1 and listed in Tables 2 and 2a. Also included are proposed road widenings for Sunnyslope Road and Old Clifton Road, consistent with the Plan and EIS. Table 2 lists the transportation system improvements within Kitsap County's jurisdiction; Table 2a lists the improvements outside the County's jurisdiction. Kitsap County may choose to require alternative designs for improvements. These could include use of roundabouts instead of traffic signals and channelization.

Table 2: Improvements Within Kitsap County's Jurisdiction

Location	Urban Village Pro-Rata Share (1)	Anticipated Construction Year
Clifton / Sunnyslope Intersection	\$126,000	2011
Clifton / Feigley Intersection	\$235,000	2005
Clifton / Campus Parkway Intersection	\$371,000	2006
Clifton / McCormick Woods Dr Intersection	\$110,000	2009
Clifton / Anderson Hill Rd Intersection	\$173,000	2006
Clifton / Berry Lake Rd Intersection	\$165,000	2006
Glenwood Connector Roadway (2)	\$2,000,000	2005
Sunnyslope Road Widening	\$384,000	2020
Clifton Road Widening	<u>\$2,000,000</u>	2020
	Subtotal	\$5,564,000
	Engineering & Contingency (30%)	<u>\$1,669,200</u>
	Total	\$7,233,200

(1) Costs are in 2004 dollars and are planning level estimates that do not include potential costs for right-of-way acquisition, utility relocation, major structural work, or major environmental mitigation. The inclusion of 30% for engineering plus contingency costs is to allow for right-of-way acquisition outside of GEM/MLC ownership, design, and environmental mitigation. Kitsap County may choose to require alternate designs for improvements, such as roundabouts.

(2) The Glenwood Collector Roadway (a new road) is an addition to the Kitsap County road system. With designation of the McCormick Urban Village within the South Kitsap Urban Growth Area in 2003, which is planned for a mixed-use community of over 4,000 housing units, village center, business park, and recreational uses, this "connector" should be designated as part of the Kitsap County road system. The entire (100%) estimated cost of construction, \$2,000,000, is included in the Urban Village Pro-Rata Share cost.

Table 2a: Improvements Outside of Kitsap County's Jurisdiction

Location
SR-3 / Lake Flora Intersection
SR-3 / Sunnyslope Intersection
Clifton / SR-16 SB Intersection
Clifton / SR-16 NB Intersection
Treemont / Pottery Intersection
Sedgwick / SR-16 NB Intersection

Table 2 also includes estimated costs for the improvements within Kitsap County's jurisdiction. The pro-rata share is the ratio of Village-generated traffic to total traffic at the intersection during the PM peak hour. The pro-rata share ratio was applied to the total improvement cost to arrive at the share of the cost attributable to Village traffic. Total pro-rata share costs of the required transportation improvements within Kitsap County's jurisdiction are estimated at approximately \$7,233,200 to address impacts of the McCormick Urban Village.

Transportation Concurrency

An application for a Certificate of Concurrency is part of this Plan. Concurrency is included in the draft *Development Agreement for Transportation*.

The concurrency standard in Kitsap County is based on level of service (LOS) for road segments. The Kitsap County standard for urban road segments is LOS D or better. Level D means that the road segments must meet a volume-to-capacity ratio of less than 0.90. That is, the projected traffic must be less than ninety percent (90%) of the road capacity.

As applied to the McCormick Village, the concurrency test applies to Old Clifton Road. Capacity for Old Clifton Road is estimated to be 24,000 vehicles per day with the intersection improvements that to be constructed as part of this Plan. As shown in Table 3, the volume-to-capacity ratios along Old Clifton Road with the proposed improvements would be less than 0.90 and, therefore, would meet the County's Concurrency standard.

Kitsap County does not have level of services standards for intersections. Nevertheless, because this is a standard commonly used in other parts of the region, an analysis was conducted to confirm the adequacy of Old Clifton Road with the proposed intersection improvements.

