



City of Port Orchard Council Meeting Agenda

January 10, 2023

6:30 p.m.

Mayor:

Rob Putaansuu
Administrative Official

Councilmembers:

Mark Trenary
E/D & Tourism Committee, **Chair**
Utilities/Sewer Advisory Committee
Transportation Committee
KRCC-alt

Shawn Cucciardi
Finance Committee
E/D & Tourism Committee
Lodging Tax, **Chair**

Fred Chang
Economic Development & Tourism Committee
Land Use Committee
Transportation Committee

Jay Rosapepe
Finance Committee,
Land Use Committee
KRCC, PSRC-alt, PSRC Transpol-alt, KRCC Transpol-alt, KRCC Planpol-alt,

John Clauson
Finance Committee, **Chair**
Utilities/Sewer Advisory Committee
Kitsap Public Health District-alt

Cindy Lucarelli (Mayor Pro-Tempore)
Festival of Chimes & Lights Committee, **Chair**
Utilities/Sewer Advisory Committee, **Chair**
Kitsap Economic Development Alliance

Scott Diener
Land Use Committee, **Chair**
Transportation Committee

Department Directors:

Nicholas Bond, AICP
Development Director

Tony Lang
Public Works Director

Tim Drury
Municipal Court Judge

Noah Crocker, M.B.A.
Finance Director

Matt Brown
Police Chief

Brandy Wallace, MMC, CPRO
City Clerk

Meeting Location:

Council Chambers, 3rd Floor
216 Prospect Street
Port Orchard, WA 98366

Contact us:

(360) 876-4407
cityhall@portorchardwa.gov

Pursuant to the Open Public Meetings Act, the City Council is conducting its public meeting in the Council Chambers at City Hall. Members of the public may view and provide public comment during the meeting in person at City Hall, via the online platform zoom (link below), or via telephone (number below). The public may also view the meeting live on the City's YouTube channel.

Remote access

Link: <https://us02web.zoom.us/j/87090920982>

Webinar ID: 870 9092 0982

Call-In: 1 253 215 8782

Guiding Principles

- Are we raising the bar?
- Are we honoring the past, but not living in the past?
- Are we building connections with outside partners?
- Is the decision-making process positively impacting diversity, equity, and inclusion?

1. CALL TO ORDER**A. Pledge of Allegiance****2. APPROVAL OF AGENDA****3. CITIZENS COMMENTS**

*(Please limit your comments to **3 minutes** for items listed on the Agenda and that are not for a Public Hearing. Please keep your comments respectful and no personal attacks. This is a comment period and not a question-and-answer session. When recognized by the Mayor, please state your name for the official record. If you are attending remotely via telephone, enter *9 from your keypad to raise your hand.*

4. CONSENT AGENDA

(Approval of Consent Agenda passes all routine items listed below, which have been distributed to each Councilmember for reading and study. Consent Agenda items are not considered separately unless a Councilmember so requests. In the event of such a request, the item is returned to Business Items.)

A. Approval of Vouchers and Electronic Payments**B. Approval of Payroll and Direct Deposits****C. Adoption of a Resolution Declaring Certain Personal Property as Surplus and Authorizing its Disposition Thereof (Wallace) Page 3****D. Approval of Amendment No. 1 of Contract No. 029-22 with CONSOR North America, Inc. for the 2023 General Sewer Plan Update for the City's Sanitary Sewer System (Lang) Page 6****E. Approval of the December 20, 2022, City Council Meeting Minutes Page 46**

5. PRESENTATION

- A. Housing Action Plan-Existing Conditions Report (Bond) **Page 52**
- B. Diversity Equity and Inclusion (DEI) (Spalding/Lund) **Page 124**

6. PUBLIC HEARING

7. BUSINESS ITEMS

- A. Appointment of a 2023 Mayor Pro-Tempore (Wallace) **Page 174**
- B. Adoption of a Resolution Confirming the Mayoral Appointment to the Building Board of Appeals (Wallace) **Page 175**
- C. Approval of the December 13, 2022, City Council Meeting Minutes **Page 177**

8. DISCUSSION ITEMS (No Action to be Taken)

- A. Lodging Tax 2023 Allocation (Archer)

9. REPORTS OF COUNCIL COMMITTEES

10. REPORT OF MAYOR

11. REPORT OF DEPARTMENT HEADS

12. CITIZEN COMMENTS

*(Please limit your comments to **3 minutes** for any items not up for Public Hearing. When recognized by the Mayor, please state your name for the official record. If you are attending remotely via telephone, enter *9 from your keypad to raise your hand.)*

13. EXECUTIVE SESSION: Pursuant to RCW 42.30.110, the City Council may hold an executive session. The topic(s) and the session duration will be announced prior to the executive session.

14. CITY COUNCIL GOOD OF THE ORDER

15. ADJOURNMENT

COMMITTEE MEETINGS

	Date & Time	Location
Economic Development and Tourism	January 23, 2023: 9:30am	Remote Access
Utilities	February 14, 2023; 5:00pm	Remote Access
Finance	January 17, 2023; 5:00pm	Remote Access
Transportation	January 24, 2023; 4:30pm	Remote Access
Festival of Chimes & Lights	January 30, 2023; 3:30pm	Remote Access
Land Use	January 18, 2023; 4:30pm	Remote Access
Lodging Tax Advisory	February, 2023	Remote Access
Sewer Advisory	March 22, 2023; 5:00pm	Remote Access
Outside Agency Committees	Varies	Varies

Please turn off cell phones during meeting and hold your questions for staff until the meeting has been adjourned.

The Council may consider other ordinances and matters not listed on the Agenda, unless specific notification period is required.

Meeting materials are available on the City’s website at: www.portorchardwa.gov or by contacting the City Clerk’s office at (360) 876-4407.



City of Port Orchard

216 Prospect Street, Port Orchard, WA 98366
(360) 876-4407 • FAX (360) 895-9029

Agenda Staff Report

Agenda Item No.: Consent Agenda 4C
Subject: Adoption of a Resolution Declaring Certain
Personal Property as Surplus and
Authorizing its Disposition Thereof

Meeting Date: January 10, 2023
Prepared by: Brandy Wallace, MMC
City Clerk
Atty Routing No.: N/A
Atty Review Date: N/A

Summary: Assets of the City that are no longer useable, are no longer of value to the City, or are surplus to City needs, may be removed from City ownership, sold, or in any other way disposed with a declaration of surplus by the City Council.

Staff is asking the Council to surplus various personal property such as keyboards, monitors, Thinkpads, Laptops, and other IT equipment owned by the General Fund. These items have reached the end of their useful life. The Finance department has estimated the current value of the property to be of no value, \$0.

Although the City’s internal asset value of the items have been determined to have no value, any monies from the sale of surplus property is deposited into the Fund(s) which owned the item. When disposal is to the general public through direct sale, sealed bid or auction, final determination of value shall be the highest responsible bid or offer. The City may transfer a surplus asset to another public agency upon written request and a determination that it is in the public interest. Staff will dispose the item in a manner that reflects the best interest of the City.

Recommendation: Staff recommends adoption of a resolution declaring personal property described in Exhibit A, as surplus and allowing for its disposition.

Relationship to Comprehensive Plan: N/A

Motion for consideration: I move to adopt a resolution declaring personal property, owned by the General Fund assigned to the IT department, listed in Exhibit A as surplus and authorizing its disposition.

Fiscal Impact: Money received from the disposition of surplus item is deposited in the Fund of ownership.

Alternatives: Do not adopt.

Attachments: Resolution and list of personal property.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PORT ORCHARD, WASHINGTON, DECLARING CERTAIN PERSONAL PROPERTY AS SURPLUS AND AUTHORIZING ITS DISPOSITION THEREOF

WHEREAS, certain personal property owned by the General Fund of the City of Port Orchard have become surplus to the needs of the City; and

WHEREAS, the City Council has determined that the current asset value of the items to be of no value, \$0; and

WHEREAS, the City Council has, pursuant to the requirements of POMC 1.30.020, considered the possible future requirements of the City, the present value of the personal property, the likelihood of locating a buyer, possible intergovernmental cooperation, and the general welfare of the citizens of Port Orchard in determining whether it is in the best interest of the City to dispose of such personal property; and

WHEREAS, the City Council desires to dispose various personal property such as keyboards, monitors, Thinkpads, Laptops, and other IT equipment listed in Exhibit A, in the best interest of the City; now, therefore,

THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

THAT: Personal property listed in Exhibit A, owned by the General Fund, have reached the end of their useful life and are declared as surplus to the needs of the City. Staff is instructed to dispose of the items in a manner that reflects the best interest of the City.

PASSED by the City Council of the City of Port Orchard, SIGNED by the Mayor and attested by the City Clerk in authentication of such passage this 10th day of January 2023.

Robert Putaansuu, Mayor

ATTEST:

Brandy Wallace, MMC, City Clerk

Item	Serial Number	Asset Tag	QTY	Reason	Price
Keyboard			40	Obsolete	\$0
mouse			40	Obsolete	\$0
Monitor			10	Inoperable	\$0
HP Printer			2	Inoperable	\$0
UPS			15	Inoperable	\$0
Monitor stand			6	Obsolete	\$0
Monitor cable			100	Obsolete	\$0
Speaker			2	Obsolete	\$0
Power Cable			50	Obsolete	\$0
Dell Optiplex 7010	F3GKK02			Obsolete/ inoperable	\$0
Dell Optiplex 5050	8SNLHL2	OLD 110395-17		Obsolete/ inoperable	\$0
Lenovo Thinkpad	R9-0NKJBT		5068	Obsolete/ inoperable	\$0
Lenovo Ideapad	PF0NRSW6		5352	Obsolete/ inoperable	\$0
Lenovo Thinkpad	PF-0YDHL6		5343	Obsolete/ inoperable	\$0
Lenovo Thinkpad	R9-0MD4RR		5242	Obsolete/ inoperable	\$0
Lenovo Thinkpad	R9-0MD4RE		5002	Obsolete/ inoperable	\$0
Lenovo Thinkpad	R9-KLZDB		5024	Obsolete/ inoperable	\$0
Dell Strike Zone	1VW91D1		5342	Obsolete/ inoperable	\$0
Dell Latitude	3KDM5S1		5290	Obsolete/ inoperable	\$0
Dell Precision M2800	HJDQF72		5292	Obsolete/ inoperable	\$0
Dell Laptop	89V7K52		5293	Obsolete/ inoperable	\$0
HP Compaq 6515b	CNU730187Q		5344	Obsolete/ inoperable	\$0
Dell Laptop	4Y0YP12		5291	Obsolete/ inoperable	\$0
Panasonic Toughbook	CF-54A3001CM		5234	Obsolete/ inoperable	\$0



City of Port Orchard

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Agenda Staff Report

Agenda Item No.:	<u>Consent Agenda 4D</u>	Meeting Date:	<u>January 10, 2023</u>
Subject:	<u>Approval of Amendment No. 1 to</u>	Prepared by:	<u>Tony Lang</u>
	<u>Contract C029-22 with CONSOR North</u>		<u>Public Works Director</u>
	<u>America, Inc. for the 2023 General</u>	Atty Routing No.:	<u>366922-0009</u>
	<u>Sewer Plan Update for the City's</u>	Atty Review Date:	<u>January 4, 2023</u>
	<u>Sanitary Sewer System</u>		

Summary: Due to the limitations of in-house staff, the City utilizes the services of a qualified engineering firm to prepare comprehensive plan updates for the City's sanitary sewer system, and solicits qualified firms through a Qualifications-Based Selection (QBS) process consistent with Chapter 39.80 RCW on a regular basis to ensure a competitive rate for these services. Following a full QBS procurement process, on February 22, 2022, the Port Orchard City Council approved Contract No. C029-22 with the selected, qualified consultant Murraysmith, Inc. for the 2023 General Sewer Plan Update for the City's Sanitary Sewer System (GSP). Since the contract was executed, Murraysmith, Inc. partnered with CONSOR Engineers and is now known as CONSOR North America, Inc.; staffing remains the same. The City and the Consultant agree that additional and necessary work (within the scope of the initial procurement process) to complete the GSP will exceed the original contract value cap. This work is to further define pump station condition assessments and identify needed improvements. CONSOR North America, Inc and the City have conferred and agreed to increase the consultant's agreement by \$23,124 in anticipation of the additional work needed to complete the GSP. This proposed Amendment would, reflect the name change, and increase Contract C029-22 from \$117,272 to \$140,396.

Recommendation: Staff recommends that the City Council authorize the Mayor to execute Amendment No. 1 to Contract No. C029-22 with CONSOR North America, Inc. to increase the contract amount to \$140,396.

Relationship to Comprehensive Plan: Chapter 7 - Utilities

Motion for Consideration: I move to authorize the Mayor to execute Amendment No. 1 to Contract No. C029-22 with CONSOR North America, Inc. for 2023 General Sewer Plan Update.

Fiscal Impact: General Sewer Plan Update is included in the 2023-2024 Biennial Budget. (GL Code 431.05.535.10.40) However, a budget amendment may be needed.

Alternatives: Do not authorize and provide alternative guidance.

Attachments: Authorization for Amendment No. 1
Amendment No. 1
Copy of Contract C029-22

CITY OF PORT ORCHARD

Authorization for Amendment No. 1

Date: January 10, 2023 **Contractor:** CONSOR North America, Inc
Project: 2023 General Sewer Plan 600 University Street, Suite 300,
Update for the City's Seattle, WA 98101
Sanitary Sewer System
Contract / Job # C029-22

THIS AMENDMENT AUTHORIZES THE FOLLOWING CHANGES TO THE AGREEMENT:

1. A company name change from Murraysmith, Inc. to CONSOR North America, Inc.
3. A Contract increase of \$23,124 for a "Time and Materials Not to Exceed" total of \$140,396.

In all other respects the Underlying agreement between the parties shall remain in full force and effect, amended as set forth herein, but only as set forth herein.

Amendment No. 1 is for additional and necessary work associated with the City of Port Orchard (City) General Sewer Plan Update.

Contract History					
	Amount	Sales Tax	Total	Date	Appvd by
Original Contract	\$117,272.00	\$0.00	\$117,272.00	22-Feb-22	Council
Amendment 1	\$23,124.00	\$0.00	\$23,124.00	10-Jan-23	Council
Total Contract	\$140,396.00	\$0.00	\$140,396.00		

I have reviewed the Amendment information above and certify that to the best of my knowledge descriptions and costs are true and accurate.



 Consultant Approval Signature



 Public Works Director/City Engineer

Erika Schuyler, PE, PMP, Regional Manager
 Printed Name & Title

Tony Lang
 Printed Name

Approved: _____
 Mayor

Attest: _____
 City Clerk

 Council Approval Date

Change Orders that do not exceed 10%, with a maximum of \$50,000, of either legally authorized budget limit or contract amount established by City Council can be approved by the Public Works Director.

Change Orders that do not exceed 10%, with a maximum of \$100,000, of either legally authorized budget limit or contract amount established by City Council are to be approved by the Mayor.

Change Orders over \$100,000 or exceed a total of 10% require Council Action.

AMENDMENT NO. 1 TO CONTRACT NO. C029-22

**CITY OF PORT ORCHARD AGREEMENT WITH
CONSOR North America, Inc**

THIS AMENDMENT No. 1 (“Amendment”) to Contract No. C029-22 is entered into between the City of Port Orchard, a Washington municipal corporation (“City” or “Port Orchard”) and CONSOR North America, Inc., an Oregon corporation (“Consultant”). City and Consultant are each a “Party” and together “Parties” to this Amendment.

RECITALS:

WHEREAS, due to limitations of in-house staff, the City utilizes a professional engineering firm to provide Comprehensive Plan Updates for the City’s Sanitary Sewer System; and

WHEREAS, following a successful procurement process on February 22, 2022, the City executed a Professional Services Agreement for the 2023 General Sewer Plan Update for the City’s Sanitary Sewer System, Contract No. C029-22 with the Consultant (“Underlying Agreement”); and

WHEREAS, on October 3, 2022, the “Consultant” changed its entity name from Murraysmith, Inc to CONSOR North America, Inc; and

WHEREAS, additional efforts are required for the General Sewer Plan Update for the City’s Sanitary Sewer System, and the Parties have memorialized these additional subtasks (within the scope of initial project procurement) as set out in Exhibit A attached hereto; and

WHEREAS, the Consultant and the City have conferred and agreed to increase the “time and materials, not to exceed” amount Section 3 (Payment), of the agreement as described herein and in Exhibit B attached hereto; and

WHEREAS, the parties wish to memorialize their agreement and so extend the Underlying Agreement;

NOW, THEREFORE, in consideration of the mutual benefits accruing, it is agreed by and between the parties thereto as follows:

FIRST AMENDMENT TO AGREEMENT:

1. **Amendment.**

- a. The Consultant entity name is changed from Murraysmith, Inc to CONSOR North America, Inc.
- b. Section 3A. Payment, of the Agreement, is hereby amended to read as follows: Compensation under this Agreement will be on a “time and materials not to exceed” basis, based on the fees included for each approved task assignment, provided total compensation

for these services shall not exceed \$140,396 (inclusive of all amounts paid prior to the execution of Amendment 1 to this Agreement), without written authorization, and will be based on the list of billing rates and reimbursable expenses attached hereto as Exhibit B.

2. **Severability.** The provisions of this Amendment are declared to be severable. If any provision of this Amendment is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision.
3. **Entire Agreement.** The written provisions and terms of this Amendment shall supersede all prior verbal statements of any officer or other representative of the parties, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Amendment. The entire agreement between the Parties with respect to the subject matter hereunder is contained in the Agreement and exhibits thereto, any prior executed amendments and this Amendment. Should any language in any of the Exhibits to the Agreement or prior amendments conflict with any language contained in this Amendment, then this Amendment shall prevail. Except as modified by this Amendment, all other provisions of the original Agreement and any amendments thereto not inconsistent with this Amendment shall remain in full force and effect.
4. **Effective date.** This Amendment shall be effective as of **January 10, 2023**.

DATED this 10th day of January 2023.

CITY OF PORT ORCHARD, WASHINGTON

CONSULTANT



Robert Putaansuu, Mayor

Signature

Erika Schuyler, PE, PMP, Regional Manager

ATTEST/AUTHENTICATED:

Printed Name and Title

Brandy Wallace, MMC, City Clerk

APPROVED AS TO FORM:

Charlotte A. Archer, City Attorney

EXHIBIT A

SCOPE OF SERVICES 2023 General Sewer Plan Update Amendment 1 City of Port Orchard

Introduction

Conсор North America, Inc. (Conсор) has developed the following scope of services and accompanying engineering fee estimate for Amendment 1 to Contract C029-22 for additional services associated with the City of Port Orchard (City) General Sewer Plan Update. The need for these services is because the City requested that Conсор provide visual condition assessments for the mechanical, structural, and electrical components for a portion of the City's sewer pump stations.

The scope of services and fee for this amendment have been developed based on discussions with City staff and our understanding of the additional project elements.

The additional services defined herein for pump station condition assessments beyond the previously authorized contract amount for the General Sewer Plan work consist of services supplementing the following tasks from the original scope of work.

- Task 1 – Project Management
- Task 6 – Sewer System Evaluation

Project Understanding and Assumptions

The scope of services for Amendment 1 was developed based on the following assumptions.

- The following pump stations will be assessed for mechanical and structural condition:
 - Canyon Court
 - Cedar Heights
 - Eagle Crest
 - Flower Meadows
 - Golden Pond
 - Harrison Hospital
 - Pottery
 - Sedgwick

- Tremont Place
- Ridge 1&2
- Ridge 3
- McCormick Meadows
- Lowe's
- The following pump stations will be assessed for electrical condition:
 - Canyon Court
 - Harrison Hospital
 - Pottery
 - Ridge 1&2
 - Ridge 3
 - McCormick Meadows
 - Lowe's
- The condition assessment results will be incorporated into Section 6 of the GSP.

Scope of Services

Consultant will perform the following services.

Task 1 - Project Management

Objective

Provide overall leadership and team strategic guidance aligned with City staff objectives. Coordinate, monitor, and control the project resources to meet the technical, communication, and contractual obligations required for developing and implementing the project scope.

Activities

1.4 Coordination with Subconsultants

Manage and coordinate the technical and scope issues of the overall project. Progress meetings will be conducted as appropriate.

Coordinate with subconsultants on specific tasks, scope, and budget. Conduct progress meetings as appropriate.

1.7 Quality Assurance/Quality Control (QA/QC)

Conduct QA/QC reviews at all major deliverable milestones prior to submitting review packages to the City.

Assumptions

- Work under this amendment will increase the originally assumed project duration by up to two (2) months.
- Project schedule will be updated once for the work associated with this amendment.

Task 6 – Pump Station Condition Assessments

Objective

Develop pump station condition assessment criteria and tracking forms. Each criterion to have a numeric score associated with it based on importance to facilitate ranking pump stations based on condition needs.

Activities

Subtask 6.5 Pump Station Condition Assessments

Submit criteria and forms to City for approval prior to assessing pump stations.

Conduct pump station condition assessment site visits with City staff. Evaluate the condition of major station components by visual inspection documenting the general condition of the structural, electrical, and mechanical systems that comprise the stations. Assign a condition rating to document the site visit using the tracking form.

Participate in review meeting with the City after site visits have been completed and tracking forms filled out.

Task Deliverables

- Criteria and methodology for condition assessment scoring, likelihood of failure, and consequence of failure
- Tracking form example
- Completed tracking forms post assessments

Assumptions

- Pump station condition assessment assumes three (3) Consultant team members (two from Consor and one from ISI) for 1 hour per station for 13 pump stations as noted above. Electrical assessments will be performed at 7 pump stations as noted above.
- Structural assessment is visual inspection only and does not include material testing of any kind.
- Review meeting to last one (1) hour and will be attended by three (3) Consultant team members (two from Consor and one from ISI).

Budget

The detailed fee estimate is provided as **Exhibit B**.

Payment will be made at the Billing rates for personnel working directly on the project, which will be made at the Consultant's Hourly Rates, plus Direct Expenses incurred. Subconsultants, when required by the Consultant, will be charged at actual costs plus a 10 percent fee to cover administration and overhead. Direct expenses will be paid at the rates shown in the table below.

Direct Expenses

Expenses incurred in-house that are directly attributable to the project will be invoiced at actual cost. These expenses include the following.

Computer Aided Design and Drafting	\$18.00/hour
GIS and Hydraulic Modeling	\$10.00/hour
Mileage	Current IRS Rate
Postage and Delivery Services	At Cost
Printing and Reproduction	At Cost
Travel, Lodging and Subsistence	At Cost

Project Schedule

Work will begin upon receipt of a signed contract amendment and notice to proceed, or other agreeable written authorization. Work will proceed in a timely manner with an anticipated completion date two months from notice to proceed. The project duration is based on timely input, information, City staff availability to access assessed stations, and review comments from City staff.

2023 GENERAL SEWER PLAN UPDATE - AMENDMENT 1
CITY OF PORT ORCHARD
PROPOSED FEE ESTIMATE

	LABOR CLASSIFICATION (HOURS)											
	Principal Engineer VI	Professional Engineer IX	Engineering Designer III	Hours	Labor	Subconsultants	Multiplier % Markup	Subconsultant Total with Markup	Expenses	CADD Units \$18/hr	GIS Units \$10/hr	Total
						E&IC						
Task 1 - Project Management												
Task 1.4 - Coordination with Subconsultants	1	3		4	\$ 1,043		1.1	\$ -	\$ -	\$ -	\$ -	\$ 1,043
Task 1.7 - Quality Assurance/Quality Control (QA/QC)	2			2	\$ 617		1.1	\$ -	\$ -	\$ -	\$ -	\$ 617
Task 1 Subtotal	3	3	0	6	\$ 1,660	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 1,660
Task 6 - Pump Station Condition Assessments												
Task 6.5 - Pump Station Condition Assessments		22	22	44	\$ 9,379	\$ 10,850	1.1	\$ 11,935	\$ 150	\$ -	\$ -	\$ 21,464
Task 6 Subtotal	0	22	22	44	\$ 9,379	\$ 10,850		\$ 11,935	\$ 150	\$ -	\$ -	\$ 21,464
TOTAL - ALL TASKS	3	25	22	50	\$ 11,039	\$ 10,850		\$ 11,935	\$ 150	\$ -	\$ -	\$ 23,124

CITY OF PORT ORCHARD (SEWER ON CALL) PROFESSIONAL SERVICES AGREEMENT

THIS Agreement ("Agreement") is made effective as of the 22nd day of February 2022, by and between the City of Port Orchard, a municipal corporation, organized under the laws of the State of Washington, whose address is:

CITY OF PORT ORCHARD, WASHINGTON (hereinafter the "CITY")
216 Prospect Street
Port Orchard, Washington 98366

Contact: Mayor Robert Putaansuu Phone: 360.876.4407 Fax: 360.895.9029

and **Murraysmith, Inc**, a corporation, organized under the laws of the State of Oregon, doing business at:

Murraysmith, Inc. (hereinafter the "CONSULTANT")
600 University Street, Suite 300
Seattle, WA 98101

Contact: Peter Cunningham, PE Phone: 206.462.7030

For the 2023 General Sewer Plan Update for the City's Sanitary Sewer System

TERMS AND CONDITIONS

1. Services by Consultant

A. The Consultant shall perform the sewer on-call professional services, on a project basis, as described in the Scope of Work attached to this Agreement as Exhibit "A." The services performed by the Consultant shall not exceed the Scope of Work and any task order issued by the City consistent therewith, without prior written authorization from the City.

B. The City may from time to time require changes or modifications in the Scope of Work. Such changes, including any decrease or increase in the amount of compensation, shall be agreed to be the parties and incorporated in written amendments to the Agreement.

C. Consultant is authorized to proceed with services upon receipt of a written Notice to Proceed. Consultant shall perform the services in accordance with the direction and scheduling provided by the City. If delays beyond Consultant's reasonable control occur, the parties will negotiate in good faith to determine whether an extension is appropriate.

D. The Consultant shall not subcontract with subconsultants for the performance of any work under this Agreement without prior written permission of the City.

2. Duration of Work

The Consultant shall not begin any work under this Agreement until the City has issued a Notice to Proceed. This Agreement shall expire on July 31, 2023, unless extended by an amendment executed by

the duly authorized representatives of the parties. The City reserves the right to offer two, one-year extensions prior to contract expiration to retain the selected company's services.

3. Payment

A. Compensation under this Agreement will be on a "time and materials, not to exceed" basis, based on the fees included for each approved task assignment, provided total compensation for these services shall not exceed one-hundred seventeen, two-hundred seventy-two Dollars (\$117,272.00) without written authorization, and will be based on the list of hourly billing rates and reimbursable expenses set forth in Exhibit B, attached hereto and incorporated herein by this reference.

B. The Consultant shall be paid by the City for completed services rendered. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies equipment and incidentals necessary to complete the work. The Consultant shall bill the City on a monthly basis showing each task as a separate item with the "not to exceed" amount, any prior billings, the current billing, and the balance remaining by task.