The intersection level of standard commonly used elsewhere in urban areas in the region is Level E. In some places it is Level D. As shown in Table 2, all intersections would operate at LOS D or better with the proposed improvements at full build-out of McCormick Village. This further confirms the adequacy of Old Clifton Road with the proposed intersection improvements and full build-out of McCormick Village.

Table 3: Roadway Volume-to-Capacity Ratios

Location	Capacity	Average Daily Traffic (1)	Volume-to-Capacity (v/c)
Clifton west of SR-16 Ramps	24,000	16,100	0.67
Clifton west of Berry Lake	24,000	19,400	0.81
Clifton west of Anderson Hill	24,000	20,500	0.85
Clifton west of McCormick Woods Dr	24,000	18,800	0.78
Clifton west of Campus Pkwy	24,000	18,200	0.76
Clifton west of Felgley	24,000	16,000	0.67

(1) Average Daily Traffic with build out of McCormick Urban Village.

Non-Motorized Transportation Facilities

Pedestrian and bicycle facilities will be provided throughout the McCormick Urban Village. These improvements are identified in more detail in the McCormick Urban Village Parks, Open Space and Recreation Plan.

In addition to the on-site pedestrian and bicycle facilities, a regional bike lane has been proposed along Old Clifton Road between Sunnyslope Drive and the Port Orchard City limits at SR-16. The bike lane is identified in the Kitsap County Bicycle Facilities Plan (May 2001). To assist Kitsap County in funding and constructing this regional bike lane, the McCormick Urban Village has included the improvement in its transportation mitigation program. A voluntary "nonmotorized transportation mitigation payment" that would apply only to the McCormick Urban Village is proposed for adoption by the KCBOCC. Table 4 shows the estimated cost of this project.

Table 4: Non-Motorized Mitigation Payment

Non-Motorized Improvement	Total Cost (1)	Urban Village Pro-Rata Share (2)	Urban Village Pro-Rata Share Cost	Cost per Trip (3)	Cost per Single Family DU Equivalent (4)
Bike Lane (Old Clifton Rd)	\$875,000	50.0%	\$437,500	\$8.68	\$87.32

(1) Bike lane improvement per Bicycle Facility Plan (May 2001, Kitsap Co Public Works). Cost estimate based on the \$832,000 cost (2001 dollars) identified in the plan and inflated by approximately 5% to 2004 dollars.

(2) Pro-Rata share based on total length of bike lane of 3.6 miles, of which 1.8 miles (50%) will be within the Urban Village boundaries.

(3) Cost per trip is total cost divided by the 50,380 daily trips that would be generated by the Urban Village (see Table 1).

(4) Cost per Single-Family DU equivalent is based on 10.06 daily trips per DU, which is consistent with the existing and proposed impact fee methodology.

A major pedestrian/bicycle crossing of Old Clifton Road also will be developed as part of McCormick Urban Village. This crossing will provide a safe connection between residential, commercial, business park and recreational uses north of Old Clifton Road with those south of the arterial. The crossing will likely be developed at the intersection of McCormick Woods Drive and Old Clifton Road, although this may change depending on the timing of development of the various portions of the McCormick Urban Village. The specific location of the crossing will also depend on the final plan for pedestrian and bicycle trails, which will be identified during the review process for the pending Master Plan approval for McCormick North. The specific design for the crossing (e.g. crosswalk, in-pavement lighting, flashing beacons) will be also be determined at the time of the approval of the adjacent development parcels.