C. The amount paid by the City for each invoice shall not exceed the amount in Section 3A above and the hourly billing rates set forth in Exhibit A, except where there are conflicts with the City's Policy on Travel Expenses. The City's Policy on Travel Expenses shall supersede. The City shall pay the full amount of an invoice within sixty (60) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

D. The Consultant will not undertake any work or otherwise financially obligate the City in excess of said not-to-exceed amount in Section 4 without a duly authorized amendment to this Agreement. In the event services are required beyond those specified in Section 1 and not included in the compensation listed in this Agreement, a written contract amendment shall be negotiated and approved by the City before any effort is expended on such services.

E. The Consultant shall keep cost records and accounts pertaining to this Agreement available for inspection by City representatives for three (3) years after final payment unless a longer period is required by a third-party agreement. Copies shall be made available on request.

F. At all times the Consultant shall comply with all federal, state and local laws and regulations applicable to independent contractors, including, but not limited to, all applicable public health requirements in response to COVID-19, the maintenance of a separate set of books and records that reflect all items of income and expenses of the Consultant's business, pursuant to Revised Code of Washington (RCW) 51.08.195, as required by law, to show that the services performed by the Consultant under this Agreement shall not give rise to an employer-employee relationship between the parties, which is subject to Title 51 RCW, Industrial Insurance.

G. If the services rendered do not meet the requirements of this Agreement, the Consultant will correct or modify the work to comply with this Agreement. The City may withhold payment for such work until the work meets the requirements of this Agreement.

4. Discrimination and Compliance with Laws

A. The Consultant agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

B. Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state and municipal laws, rules and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

C. The Consultant shall obtain a City of Port Orchard business license prior to commencing work pursuant to a written Notice to Proceed.

D. Violation of this Paragraph 6 shall be a material breach of this Agreement and grounds for cancellation, termination, or suspension of the Agreement by the City, in whole or in part, and may result in ineligibility for further work for the City.

5. Relationship of Parties

The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or sub-consultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or sub-consultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including but not limited to compensation, insurance, and unemployment insurance, are available from the City to the employees, agents, representatives or sub-consultants of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and sub-consultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

6. Suspension and Termination of Agreement

A. Termination without cause. This Agreement may be terminated by the City at any time for public convenience, for the Consultant's insolvency or bankruptcy, or the Consultant's assignment for the benefit of creditors.

B. Termination with cause. This Agreement may be terminated upon the default of the Consultant and the failure of the Consultant to cure such default within a reasonable time after receiving written notice of the default.

C. Rights Upon Termination.

1. *With or Without Cause.* Upon termination for any reason, all finished or unfinished documents, reports, or other material or work of the Consultant pursuant to this Agreement shall be submitted to the City, and the Consultant shall be entitled to just and equitable compensation for any satisfactory work completed prior to the date of termination, not to exceed the total compensation set forth herein. The Consultant shall not be entitled to any reallocation of cost, profit or overhead. The Consultant shall not in any event be entitled to anticipated profit on work not performed because of such termination. The Consultant shall use its best efforts to minimize the compensation payable under this Agreement in the event of such termination. Upon termination, the City may take over the work and prosecute the same to completion, by contract or otherwise.

2. *Default.* If the Agreement is terminated for default, the Consultant shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Consultant. The Consultant shall bear any extra expenses incurred by the City in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained, by the City by reason of such default.

D. Suspension. The City may suspend this Agreement, at its sole discretion. Any reimbursement for expenses incurred due to the suspension shall be limited to the Consultant's reasonable expenses and shall be subject to verification. The Consultant shall resume performance of services under this Agreement without delay when the suspension period ends.

E. Notice of Termination or Suspension. Termination shall be effective immediately upon the Consultant's receipt of the City's written notice or such date as stated in the City's notice of termination, whichever is later. Upon receipt of the notice of termination, the Consultant will promptly discontinue all services under this Agreement. Notice of suspension shall be given to the Consultant in writing upon one week's advance notice to the Consultant. Such notice shall indicate the anticipated period of suspension. Notice may also be delivered to the Consultant at the address set forth in Section 15 herein.

7. Standard of Care

The Consultant represents and warrants that it has the requisite training, skill and experience necessary to provide the services under this Agreement and is appropriately accredited and licensed by all applicable agencies and governmental entities. Services provided by the Consultant under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

8. Ownership of Work Product

A. All data, materials, reports, memoranda, and other documents developed under this Agreement whether finished or not shall become the property of the City, shall be forwarded to the City at its request and may be used by the City as it sees fit. Upon termination of this Agreement pursuant to paragraph 8 above, all finished or unfinished documents, reports, or other material or work of the Consultant pursuant to this Agreement shall be submitted to the City. Any reuse or modification of such documents, reports or other material or work of the Consultant for purposes other than those intended by the Consultant in its scope of services under this Agreement shall be at the City's risk.

B. All written information submitted by the City to the Consultant in connection with the services performed by the Consultant under this Agreement will be safeguarded by the Consultant to at least the same extent as the Consultant safeguards like information relating to its own business. If such information is publicly available or is already in the Consultant's possession or known to it, or is rightfully obtained by the Consultant from third parties, the Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise. The Consultant is permitted to disclose any such information only to the extent required by law, subpoena or other court order.

9. Work Performed at the Consultant's Risk

The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by the Consultant for use in connection with the work.

10. Indemnification

The Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries or damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, agents and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. The provisions of this section shall survive the expiration or termination of this Agreement.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.

11. Insurance

The Consultant shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. Before beginning work on the project described in this Agreement, the Consultant shall provide evidence, in the form of a Certificate of Insurance, of the following insurance coverage and limits (at a minimum):

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01

or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named by endorsement as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$5,000,000 general aggregate.
3. Workers' Compensation Employer's Liability each accident \$1,000,000, Employer's Liability Disease each employee \$1,000,000, and Employer's Liability Disease – Policy Limit \$1,000,000.
4. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
3. The City will not waive its right to subrogation against the Consultant. The Consultant's insurance shall be endorsed acknowledging that the City will not waive their right to subrogation. The Consultant's insurance shall be endorsed to waive the right of subrogation against the City, or any self-insurance, or insurance pool coverage maintained by the City.

- 4. If any coverage is written on a “claims made” basis, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

12. Assigning or Subcontracting

The Consultant shall not assign, transfer, subcontract or encumber any rights, duties, or interests accruing from this Agreement without the express prior written consent of the City, which consent may be withheld in the sole discretion of the City.

13. Notice

Any notices required to be given by the City to the Consultant or by the Consultant to the City shall be in writing and delivered to the parties at the following addresses:

Robert Putaansuu
 Mayor
 216 Prospect Street
 Port Orchard, WA 98366

Phone: 360.876.4407
 Fax: 360.895.9029

CONSULTANT
 Adam Schuyler, PE, PMP
 Murraysmith, Inc
 600 University Street, Suite 300
 Seattle, WA 98101

Phone: 206.462.7030

14. Resolution of Disputes and Governing Law

A. Should any dispute, misunderstanding or conflict arise as to the terms and conditions contained in this Agreement, the matter shall first be referred to the Mayor, who shall determine the term or provision’s true intent or meaning. The Mayor shall also decide all questions which may arise between the parties relative to the actual services provided or to the sufficiency of the performance hereunder.

B. If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the Mayor’s determination in a reasonable time, or if the Consultant does not agree with the Mayor’s decision on a disputed matter, jurisdiction of any resulting litigation shall be filed in Kitsap County Superior Court, Kitsap County, Washington.

C. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorneys’ fees from the other party.

15. General Provisions

A. Non-waiver of Breach. The failure of either party to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein contained in one or more instances, shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be in full force and effect.

B. Modification. No waiver, alteration, modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the Consultant.

C. Severability. The provisions of this Agreement are declared to be severable. If any provision of this Agreement is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision.

D. Entire Agreement. The written provisions of this Agreement, together with any Exhibits and Appendices attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, the Agreement or the Agreement documents. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and the Exhibits and Appendices attached hereto, which may or may not have been dated prior to the execution of this Agreement. All of the above documents are hereby made a part of this Agreement and form the Agreement document as fully as if the same were set forth herein. Should any language in any of the Exhibits or Appendices to this Agreement conflict with any language contained in this Agreement, then this Agreement shall prevail.

E. Certification regarding debarment and suspension. By signing this Agreement the Consultant certifies to the best of its knowledge and belief, that it and its principals: (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency; (2) have not within a three-year period preceding the effective date of this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated herein of; and (4) have not within a three-year period preceding the effective date of this Agreement had one or more public transactions (federal, state or local) terminated for cause or default.

16. Title VI

The City of Port Orchard, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation subtitle A, Office of the Secretary, Part 21, nondiscrimination in federally assisted programs of the Department of Transportation issued pursuant to such Act, must affirmatively insure that its contracts comply with these regulations.

Therefore, during the performance of this Agreement, the Consultant, for itself, its assignees, and successors in interest agrees as follows:

1. **Compliance with Regulations:** The Consultant will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation, Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. **Nondiscrimination:** The Consultant, with regard to the work performed by it during this Agreement, will not discriminate on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Consultant will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations as set forth in Appendix A, attached hereto and incorporated herein by this reference, including employment practices when this Agreement covers any activity, project, or program set forth in Appendix B of 49 C.F.R. part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Consultant of the Consultant's obligations under this Agreement and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP.
4. **Information and Reports:** The Consultant will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the City or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of the Consultant is in the exclusive possession of another who fails or refuses to furnish the information, the Consultant will so certify to the City or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the Consultant's noncompliance with the Non-discrimination provisions of this Agreement, the City will impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
 1. withholding payments to the Consultant under the Agreement until the contractor complies; and/or
 2. cancelling, terminating, or suspending the Agreement, in whole or in part.
6. **Incorporation of Provisions:** The Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Consultant will take action with respect to any subcontract or procurement as the City or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Consultant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Consultant may request the City to enter into any litigation to protect the interests of the City. In addition, the Consultant may request the United States to enter into the litigation to protect the interests of the United States.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth above.

CITY OF PORT ORCHARD,
WASHINGTON

CONSULTANT

DocuSigned by:
By: Robert Putaansuu
F89E88B5D0E74EF...
Robert Putaansuu, Mayor

By: 
Name: Adam Schuyler, PE
Title: Principal Engineer

ATTEST/AUTHENTICATE:

DocuSigned by:
By: Brandy Wallace
58B71243F4CB414...
Brandy Rinearson, MMC
City Clerk

APPROVED AS TO FORM:

DocuSigned by:
By: Charlotte Archer
203701E25520457...
Charlotte A. Archer, City Attorney



During the performance of this Agreement, the Consultant, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 C.F.R. Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 C.F.R. Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC§ 471, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.P.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

EXHIBIT A

SCOPE OF WORK 2023 General Sewer Plan Update City of Port Orchard

Statement of Understanding

The City of Port Orchard (City) currently operates a 2,100-acre aging sewer collection and conveyance system that discharges to the South Kitsap Water Reclamation Facility (SKWRF), which is owned jointly by the City and West Sound Utility District (WSUD) and operated by the WSUD. The City last prepared an updated Sewer Comprehensive Plan in 2016 and would like a new planning document to help guide near- and long-term investments in their sewer system and to coordinate with the City's 2024 Comprehensive Plan. The City's 2023 General Sewer Plan (Plan) will meet the requirements of WAC 173-240-050 to be approved by the Washington State Department of Ecology (Ecology).

The consultant team is led by Murraysmith (Consultant) as the prime consultant and includes sub-consultant Katy Isaksen and Associates for financial analysis and documentation.

Scope of Services

To maximize the available information and to streamline the Project, all tasks include the following five components:

- Objective – Summary of the goals that will be achieved by each task
- Work Tasks – Tasks that will be completed by the Consultant
- Receivables – Information that will be provided by the City
- Deliverables – The finished product that will be delivered to the City
- Assumptions – Assumptions used to develop each task

Specific Tasks

City staff will be actively engaged throughout the project, utilizing a series of workshops and presentations to solicit City input and develop consensus at key points in the planning process. Tasks in this Scope of Work include:

- Task 1 – Project Management
- Task 2 – Coordination with Ecology
- Task 3 – Data Collection and Review
- Task 4 – Basis of Planning and Regulatory Requirements

- Task 5 – Existing Collection and Conveyance Sewer System Summary
- Task 6 – Sewer System Evaluation
- Task 7 – Wastewater Treatment and Water Reclamation and Reuse
- Task 8 – Operations and Maintenance
- Task 9 – Capital Improvement Plan
- Task 10 – Financial Analysis
- Task 11 – Plan Development and Approval Process

A detailed breakdown of the tasks and subtasks that comprise the Scope of Work follows and aligns with the tasks included in the Fee Estimate included as Exhibit B.

Task 1 - Project Management

Objective

Provide overall leadership and team strategic guidance aligned with City of Port Orchard staff objectives. To coordinate, monitor, and control the project resources to meet the technical, communication, and contractual obligations required for developing and implementing the project scope. Conduct Quality Assurance /Quality Control (QA/QC) procedures.

Activities

1.1 Invoices/Status Reports

Prepare monthly invoices, including expenditures by task, hours worked by project personnel, and other direct expenses with the associated backup documentation. Monthly status reports to accompany each invoice and include comparisons of monthly expenditures and cumulative charges to budget by Task, including cost-to-complete, earned value, cash flow, and sub-consultant participation.

1.2 Project Kickoff Meeting

Prepare for and attend project kickoff meeting with City staff and key team members. Murraysmith to prepare for, attend, and lead the kickoff meeting. Prepare a detailed meeting agenda and distribute before the kickoff meeting for City review. Prepare and distribute minutes after the meeting.

1.3 Coordination with City Staff

Coordinate with City staff by regular status reports, monthly status meetings, weekly telephone communication, and e-mail during the project. City Project Manager (PM) to be copied on all email communications with City staff.

1.4 Coordination with Subconsultants

Coordinate with and manage subconsultants on specific tasks, scope, and budget to facilitate execution of the Scope of Services.

1.5 Development of Project Management Plan

Develop Project Management Plan (PMP) that includes the signed contract, work assignments, project work plans, communication protocol, quality control plan, schedule, health and safety plan, and invoicing procedures.

1.6 Decision Log

Develop, maintain, and monitor a decision log to document major project decisions. Decision log will be a Microsoft Excel file with access provided to the consulting team and City staff.

1.7 Quality Assurance/Quality Control (QA/QC)

Quality Assurance/Quality Control (QA/QC): Perform QA/QC at all key milestones and on all project deliverables.

Receivables

- Deliverable review comments

Deliverables

- Consultant shall deliver to the City a monthly invoice and status report covering:
 - Work on the project performed during the previous month
 - Meetings attended
 - Problems encountered and actions taken for their resolution
 - Potential impacts to submittal dates, budget shortfalls or optional services
 - Budget Analysis
 - Issues requiring project team action
- Draft and Final Project Management Plan in PDF format
- Kickoff meeting agenda and minutes
- Updated monthly schedule, when applicable
- Decision Log form

Assumptions

- The project duration is anticipated to be 18 months that includes 6 months for the approval process.
- Kickoff meeting will be virtual and will be attended by two (2) members of the consultant team.
- City review period for deliverables is 10 working days.
- City review comments will be compiled into a single document before submitting to consultant.
- Eighteen (18) monthly half-hour meetings with the Consultant's Project Manager and the City Public Works Director and Utility Manager are assumed. Meetings will take place virtually or by phone.
- Eighteen (18) progress payments/status reports are assumed.

Task 2 – Coordination with Ecology

Objective

Coordinate with the Ecology representative to facilitate efficient and complete delivery and approval of the Plan.

Work Tasks

2.1 Ecology Kickoff Meeting

Prepare for and attend a project kickoff meeting with Ecology to review project objectives, work plan, schedule, and receive Ecology input.

2.2 Coordination with Ecology

Coordinate with Ecology.

Receivables

- None

Deliverables

- Ecology Kickoff meeting agenda and minutes.

Assumptions

- City staff will identify Ecology representative and facilitate scheduling of Ecology kickoff meeting.
- City PM will attend all meetings with Ecology.
- Four (4) meetings will occur, including the kickoff meeting.
- All meetings with Ecology will be virtual.

Task 3 – Data Collection and Review

Objective

Collection of existing flow data and background information for the system, including pipe, pump station, and operations information. The data and information compiled and reviewed in this Task will aid in completing future Tasks.

3.1 Develop and Submit Data Collection Request Log

Prepare and maintain a list of data needed for the project, submit list to the City, and coordinate with the City during the data collection process by using the Data Collection Request Log. Update the Data Collection Request Log based on data availability and as data is received. The log to be accessible to consultant and City staff such that duplicate data requests are not made.

Obtain available existing information, including but not limited to (as available):

- 2016 General Sewer Plan in Word (.docx) format
- Geographic Information System (GIS) layers (attributes)
 - Pipeline condition assessment and ranking in available format.
 - Pipes (diameter, length, upstream and downstream manhole connectivity and invert elevations, material)
 - Manholes (depth/invert elevation, rim elevation, connecting pipe offsets)
 - Soil info (geologic classification, infiltration rates or hydraulic conductivity)
 - Parcels
 - Right-of-way (ROW)
 - Flow monitors and Rain Gauge locations

- Streets
 - Water bodies
 - Topography (5-feet or less resolution elevation)
 - Pump Stations
 - Other storage and diversion structures
- Flow, pump runtime, and rainfall monitoring data in 1-hour increments, if available, for the past five (5) years
 - Flow data from the SKWRF for the past five (5) years
 - Large user (industrial, institutional, etc.) flow data estimates if available
 - Existing population and future projections; employment data if available
 - Information on new facilities constructed since 2016 GSP
 - Pump station parameters and condition information (pump curve, start/stop elevations, point of operation if variable speed pumps are used)
 - Wet well dimensions and as-built drawings
 - Force main profile, size, length, and material
 - Pipe/Manhole Condition Information
 - Water consumption data for service area
 - Design standards including minimum slopes, design rainfall storm events, maximum allowable d/D (depth/Diameter) ratios by pipe sizes, peaking factors, allowable infiltration/inflow rates (gallons per acre or gallons per feet of pipe or gallons per inch-diameter-mile)
 - Current interlocal agreement with WSUD
 - Current Rate Study
 - Other information as requested

3.2 Review Data Provided by City

Review and catalogue the data provided by the City.

Receivables

- Pertinent records, drawings, and information relevant to the sanitary sewer collection and conveyance systems.
- Information compiled and requested in the Data Collection Log.

Deliverables

- Data Collection Request Log

Assumptions

- City staff to provide data requested in most appropriate and useful format within 10 working days of the data request.
- Budget has been developed assuming all data is provided in electronic format.

Task 4 – Basis of Planning and Regulatory Requirements

Objective

Develop population projections and establish the Basis of Planning for the Plan. Document the regulatory requirements guiding the Plan and establish the service area.

Work Tasks

4.1 Regulatory Requirements

Review and document the project-specific regulatory requirements and criteria, potential future requirements/trends, including:

- Previous Planning Efforts – Provide a written summary of recent planning efforts.
- Federal, State, and Local Rules and Regulations – Document Federal, State, and local rules and regulations that relate to the City’s sanitary sewer systems, including the Washington Criteria for Sewerage Works Design (“Orange Book”)
- City Design and Construction Standards and Specifications
- Collection System Planning Criteria – Identify planning design criteria, including defining pipe deficiency criteria. Additional criteria may include pump station firm capacity, force main maximum velocity, and gravity pipeline minimum scouring velocity.
- System Resiliency Criteria – Define resiliency criteria (likelihood of failure and consequence of failure) including threat characterization and goals.

4.2 Service Area and Vicinity

Review the current jurisdictional boundaries and land use designations to establish the study area for the planning horizons. Review and characterize the adjacent jurisdiction's service area in relation to the City's service area. Prepare service area characteristic maps as required to meet WAC and Orange Book requirements.

Develop base map of the service area.

4.3 Population Projections

Coordinate with the Puget Sound Regional Council to obtain existing and future residential and commercial population projections. City Planner to review and confirm existing and projected populations.

4.4 Basis of Planning Workshop

Conduct a workshop with City staff to review the results of the previous work tasks and get input on information prior to development of Plan Chapter 1 – Basis of Planning.

Receivables

- Current sewered customer information
- Large, non-residential wastewater customers and flows 2016-2021
- Land-use and service area changes, specifically where there are projected re-zones or expected service extensions.
- Current population numbers for 2022 and future population projections for 2029, 2033, 2043, and build-out
- Comments on Draft Chapters 1 through 4.

Deliverables

- Chapter 1 – Introduction
- Chapter 2 – Policies and Standards
- Chapter 3 – Service Area Characteristics
- Chapter 4 – Population
- Agenda and minutes for the Basis of Planning Workshop

Assumptions

- Water meter consumption data is available for all sewer customers.

- Any sewer basin revisions will be reviewed and approved by the City prior to finalization.
- Up to two (2) staff from Murraysmith will attend the Basis of Planning workshop, which will be up to two (2) hours in duration and be virtual.

Task 5 – Existing Collection and Conveyance Sewer System Summary

Objective

Provide an overview of the existing system using the sewer system information received in Task 2.

Work Tasks

5.1 System Overview

Review and summarize existing system components, operation, and facility upgrades. Document, review, and summarize intergovernmental agreements related to the sewer conveyance system.

5.2 Existing Collection and Conveyance Facilities

Review and document the City's existing collection and conveyance system including an inventory of existing conveyance piping, hydraulic structures including outfalls, and pump stations.

5.3 Sewer Basins

Review delineations of the existing sewer basins and make refinements, if necessary, to define extents for the Plan. Document pertinent information including area, summary of sewer system components contained in each sewer basin, and land uses. Develop base map showing sewer drainage basins. Develop basin maps for delineated basins.

5.4 Current and Future Sewer Flow Projections

Document existing and future population and employment numbers in the service area and for the planning horizons. Utilize available flow monitoring data, water meter consumption data, pump runtime data, and other sources to characterize wastewater flows for the existing system including:

- Average Dry Weather Flow (ADWF) rate in gallons per capita per day (gpcd) using flow monitoring data
- 24-hour weekday and weekend patterns for each flow monitoring site
- Separation of domestic wastewater and infiltration/inflow (I/I) using water meter data
- Large/Industrial users

- I/I coefficients and unit rates to characterize sub-basins
- Calculate dry weather and wet weather flow to meet requirements of EPA Publication No. 97-03
- Wet weather flows (also to be generated through H/H modeling)

Develop future wastewater flow projections for the same metrics using future population and growth projections. It is anticipated that the future ADWF to be based on existing per unit rate developed for the current conditions in conjunction with future population estimates. Compare rainfall to peak flows.

Receivables

- Information related to criticality of existing sewer facilities.
- Comments on Draft Chapter 5 and 6

Deliverables

- Chapter 5 – Existing Sewer Facilities
- Chapter 6 – Wastewater Flows

Task 6 – Sewer System Evaluation

Objective

Update existing model developed as part of the 2016 GSP with major facilities constructed or upgraded since 2016. Update with new flow projections for the planning horizons identified. Analyze the major components of the City's sewer collection and conveyance system, including collector and trunk lines, pump stations, and force mains. Identify deficiencies and improvements associated with system capacity and condition, infiltration and inflow, and planned growth. Summarize known issues from interviews with operations and maintenance staff.

Work Tasks

6.1 Hydraulic Modeling

Update the hydraulic model representing the City's collection and conveyance system with new facilities and updated dry weather and I/I flows. I/I rates will vary based on analysis in Task 5. Set up dry weather flow parameters using ADWF determined in Task 5. The hydraulic resolution of the model to include all major interceptors and collector pipes at a resolution necessary to analyze the collection system.

Calibrate the updated model to flow monitoring data collected in Task 3. Use peak flow and total flow volume as the calibration metrics.

6.2 Capacity Analysis

Evaluate existing system performance under dry and wet weather conditions using the calibrated H/H model Task 6.1. Identify system deficiencies using the established planning criteria from Task 4. Perform iterative modeling where system bottlenecks are removed in capacity restricted area to account for downstream impact, thus establishing unrestricted peak flows through the system. Export simulated peak flows from the model and compare to the system deficiency criteria identified in Task 5 for the collection system. Compare peak flow with pipe capacity in a database that links model output data with the pipe hydraulic capacity to determine deficiency extent and compute appropriate pipe diameter to address the deficiency. Update the calibrated H/H model loading for the 20-year planning horizons. Evaluate future system performance and level of service for dry and wet weather and identify system deficiencies using the planning criteria established in Task 5 and the same iterative methodology used for existing system evaluation.

Develop level of service (LOS) maps for the existing system and 20-year planning horizon by comparing simulation results using the design rainfall timeseries with the identified deficiency criteria. A GIS layer to be provided along with the maps.

6.3 Sewer System Evaluation Workshop

Conduct a workshop with City staff to review the results of the system analysis and inventory of feasible alternatives, e.g. alternative piping alignments, pump station capacity upgrades, basin interconnections, and/or pipe upsizing.

6.4 Collection System Condition Assessments

Interview operations and maintenance staff on known issues at the lift stations, force mains, and gravity collection system. Document known issues.

Receivables

- Information on collection system asset condition to facilitate desktop review of lift stations and piped systems.
- Comments on Draft Chapter 7
- Input on Pump Station Condition Assessment form

Deliverables

- Updated and calibrated H/H Model
- LOS Maps for Existing System and corresponding GIS shapefile
- Chapter 7 – Sewer System Evaluation
- Agenda and meeting minutes for the workshop under this task

Assumptions

- Model will be calibrated at up to three (3) locations using existing flow data. If additional flow monitoring is performed, this may extend the schedule.
- Deficient pipes will be sized for the build-out planning horizon per established planning criteria from Task 5.
- The consultant is not tasked with reviewing closed circuit television (CCTV) data.
- No field work for condition assessments or CCTV review time is included in this scope.
- Up to three (3) Murraysmith staff will attend workshop in this task which will be two (2) hours in duration. Meeting will be virtual.

Task 7 – Wastewater Treatment and Water Reclamation and Reuse

Objective

Briefly summarize wastewater treatment and water reclamation and reuse for the City's sanitary sewer system.

Work Tasks

7.1 Existing Wastewater Treatment

Summarize the treatment of the City's wastewater by WSUD.

7.2 Water Reclamation and Reuse

Summarize WSUD's water reclamation and reuse of the City's wastewater.

Receivables

- None

Deliverables

- Chapter 8 – Wastewater Treatment and Water Reclamation and Reuse

Assumptions

- This chapter is required to satisfy Ecology requirements.

Task 8 – Operations and Maintenance

Objective

Document current operations and maintenance (O&M) program and provide comparison to similarly sized utilities.

Work Tasks

8.1 Workshop with O&M Staff

Conduct a workshop with O&M staff to gain understanding of the City's current practices and programs, to define content and format of the O&M chapter, and to discuss O&M activities for sewer system.

8.2 Current O&M Program

Review and summarize current O&M program practices as determined from existing O&M materials and through workshop with O&M staff. Provide recommendations for CCTV review, guidance as to what constitutes a deficiency, and CCTV documentation.

8.3 Staffing Summary

Summarize benchmarks comparing City staffing with similarly sized sewer utilities.

Receivables

- Current O&M staffing
- Current O&M and safety practices and programs
- Documentation of items to be included in O&M Plan Chapter.
- Comments on Draft Chapter 9

Deliverables

- Chapter 9 – Operations and Maintenance
- Agenda and meeting minutes for O&M workshop

Assumptions

- Up to two (2) Murraysmith staff will attend workshop in this task which will be up to two (2) hours in duration. Workshop to be held virtually.

Task 9 – Capital Improvement Plan

Objective

Develop the Capital Improvement Plan (CIP) for the 20-year planning horizon with a year-by-year CIP for the first six years of the planning horizon. The basis for the CIP is the selection of preferred alternatives and the corresponding work completed under previous tasks.

Work Tasks

9.1 Recommended CIP

Identify capital improvement projects to address capacity, risk/resiliency, and condition deficiencies for the planning horizon. Inventory potential alternatives for addressing collection system deficiencies to use as the basis for the capital improvement plan tasks. Confirm capital improvement project addresses deficiency using hydraulic model.

Generate a list of proposed projects based on the prioritization of system deficiencies. Develop American Association of Cost Engineers (AACE) International Class 5 opinions of probable project costs for each project with an accuracy range of +100 percent to -50 percent. Each project to be described in terms of the reason for the improvement, the location, size and extent, and the total project cost including engineering, administration, and construction. Generate corresponding figures for each capital project showing the improvement along with a unique identifier in the hydraulic model.

9.2 Prioritization Workshop

Conduct a workshop with City staff to select prioritization criteria including the timing of deficiency, extent and type of deficiency, customers impacted, environmental impacts, capital and O&M costs, and other concurrent City CIP plans.

9.3 CIP Phasing

Develop a phased CIP project list for the 20-year planning horizon with year-by-year CIP for the first 6 years of the planning horizon. Apply the criteria selected during the prioritization workshop for CIP phasing.

Overlap proposed sewer CIP with the City available CIPs to determine project overlap areas to evaluate combining projects to minimize costs and impacts to the public.

9.4 CIP Project Mapping

Develop interactive GIS maps of CIP projects on a comprehensive base map using Arc GIS Pro Online. Utilize the map to facilitate discussion in the prioritization workshop.

9.5 Final CIP Workshop

Conduct CIP workshop to discuss results of the CIP phasing, costing, and prioritization.

Receivables

- Comments on Draft Chapter 10
- Input on prioritization criteria.

Deliverables

- Agenda and minutes for the two workshops under this task
- Chapter 10 – Capital Improvement Plan

Assumptions

- Cost opinions will be based on current market factors, as well as recent City specific construction bids and industry standards, and are Class 5 per AACE International Recommended Practice No. 56R-08 with an anticipated accuracy range of +100 percent to -50 percent
- Operation and maintenance costs will be qualitative and relative based on high, medium, and low O&M investment and cost.
- Up to four (3) Murraysmith staff will attend the Prioritization Workshop, which will be two (2) hours in duration. This workshop is assumed to be virtual.
- Overlapping underground utility CIPs will be limited to those currently available and be used in CIP prioritization.
- Up to four (3) Murraysmith staff will attend the Final CIP Workshop, which will be two (2) hours in duration. This workshop is assumed to be virtual.

Task 10 – Financial Analysis

Objective

A 6-year financial plan will be developed by updating a spreadsheet model to demonstrate the operating, debt and capital needs along with how these will be paid for. Operating revenues will be matched with ongoing expenses (operations, debt) to ensure sustainable utilities. Rates and connection fees will be reviewed and updated to ensure a balanced plan for the sewer utility. During the development of the financial plan, alternatives may be developed and reviewed with Public Works and engineers.

Work Tasks

10.1 Financial Program and Chapter

Prepare Financial Strategy chapter per attached Scope of Work from Katy Isaksen & Associates.

Receivables

- Necessary sewer financial information as requested.

Deliverables

- Draft six-year outlook materials to be reviewed with Public Works.
- Capital Facilities Charge update memorandum.
- Sewer rate table for use in Ordinance drafting, if necessary.
- Presentation materials for Council.
- Chapter 11 – Financial Strategy

Assumptions

- None

Task 11 – Plan Development and Approval Process

Objective

Develop the 2023 General Sewer Plan by compiling the chapters developed in previous tasks, appendices and developing the Executive Summary. Develop the Plan to meet the WAC 173-240-050 requirements for a General Sewer Plan.

Work Tasks

11.1 Executive Summary and Appendices

Compile appendices comprised of the work products resulting from the previous tasks. Develop the Executive Summary for the Plan

11.2 Draft Plan for City Review and SEPA Use

Compile the work products and findings from the previous tasks and consolidate them into a single draft Plan. Complete State Environmental Policy Act (SEPA) checklist. The draft Plan is anticipated to include the following chapters.

- E. Executive Summary
- 1. Introduction

2. Policies and Standards
3. Service Area Characteristics
4. Population
5. Existing Sewer Facilities
6. Wastewater Flows
7. Sewer System Evaluation
8. Wastewater Treatment and Water Reclamation and Reuse
9. Operations and Maintenance
10. Capital Improvement Program
11. Financial Strategy
12. Appendices

11.3 Draft Plan Revisions and Council Adoption

Submit draft Plan to the City. Meet with City to review and receive comments. Revise plan based on City review comments. Submit updated plan for Council adoption.

11.4 Ecology Review and Revisions

Submit two (2) hard copies of the revised draft Plan to Ecology for review. Provide draft written responses to Ecology's review comments and submit to City for review and input. With City input, finalize written responses and develop a final document that incorporates comments. Submit comment responses and updated plan to Ecology for approval.

11.5 Final Electronic and Hard Copies

Prepare final copies of the plan in electronic and hard copies.

Receivables

- City's SEPA checklist.
- Written review comments on the draft Plan prior to submission to Ecology.
- Review comments on draft responses to Ecology's review comments.

Deliverables

- Two (2) hard copies and one (1) electronic copy of the draft Plan will be created for the City prior to submission to Ecology.
- One (1) electronic copy of revised draft plan will be provided to adjacent agencies for review.
- Two (2) revised hardcopy draft Plans will be submitted to Ecology for review. One (1) electronic copy of the revised draft Plan will be submitted to the City.
- Draft and final written responses to Ecology's review comments.

- Three (3) hard copies and one (1) electronic copy of the final plan will be submitted to City Council for review and adoption.
- One (1) hard copy of the adopted plan along with an electronic file in pdf format will be submitted to Ecology for their final approval.
- Five (5) hard copies and one electronic copy (including Ecology’s approval) of the final Plan will be delivered to the City.

Assumptions

- No additional comments will be accepted on the previous memoranda, draft chapters and meeting minutes that were reviewed and accepted by City staff and will be incorporated into the Plan.
- No additional significant comments will be provided by the City.
- City will have provided comments on each chapter of the plan prior to the consultant developing the overall draft of the Plan.
- City will provide review comments on all drafts of the Plan.

Budget

Payment will be made at the Billing rates for personnel working directly on the project, which will be made at the Consultant’s Hourly Rates, plus Direct Expenses incurred. Subconsultants, when required by the Consultant, will be charged at actual costs plus a 10 percent fee to cover administration and overhead. Direct expenses will be paid at the rates shown in the table below.

Direct Expenses

Expenses incurred in-house that are directly attributable to the project will be invoiced at actual cost. These expenses include the following

Computer Aided Design and Drafting	\$18.00/hour
GIS and Hydraulic Modeling	\$10.00/hour
Mileage	Current IRS Rate
Postage and Delivery Services	At Cost
Printing and Reproduction	At Cost
Travel, Lodging and Subsistence	At Cost

Project Schedule

Work will begin upon receipt of a signed contract and notice to proceed, or other agreeable written authorization. Work will proceed in a timely manner with an anticipated completion date

City of Port Orchard	MURRAYSMITH	2023 General Sewer Plan Update
2/7/2022	18	

30 months from notice to proceed. The project duration is based on timely input, information, and review comments from City staff. A detailed schedule including meeting and workshop dates will be submitted with the Project Management Plan as one of the first work tasks once notice to proceed has been issued.

Task Name	Start	Finish
Project Kick-Off	3/2022	3/2022
Task 1 - Project Management	3/2022	9/2023
Task 2 - Coordination with Ecology	3/2022	9/2023
Task 3 - Data Collection and Review	3/2022	4/2022
Task 4 – Basis of Planning and Regulatory Requirements	4/2022	8/2022
Task 5 – Existing Collection and Conveyance Sewer System Summary	5/2022	7/2022
Task 6 – Sewer System Evaluation	7/2022	10/2022
Task 7 – Wastewater Treatment and Water Reclamation and Reuse	11/2022	12/2022
Task 8 – Operations and Maintenance	11/2022	12/2022
Task 9 – Capital Improvement Plan	12/2023	1/2023
Task 10 – Financial Analysis	1/2023	4/2023
Task 11 – Plan Development and Approval Process	4/2023	2/9/23
Submit Draft Plan to City	4/2023	4/2023
Submit Draft Plan to Ecology	5/2023	5/2023
Submit Final Plan to City for Adoption by City Council	8/2023	8/2023
Submit Adopted Comprehensive Sewer Plan to Ecology for Approval	9/2023	9/2023
Project Close-Out	9/2023	9/2023



**City of Port Orchard
Council Meeting Minutes
Regular Meeting of December 20, 2022**

1. CALL TO ORDER AND ROLL CALL

Mayor Putaansuu called the meeting to order at 6:30 p.m.

Due to the inclement weather, the meeting is being held remotely through Zoom.

Roll call was taken by the City Clerk as follows:

Mayor Pro-Tem Lucarelli	Present via Zoom
Councilmember Chang	Present via Zoom
Councilmember Clauson	Present via Zoom
Councilmember Cucciardi	Present via Zoom
Councilmember Diener	Present via Zoom
Councilmember Trenary	Present via Zoom
Councilmember Rosapepe	Present via Zoom
Mayor Putaansuu	Present via Zoom

Staff present via remote access: Public Works Director Lang, Finance Director Crocker, Community Development Director Bond, Police Chief Brown, HR Manager Lund, City Attorney Archer, City Clerk Wallace, and Deputy City Clerk Floyd.

The meeting streamed live on YouTube.

A. PLEDGE OF ALLEGIANCE (Time Stamp: 00:58)

Boy Scout Troop 1539 led the audience and Council in the Pledge of Allegiance.

2. APPROVAL OF AGENDA (Time Stamp: 01:58)

MOTION: By Councilmember Diener, seconded by Councilmember Cucciardi, to add approval and Ratification of the Mayors Proclamation of Local Emergency Pursuant to RCW 38.52.070 and RCW 42.30.070 to the Consent Agenda.

The motion carried.

MOTION: By Councilmember Diener, seconded by Councilmember Lucarelli, to approve the agenda as amended.

The motion carried.

3. CITIZENS COMMENTS (Time Stamp: 04:01)

Spencer Hutchins, State Representative for the 26th District, introduced himself and spoke to being a voice for local governments.

4. CONSENT AGENDA (Time Stamp: 08:40)

- A. Approval of Voucher Nos. 85245 through 85282 including bank drafts in the amount of \$103,752.59 and EFT's in the amount of \$56,711.43 totaling \$160,464.02.
- B. Approval of Payroll Check Nos. 0 through 0 including bank drafts and EFT's in the amount of \$0 and Direct Deposits in the amount of \$0 totaling \$0.
- C. Adoption of a Resolution Accepting Funding from the State of Washington to Off-Set Costs Generated by 2021/2022 Law Enforcement and Criminal Justice Legislation (**Resolution No. 127-22**)
- D. Adoption of an Ordinance Amending POMC Chapter 10.12 Establishing Regulations and Fees Related to Parking, Stopping, or Standing in Certain Areas of the City (**Ordinance No. 049-22**)
- E. **New:** Approval and Ratification of the Mayors Proclamation of Local Emergency Pursuant to RCW 38.52.070 and RCW 42.30.070

MOTION: By Councilmember Cucciardi, seconded by Councilmember Clauson, to approve the Consent Agenda as amended.

The motion carried.

5. PRESENTATION

There were no presentations.

6. PUBLIC HEARING

There were no public hearings.

7. BUSINESS ITEMS

- A. **Adoption of an Ordinance Authorizing the Position of Code Enforcement Officer I, Establishing General Duties and Qualifications and Setting Salary Ranges (Time Stamp: 09:09)**

MOTION: By Councilmember Clauson, seconded by Councilmember Trenary, to adopt an ordinance authorizing the creation of the position of Code Enforcement Officer I, establishing general qualifications and duties for the positions, and setting the salary range for the position.

The motion carried.

(Ordinance No. 053-22)

B. Adoption of a Resolution Adopting Policies for Washington Paid Family and Medical Leave and Volunteer Emergency Services Leave (Time Stamp: 12:38)

MOTION: By Councilmember Diener, seconded by Councilmember Lucarelli, to adopt a resolution adopting written policies for the Washington State Paid Family and Medical Leave Program, and the Washington Volunteer Emergency Services Leave.

**The motion carried.
(Resolution No. 091-22)**

C. Adoption of a Resolution Confirming the Mayoral Committee, Boards, and Commissions Appointments (Time Stamp 15:55)

MOTION: By Councilmember Lucarelli, seconded by Councilmember Clauson, to adopt a resolution confirming the Mayor's appointments to the Boards, Committees, and Commissions, as set forth in the Resolution presented.

**The motion carried.
(Resolution No. 108-22)**

D. Adoption of a Resolution Adopting the 2023 City Council Meeting Schedule (Time Stamp 20:08)

MOTION: By Councilmember Trenary, seconded by Councilmember Clauson, to adopt a resolution, adopting the 2023 City Council meeting schedule as presented.

**The motion carried.
(Resolution No. 115-22)**

E. Adoption of a Resolution Approving a Memorandum of Understanding with Port of Bremerton for the Marina Pump Station (Time Stamp 22:20)

MOTION: By Councilmember Lucarelli, seconded by Councilmember Diener, to adopt a resolution, authorizing the Mayor to execute a Memorandum of Understanding with the Port of Bremerton for the Marina Pump Station project.

**The motion carried.
(Resolution No. 124-22 and Contract No. 133-22)**

F. Adoption of a Resolution Approving a Contract with All Around Fence Company for the Bay Street Pedestrian Pathway Repairs (Time Stamp 25:10)

Councilmember Clauson explained he works for Kitsap Transit who is the organization which caused the damage.

City attorney Archer noted that salaried employees do not have direct conflict

MOTION: By Councilmember Chang, seconded by Councilmember Cucciardi, to adopt Resolution No. 107-22, authorizing the Mayor to execute Contract No. C116-22 with All Around Fence Company for the Bay Street Pedestrian Pathway Repairs in the amount of \$18,491.93.

The motion carried.

G. Approval of a Commercial Lease Agreement with Hillstrom Holdings for Commercial Office Space of 600 Kitsap Street Units 101 and 201 (Time Stamp 30:30)

MOTION: By Councilmember Diener, seconded by Councilmember Cucciardi, to authorize the Mayor to enter into an agreement with Hillstrom Holdings to lease commercial office space, as presented.

At 7:02 p.m., Mayor Putaansuu excused himself from the meeting due to technical issues and asked Mayor Pro Tem Lucarelli to take over the meeting.

The motion carried
(Contracts No. 131-22 and 132-22)

H. Approval of Amendment No. 1 to Contract No. 015-20 with Inslee, Best, Doezie & Ryder, PS for Legal Services (Time Stamp 35:46)

MOTION: By Councilmember Diener, seconded by Councilmember Trenary, to approve Amendment No. 1 with Inslee, Best, Doezie & Ryder, P.S for city attorney services.

The motion carried.

I. Approval of Amendment No. 7 to Contract No. 054-18 with RH2 Engineering, Inc. for the Marina Pump Station Rebuild Project (Time Stamp: 39:23)

MOTION: By Councilmember Clauson, seconded by Councilmember Diener, to authorize the Mayor to execute Amendment No. 7 to Contract No. C0054-18 with RH2 Engineering, Inc. for the Marina Pump Station Rebuild Project.

Mayor Putaansuu returned to the meeting at 7:13 p.m.

The motion carried.

J. Adoption of a Resolution Authorizing the Re-appointment of Tim Drury as the City's Abatement Hearing Officer (Time Stamp: 44:22)

MOTION: By Councilmember Trenary, seconded by Councilmember Lucarelli, to adopt a resolution re-appointing Tim Drury as the City's abatement hearing officer for a four-year term.

**The motion carried.
(Resolution No. 128-22)**

8. DISCUSSION ITEMS (No Action to be Taken)

There were no discussion items.

9. REPORTS OF COUNCIL COMMITTEES

There were no reports of Council Committees.

10. REPORT OF MAYOR (Time Stamp: 47:10)

The Mayor reported on the following:

- Phone call with Congressman Kilmer regarding federal budget and the Bay St project;
- Council Retreat; and
- Attending the AWC Annual Conference in 2023.

After a brief discussion, the Council retreat has been tentatively scheduled for March 10, 2023.

11. REPORT OF DEPARTMENT HEADS (Time Stamp 50:31)

Police Chief Brown thanked public works for their work during the ice and snowstorm.

Community Development Director Bond reported committee members of the Economic Development and Tourism Committee will be receiving an e-mail scheduling dates in January and February.

City Attorney Archer thanked Council for extending their contract with the City. She also mentioned that she emailed the Council with regards to a piece of litigation, and lastly, spoke to homelessness and maintaining a good relationship with Kitsap County's Heart Coordinator.

Public Works Director Lang reported the City's new Operation Manager, Jeff Heglund, will be attending the January 10th meeting to introduce himself to Council. He also expressed his appreciation to the public works staff.

12. CITIZEN COMMENTS (Time Stamp 55:15)

There were no citizen comments.

13. EXECUTIVE SESSION

The executive session was held earlier.

14. GOOD OF THE ORDER (Time Stamp 55:40)

There was no Good of the Order.

15. ADJOURNMENT

The meeting adjourned at 7:26 p.m. No other action was taken. Audio/Visual was successful.

Brandy Wallace, MMC, City Clerk

Robert Putaansuu, Mayor



City of Port Orchard

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Agenda Staff Report

Agenda Item No.: Presentation 5A
Subject: Housing Action Plan – Existing Conditions
Report

Meeting Date: January 10, 2023
Prepared by: Nick Bond, AICP
DCD Director
Atty Routing No.: N/A
Atty Review Date: N/A

Summary: The City of Port Orchard is currently developing a Housing Action Plan (HAP) to identify strategies, actions, and policy tools to create enough housing options to meet community needs. A Housing Action Plan is a policy document with a set of steps for the City to support and encourage new housing production that meets local housing needs for residents of all income levels. The HAP uses an equity lens to develop clear, actionable strategies to meet current and future housing needs. Port Orchard received a grant from the Washington State Department of Commerce to develop this HAP to address current and future housing needs.

The Existing Conditions Report reveals that housing production in Port Orchard falls short of what is needed, putting pressure on housing prices, rents and limiting housing options for Port Orchard’s lowest-income households. The current housing inventory is mostly comprised of single-family housing units, which may not match the needs of the community, but recent permitting activity shows gains in multifamily development. Housing costs are rising more quickly than incomes, so households across income levels are impacted by the lack of diverse and affordable housing options.

Relationship to Comprehensive Plan: The Housing Action Plan will inform the Housing Element of the City of Port Orchard’s Comprehensive Plan Periodic Update.

Recommendation: N/A

Motion for consideration: N/A

Fiscal Impact: N/A

Alternatives: N/A

Attachments: City of Port Orchard Housing Action Plan Existing Conditions Report.

Port Orchard Housing Action Plan

Existing Conditions and Housing Needs Analysis Report

January 4, 2023

Introduction

The Port Orchard Housing Action Plan (HAP) defines strategies and implementing actions that promote greater housing diversity, affordability, and access to opportunity for residents of all income levels. The process to develop the HAP included a review of Port Orchard's system of policies, programs, and regulations which shape opportunities for housing development.

The purpose of this effort is to define strategies and actions that promote greater housing diversity, affordability, and access to opportunity for residents of all income levels.

The HAP is intended to inform updates to the Port Orchard Comprehensive Plan (most notably the Land Use and Housing elements) and to guide implementation strategies such as development regulations, housing programs, fee structures, and infrastructure spending priorities.

Table of Contents

Introduction	1
Section 1 – Community Profile	3
Section 2 – Housing Inventory and Production Trends	3
Section 3 – Cost Trends	31
Section 4 – Housing and Service Needs	36
Section 5 – Housing Funding and Monetary Tools	42
Section 6 – Housing Policies	47
Section 7 – Land Capacity Analysis	64
Appendix A – Kitsap County Impact Fee Comparison	64
Appendix B – Comprehensive Plan Policies	68

Abbreviations

ACS. American Community Survey, an annual product of the U.S. Census Bureau.

AMI. Area median income.

BIPOC. Black, Indigenous, (and) People of Color.

CHAS. Comprehensive Housing Affordability Strategy, a product of the U.S. Department of Housing and Urban Development.

GIS. Geographic Information System.

HAP. Housing Action Plan.

HUD. U.S. Department of Housing and Urban Development.

LEHD. Longitudinal Employer-Household Dynamics, a product of the U.S. Census Bureau.

MFI. Medium family income.

MFTE. Multifamily tax exemption program.

MHI. Medium household income.

MSA. Metropolitan Statistical Area.

POMC. Port Orchard Municipal Code (city law).

OFM. Washington State Office of Financial Management.

RCW. Revised Code of Washington (state law).

Section 1 – Community Profile

The Community Profile discusses Port Orchard’s current and future population and the age, race, and ethnicity of residents. It also discusses the size, income, and characteristics of the City’s households, as well as households with specific needs and risks such as cost-burdened households, older adults, and adults with disabilities. These demographic and household characteristics provide background and context for the types of housing required to better serve all of Port Orchard’s residents.

Population and Demographics

Historic and Future Population

Port Orchard’s population in 2020 was 15,587 according to the U.S. Census. The Washington Office of Financial Management Postcensal 2022 population estimate for the city is 16,400. Figure 1 shows the city’s population trends since 1960, average annual growth rates by decade, and the latest Port Orchard 2044 population target of 26,087 residents as detailed in the Kitsap County Countywide Planning Policy Update.

Port Orchard is a fast-growing community that has historically grown more rapidly than national and statewide averages. The city grew at an average annual rate of about 2.8 percent since 1960, but growth accelerated around 2000. Since 2000 the city has grown on average 4.0 percent annually, an increase of 9,442 residents. By comparison, Kitsap County grew at a rate of 0.9 percent per year over the same period and national population growth was 0.7 percent in the 2000-2020 period. The 2020 census and 2044 population target represent an expected annual growth rate of 2.2 percent per year, though recent trends have suggested higher growth rates closer to 3 percent indicating that Port Orchard may exceed its planning target.

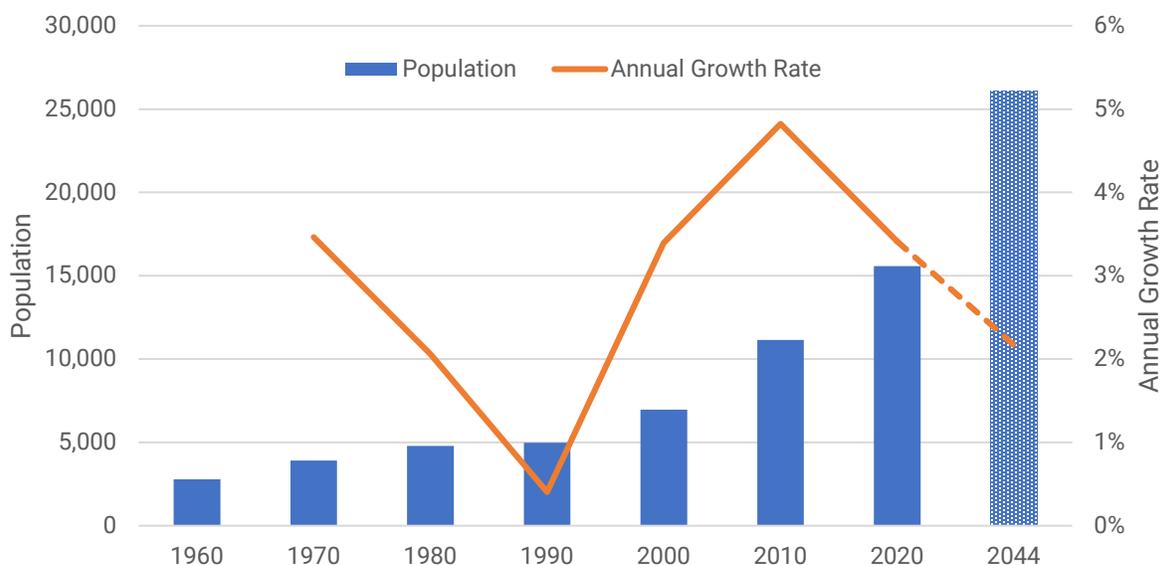


Figure 1. Port Orchard Population, Historic Through 2020 and Projected Through 2044 with Annual Growth Rates. Sources: WA OFM (Historic Population), Kitsap County Countywide Planning Policy Update 10/4/2022 (Projections)

The City of Port Orchard annexed a large amount of acreage between 2010 and 2012, which contributed to the comparatively rapid population growth in the 2010s. During this period, the City annexed 1,400 acres comprising 515 parcels. Together, the newly annexed areas make up 19.5% of Port Orchard’s total acreage. Without granular population numbers at a parcel level, it is difficult to assess exactly how many new residents are represented by this area, but these annexations have certainly affected the rapid growth rates seen over the past 20 years.

Age, Race/Ethnicity, and Language

Figure 2 shows the racial and ethnic breakdown of the Port Orchard and Kitsap County populations. Port Orchard is about 67 percent White, compared with 76 percent in Kitsap County. The city has a higher share of Hispanic/Latino and mixed-race residents than the county and similar shares of Asian and Black/African-American residents.