Transit Service Plan

Transit service for McCormick Urban Village will initially be limited due to the relatively low levels of development in the McCormick Urban Village area. As various phases of the Urban Village are developed, potential ridership will increase and transit service will become more viable to serve the residential, business park, and school components of the Plan. Transit service and facilities will be developed over time based on the type, location, and level of development. The following elements will be incorporated into the McCormick Urban Village Master Plan, in cooperation/coordination with Kitsap Transit:

- A major transit focal point or station will be defined for a central point within the Village. The Village Center or other similar type of location would be the most likely appropriate location for this facility. The size of the transit station would be phased based on the level of development and the amount/type of service provided by Kitsap Transit. Kitsap Transit has identified a potential need for at least six bus zones. The transit station would also have covered waiting areas and provide for "Kiss and Ride" drop-off locations.
- Neighborhood transit loops may be developed by Kitsap Transit as development warrants. This would also provide a feeder service to the transit station. These feeder routes would provide better access to transit for areas located beyond walking distance from the transit station and better service for people with mobility limitations that prevent them from accessing the transit station on foot or by bicycle.
- The on-site system of sidewalks trails will be defined to support access to the transit station and potential neighborhood feeder service.
- Kitsap Transit service to/from the McCormick Urban Village will likely initially connect with the Port Orchard Intermodal Terminal where connecting service would be available to the WSF passenger-only ferry, Puget Sound Naval Shipyard, and other transit destinations in Kitsap County. As other areas, such as the SKIA employment center, are developed, direct transit service to these areas may be initiated by Kitsap Transit to reduce overall travel demands in south Kitsap County. The proposed transit system improvements in McCormick Urban Village are designed to accommodate and facilitate this potential expansion of the regional transit system.
- Land uses in the vicinity of the transit station will take into consideration the availability of transit service and will provide pedestrian and bicycle connections to/from the station.

Transportation Demand Management Program

The Transportation Demand Management Program (TDMP) for the site will consist of elements for residential and business park uses. The TDMPs would be coordinated with Kitsap Transit commuter programs and transit service.

Residential TDMP

The residential TDMP will be based on Kitsap Transit's current commuter programs. A link from the McCormick Village homeowners' association website to the Kitsap Transit web page

will be provided to encourage use of the available services. The focus of the residential TDMP through Kitsap Transit will be:

- Carpool/Vanpool matching
- Transportation information centers in the transit station, village center, and community center.
- Promotional events coordinated between the McCormick Village homeowners association, as well as business owners in McCormick Village Center and Kitsap Transit

Employment TDMP

As the business park site and commercial component of the McCormick Village Center are developed, a specific TDMP will be implemented. The TDMP will be coordinated with Kitsap Transit and will consider the following elements, as applicable to each phase of the business park development:

- Establish a Transportation Coordinator for the business park that would coordinate programs with Kitsap Transit and other Transportation Management Associations.
- Providing preferential parking for carpools and vanpools.
- Providing bicycle parking areas/facilities and possible changing areas/showers.
- Commuter ride match programs.
- Alternative work schedules and/or flex time programs,
- Potential for subsidized transit fare or vanpool charges, and/or parking incentive programs for employees that rideshare, bike, or walk,
- On-site amenities such as places to eat, ATM machines, daycare facility, or other items that can reduce overall travel demand.
- Guaranteed ride home program for employees who ride transit, carpool, vanpool or commute by other modes.

Transportation Phasing Program

A conceptual phasing plan for the proposed development within McCormick Urban Village has been prepared in order to coordinate a potential phasing plan for construction of the improvements that will be needed to support the development. The conceptual phasing plan is summarized in Table 5. For the purposes of the conceptual plan, proposed development for McCormick Urban Village has been separated into phases reflecting development levels that would generate approximately 5,000 daily trips per phase. Phases 1 and 2 are exceptions to this assumption because they reflect the actual plat application and site development application that are currently proposed for the McCormick North area and the level of potential development associated with those two phases has been established. Phase 1 also includes the unbuilt 471 units in the vested McCormick Woods development that has already received a Concurrency Certificate.