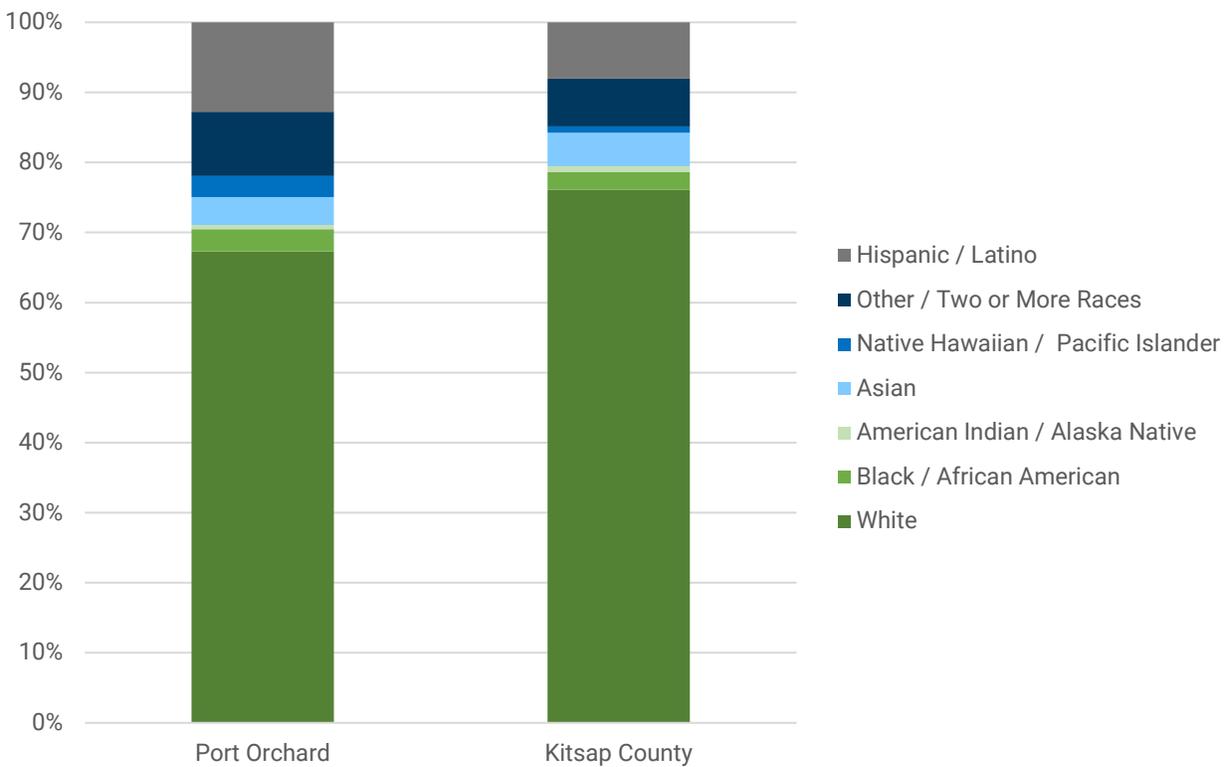


Figure 2. Racial and Ethnic Distribution in Port Orchard and Kitsap County, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table DP05

The Port Orchard population is somewhat younger than regional and statewide populations, as shown in Figure 3. Over half the population is under 35 years old, and 14 percent of residents are over 65, compared with 18 percent countywide. This younger population suggests a current need for smaller or more affordable housing units, and the potential for larger units as younger residents age and form households in coming decades.

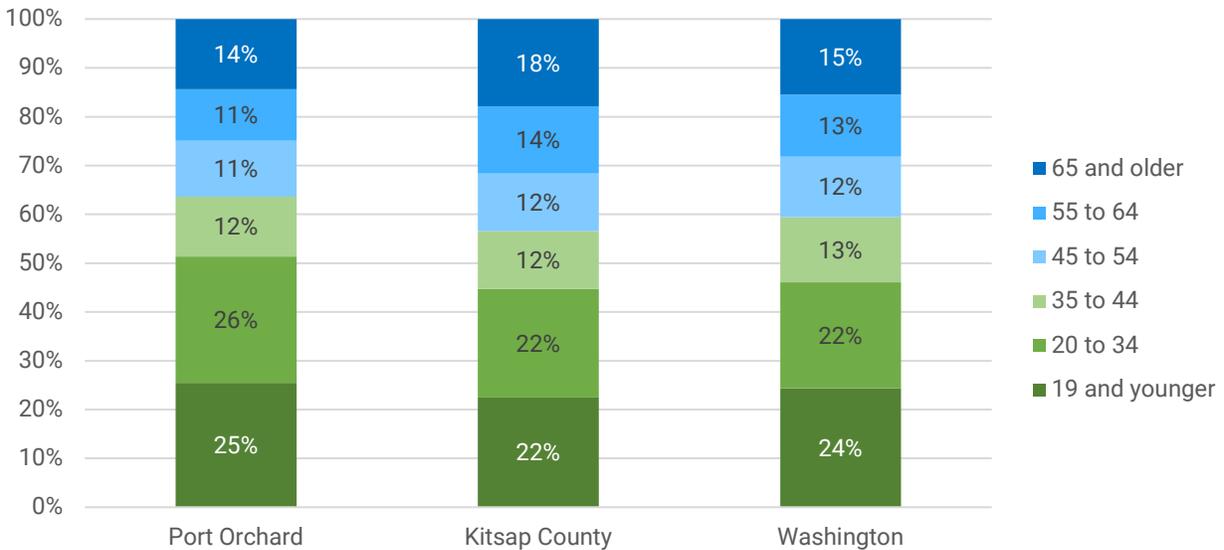


Figure 3. Age Distribution in Port Orchard and Kitsap County, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table DP05

The chart below shows the age distribution of Port Orchard residents by sex. Generally, there are more males in the 25 to 54 age group and more females in older age cohorts.

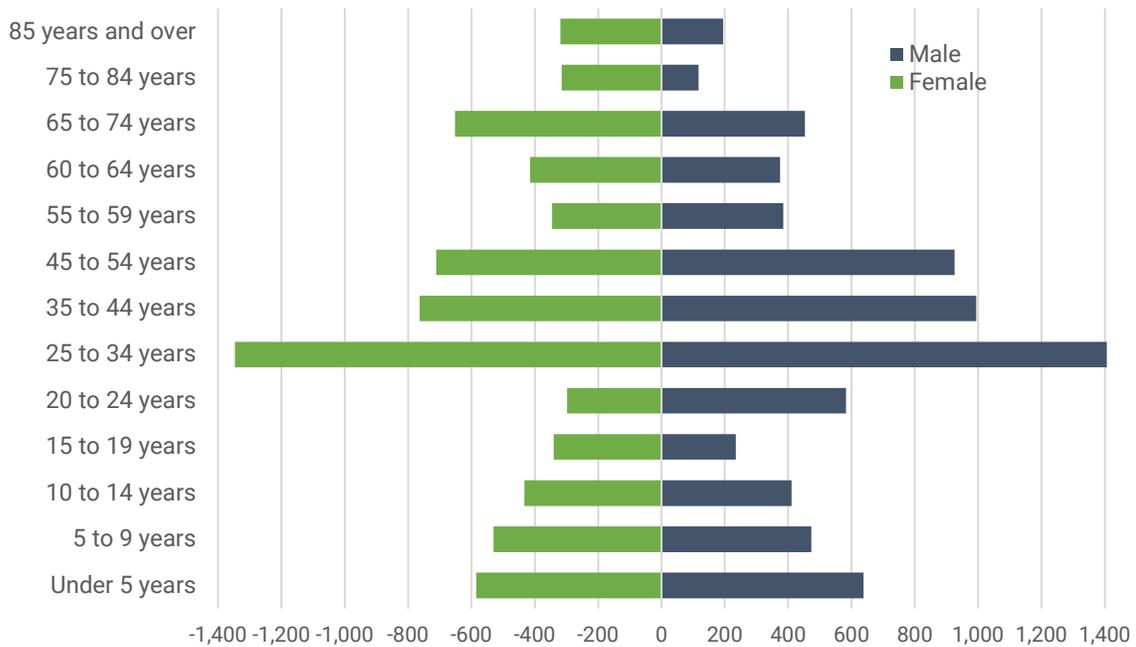


Figure 4. Age Distribution by Sex in Port Orchard and Kitsap County, 2020. Source: 2020 American Community Survey, Table S0101

Most Port Orchard residents are citizens born in the United States. About a third of Port Orchard’s residents were born in the state of Washington. About half were born in another state (including U.S. territories). Almost five percent were born in Asia, with small numbers born in other regions of the world, as seen in Figure 5.

Place of Birth	Percent	Total
USA (same state)	37.0%	5,292
USA (other state)	52.3%	7,480
Europe	0.6%	79
Asia	4.8%	685
Africa	0.0%	0
Oceania	0.1%	20
Latin America	1.3%	188
Northern America	0.4%	59

Figure 5. Port Orchard Residents Place of Birth, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table CP02

Most Port Orchard households speak English as a first language. Almost six percent, or 815 households, speak an Asian or Pacific Island language, and about two percent, or 272 households, speak Spanish at home.

Census data on English language proficiency is not available at the geographic scale of Port Orchard, but across all of Kitsap County, about 29 percent of Spanish speakers and 39 percent of Asian or Pacific Island language speakers do not speak English “very well.” Limited English proficiency can have implications for housing security if materials are not translated or there is confusion over contracts, expectations, or tenant rights.

Language	Percent	Total
English	91.8%	13,130
Spanish	1.9%	272
Indo-European languages	0.6%	86
Asian/ Pacific Island languages	5.7%	815
Other languages	0.1%	14

Figure 6. Language Spoken at Home, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table S1601

Household Characteristics

Household Size, Type, and Tenure

The U.S. Census Bureau defines a household as “all the people who occupy a housing unit.” Households can be comprised of any combination of related family members, unrelated people, or individuals.¹ The 2020 American Community Survey estimated about 5,517 total households in Port Orchard, up from about 4,316 households in 2010—an increase of about 28 percent, or 2.5 percent per year. Figure 7 shows total households, occupied households, and the vacancy rate over the past decade.

The vacancy rate compares the total number of occupied versus unoccupied units. This accounts for all “natural vacancies” due to units on the market being available for sale or rent, second homes and seasonal homes, vacation rentals, and any other type of unoccupied housing. See Section 2 for more information on market-based vacancy rates.

¹ U.S. Census Bureau: Subject Definitions.

The vacancy rate has fluctuated from seven percent in 2010 to as high as 14 percent in 2015 but has decreased to 5.6 percent in 2020. This decreasing vacancy rate suggests increased demand for housing in the city.

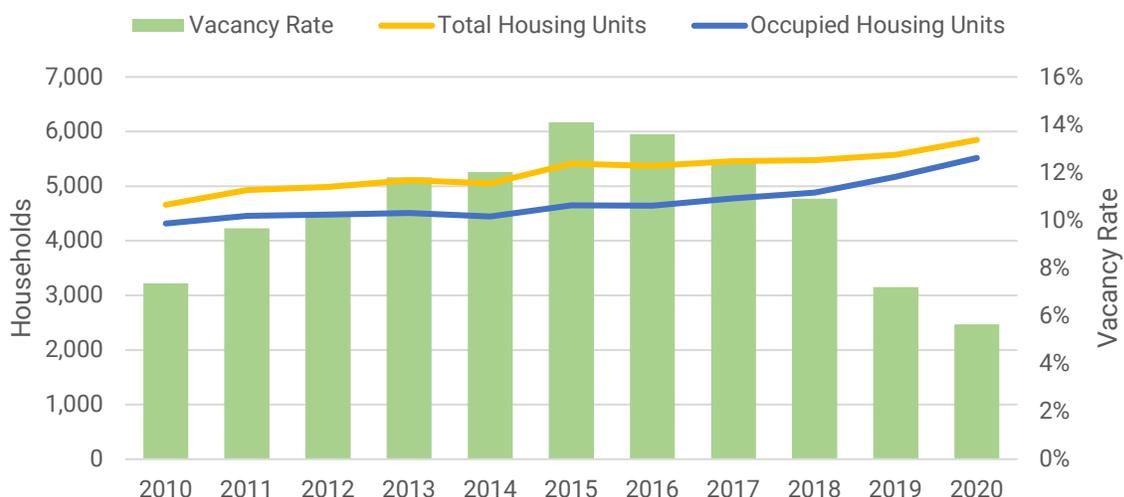


Figure 7. Vacancy Rates and Housing Unit Occupancy, 2010-2020. Source: 2010-2020 American Community Survey 5-Year Estimates, Table B25002

The following table shows household composition in Port Orchard and Kitsap County. Overall, the shares of family and non-family households are very similar to county averages, with nearly 70 percent of households classified as family households, about half of which are married couples. Twenty-two percent of Port Orchard residents live alone, and about half of those residents are over 65 years old. Household composition data can provide insight into the various types and sizes of housing to best meet the needs of the city’s residents.

Household Type	Port Orchard		Kitsap County	
	Total	Percent	Total	Percent
Total Households	5,517	100%	105,758	100%
Family households	3,819	69%	71,415	68%
Married-couple family	2,995	54%	56,388	53%
Other family	824	15%	15,027	14%
Nonfamily households	1,698	31%	34,343	32%
Householder living alone	1,214	22%	25,787	24%
Householder 65 years and over	601	11%	11,396	11%

Figure 8. Household Composition in Port Orchard, 2020. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2501

Figure 9 shows tenure in Port Orchard. About 60 percent of households are renters and 40 percent are homeowners. This is broadly similar to statewide averages though a higher share of renter households than in Kitsap County, likely owing to the large number of apartments in Port Orchard compared to the rest of the county.

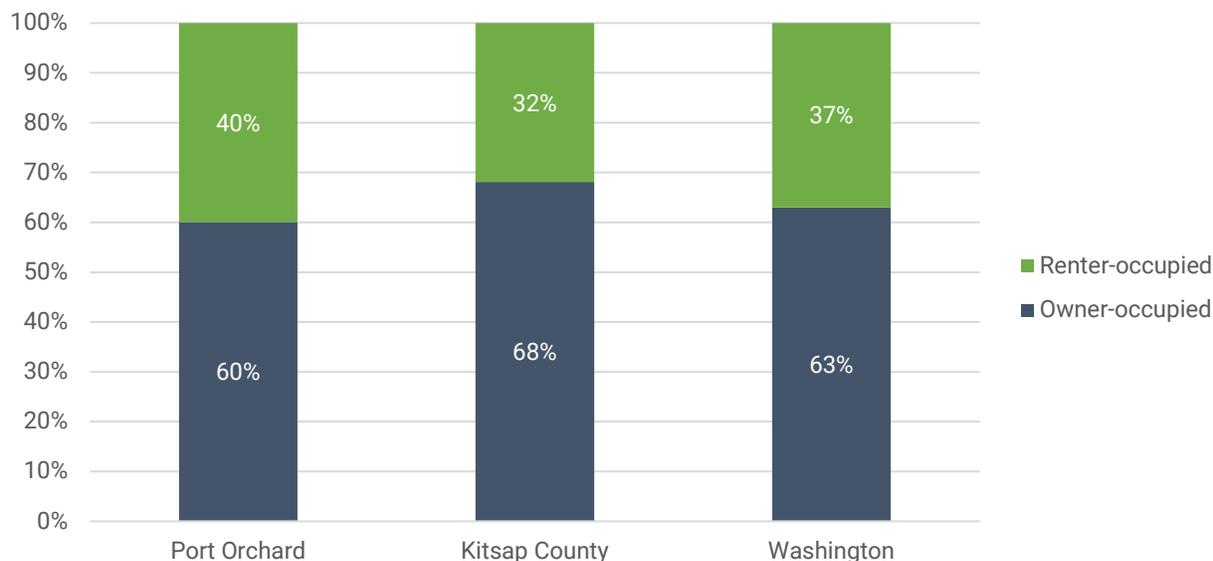


Figure 9. Tenure in Port Orchard, 2020. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2501

Renters can face increased housing instability due to evictions and rent increases not faced by homeowners. In addition, renters are more likely to be BIPOC and lower-income households, compounding the effects of these housing challenges. As shown below in Figure 10, about 86 percent of ownership households in Port Orchard have a householder who identifies as White, compared with 64 percent of renter households. Nationally, Black households had the highest renter rate in 2022 at 55 percent, and Hispanic households were at 51 percent, compared to 26 percent for white households.² Additionally, as discussed below under “Income” and shown in Figure 14, renters in Port Orchard earn less than homeowners, with a median household income for renter households of \$46,209 in 2020 compared to \$97,504 for ownership households.

Race of Householder	Ownership Households	Renter Households
One Race		
White	89.4%	71.5%
Black or African-American	2.2%	4.5%
American Indian or Alaska Native	0.3%	0.0%
Asian	3.0%	4.3%
Native Hawaiian or Pacific Islander	0.8%	8.8%
Some Other Race	0.5%	3.2%
Two or More Races	3.8%	7.8%
Hispanic or Latino Origin	6.2%	12.9%
White alone, not Hispanic or Latino	86.4%	64.4%
All Households	60.1%	39.9%

Figure 10. Tenure by Race in Port Orchard, 2020. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2502

² Harvard University Joint Center for Housing Studies, “The State of the Nation’s Housing 2022”

Figure 11 shows the breakdown of Port Orchard’s households by tenure and household size. About 34 percent of households are two-person households, and 27 percent have four or more members. Renters make up a slightly larger share of smaller households, although 11 percent of four-or-more-person households are also renters.

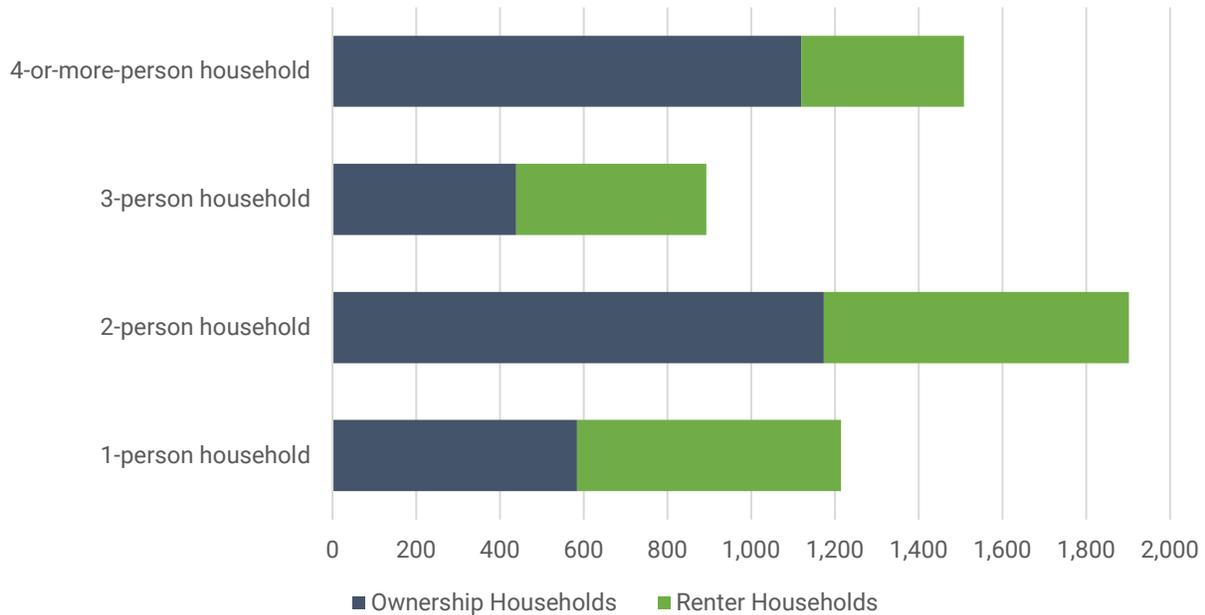


Figure 11. Port Orchard Tenure by Household Size, 2020. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2501

The average household size in Port Orchard is 2.4 people per household³.

There is a mismatch between housing size and household size in Port Orchard. Fifty-six percent of households are made up of one or two people, whereas only 37 percent of housing units are studio, one- or two-bedroom units, as shown below in Figure 11. Although smaller households may prefer to live in larger units, this type of mismatch can cause housing affordability issues if smaller households are forced to rent more expensive larger units due to supply constraints.

³ 2020 American Community Survey 5-Year Estimates, Table DP04

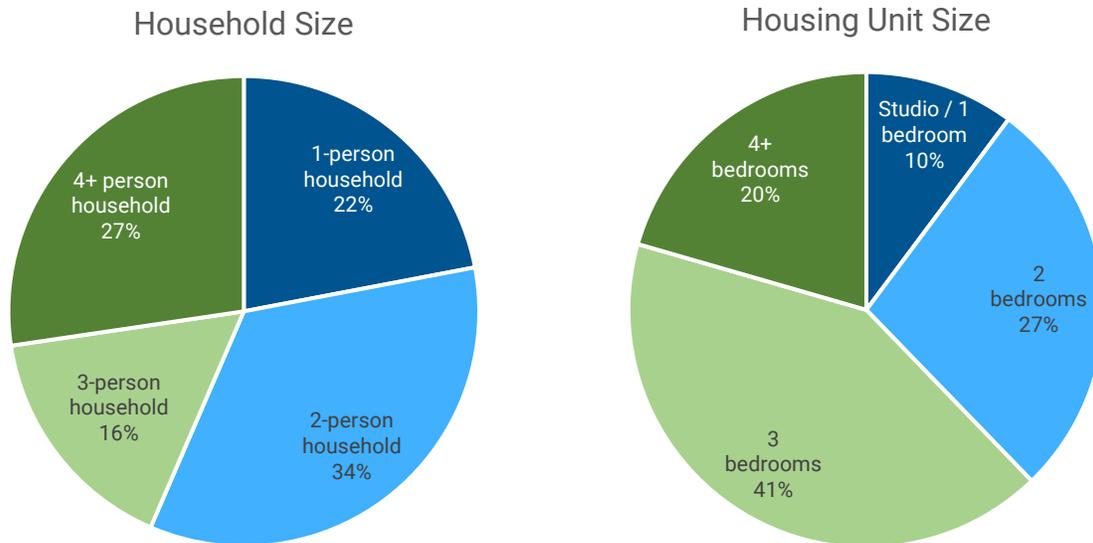


Figure 12. Household Size and Housing Unit Size in Port Orchard, 2020. Source: 2020 American Community Survey 5-Year Estimates, Tables S2501, DP04

When analyzed by tenure, there are more significant disparities in household size and housing unit size for homeowners, as shown below in Figure 12. Only 2 percent of ownership housing units are studio or one-bedroom units, whereas 53 percent of ownership households are one- or two-person households. The rental housing stock is more closely matched with renters’ household sizes in the city. This shows that residents in smaller households seeking to purchase housing may face difficulties and higher costs due to lack of availability of small ownership units.

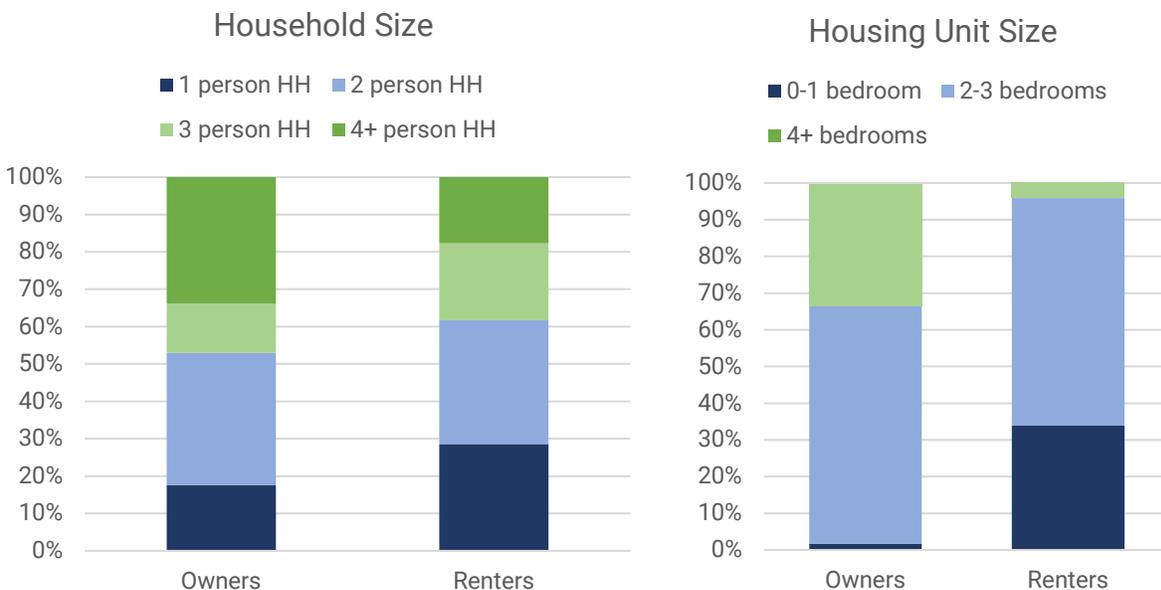


Figure 13. Household Size and Housing Unit Size by Tenure in Port Orchard, 2020. Source: 2020 American Community Survey 5-Year Estimates, Tables S2501, S2504

Income

The median household income (MHI) in Port Orchard was \$71,719 in 2020, \$7,250 less than the Kitsap County MHI and \$5,287 less than the statewide average. The Port Orchard MFI increased 21 percent since 2010, when adjusted for inflation. This is significantly higher than the 12 percent increase in Kitsap County and 14 percent increase across Washington during the same timeframe, as shown in Figure 13.

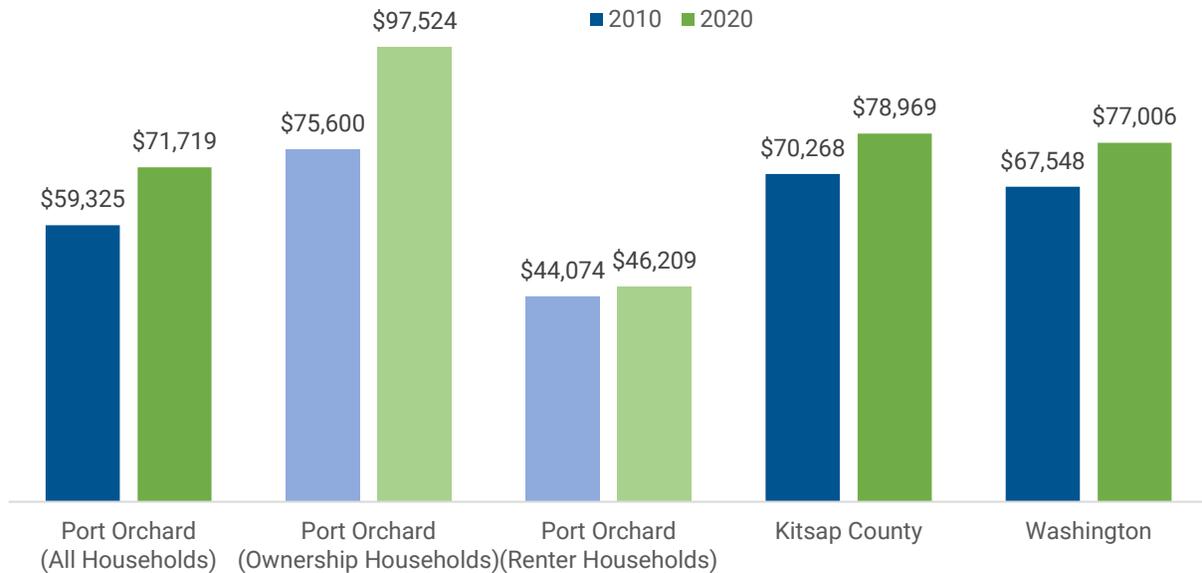


Figure 14. Inflation-Adjusted Median Household Income in Port Orchard and Region, 2010-2020. Source: 2010-2020 American Community Survey 5-Year Estimates, Table S2503, CPI Inflation Index

Renters in Port Orchard earn considerably less than homeowners. In 2020, the MHI for ownership households was \$97,524, compared to only \$46,209 for renter households. In addition, renters in Port Orchard have seen only a five percent increase in incomes between 2010 and 2020, compared to a 29 percent increase in incomes of ownership households, when adjusted for inflation. Rental households’ lower incomes and slower income growth compared with ownership households raises concerns over the ability of renters to keep up with rising housing costs or to move into homeownership, particularly given that wealthier ownership households may be able to pay more for housing.