Table 5: Conceptual Development Phasing Plan

Phase	Component	Dwelling Units (1)	Other Uses	Total Daily Trips
1	McCormick Woods (unbuilt)	471		
	McCormick North Phase 1	500		9,770
2	McCormick North Phase 2	200		2,010
3	McCormick West	500		5,030
4	McCormick West	250	4 Acres	6,020
	McCormick Woods Retail Conference Center			
5	McCormick West	500		5,030
6	McCormick West	250	2,500 Students	6,710
	Jr High & High Schools			
7	Village Residential (multi-family)	340	3 Acres 10 Acres	5,150
	Village Retail			
	Village Business Park			
8	McCormick West	250	3 Acres 10 Acres	5,420
	Village Retail			
	Village Business Park			
9	Village Residential (multi-family)	340	20 Acres	5,240
	Village Business Park			
Total		3,601		50,380

(1) The maximum total number of units allowed in McCormick Urban Village (including existing units in McCormick Woods) is 4,162. A slightly higher number of units has been assumed for the purposes of this analysis only.

Table 6 lists the intersections where improvements will be needed and identifies the development phase when it is anticipated that the improvements will be required. The improvements shown in the table are consistent with those shown in Table 2. The specific development phase at which an improvement will be required may vary from that shown in the table depending on the actual size of each phase of development of McCormick Urban Village at the time of permit applications. Intersection improvements may be phased, provided that a preliminary conceptual engineering design for full build-out of an intersection will be completed in the first phase. Decisions about the extent of each improvement phase will be determined in cooperation between Kitsap County and the applicant. The decision on phasing will be based on the specific needs to mitigate the impacts of that project phase, other development, and cost effectiveness of constructing individual elements of the full improvement.

Table 6: Conceptual Improvement Phasing Plan

Improvement Location	Phase of Development Required	Anticipated Year
Improvements Within Kitsap County's Jurisdiction:		
Clifton / Sunnyslope	6	2011
Clifton / Feigley	6	2005
Clifton / Campus Pkwy	3	2006
Clifton / McCormick Woods Dr	4	2009
Clifton / Anderson Hill	1	2006
Clifton / Berry Lake	3	2006
Glenwood Connector Roadway	1	2005
Sunnyslope Widening	See Note (1)	2020
Clifton Widening	See Note (1)	2020
Improvements Outside Kitsap County's Jurisdiction:		
SR-3 / Lake Flora	8	2018
SR-3 / Sunnyslope	3	2006
Clifton / SR-16 SB Ramps	1	2006
Clifton / SR-16 NB Ramps	Existing Need	Existing Need
Treemont / Pottery	4	2009
Sedgwick / SR-16 NB Ramps	8	2018

(1) The needs for the Sunnyslope and Clifton widenings are dependent on development outside of the Urban Village. However, a pro-rata share of the widenings are included as part of the Urban Village Transportation Plan and the proposed independent fee calculation.

Independent Roads Impact Fee Calculation

The McCormick Urban Village Plan development regulations requires that the transportation plan identify potential methods for funding the design and construction of system improvements needed to serve the area (Section 17.428.060.B.6.c.i). The Plan also states that no development within the Village may be approved unless funding for required improvements is provided by the County's Transportation Improvement Program (TIP) or a commitment is in place that developers will provide the improvements within the timelines established by the County's Concurrency requirements (KCC. 20.04.020(8)).

For purposes of this Transportation Plan, an alternative mitigation fee schedule, adopted pursuant to the Kitsap County Road Impact Fee Ordinance (KCC 4.110.200), is proposed as the mechanism for funding the system improvements needed to serve the McCormick Urban Village development. Under KCC 4.110.200, if the County's current impact fee schedule would not "accurately describe or capture the impacts of a new development on roads", then an independent fee calculation may be submitted to the Kitsap County Director of Public Works for review (KCC 1.110.230). The independent fee calculation must be based on the formulas and methodologies as those used in the County's impact fee program.