Median family income (MFI) is used by the U.S. Department of Housing and Urban Development to set income limits for subsidized affordable housing. Data in this report about cost-burdened households and affordable housing thresholds is based on the MFI measurement.

MFI is based on Census-reported family incomes and based on a household of four people. As a result, MFI is typically higher than the **median household income (MHI)**, which is an average from all households regardless of size.

For the Bremerton-Silverdale Metropolitan Statistical Area (MSA), the 2022 median family income (MFI) is \$102,500 and the 2020 MFI was \$91,700.

When broken down across income levels, the largest share of Port Orchard households earn between \$75,000 and \$100,000 per year, as shown in Figure 14. Port Orchard has smaller shares of high-income earners making over \$150,000 per year than Kitsap County, and a much larger share of the lowest-income households earning less than \$10,000 per year than countywide averages. This shows a high level of need for subsidized affordable housing, discussed further in Section 2 under “Affordable Housing.”



Figure 15. Household Income in the Past 12 Months, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table B19001

Figure 16 below is from HUD Comprehensive Housing Affordability Strategy (CHAS) data⁴ for 2019 and shows a breakdown of Port Orchard’s households by income level and tenure. Almost half of Port Orchard residents (46 percent) earn less than 80 percent of the AMI, a common threshold for subsidized housing eligibility. About 69 percent of renter-occupied households earn less than 80 percent AMI, while 30 percent of owner-occupied households earn less than 80 percent AMI.

Area median income (AMI) is another data point often used by local governments to set income limits for subsidized affordable housing. It is the household income for the median/‘middle’ household in a given region.

Additionally, over a quarter (28 percent) of renters earn under 30 percent of the AMI, or \$27,500 for a family of four, demonstrating the need for more subsidized affordable housing in Port Orchard, which is typically the only type of housing that can meet these deep affordability levels. Stakeholders described over 1,000 people are on the waiting list for housing vouchers at the Kitsap Housing Authority, which manages vouchers in both Bremerton and Port Orchard.

⁴ Comprehensive Housing Affordability Strategy, a HUD dataset based on calculations from the American Community Survey 5-Year Estimates that provides a series of tables demonstrating housing problems and needs.

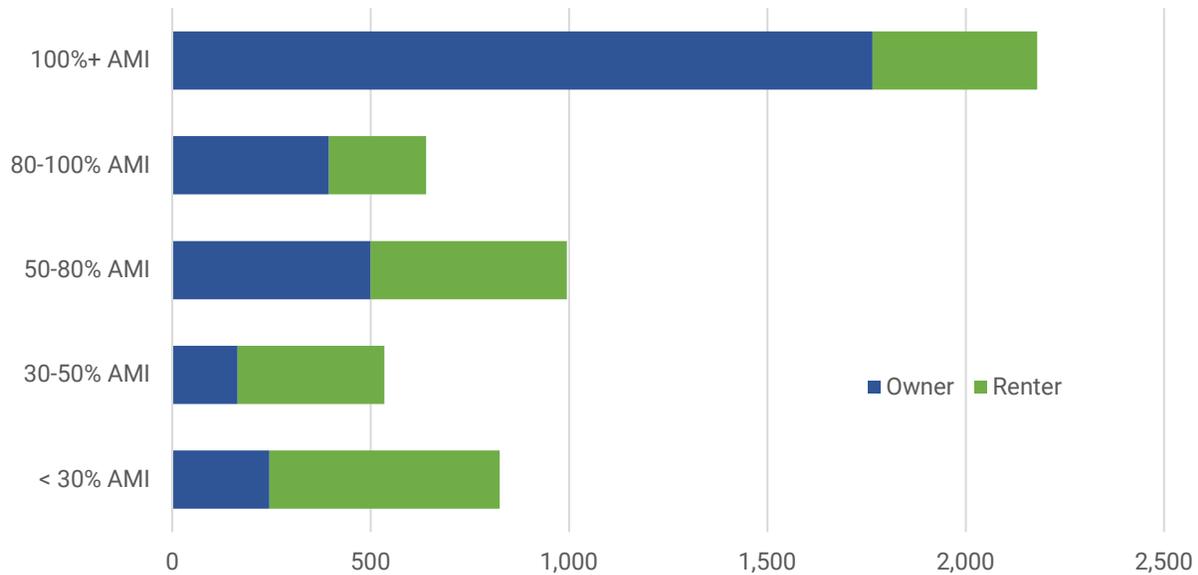


Figure 16. Port Orchard Households by Income Level and Tenure. Source: 2015-2019 HUD CHAS data.

Vehicle Ownership

Figure 16 shows number of vehicles available to Port Orchard households by the tenure of unit. Owner-occupied units are more likely to have two or three vehicles, while renter-occupied units are more likely to have one to two vehicles. Also of note, 14 percent of renter households have no access to a vehicle. These vehicle ownership ratios are similar to statewide averages, although ownership households are slightly more likely to have two vehicles in Port Orchard than statewide.

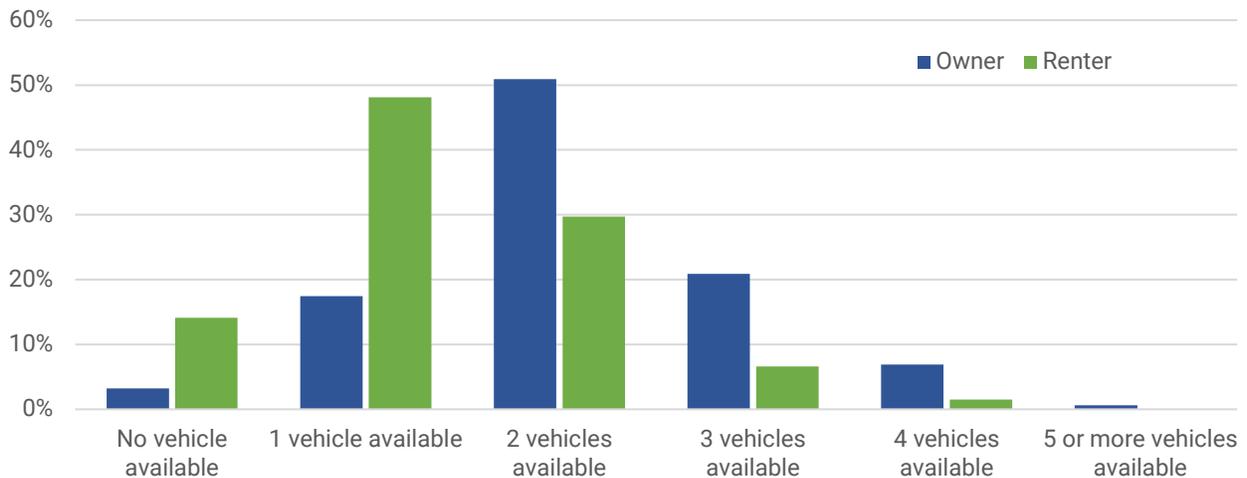


Figure 17. Vehicle Ownership by Tenure of Unit, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table B25044

Employment Trends

Understanding workforce and employment trends is essential for housing planning. A growing, shrinking, or shifting economy can affect residents’ ability to afford housing and limit or expand their housing choices. Strong economies in nearby communities can also affect commuting and residential patterns.

Figure 18 shows changes in Port Orchard’s top employment sectors from 2009 to 2019, the year of the most recent Census employment data. Retail jobs have increased significantly, and health care and food service jobs have also seen growth since the 2008 recession. The large number of public administration jobs reflect county offices within Port Orchard, the county seat.

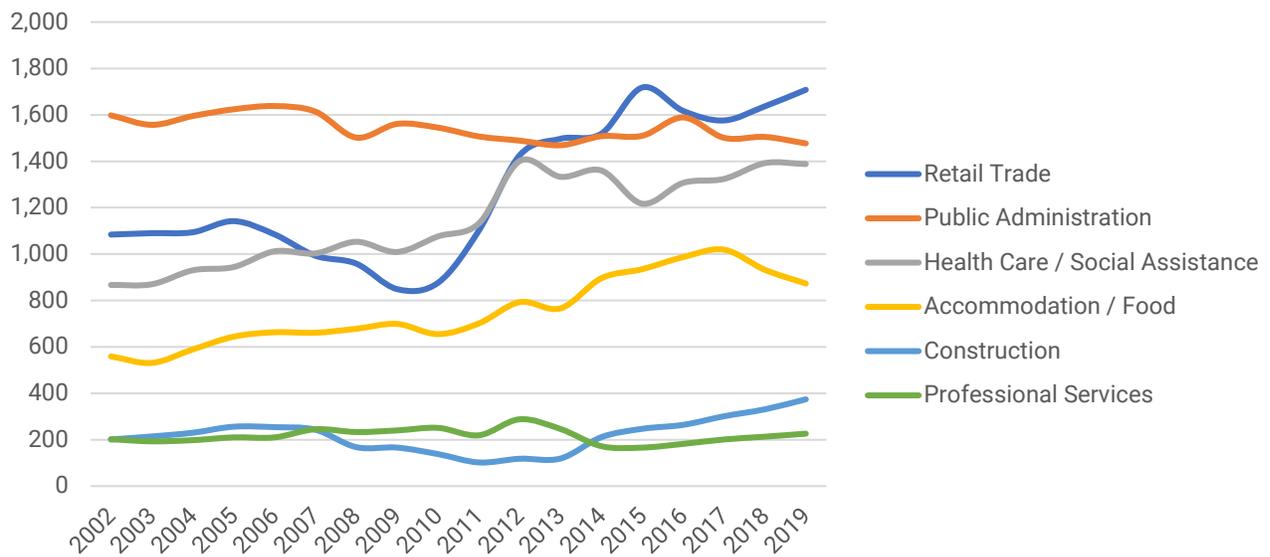


Figure 18. Job Trends by Top Sectors in Port Orchard, 2009-2019. Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

Figure 19 shows the top job sectors in the city and the top job sectors worked by Port Orchard residents. Many of the employees in the top sectors, particularly retail and public administration, are not Port Orchard residents. On the other hand, there are larger shares of residents who work in professional services, education, and manufacturing than jobs in the city. This reflects a variety of scenarios, including technology/knowledge workers employed in Seattle, regional educators at schools in nearby cities, and industrial employees in surrounding areas, potentially connected to the Naval shipyard in Bremerton.

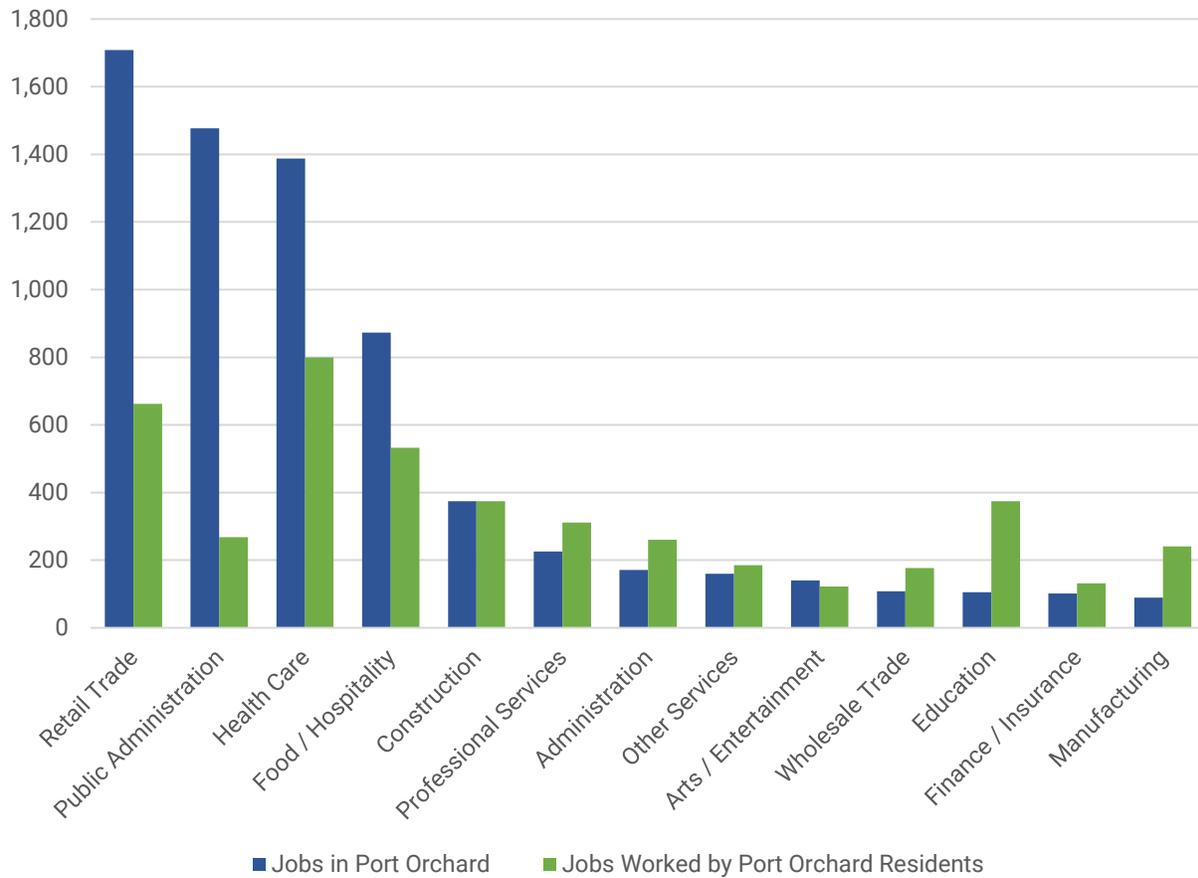


Figure 19. Top Job Sectors in Port Orchard and Jobs Worked by Port Orchard Residents, 2019. Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

The map below shows commuting patterns of Port Orchard workers as of 2019, the year of the most recent Census commuter data. About 585 workers, or 11.7 percent of Port Orchard employees, both lived and worked in the city. 6,540 workers lived outside of the city and commute in for work, and 4,396 workers lived in the city but commuted to work elsewhere.

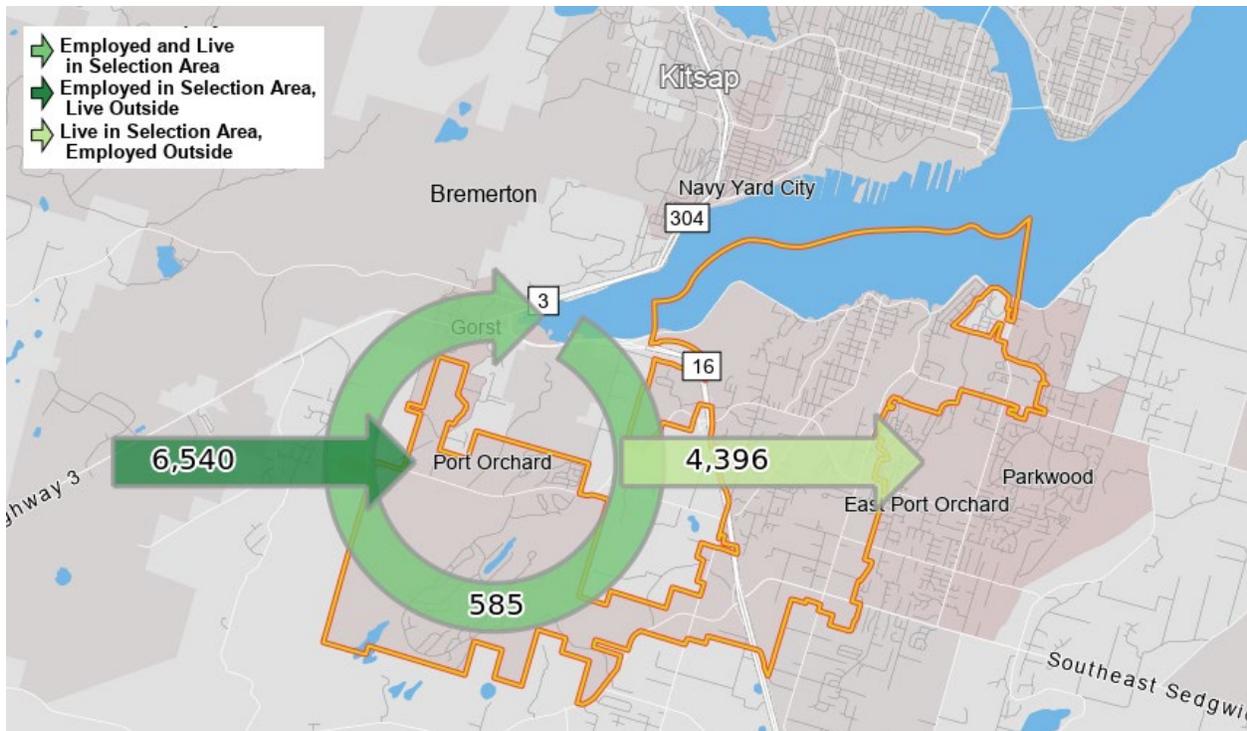


Figure 20. Port Orchard Commuting Inflow and Outflow, 2019. Source: U.S. Census Bureau LEHD (Longitudinal Employer-Household Dynamics) via Census OnTheMap tool.

As shown below in Figure 21, a similar amount of Port Orchard residents were working in Seattle, Port Orchard, and Bremerton in 2019. Smaller shares of residents were working in other nearby locales, including unincorporated East Port Orchard. This data is not yet available for more recent years but monitoring these commuting trends will be important due to the changes in workplace dynamics and remote work since the COVID-19 pandemic that began in 2020.

Work Location	Percent
Seattle city, WA	12.3%
Port Orchard city, WA	11.7%
Bremerton city, WA	10.8%
Silverdale CDP, WA	5.0%
East Port Orchard CDP, WA	4.7%
Tacoma city, WA	4.3%
Gig Harbor city, WA	4.0%
Bellevue city, WA	2.2%
Kent city, WA	1.7%
Poulsbo city, WA	1.5%
All Other Locations	41.6%

Figure 21. Port Orchard Commuting Locations, 2019. Source: U.S. Census Bureau LEHD (Longitudinal Employer-Household Dynamics) via Census OnTheMap tool.

Section 2 – Housing Inventory and Production Trends

This section discusses the type and age of Port Orchard’s existing housing stock and current and future housing production. It also identifies special housing types in Port Orchard such as subsidized affordable units and senior housing. An inventory of existing housing creates a baseline for future housing planning and identifies market trends.

Total Housing Units

Port Orchard’s 5,577 housing units account for approximately five percent of Kitsap County’s housing units. The breakdown of unit types is shown below in Figure 22. Sixty-three percent of units are single-family detached units, somewhat less than the county. Port Orchard has a noticeably higher share of buildings with 5-19 units than the county, and an overall higher share of multifamily units.

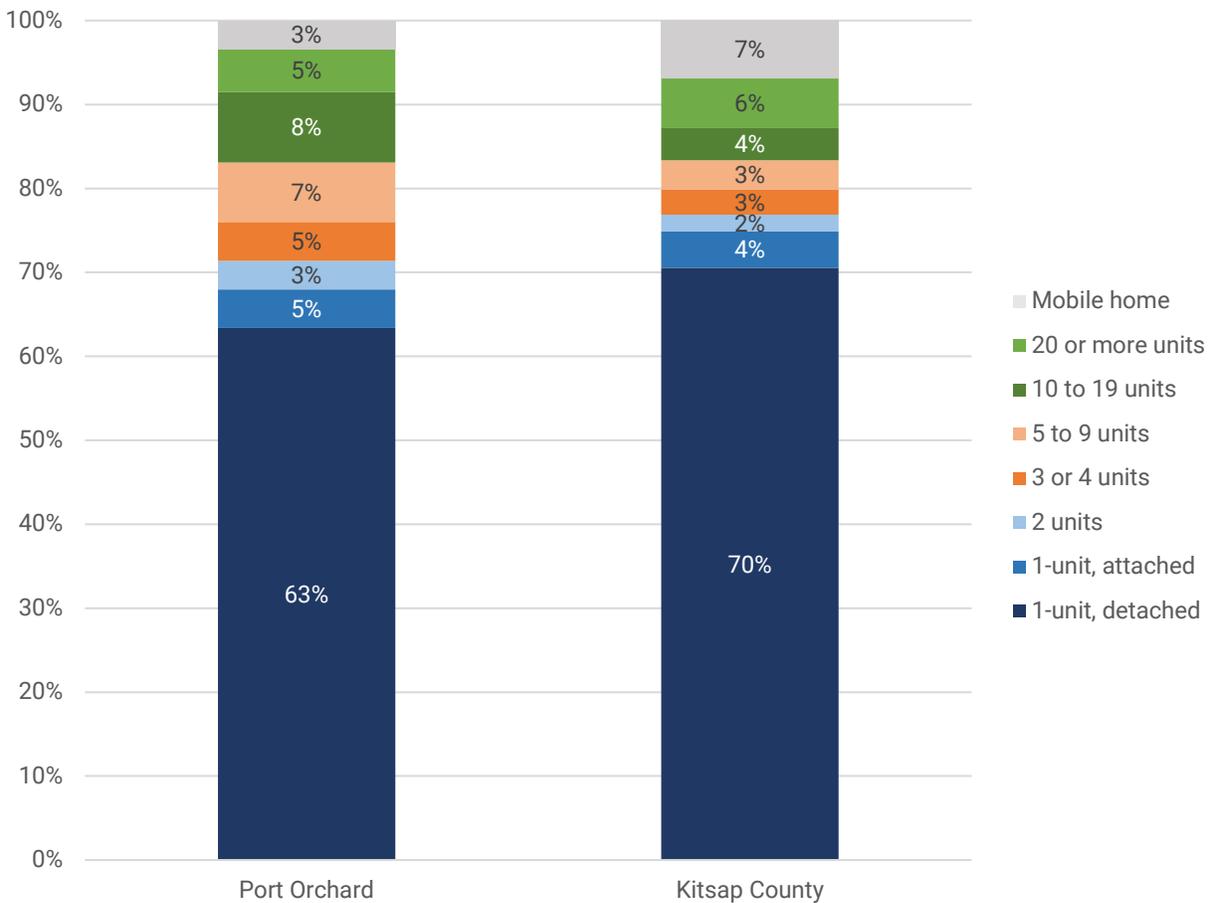


Figure 22. Housing Unit Type in Port Orchard and Kitsap County, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table DP04.

Housing Age and Production

Figure 23 shows the age of housing stock in Port Orchard as of 2020. The city has a considerably younger housing stock than Kitsap County overall, with 57 percent of housing built since 1990, compared with 40 percent countywide. However, Port Orchard also contains a slightly larger share of older buildings constructed before 1950 than the county, at 23 percent.

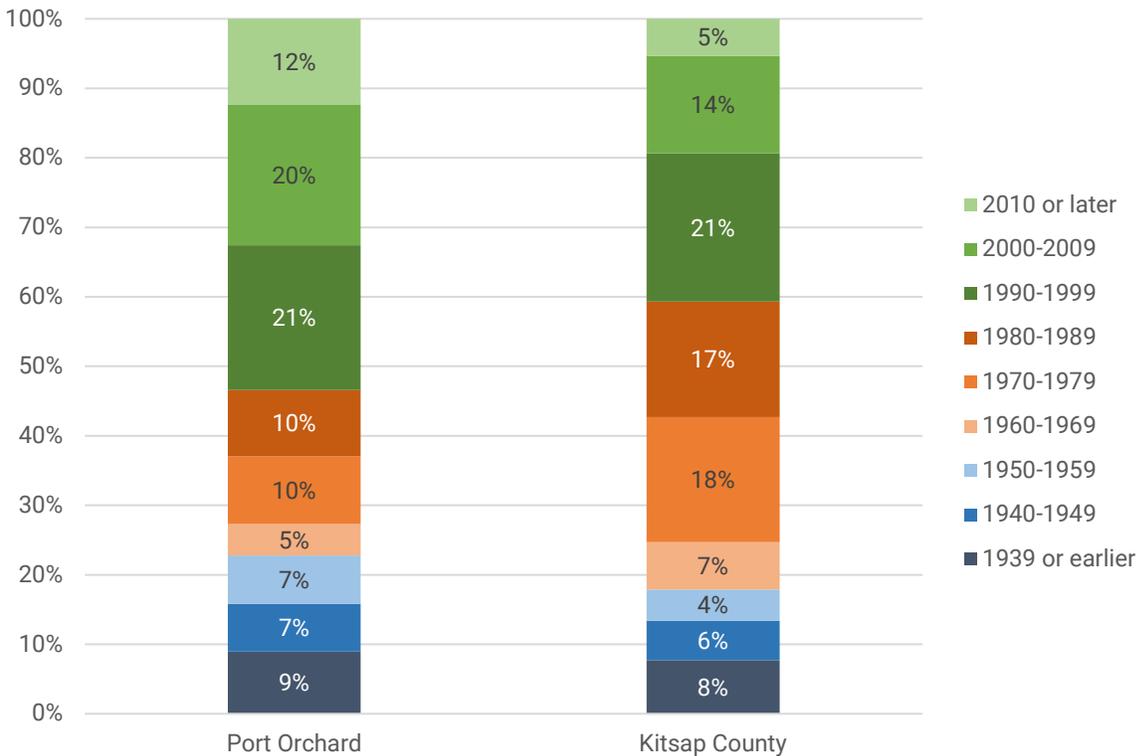


Figure 23. Age of Housing in Port Orchard and Kitsap County, 2020. Source: 2020 American Community Survey 5-Year Estimates, Table DP04.

Building permit issuance data shown below in Figure 20 corroborates this data on housing age. A significant number of multifamily housing permits were issued in the 1990s, and multifamily permitting has accelerated in the past decade, as have single-family housing permits. This data shows issued permits, not completions, so much of the housing shown in the past several years has not yet been occupied but is in the pipeline.