This section of the Transportation Plan presents the proposed independent fee calculation for development of the McCormick Urban Village. It is organized as follows:

- Overview of County Roads Impact Fee Methodology.
- Independent Impact Fee Calculation
- Application of Fee for McCormick Urban Village
- Summary

Overview of County Roads Impact Fee Methodology

Kitsap County originally adopted impact fees for roads in 1992. The roads impact fee schedule was updated in May, 2004. The methodology for the updated fees is documented in Rate Study for Impact Fees for Roads, Henderson Young & Company, May 16, 2003. This document is referred to as the Roads Study in the County Code. The Roads Study results in a fee per new daily trip added to the road system and converts this fee to a cost per unit of development (e.g. per dwelling unit, or per 1,000 square feet of commercial or office space, or other measure) as applicable for various land use categories. A factor is applied to reduce the fee calculated in the Roads Study to arrive at the final fee. (KCC 4.110.200) The following provides an overview of the County's current fee calculation for the McCormick Urban Village. Table 7 presents the calculations in tabular form.

Table 7: Existing Fee Calculation (Per KCC 4.110.200)

Total McCormick Urban Village Improvement Costs	\$5,980,000
County Improvements - Lake Flora & Glenwood Rds	\$100,000
Total Improvement Costs	\$6,080,000
Less Existing Revenue	\$68,289
Less 20% Local Share	\$1,202,342
Unfunded Costs	\$4,809,369
Additional Trips	23,349
Cost per Trip - Roads Service Area 3	\$207
Cost per Trip - Regional Service Area	\$20
Total Cost Per Trip	\$227
Service Area 3 Factor	22.8%
Regional Service Area Factor	22.8%
Total Service Area 3 Fee	\$51.74
Fee per Single-Family DU Equivalent	\$520.50

Note: Values shown are taken from the Roads Study and the ordinance. They do not calculate directly due to rounding.

Service Areas

To calculate the standard impact fee for roads, the County has been divided into four geographic districts, or road service areas. The McCormick Urban Village development is located in Road Service Area 3, which covers South Kitsap County. In addition, a Regional Road Service Area is defined that covers two transportation improvements to the State Highway system. A portion of the regional service area improvement costs is allocated to development in each of the four Road Service Areas.

Improvement Projects

The Roads Study includes costs of the following three projects in Service Area 3 in the calculation of the impact fee:

- SW Old Clifton Road (SR16 to Sunnyslope Road) \$5,980,000
- SW Lake Flora Road (SR3 to Glenwood Road) \$50,000
- Glenwood Road SW (Lake Flora Road to City Limits) \$50,000

The improvement to Old Clifton Road and its costs were derived from the transportation analysis for the ULID #6 Subarea Plan and EIS. The project subject to the impact fee is a series of improvements at five intersections along Old Clifton Road. These improvements were identified based on a preliminary review of improvements that should be considered in the County's 2003-2008 Six-Year Transportation Improvement Program (TIP). (The specific intersection improvements are identified in Transpo's June 27, 2002 memorandum from Milton Lim to Randy Casteel)

The \$50,000 included for each of the other two improvements covers only the initial design and/or environmental analysis for the projects. As the projects become more defined the County will probably update the fee schedule to include the additional costs of construction of these projects.

Project Costs Included in Impact Fee

Kitsap County does not include the full costs of the identified projects in the standard impact fee program. The project costs were adjusted to account for existing deficiencies, secured or potential available revenues, and an allocation of local fuel tax revenues to support growth.

The three projects identified for Service Area 3 total \$6,080,000. Based on Kitsap County's analyses, there are no existing deficiencies for these projects that require adjustments to the costs. The County has identified \$68,289 in previously secured funding for Old Clifton Road. As part of the current impact fee program, the County has established a local funding allocation of 20 percent of the growth share of the improvement cost after subtracting secured or potential funding. The local funding allocation is essentially a County policy commitment to fund 20 percent of growth's share of project cost through fuel taxes.

After these adjustments, the growth share of costs for Service Area 3 is \$4,809,369.