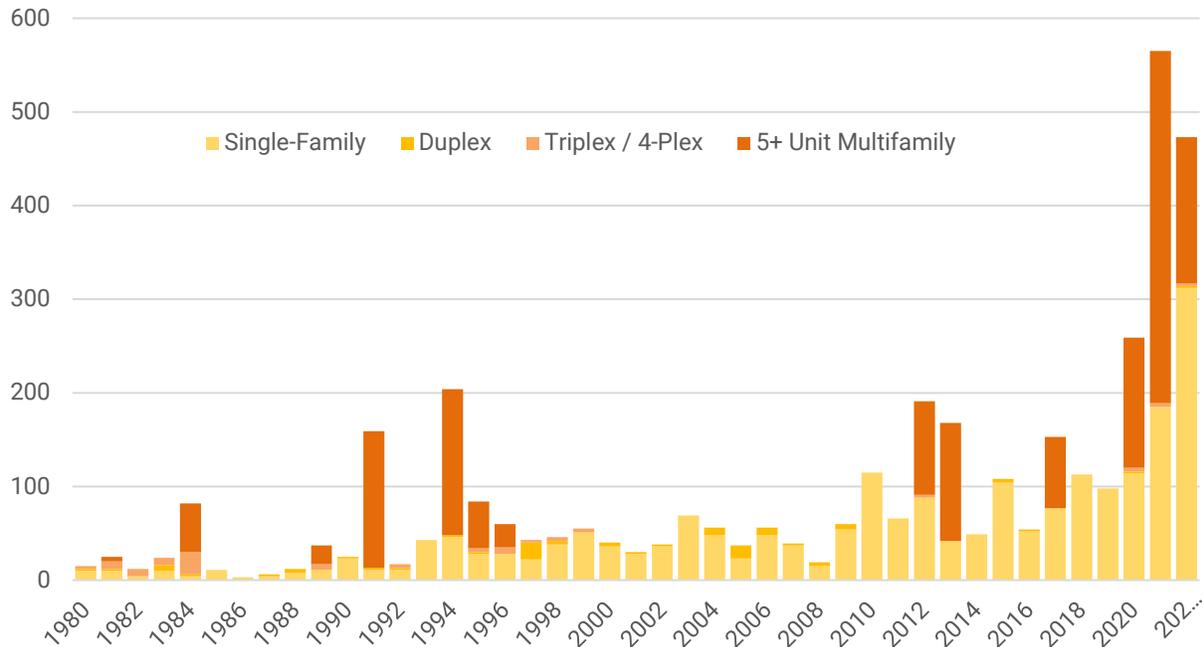


Figure 24. Port Orchard Building Permits Issued by Unit Type, 1980-2022 (to date). Source: HUD State of the Cities Data Systems (SOCDS)

Figure 25 shows expected dates when certificates of occupancy will be granted for permitted housing in the pipeline. In total, 5,198 units are permitted and expected to be completed in Port Orchard in the coming years, and 2,482 of those units are planned to be completed between 2022 and 2024, of which 45 percent will be multifamily units. This high rate of housing production will nearly double the city’s housing inventory within the next several years.

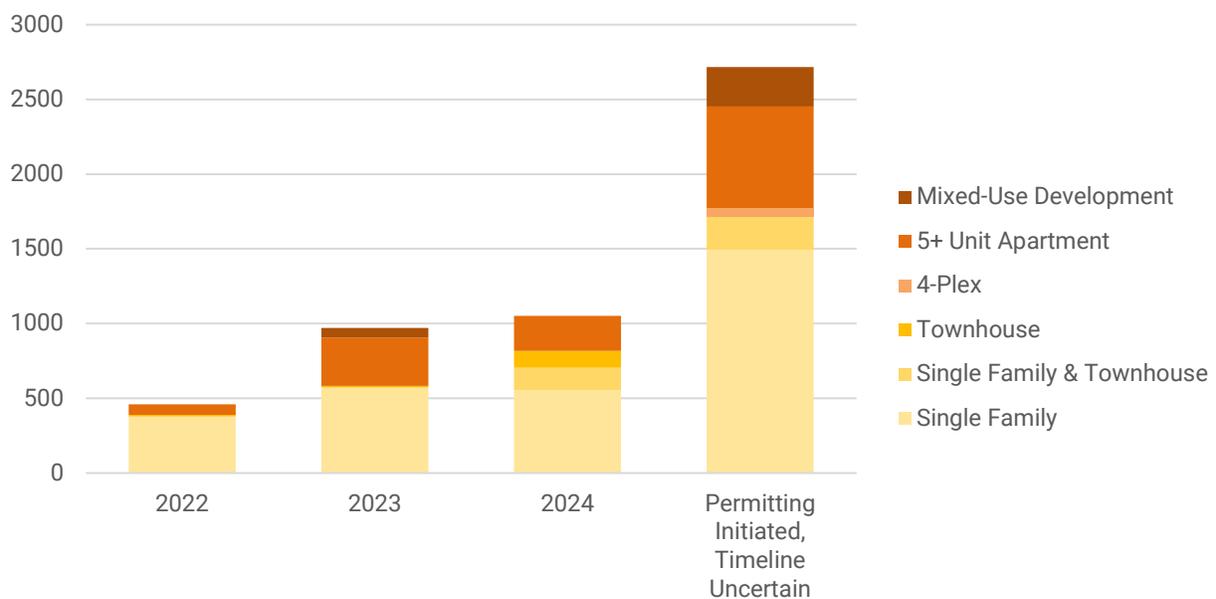


Figure 25. Number of Units Permitted with Certificates of Occupancy Expected 2022 and Later by Unit Type. Source: City of Port Orchard.

Interviews with developers and stakeholders conducted by the project team in summer 2022 confirmed a large amount of single-family and apartment construction both underway and planned. In particular, the McCormick Woods development, a large master planned community in the western part of the city, has been in development since the 1980s and will significantly increase the city’s housing stock, as well as representing a portion of the newly annexed land previously discussed. City permitting data indicates 2,729 units at McCormick Woods either permitted or currently in the permitting process.

The multifamily developments built in Port Orchard to date have been walk-up apartments. Some developers indicated that there may be a market for denser podium-style development in the 10-20 year time horizon, and at least one such project has recently been proposed (see the project spotlights later in this section).

Vacancy Rates

Port Orchard’s vacancy rates for rental and ownership properties are shown in Figure 26. In 2020, the Census-reported rental vacancy rate was 5.8 percent and the ownership vacancy rate was 1.4 percent. Both vacancy rates have decreased over the past decade as shown below, and the 5.8 percent rental vacancy rate reflects the large amount of rental apartment construction which has taken place in Port Orchard in recent years.

Note that this vacancy rate is based only on dwelling units that are available on the market for sale or rent. It is different from the total number of unoccupied units discussed in Section 1.

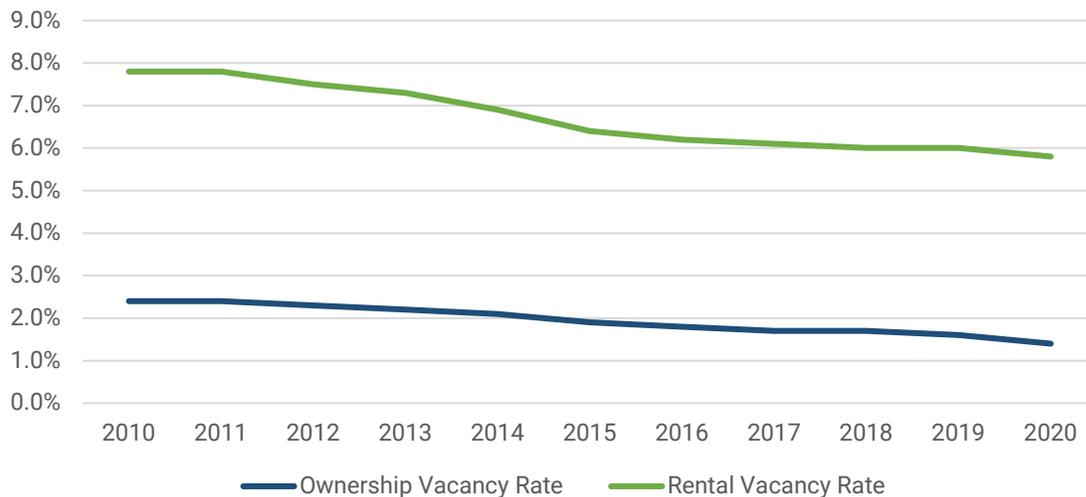


Figure 26. Vacancy Rates in Port Orchard, 2010-2020. Source: American Community Survey 5-Year Estimates, Table DP04

In contrast with the relatively high census-reported rental vacancy rates shown above, CoStar, a commercial real estate database, estimates vacancy rates for multifamily apartments in Port orchard at about 3.5 percent as of mid-2022, as shown below in Figure 27, which shows the stabilized (accounting for new development coming onto the market) vacancy rates in the city over the past decade. This lower vacancy rate reported by the real estate industry may be more representative of the strong demand for apartments in the city.

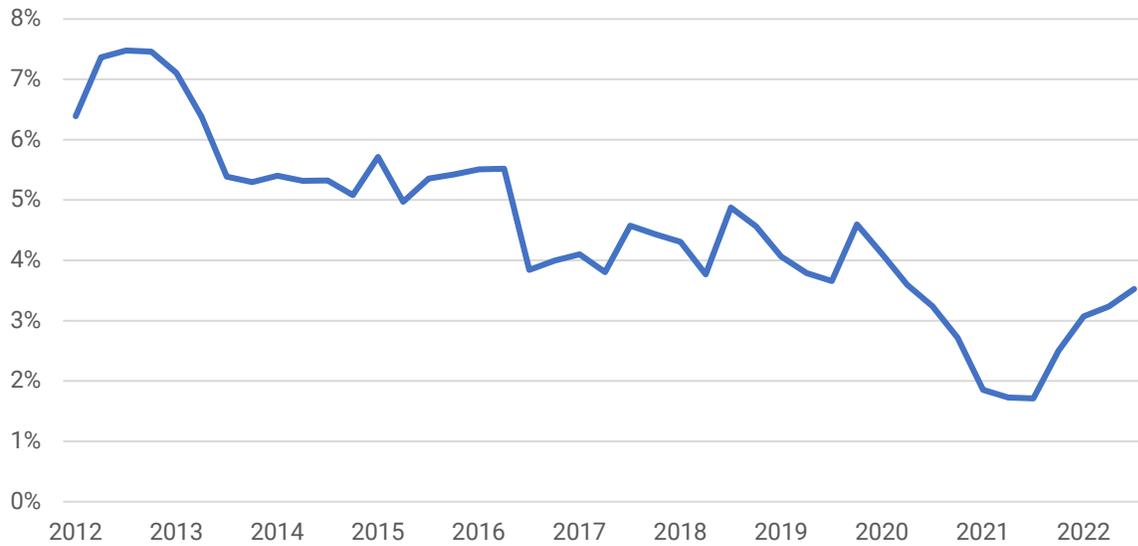


Figure 27. Multifamily Rental Vacancy Rate in Port Orchard, 2012-2022. Source: Costar

Vacation Housing

Census data shows there are zero seasonal and recreational housing units in Port Orchard.

Short-Term Rentals

Short-term rentals, also known as vacation rentals, are considered stays of 30 days or less in a residential dwelling. Looking at listings on Airbnb, VRBO, and Vacasa for the December to January 2022/2023 holiday season, there are 15 short-term rentals in Port Orchard.

Most of the short-term rentals are in the downtown area, with proximity to the water and Bay Street. Rentals range from a private room up to five bedrooms. The average cost per night for a private room or one bedroom is \$114, \$194 per night for two- and three-bedroom listings, and \$292 per night for four- and five-bedroom listings. City staff report that many short-term rentals are not paying the required lodging tax.

Affordable Housing

Affordable housing is housing reserved for people earning below a certain income and who cannot afford market-rate costs (other interrelated terms include low-income housing, subsidized housing, public housing, or rent-restricted housing). Affordable housing properties may be reserved for people meeting other criteria such as families with children, seniors, people with physical or intellectual disabilities, or people with substance abuse disorders.

Affordable housing is important to support community members who face barriers in the private housing market, especially those who are on the edge of or transitioning out of homelessness. This type of housing is subsidized and mostly operated by government or non-profit organizations.

The main affordable housing provider in Port Orchard is Housing Kitsap, a government agency that provides housing assistance for families who need affordable alternatives to the private market. Housing Kitsap operates countywide. In and near Port Orchard, Housing Kitsap's portfolio includes 375 units across six properties and 109 "Section 8" vouchers (which pay rents for voucher recipients).

In addition, Housing Kitsap has a [Mutual Self-Help Housing](#) program where homeowners put in sweat equity to build their home and purchase it at an affordable price point. Housing Kitsap also has a [Home Rehabilitation Program](#) that assists with home repairs. According to Housing Kitsap staff, approximately 500 homes in Port Orchard have benefited from the two programs since the 1970's.

Under Port Orchard's multifamily tax exemption program, 20 privately-owned units are being rented at affordable rates. See more information under Section 5.

Property Name	Zone	Units	Housing Type	Resident Criteria
Housing Kitsap Rental Housing				
Heritage Apartments	R3	56	Multifamily	Section 8; families or people with disabilities
Orchard Bluff	R2	89	Mobile Home Park	Low income & head of household 55 or older
Port Orchard Vista	R4	42	Multifamily (senior)	Low income & 62 or older
Conifer Woods Apartments (outside city limits)	UGA	72	Multifamily	Low income
Viewmont East Apartments (outside city limits)	UGA	76	Multifamily	Section 8; families or people with disabilities
Madrona Manor (outside city limits)	UGA	40	Multifamily (senior)	Low income & head of household 55 or older
Housing Kitsap Homeownership Mutual Self-Help Housing				
Sherman Ridge	R2	27	Single-family	80% AMI or less
Riverstone	R3 & R2	39	Single-family	80% AMI or less
Private Rental Housing				
The Overlook	R3	8 affordable (39 total)	Multifamily	MFTE Type I (12 year affordability)
Plisko Apartments	CMU	12 affordable (58 total)	Multifamily	MFTE Type I (12 year affordability)

Figure 28. Port Orchard affordable housing inventory (Housing Kitsap and City of Port Orchard)

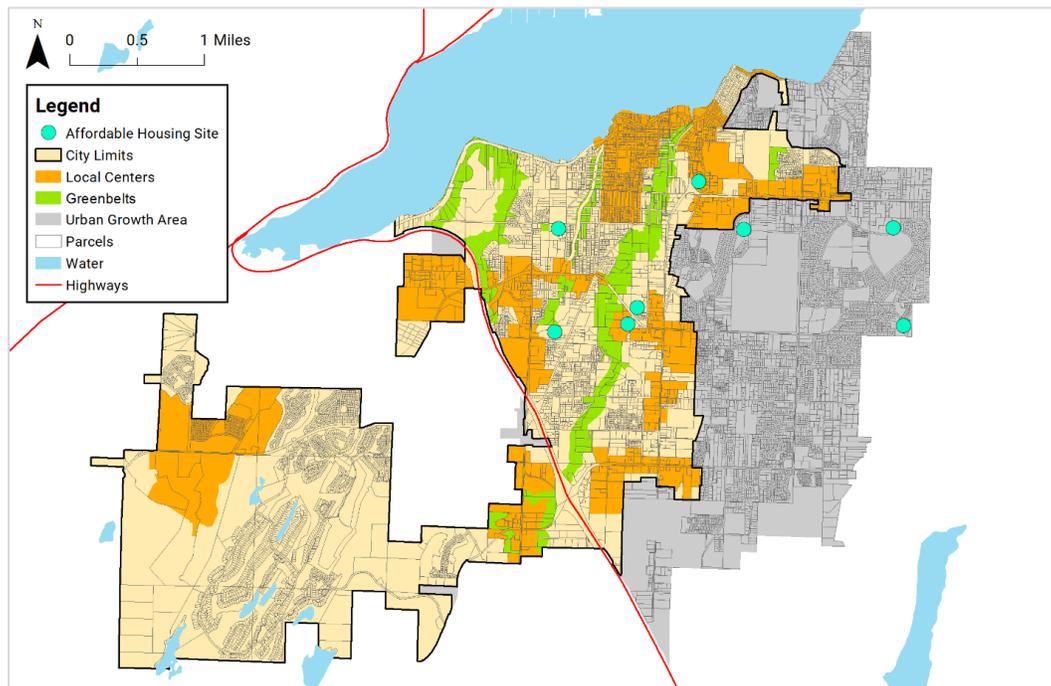


Figure 29. Housing Kitsap long-term affordable housing sites in Port Orchard (excludes MFTE sites)

Public Land

Surplus public land is sometimes used for affordable housing. State law enacted in 2018 ([RCW 39.33.015](#)) allows local governments to transfer, lease, or dispose of surplus property at low or no cost to developers for affordable housing projects. Port Orchard has a large number of City-owned lands, and most are actively used for utility purposes or other public works, parks, and administrative functions. Some lands are also in greenbelts, wetlands, or ravines which are undevelopable.

Discussion with City staff yielded the following sites to consider in the Housing Action Plan. Other public lands (such as those owned by Kitsap County, the Port of Bremerton, and other agencies) could be reviewed in the future.

Map Key	Parcel #	Zoning	Area	Considerations
1	342401-4-016-2001 & 342401-4-015-2002	CMU	1.0 acres	Surplus property from the construction of the roundabout at Tremont/Pottery. Considerable size and has appropriate zoning for affordable housing.
2	252401-3-045-2009	R4	1.7 acres	Sloped site near the high school on Mitchell Avenue. Considerable size, ideally located, and has appropriate zoning for affordable housing.
3	4062-003-005-0006	R1	0.86	Vacant parcel owned by the water utility; it would need to be purchased from the enterprise fund. Considerable size and good location. Would likely need to be rezoned.
4	4650-009-006-0208	DMU	0.25 acres	640 Bay Street (see Project Spotlights). This site is planned for a housing project by a private developer.
5	4538-009-007-0007	UGA	0.21 acres	Vacant property just outside city limits in the Annapolis neighborhood.
6	4537-014-001-0004	UGA	0.15 acres	Vacant property just outside city limits in the Annapolis neighborhood.

Figure 30. Table of surplus or vacant public land to consider for housing opportunities. Source: City of Port Orchard

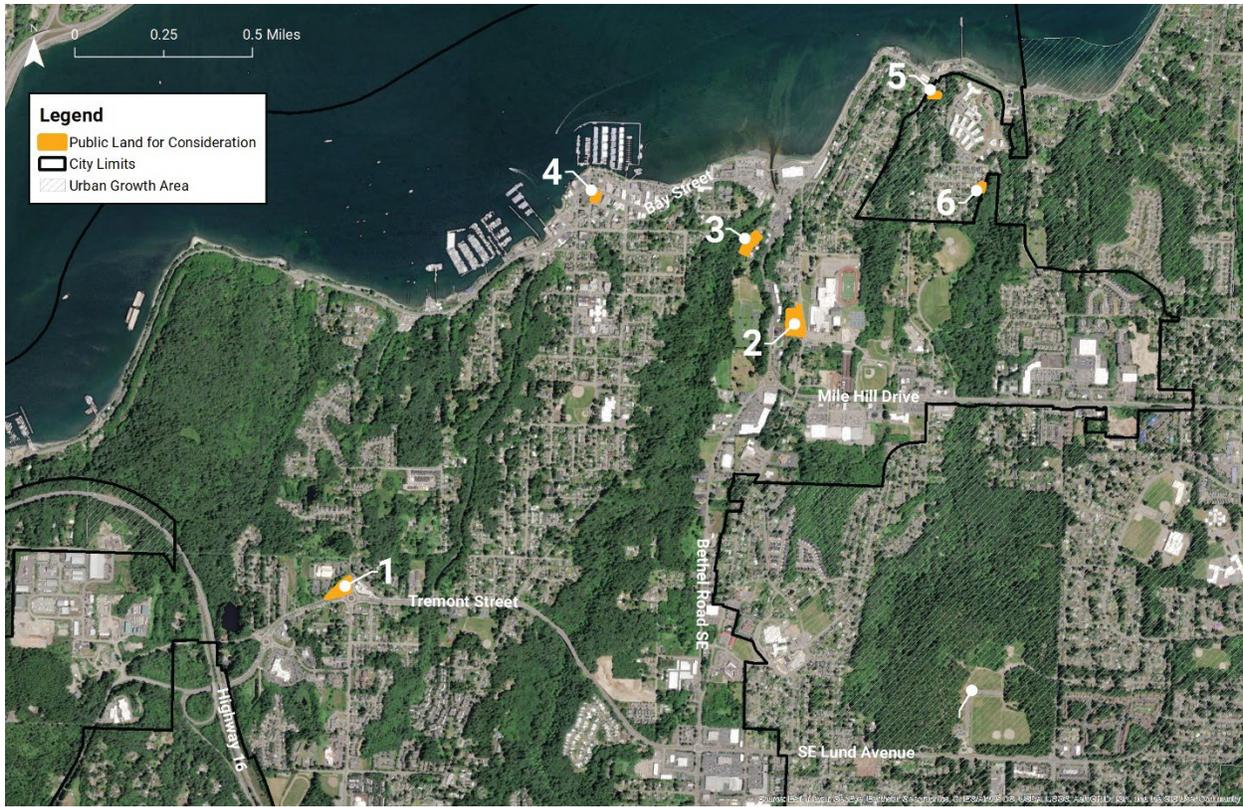


Figure 31. Map of surplus or vacant public land to consider for housing opportunities. Source: City of Port Orchard

Project Spotlights

This section provides detailed case studies of recent and ongoing housing developments in Port Orchard. It includes a cross-section of housing types. The spotlights are intended to provide insights on housing cost and design trends.

Valley Quadplex

This a recently completed fourplex development at the corner of Mitchell Avenue and Dwight Street. The site is zoned R3 and is within the Downtown Countywide Center. The site is on a block with single-family homes, to the south is a small multifamily complex, and to the east is South Kitsap High School.



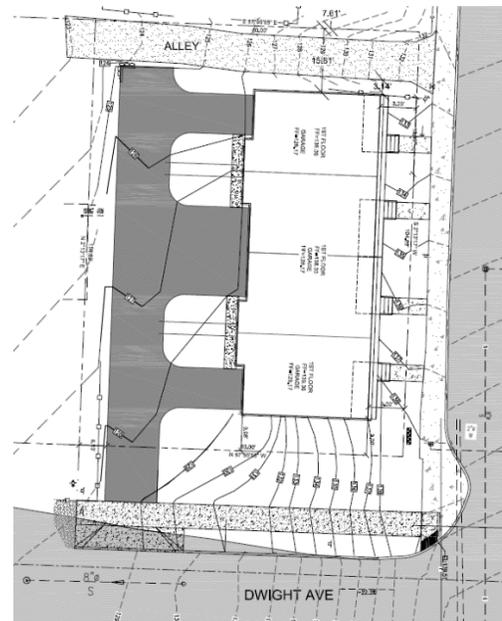
Each of the four units is 3 bed/2.5 bath with about 1,450 square feet of living area. The lot is 8,276 square feet lot (0.19 acres), so the density is 21 units per acre.

The building is three-stories and steps down a slope, with one-car garages located in a daylight basement in the rear of each unit. The site incorporates a rear shared access drive connected to a private alley. Residential open space is provided on the east and south sides of the building.

Staff report the development fits the neighborhood well and it is a good example of infill. The developer suggested more friendly paperwork and inspection scheduling (the City just recently launched online scheduling and permitting). The fourplex was as intimidating and laborious to permit as an apartment building, possibly due to the required environmental review and the use of the commercial building code (as opposed to the residential building code).

The developer was interested in but unable to participate in the multifamily tax exemption (MFTE) program due to the local minimum threshold of 10 dwelling units (under updated state law a four-unit development is the minimum).

The land cost was about \$93,000 and the total construction cost (before sales tax) was about \$200 per square foot. The units are each renting for \$2,300 to \$2,500 per month.



Haven Apartments

This is a nearly complete garden apartment development in southern Port Orchard located off Pottery Avenue and within the Ruby Creek subarea. The site is zoned Commercial Mixed Use and is within the Ruby Creek Overlay District. This is a semi-rural area quickly transitioning into a low-density neighborhood center.

Adjacent to the site to the south is Ruby Creek and a single-family property, to the west is additional vacant land where the Haven Townhome project is planned by the same developer, to the north is a church and car dealership, and to the east is a wooded wetland.



Only about half of the 18-acre parcel is developable due to the wetland and stream buffers; after subtracting those, the development’s net density is about 24 units per acre. The development has 216 total units spread across 10 three-story buildings. About 36% of units are 1-bedrooms, 52% are 2-bedrooms, and 11% are 3-bedrooms. An average of 1.65 parking spaces per unit are provided.

This development offers more amenities than typical multifamily projects in Port Orchard. With units renting slightly above \$2.00 per square foot (e.g. at least \$2,100/month for a two-bedroom unit), the project will serve the mid-high end of the Port Orchard rental market. This is partly due to the developer’s intentional positioning and the site amenities, including a 6,000 square feet clubhouse with a swimming pool.

Higher rents are also partly due to the high construction costs that need to be recouped. Hard construction costs, not including land, were about \$170 per square foot. Impact fees totaled about \$28,000 per unit (\$6 million total). Through a development agreement, the developer is receiving sewer general facility fee credits to help offset the cost of a new \$2.5 million sewer lift station constructed at the developer’s expense. The developer is also receiving transportation and park impact fee credits for constructed improvements constructed and land dedication.



McCormick Village

This is a planned mixed-use subdivision that is a small part of the large master planned McCormick Woods area, which has been under development since the 1980’s and was annexed to Port Orchard in 2009. This particular site is about 23 acres and located on the north side of Clifton Road. The area is currently forested vacant land, with a large church to the southwest of the site, single-family subdivisions planned or under construction in the vicinity, and new public schools planned just west of the site.

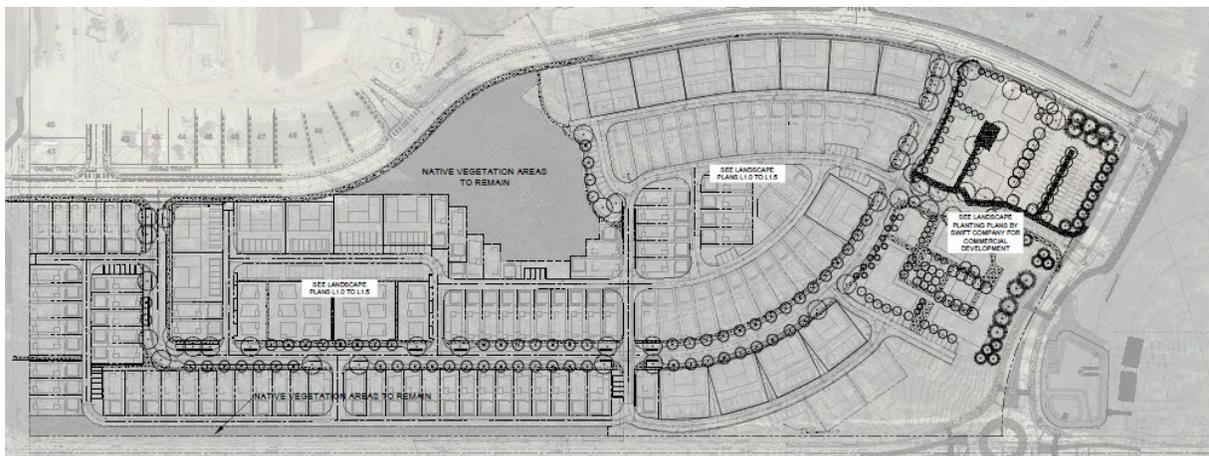


The site has a mix of zoning: Residential 3, Neighborhood Mixed Use, and Commercial Mixed Use. It also has a special McCormick Village Overlay (MVOD) with subtle changes to the residential lot standards. The City developed the MVOD regulations to implement the McCormick Village Subarea Plan and worked closely with the landowner. The overlay provides some nuances such as additional allowed building types, revised minimum/maximum setbacks, and a prohibition on parking in the front of lots.



The residential preliminary plat shows up to 153 lots and all lots having alley access. A variety of housing types are illustrated, with the majority being 30-foot wide lots with detached homes and above-garage accessory dwelling units (uniquely, all such units will start as rentals). One version of the plat also shows paseo houses (similar to cottage housing, but with less common open space) and two-story forecourt apartment buildings (with 6-8 units per site). The total unit count is not yet known, but based on one drawing provided to the City, the site could have up to 320 units (including ADU’s). The gross density (including ADU’s and excluding the commercial area) would be about 20 units per acre.