Roads Impact Fee

The \$4,809,369 in growth's share of improvement costs for Service Area 3 was used to calculate the fee per new growth trip, which forms the basis for the roads impact fee. The County's model estimates that there would be 23,349 new daily trips generated in Service Area 3. The forecast is based on a 2012 horizon year and was developed prior to adoption of the ULID #6 Subarea Plan.

The \$4,809,369 was divided by the 23,349 new daily trips to arrive at a cost of \$207 per daily growth trip. An additional \$20 per growth trip is added to all service areas to cover the regional service area improvements. This results in a total of \$227 per growth trip for new development in Service Area 3.

The \$227 per growth trip is converted into a cost per unit of development using average trip generation rates. The trip generation rates are adjusted to account for "pass-by" trips, resulting in a fee per net new trip generated by growth.

In its impact fee ordinance, Kitsap County adjusted the fees by applying a factor to each of the service areas to reduce the fee per growth trip. For Road Service Area 3, the factor was 22.8 percent. The factor is applied to both the Service Area 3 and regional Service Area costs, resulting in a fee of \$51.74 per trip. This factor also carries through to the cost per unit of development.

Independent Fee Calculation

As required by County Ordinance, the Independent Fee Calculation for ULID #6/McCormick Urban Village is based on the same formula and methods used in the County's impact fee

calculation. The ULID #6 fee calculation varies from the County's program for Roads Service Area 3 in the following three ways:

- Revised Improvement Projects and Costs
- Number of Growth Trips Based on current projected McCormick Urban Village Land Uses
- Ordinance Reduction Factor

The following Table 8 identifies proposed Independent Fee Calculation.

Table 8: Proposed ULID #6 Independent Fee Calculation

Total Urban Village Pro-Rata Share Improvement Costs (1)	\$7,233,200
Additional Trips From Urban Village	50,380
Cost per Urban Village Trip	\$143.57
Regional Service Area Fee per Trip	\$4.56
Total Cost Per Urban Village Trip	\$148.13
Fee per Single-Family DU Equivalent	\$1,490.19

(1) Total Pro-Rata Improvement Costs are for required improvements within Kitsap County's jurisdiction and does not include potential improvements in the study area in WSDOT and Port Orchard jurisdictions.

Revised Improvement Projects and Costs

Kitsap County's adopted Road Impact Fee for Service Area 3 is based on a project list identified in the 2003-2008 TIP. Completion of the projects in the TIP list would not support full development of McCormick Urban Village. The ULID #6 Sub Area Plan and EIS identified improvement projects to serve the ULID #6 sub area in conjunction with potential development of other properties such as the South Kitsap Industrial Area (SKIA) and the Northwest Corporate Campus.

As previously shown, Table 2 summarized the improvement projects needed to serve full development of ULID #6. The planning level construction cost of these projects attributable to traffic that would be generated by the Urban Village Master Plan and that are within Kitsap County's jurisdiction is \$5,564,000 in 2004 dollars. The estimate is exclusive of costs for engineering and design, right-of-way acquisition, utility relocation, major structural work, and major environmental work. As shown in Table 2, allowances for engineering costs and a contingency to cover other potential project costs have been added to the planning level construction costs. This results in a total estimated cost of \$7,233,200 for the improvement projects, which is approximately 20 percent greater than the \$5,980,000 interim cost estimate used in the County's adopted Road Cost Impact Fee Calculation.

Number of Growth Trips Based on Currently Projected McCormick Urban Village Land Uses

The County's Road Impact Fee was based on land uses in South Kitsap County assumed prior to the adoption of the ULID #6 Subarea Plan. At full build out the ULID #6 Sub-Area Plan will

have a significantly higher trip generation rate than the County's previous forecasts for Service Area 3 due to the increase in population allocation to the sub area.