The separately permitted commercial village is at the northeast corner of the site. This would be Port Orchard’s first retail development west of State Route 16. Preliminary plans show pads for about 10 small commercial buildings served by surface parking and woonerf-style drive aisles.



Downtown Mixed Use Projects

Several residential-commercial mixed-use projects have been proposed in Downtown Port Orchard in recent years. None have broken ground as of this writing, though one is now permitted. Conceptual designs show urban features like structured parking, storefronts, rooftop open space, and being at least four stories in height. This swell may be signaling a shift in the local real estate economy where compact infill and redevelopment is on the verge of being more feasible due to a combination of land values and market rents.

Project	Description
<p>Bay Street Apartments (429 Bay Street)</p> 	<p>This project has been permitted on the site of the old Lighthouse Restaurant and will develop 39 units and 500 square feet of commercial on four levels. It is located on a 1.35 acre waterfront site. The project will have a single level of structured parking on the ground floor. The developer requested a reduction of 66 parking spaces to 41 spaces. The residential density is 29 units per acre.</p>
<p>Heronview (100 Bethel Avenue)</p> 	<p>The conceptual plans have a total of 106 units on four levels; 55% of units are studios, 23% are 1-bedrooms, 15% are 2-bedrooms, and 7% are live/work units. Proposed on a 1.08 acre site, the development's residential density would be 98 units per acre. About 6,000 square feet of commercial space are shown in conceptual drawings. At least 143 parking spaces would be required if no on-street parking is available. Parking would be provided in a two-level garage, with the roof used as a residential open space.</p>
<p>1626-1636 Bay Street</p> 	<p>This concept includes 71 units on five levels, including two levels of structured parking. Proposed on a 0.51 acre site, the residential density would be 139 units per acre. The site and development concept is currently for sale for about \$6 million.</p>
<p>640 Bay Street</p> 	<p>This a City-owned property that was intended to be sold to a private developer, though the project has been on hold for at least four years. This early concept proposed to include 44 units on five levels and about 12,000 square feet of commercial space. Parking is proposed off-site. It would include a rooftop garden and a vacation of Fredrick Street which would be developed as a landscaped public space and hill climb. The potential residential density is 159 units per acre.</p>

Section 3 – Cost Trends

Housing Cost Trends

Housing costs in Port Orchard have been increasing steadily over the last decade, for both renters and homeowners, as shown in Figure 32 below. As of mid-2022, Zillow reports an average home value of \$511,600 and an average rent of \$1,638 per unit in the city, a yearly increase of five percent for ownership units and nine percent for rentals over the past decade. Notably, both ownership and rental housing costs have increased more rapidly since the onset of the COVID-19 pandemic, a pattern seen across the greater Puget Sound region, and particularly in smaller and moderate-sized jurisdictions when compared with larger cities such as Seattle.

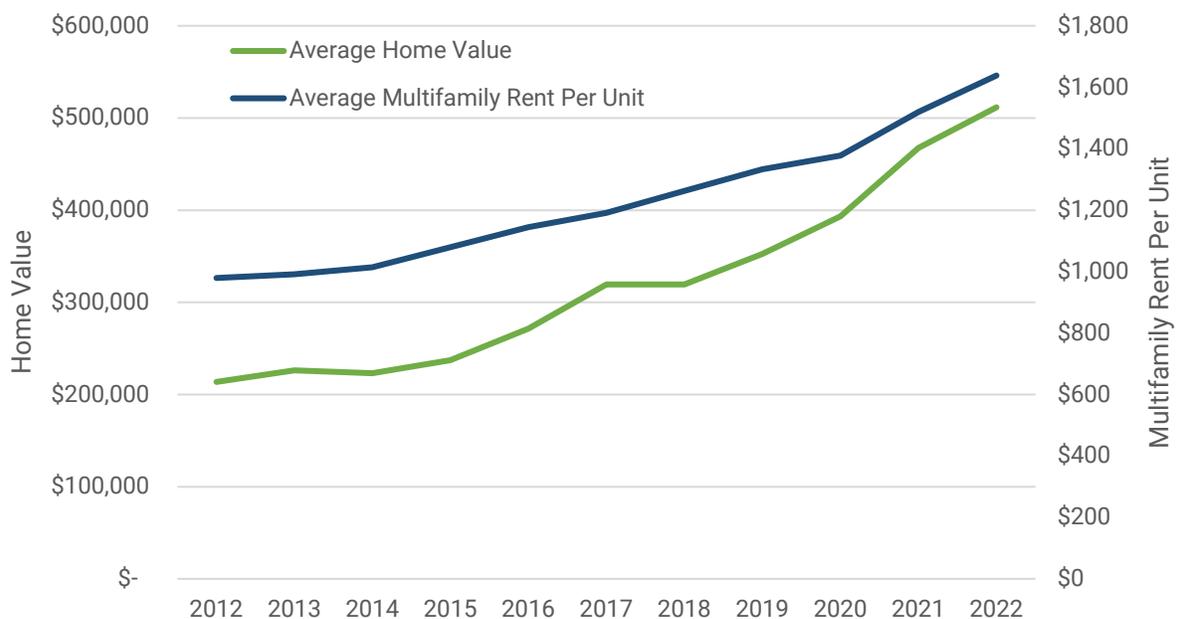


Figure 32. Housing Costs in Port Orchard, 2012-2022. Source: Zillow, CoStar.

Figure 33 shows the change in Port Orchard’s housing prices compared with the change in incomes from 2010-2020. After a drop in home prices between 2010 and 2012, incomes and housing prices increased similarly between 2012 and 2015, after which home prices began to increase significantly faster than incomes. Rental prices, which had been stable from 2013-2017, also began a steep increase in 2017, also outpacing incomes. The gap has continued to worsen over the past few years, with a 28 percent increase in rents and 56 percent increase in home values from 2015-2020, compared to only a 15 percent increase in incomes over the same period. This shows that housing has become more difficult to afford for the average Port Orchard resident in recent years, a trend also seen across the country.

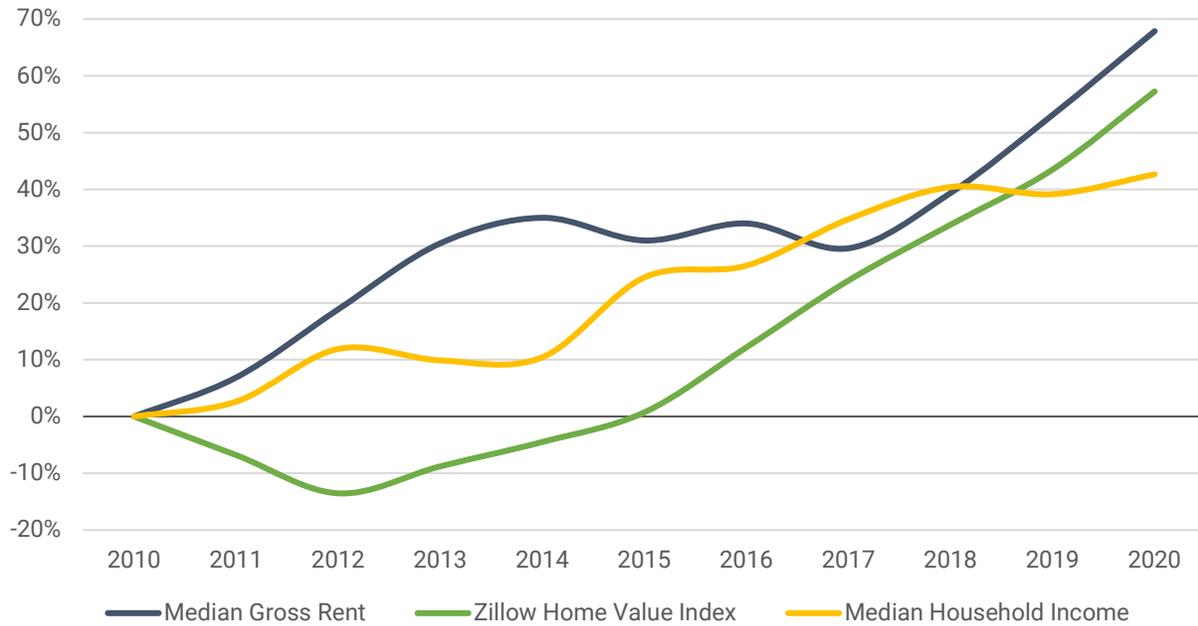


Figure 33. Change in Home Prices, Rents, and Incomes in Port Orchard, 2010-2020. Source: Zillow, American Community Survey 2020 5-Year Estimates, Table S2503, DP04, Leland Consulting Group

Figure 34 shows the relationship between what the typical Port Orchard household earns in a year and the amount they would need to earn to afford the typical home in the city, based on 2020 census and home price data. The income needed to afford the median home in the city is about \$50,585 more than the median household currently earns, or to put it another way, the typical Port Orchard household could afford a home worth about \$303,012, but the typical home in the city in 2020 was worth 1.5 times as much, \$468,702.

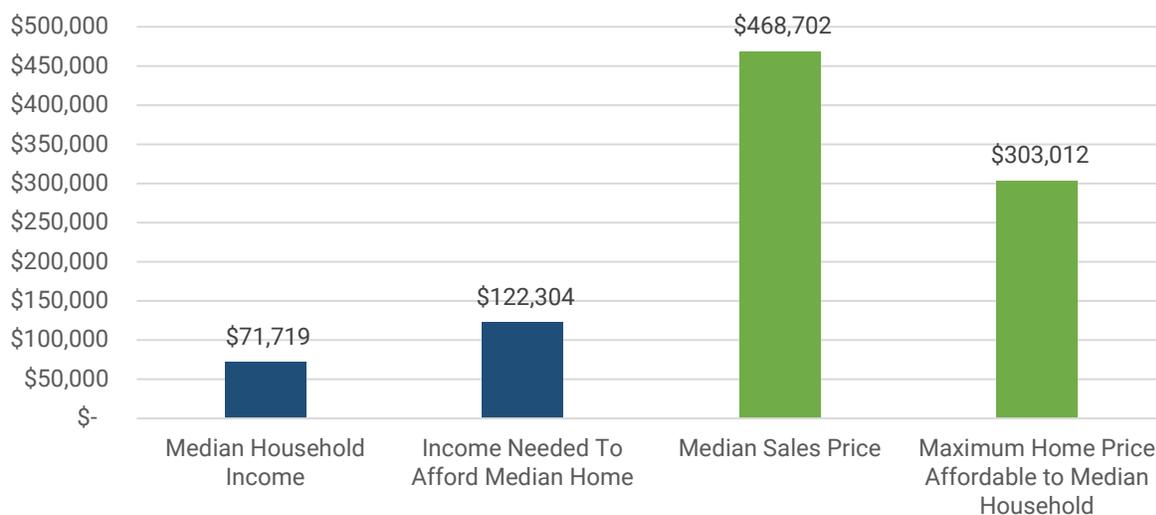


Figure 34. Ownership Housing Affordability in Port Orchard. Source: Zillow, Freddie Mac, 2020 American Community Survey 5-Year Estimates, Leland Consulting Group

A housing affordability chart illustrating home prices which would be affordable to a variety of income levels is shown below in Figure 35. Port Orchard’s median incomes and sales prices are both shown. This data illustrates the degree to which ownership housing has become out of reach for many Port Orchard residents, even those earning more than the city’s median household income.

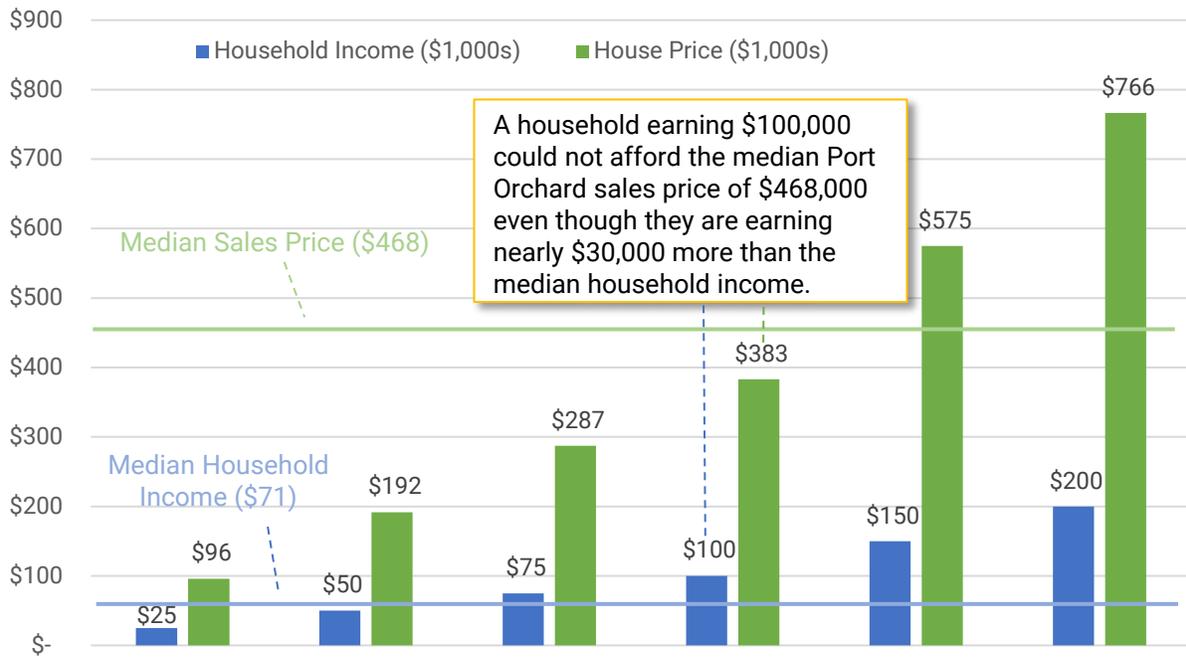


Figure 35. Housing Prices Affordable to Various Incomes with Port Orchard Median Income and Sales Price, 2021. Source: Zillow, Freddie Mac, 2020 American Community Survey 5-Year Estimates, Leland Consulting Group

Construction Costs

The cost of construction for all housing types has been increasing for decades, although the past few years have seen unprecedented increases. These costs have a major impact on development feasibility. Higher development costs ultimately drive up the sales price of finished housing and can lead to reduced housing production when the market cannot support those higher housing prices.

The following chart provides construction price indexes⁵ for multifamily housing units under construction, single-family houses sold, and for single-family houses under construction. Recent data from the U.S. Census Bureau shows construction costs went up by 17.5% year-over-year from 2020 to 2021, the largest spike in this data from year to year since 1970. Costs in 2021 were also more than 23% higher than pre-pandemic 2019. Preliminary data for 2022 indicates an even greater jump in construction costs, largely due to supply chain issues, inflation, and labor shortages.

⁵ The houses sold index incorporates the value of the land and is available quarterly at the national level and annually by region. The indexes for houses under construction are available monthly at the national level. The indexes are based on data from the Survey of Construction (SOC).

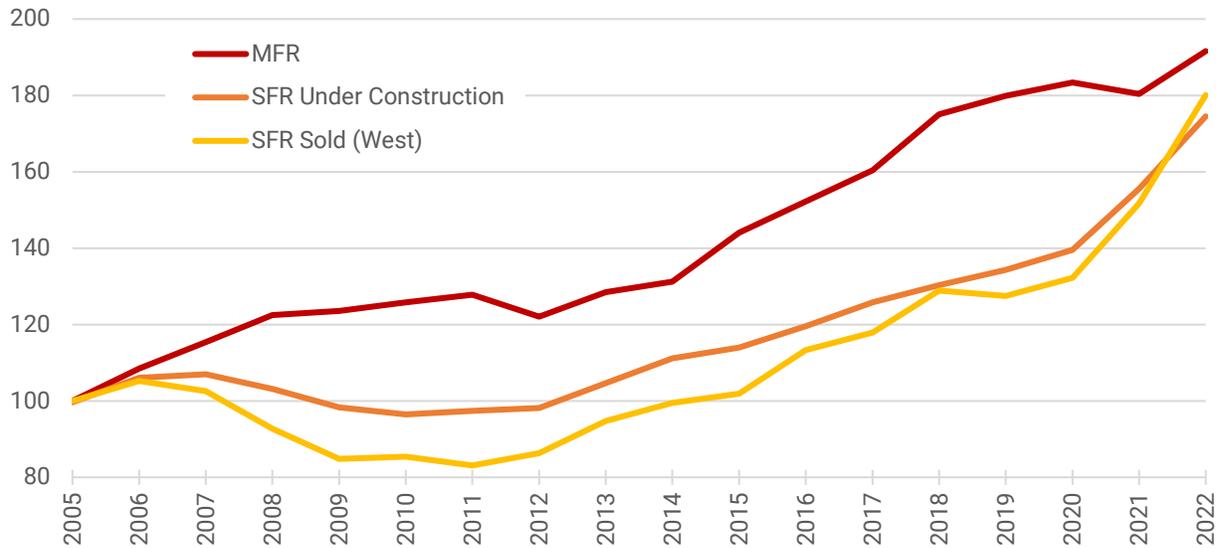


Figure 36. Construction Price Indexes. Source: U.S. Census Bureau Construction Price Indexes

Developers interviewed by the project team in summer 2022 indicated concerns over construction costs in the region. They described as many as ten material cost adjustments per year, compared to one to two price changes per year in the past. Developers generally agreed that lumber prices were likely to begin decreasing and stabilize in the coming years, though they expressed less optimism about short-term decreases in other material costs.

Impact Fees

Impact fees are a one-time fee required by local governments for new development to help pay for a portion of the expected costs of providing increased public services. The topic arose in stakeholder interviews and so an analysis compared Port Orchard’s impact fees to other Kitsap County jurisdictions. Determining impact fee by building type (housing type) also provides information about how the fees are affecting the variety of housing being built.

The table below a table shows total impact fees (combining fees for roads, parks, and schools) by housing type. Roads impact fee schedules typically have the most detailed housing types and thus was used as the basis for housing type comparison. The breakdown of impact fees by type of impact fee can be seen in Appendix A. Port Orchard has a fee for all three categories, which is not the case for some of the other jurisdictions. Bremerton currently does not collect impact fees but may start collecting them in the near future.

The comparison finds that Port Orchard does have some of the highest impact fees in Kitsap County, but these fees may be closer to the median when making wider regional comparisons. For example, Sammamish impact fees total at least \$14,000 per unit (as of 2019). Judging by the large volume of permitted developments in Port Orchard, the fees are having little negative effect on total development.

However, the fees may be a minor factor for the variety of housing products being produced. Duplexes, triplexes, fourplexes, townhouses, and ADU’s have notably high fees for the lower resource impacts and land area they require compared to single-family homes. This may partially be because the school and park impact fees do not provide a high level of distinction among building types due to those fees being based more on persons per household.

	Single-Family	Duplex	Triplex & Fourplex	Townhouse	Multifamily 1-2 floors	Multifamily 3+ floors	Multifamily Mixed Use	ADU
Port Orchard	\$10,856.52	\$9,156.34	\$6,835.28 – \$9,096.34	\$9,156.34 – 10,347.34	\$6,820.28	\$6,189.29	\$5,768.63	\$4,677.97 - \$6,150.28
Kitsap County	\$6,428.60	\$3,496.75	\$3,496.75	\$3,766.74	\$3,496.75	\$2,956.77	\$2,821.78	\$3,766.74
Bremerton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poulsbo	\$3,214.66	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$1,759.00
Bainbridge Island	\$1,811.82	\$1,123.33	\$1,123.33	\$1,413.22	\$1,123.33	\$1,123.33	\$1,123.33	\$1,123.33
Gig Harbor	\$10,887.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$11,212.00

Figure 37. Impact Fees per Unit by Housing Type. Source: Kitsap County and Municipalities of Kitsap County

Some cities exempt ADU’s from impact fees since they are not a primary unit and because the fees can be insurmountable for low- and moderate-income homeowners. Also, under [RCW 82.02.060](#), cities may reduce impact fees by up 80% for affordable housing. Under POMC 20.182, the City has not adopted any impact fee exemptions or reductions, though the idea is supported by Comprehensive Plan policy HS-6.

Section 4 – Housing and Service Needs

This section offers information about the needs for households in the City of Port Orchard.

Market Rate Housing

The chart below shows projected demand for new housing units through 2044 by income in Port Orchard based on the Kitsap County target of 5,291 new housing units in Port Orchard by 2044.⁶ The allocation of housing units by income is shown using three projection methodologies. The Washington State Department of Commerce (Commerce) has recently released a draft calculator which uses two methodologies to calculate future housing needs by income by county, city, and UGA. Method “A” shown below allocates future housing needs by projected household income (as a share of AMI) evenly across all municipalities in Kitsap County. This shows a particularly high 2044 need of over 1,400 units affordable to the lowest-income households earning less than 30% AMI – which would need to be provided by subsidized affordable units. Commerce Method “B” allocates housing across all jurisdictions in the County after taking into account their *existing* housing unit breakdown by income level. Because Port Orchard already provides some subsidized units (and a larger share than some other Kitsap County municipalities), this method shows a need for fewer units for households earning under 30 percent AMI and between 30 and 50 percent AMI, but allocates more units for higher-income households earning more than 120 percent AMI.

The third methodology shown is Leland Consulting Group’s model which allocates future housing units based on Port Orchard’s current income breakdown. This methodology shows a strong housing need for the lowest-income residents of the City but also reflects the need for “workforce” housing for the significant share of Port Orchard’s population earning between 50 and 100 percent of the AMI.

Overall, these three methodologies show that the largest housing needs by income in Port Orchard in the next two decades will be for the lowest-income households, which can only be met through regulated affordable (i.e. subsidized) housing, to a lesser degree for “workforce” housing for residents earning less than 100% AMI, which can be provided through a variety of channels including subsidized units, vouchers, other incentive programs such as MFTE, and filtering of existing units as new housing stock is built. Finally, there will remain a demand for between 1,200 and 1,800 market rate housing units targeting households earning more than 120 percent AMI over the next 20 years.

Although the Commerce methodologies are still in draft form, all three sets of results are presented here to demonstrate the various calculations and considerations underlying future housing needs and targets regionally. The Kitsap County Regional Coordinating Council will decide on a final target number of new units by income level for all jurisdictions in the County in 2023, and that final target breakdown will be integrated into the 2024-2044 Port Orchard Comprehensive Plan.

⁶ This housing unit target and the Kitsap County population target for Port Orchard (10,500 new residents by 2044) would yield an average household size of 1.98 people per household. This is significantly less than the current Port Orchard household size of 2.44 people per household. This discrepancy may need to be addressed by Commerce.

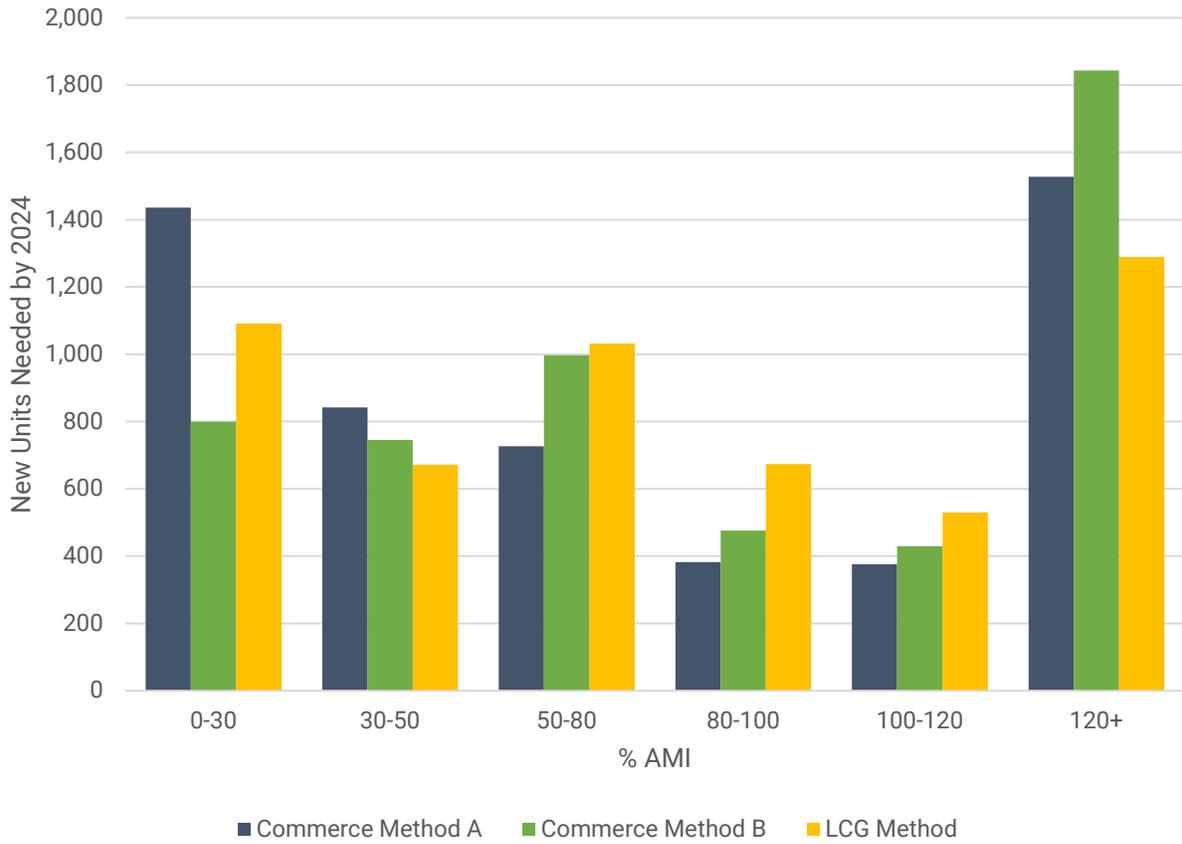


Figure 38. Housing Demand Projections for Port Orchard, 2022-2044 Source: Washington Department of Commerce Draft Projected Housing Needs Methodologies, Leland Consulting Group

Low-Income and Cost-Burdened Households

HUD sets income limits that determine eligibility for assisted housing programs.⁷ The 2022 Area Median Income (AMI) for the Bremerton-Silverdale Metropolitan Statistical Area (MSA) is \$102,500. The following table outlines the 2022 Bremerton-Silverdale MSA HUD income limits for low, very low, and extremely low-income households making 80 percent, 50 percent, and 30 percent of the Area Median Income (AMI), respectively.

Household Size	1	2	3	4	5	6	7	8
Extremely Low (30%)	21,600	24,700	27,800	30,850	33,350	37,190	41,910	46,630
Very Low Income (50%)	36,050	41,200	46,350	51,450	55,600	59,700	63,800	67,950
Low Income (80%)	57,650	65,850	74,100	82,300	88,900	95,500	102,100	108,650

Figure 39. HUD FY 2022 Income Limits (\$), Bremerton-Silverdale, WA MSA. Source: HUD

In addition to income, HUD uses a measurement of “cost burden” to further determine which subset of a community’s residents are most in need of housing support or most at risk of displacement or housing hardship.

A household is considered to be “cost-burdened” if they are spending more than 30% of monthly income on housing costs (including rent/mortgage and utilities).