A summary of land use assumptions and resulting daily trip generation for the sub area was previously shown in Table 1. These land use and trip generation were used to determine the transportation improvements needed to complete development of the McCormick Urban Village. The McCormick Urban Village is projected to generate 50,380 additional daily trips. This is more than double the 23,349 growth trips used in the County's impact fee calculation for Service Area 3.

Independent Fee Calculations

Dividing the resulting growth share of the improvement costs by 50,380 growth trips results in a fee of \$143.57 per daily growth trip. The Regional Service Area fee of \$4.56 would be added to the proposed new impact fee, for a total McCormick Urban Village impact fee of \$148.13. This is almost triple the \$51.74 fee under the existing fee program. The proposed \$148.13 per trip fee would result in a fee of \$1,490.19 per single-family dwelling unit equivalent for the McCormick Urban Village.

Application of Fee to McCormick Urban Village

For each development within the McCormick Urban Village, the applicant would pay the County a roads impact fee to mitigate its impacts to the surrounding County road system. The fee would be based on the \$148.13 per new daily growth trip.

The \$148.13 fee per trip would be converted into a fee per development unit based on the trip generation rates and percentage of new trips used to calculate the impact fees used in the current ordinance.

Road impact fees will not be assessed against the public schools included in the pending Master Plan. Public schools are exempt from Kitsap County's impact fees (4.110.030). Kitsap County will be responsible for funding the share of improvements costs that would otherwise be collected for the public schools.

Kitsap County will include appropriate projects from the McCormick Urban Village improvement list (Table 2) in its annual update of its six-year Transportation Improvement Program (TIP). The County will identify appropriate projects for the TIP based on the preliminary phasing plan presented in this study (see Table 6) and subsequent traffic analyses that may be prepared for individual phases of the McCormick Urban Village and other relevant policies and data. Phasing of the improvements will be determined in cooperation between Kitsap County and the applicant and will be based on the specific needs to mitigate the impacts of that project phase, other development, and cost effectiveness of constructing individual elements of the full improvement. The County will apply the McCormick Urban Village impact fee funding to design and construct the improvements. Per KCC 4.110.070, the fees must be expended or encumbered within six years of receipt. If the County fails to expend or encumber the impact fees within six years of when the fees were paid, the applicant may receive a refund pursuant to KCC 4.110.090.

If funding from the McCormick Urban Village impact fee and other County funding sources (i.e., fuel taxes) is not sufficient to cover all improvements needed to support a current project phase, then the applicant could choose to construct the improvement itself or provide additional funding to enable the County construct the needed improvements. The County would credit or reimburse the applicant for funding provided by the applicant that is in excess of its proportionate share of the cost. All other provisions of KCC 4.110 related to Roads Impact fees, including fee escalation, will apply to development in the McCormick Urban Village.

Summary

The County's current roads impact fee program will not be adequate to fund transportation improvements in a timely manner which are needed to support development of McCormick Urban Village. Therefore, an independent fee calculation is proposed to cover additional improvement projects and increased levels of developments within the sub area. The resulting fee is almost three times higher than the County's current roads impact fee for South Kitsap County.

In addition to the road impact fee, a voluntary non-motorized transportation mitigation payment is proposed to fund the McCormick Urban Village proportionate share of the cost of the bike lane project on Old Clifton Road that is identified in the May 2001 Kitsap County Bicycle Facility Plan.

Fees and payments will be collected by Kitsap County for each development phase in the same method currently used by Kitsap County (i.e., at building permit issuance or building occupancy) and used to fund implementation of improvement projects which were included in the fee calculation. This will require Kitsap County to include the appropriate improvements in its annual TIP, as needed. If the collected fees and other County monies anticipated by the existing impact fee ordinance are not adequate to fund needed improvements within the required timeframe, the applicant will have options to either provide additional funding, construct the improvements, or postpone development. The applicant would receive a credit from Kitsap County for the value of improvements or funding in excess of the applicable impact fee.

All aspects of the roads mitigation program, except the actual fee calculation, are otherwise consistent with the County roads impact fee processes.