A “severely cost-burdened” household spends more than 50% of their monthly income on housing costs.

Figure 40 shows a breakdown of Port Orchard’s households by tenure and cost burden status. Overall, about 35 percent of Port Orchard’s households are considered cost-burdened. Half of all renter-occupied households are considered cost-burdened, while one quarter of owner-occupied households are considered cost-burdened.

As is the case nationwide, renters are significantly more at risk of economic hardship and displacement than homeowners. With rental rates increasing dramatically in recent years and income growth failing to keep up, it appears that renters are suffering the consequences in terms of cost burden. There is a clear need for more rental housing that is affordable to all income levels.

⁷ Including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs HUD develops income limits based on median family income estimates and fair market rent area definitions.

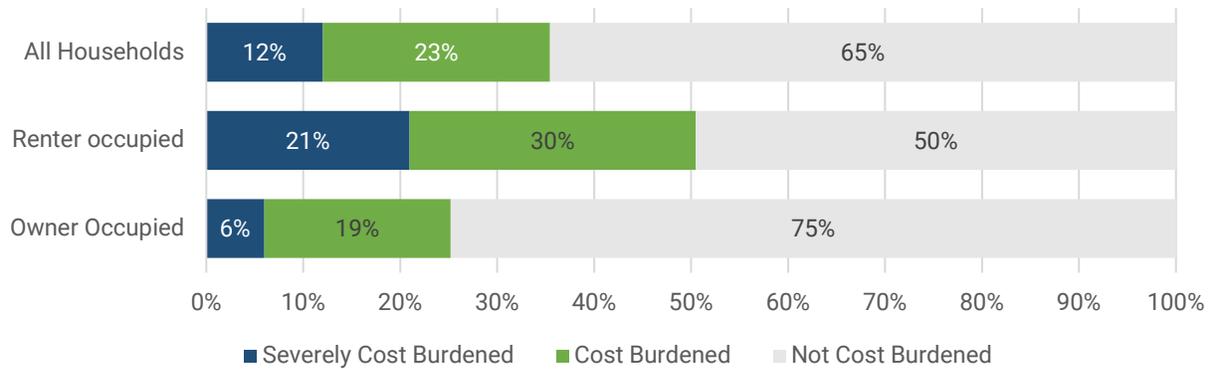


Figure 40. Household Tenure by Cost Burden in the City of Port Orchard, 2020. Source: HUD CHAS 2015-2019.

The following chart shows cost burden status by household income level for households earning less than the area median income (AMI). The lowest-income households earning 30 percent AMI or less have by far the highest cost burden, with 615 of the 715 households in this income bracket spending more than 30 percent of their income on housing costs, and 495 households, or 70 percent of households in the income bracket, spending more than half their income on housing costs. Similarly, 75 percent of households earning between 30 and 50 percent of the AMI also spend more than a third of their income on housing costs. However, there are still a substantial number of households earning between 30 and 80 percent AMI which are also housing cost-burdened, as well as a quarter of households earning between 80 and 100 percent AMI.

This data shows a need for subsidized affordable housing at various income levels, but particularly for households earning less than 50 percent AMI.

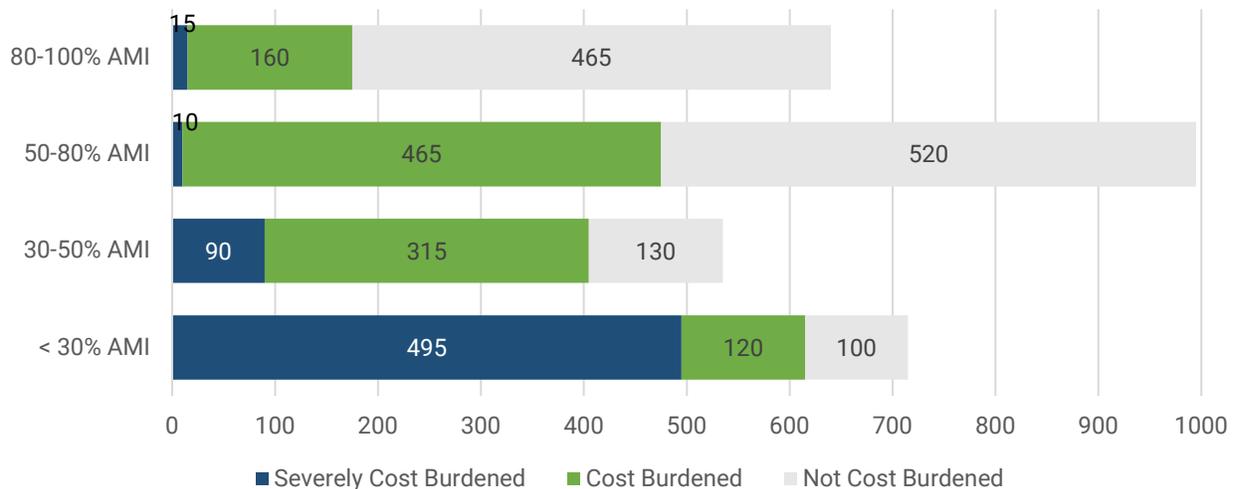


Figure 41. Cost Burden Status by Household Income Level in Port Orchard. Source: HUD CHAS 2015-2019.

Special Needs Housing

Figure 42 shows the number of households in Port Orchard with a disabled resident by disability status and income. Most households with a disabled resident earn more than 80 percent of AMI, though particularly for residents with an ambulatory limitation (generally meaning they are unable to walk), there is a significant number of households earning less than 30 percent AMI. In addition to ambulatory limitations, hearing or vision impairments are the most common disability reported in Port Orchard households.

Disability Status (any household member)	Extremely Low Income (\leq 30% AMI)	Very Low Income (30-50% AMI)	Low Income (50-80% AMI)	Moderate Income or Higher (>80% AMI)	Total Households
Cognitive limitation	90	80	70	225	460
Hearing or vision impairment	90	115	105	445	755
Self-care/ind. living limitation	60	185	125	215	585
Ambulatory limitation	215	115	65	310	710

Figure 42. Households by Disability Status and Income in Port Orchard. Source: HUD CHAS 2015-2019

People Facing Homelessness

Kitsap County conducts a Point in Time Count of people experiencing homelessness countywide each year, typically in January. In 2022, the count was conducted in February instead. The count encompasses both sheltered and unsheltered people and is conducted during one 24-hour period each year. Therefore, the number is generally considered to be an undercount of the true population experiencing homelessness. In February 2022, 563 individuals were experiencing homelessness countywide, of which 136 were in transitional housing, 244 in emergency shelters, and 183 unsheltered. This was an 8 percent decrease from 2020⁸ though a 7 percent increase from the previous four-year average. Of the 183 unsheltered residents surveyed, 23 percent, or 42 people, were in Port Orchard. Countywide, 67 percent of those surveyed reported becoming homeless due to health or mental health issues, 58 percent due to job loss, 40 percent due to loss of housing, 35 percent due to family conflict, and 25 percent due to substance use.⁹

A [2020 report](#) by the U.S. Government Accountability Office finds that every \$100 increase in median rent is associated with a nine percent increase in the estimated homelessness population, even after accounting for demographic and economic characteristics. This formula is considered at a national level but may be helpful context for the current trend in local rent increases.

⁸ The count of unsheltered individuals was not completed in 2021 due to the COVID-19 pandemic.

⁹ Kitsap County Point In Time Count. <https://www.kitsapgov.com/hs/Pages/HH-Point-in-Time.aspx>

Transit

Kitsap Transit provides public bus and passenger ferry service in Port Orchard. There are six fixed-route bus lines operating within the central and eastern part of the city, and two ferry docks which have service to the Bremerton ferry terminal (where riders can catch auto ferries or fast passenger ferries to Seattle). The in-town fixed-route bus lines generally run at frequencies of 30 to 60 minutes. Buses stop running in the early evening. On Saturdays, buses only run a few hours between 10am and around 5pm. There is no regular bus service on Sundays.

Geographic coverage of transit in central/eastern Port Orchard is moderately good, serving many of the main arterial areas, though it is oriented north-south with few east-west connections. The western Port Orchard area is served by an on-demand, weekday-only service called SK Ride which connects residents to some regular bus routes. Other services include worker/driver buses for Navy facility commuters, door-to-door Access buses for seniors and people with disabilities (runs 8am to 4pm on weekdays and Sundays), and vanpools/carpools.

Overall, the low level of fixed-route service is generally impractical to most people for commuting, after-work entertainment and shopping, running errands, or getting to appointments. It is particularly unfavorable to transit-reliant people who need to access social and human services (including the lack of bus service between Port Orchard and Bremerton). Low fixed-route transit service does little to help housing developments justify reduced amounts of parking. It also limits the ability of residents to drive less and spend less on transportation.



Figure 43. Kitsap Transit fixed-route bus lines in the Port Orchard area.

Section 5 – Housing Funding and Monetary Tools

Existing Funding

Port Orchard does not have currently any funding streams directly funding affordable housing development or preservation.

In January 2022, Kitsap County imposed a 0.1% affordable housing sales tax as allowed under [RCW 82.14.530](#). The revenue must be used for constructing or maintaining affordable housing. It is expected to generate about \$5 million per year.¹⁰ This sales tax option would have been available to Port Orchard (generating about \$850,000 per year per .1% , based on 2021 revenue), but state law stipulates that after a county adopts the tax cities in the county may no longer implement their own tax.¹¹ Poulsbo and Bainbridge Island implemented affordable housing sales taxes before the county did and so their taxes remain effective in addition the county's.

Other Funding Options

The [Municipal Research Service Center](#) provides a list of other funding sources for Washington cities and affordable housing developers. These include:

- Property tax levy of up to \$0.50 per \$1,000 assessed valuation for up to 10 years to fund very low-income housing ([RCW 84.52.105](#))
- Real estate excise tax of up to 0.25% to fund affordable housing through 2026 ([RCW 82.46.035](#))
- Mandatory inclusionary zoning requirements that require residential developments to either provide affordable housing on-site or to pay into a housing fund for city governments to fund housing elsewhere (generally this tool must be paired with large upzones to avoid regulatory takings claims)
- Lodging taxes, which may be used to fund a variety of government programs (as noted under the short-term rental discussion, Port Orchard already has a lodging tax)
- Loans and grants from the [Washington State Housing Trust Fund](#) (administered by the Washington State Department of Commerce)
- State law under [RCW 43.185C.080](#) allows cities to receive grants from the Washington homeless housing account. A prerequisite is adoption of a local homeless housing plan or adopting by reference a county homeless housing plan that has a specific strategy for the city. Grant value is tied to the real estate document recording fees generated within the local jurisdiction.
- Low-income housing tax credits which investors in housing projects can apply to (administered by the [Washington State Housing Finance Commission](#))

¹⁰ "Commissioners vote to impose 1/10th of 1% sales tax for affordable housing." January 2022. Kitsap Daily News. <https://www.kitsapdailynews.com/news/commissioners-vote-to-impose-1-10th-of-1-sales-tax-for-affordable-housing/>

¹¹ Funding Local Affordable Housing Efforts. August 2022. Municipal Research Service Center. <https://mrsc.org/Home/Stay-Informed/MRSC-Insight/August-2022/Options-for-Funding-Local-Affordable-Housing-Effor.aspx>

Multifamily Tax Exemption

Overview

The multifamily tax exemption (MFTE) is a program authorized by the state, starting in 1995 ([RCW 84.14](#)). Cities can grant one or more of the following programs for new buildings or existing buildings:

- 8-year exemption for any type of multifamily development
- 12-year exemption for multifamily developments that reserve at least 20 percent of units for low- and moderate-income households
- A 20-year exemption for multifamily developments that reserve at least 25 percent of units for sale as permanently affordable to households earning 80% AMI or less, and the development must be sponsored by a non-profit or governmental entity (this option was added by the Legislature in 2021¹²). Port Orchard meets the threshold of 15,000 population to unlock this option.

Land, existing site improvements, and non-residential improvements are not exempt and are subject to normal property taxes. At the local government's discretion, the exemption's basis may be limited to the value of affordable units or other criteria. The local government has latitude in many other aspects. It can require certain public benefits, change what types of development apply, and can map specific areas where the exemption is available. Cities can also set lower maximum rent prices than the statute allows.

MFTE programs require ongoing monitoring, especially for any buildings with affordable units, to ensure that rental rates and resident incomes are meeting the criteria.

A 2019 statewide [audit](#) found that local MFTE programs are frequently used to improve the financial performance of private developments but it is unclear if they result in a net increase in housing production. For 2018 the audit found average annual local and state [property tax savings](#) of \$10,651 per affordable unit and \$2,096 per market-rate unit, with wide variations depending on the location, land value, and local property tax rates. Seattle has the most MFTE units in the state and likely skews the average tax savings high. Participating properties in Bremerton see average annual property tax savings of \$6,123 per affordable unit \$1,413 per market-rate unit (data was not available for Port Orchard).

Port Orchard MFTE Review

Port Orchard has had an MFTE program in place since 2016, which is codified under [Chapter 3.48 POMC](#). It goes beyond the basic framework of state law and provides three types of exemptions.

The "Type 1" program is a 12-year tax exemption available to properties zoned for multifamily or mixed-use development within one-half mile of a transit route or ferry terminal. At least 20 percent of units must be rented at least 10 percent below fair market rent to tenants with the following incomes:

¹² "Overview of 2021 Changes to the Multifamily Housing Tax Exemption Program." Washington State Department of Commerce. <https://deptofcommerce.box.com/shared/static/7k5p88yv41m8ot882gbtzafwzlofkf05.pdf>

- At or below 40 percent of median family income, for housing units in congregate residences or small efficiency dwelling units
- At or below 65 percent of median family income for one-bedroom units
- At or below 75 percent of median family income for two-bedroom units
- At or below 80 percent of median family income for three-bedroom and larger units.

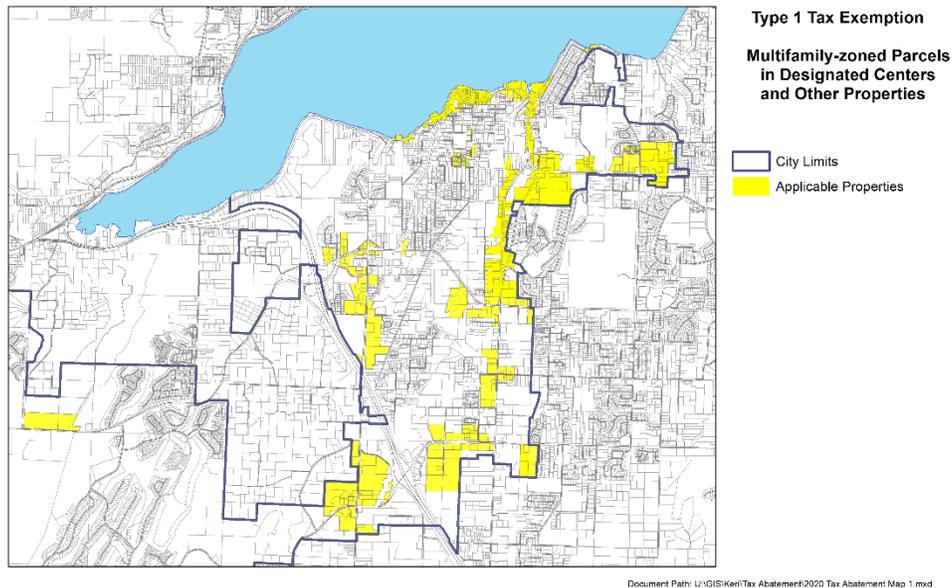


Figure 44. Parcels eligible for the Type 1 MFTE program

The “Type 2” program is an 8-year tax exemption available to properties within local centers of importance (as identified in the Comprehensive Plan) and which are encouraged to redevelop and may require rezoning. Properties must meet at least one of these criteria:

- Have abandoned buildings (vacant or unused for more than two years)
- Underutilized buildings (50 percent or more vacancy for more than two years)
- An assessed building value to land ratio of two-to-one or more.

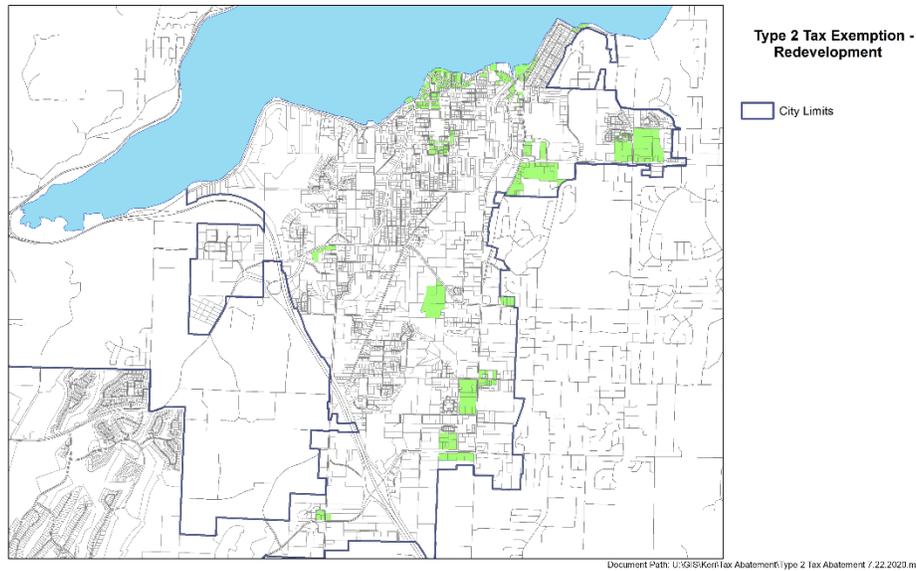


Figure 45. Parcels eligible for the Type 2 MFTE program

The “Type 3” program is an 8-year exemption available to properties within local centers of importance (as identified in the Comprehensive Plan) and zoned for multifamily or mixed-use development. Developments must meet one of these standards:

1. At least 50 percent of required parking must be structured and achieve at least 50 units per net developable acre
2. Construct mixed-use shopfront building(s) containing non-residential square footage equal to at least 40 percent of all building footprints
3. Purchase one additional story of building height for one or more buildings through the city’s transfer of development rights program

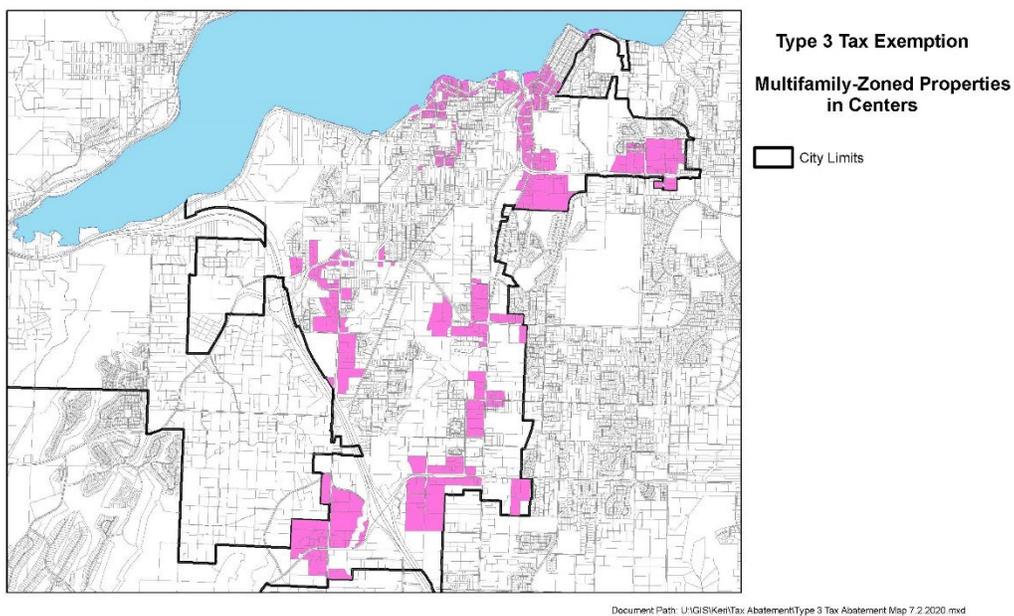


Figure 46. Parcels eligible for the Type 3 MFTE program

The following table shows how many developments and dwelling units are utilizing Port Orchard’s MFTE program since inception. Numbers in parenthesis are MFTE applications currently in progress (as of December 2022).

MFTE Program	Number of Participating Developments	Total Units	Affordable Units (Type 1)
Type 1 (12-year, affordable)	2 (+2)	95 (+220)	20 (+45)
Type 2 (8-year, redevelopment)	1 (+2)	138 (+207)	--
Type 3 (8-year, urban mixed-use)	1	99	--

Figure 47. MFTE program statistics. Source: City of Port Orchard

Observations:

- Port Orchard’s MFTE program is structured differently than most Washington cities
- In the Type 3 program, options for combining required features could be clarified, as was done with the one participating project which used less structured parking and shopfront design than required individually but combined use of both features to qualify.
- In the Type 1 program, the minimum development size of 10 units reduces the number of small projects that can participate. State law sets the minimum development size at four units.
- In the Type 1 program, residents have their incomes verified only in order to determine what size of unit they can occupy. In other words, individualized rent caps are set for physical units and not customized for each household’s size and characteristics. This is a different approach than most cities, but appears to fit within the state law framework.
- In the Type 1 program, the depth of affordability (10% below market rate) may be imbalanced with the property tax savings.
- Updates to RCW 84.14 allow median family income to now be based on the city or metropolitan statistical area of the project (rather than just the county).

As noted in Section 3, the past few years have seen unprecedented increases in construction costs which have a major impact on development feasibility. There is interest among City officials and stakeholders to revisit the MFTE program and make adjustments to improve economic feasibility and administration.

The City has the legal option to seek help with monitoring the MFTE program and freeing up staff resources. Housing Kitsap, for example, already has systems in place to administer income-based housing.

Section 6 – Housing Policies

Comprehensive Plan Goals and Policies

This section focuses on a handful of key policies in the Housing Element. Full comments are available in Appendix B.

Goal/ Policy	Text	Comment
HS-2	Support the development of a variety of housing types, including apartments, townhomes, mixed-use (residential and other uses) and live-work development, small-lot and zero lot line single-family homes, and manufactured homes, as well as traditional single-family homes, through innovative planning, efficient and effective administration of land and building codes, and, where available, applicable financial assistance.	The City has a good foundation of supportive zoning standards to support a variety of housing types, though as noted in Section 6 some improvements could be made or more incentives added. The MVOD zone is an example of innovative planning. Financial assistance largely is implemented through the MFTE program, though other options may need to be explored to support the low-income population.
HS-6	Consider reducing permitting fees for development which provide affordable housing as defined by the Washington Administrative Code (WAC) section 200-120-020.	No waivers/reductions for impact fees and general facilities charges are in place.
HS-9	Implement minimum residential density requirements in centers of local importance in order to increase land and infrastructure efficiency.	The City does not have any minimum density standards in any zone.
HS-14	Implement zoning and development regulations which encourage infill housing on empty and redevelopable parcels.	This type of development does not appear to be happening in large numbers, with most housing being built on greenfields on the edge of the city. More incentives for infill and redevelopment in local centers should be explored in the HAP.

Development Regulations

Port Orchard’s zoning standards are codified under [Title 20 POMC](#) and primarily exist in Chapters 20.30 through 20.58. The key standards reviewed here are the permitted land uses and dimensional standards. Other standards provide supplemental residential use and design standards for most housing types. Multifamily design standards are located under Chapter 20.127 POMC.

In most cities, this consists of a simple list or table organized by zone. In Port Orchard, understanding the permitted uses is complex because there are two permission standards: One code section describes “building types”, and the other describes “residential uses”, and these are located in separate chapters.

The key development regulations on housing are summarized in the tables below. Following the tables is a set of observations.

Residential Zones: Allowed Residential Development

In the first table, P means permitted and a blank cell means the building type is not permitted in the zone.

Note: The R5 zone is not currently mapped, and so was not evaluated closely.

Building Types (POMC 20.32.015)						
Building Type	Residential Zones					
	R1	R2	R3	R4	R5	R6
Detached House	P	P	P			P
Backyard Cottage	P	P	P			P
Cottage Court	P	P	P			P
Duplex: Side-by-Side		P	P			P
Duplex: Back-to-Back		P	P			P
Attached House		P	P			
Fourplex			P	P	P	
Townhouse		P	P	P	P	
Apartment			P	P	P	
Live-Work						
Manufactured or Mobile Home Park						
Accessory Building	P	P	P	P	P	P

Figure 48. Excerpt of Port Orchard Municipal Code table 20.32.015

In the second table are selected permitted uses in residential zones. These are reorganized from the actual code and have subheadings added. P means permitted, C means conditionally permitted (subject to extra review and public comment), and a blank cell means the housing type is not permitted in the zone.

Note: The R5 zone is not currently mapped, and so was not evaluated closely.

Use Types (POMC 20.39.040)						
Residential Use	Residential Zones					
	R1	R2	R3	R4	R5	R6
General						
Single-family detached (including new manufactured homes)	P	P	P			P
Two-family		P	P			P
Single-family attached (2 units)		P	P			P
Single-family attached (3 or 4 units)		P	P	P	P	P
Single-family attached (5 or 6 units)			P	P	P	P
Multifamily dwellings (3 or 4 units)			P	P	P	
Multifamily dwellings (5 or more units)			P	P	P	
Manufactured or Mobile Homes						
Designated manufactured home, manufactured or mobile home (except for new designated manufactured home)			P			
New designated manufactured home	P	P	P			P
Manufactured or mobile home park						
Supportive Housing						
Indoor emergency housing						
Indoor emergency shelter						
Permanent supportive housing	C	C	C	C	C	C
Transitional housing	C	C	C	C	C	C
Group Lodgings						
Boarding house				C	C	
Congregate living facilities		C	C	C	C	
Lodging house			C	C	C	
Group home (up to 8 residents), except as follows:	P	P	P	P	P	P
Adult family home	P	P	P			P
All group living (9 or more residents)				C	C	

Figure 49. Excerpt of Port Orchard Municipal Code table 20.39.040

Observations:

There are several user-friendliness challenges with these standards of Chapter 20.32 and 20.39, particularly as they relate to middle housing:

- The R2 zone, the largest by land area, allows a good mix of housing types, though might consider adding “Multifamily dwellings (3 or 4 units)”
- Residential development allowances are regulated in at least three code sections, which creates some opportunity for confusion. Residential development allowed by zone are regulated in Chapter 20.32 (Building Types), Chapter 20.34 and 20.35 (Residential

Districts & Commercial and Mixed-Use Districts, respectively), and Chapter 20.39 (Use Provisions).

- Code users must know to look in all applicable locations. For example:
 - Permissions for “Detached House” building type and “Single-family detached” land use, which have similar meanings to most people, are found in both Chapters 20.32 and 20.39.
 - Chapter 20.32 describes a “Townhouse” as a single building type but it appears to be buildable under at least six different land uses in Chapter 20.39. This is an effort to limit townhouse complexes to four connected units in lower density zones, but to allow larger six unit townhome clusters in higher density zones.
 - Chapter 20.32 describes a Fourplex as being either three or four units. Triplex is the term for a three-unit building and should be added, or the term renamed to Triplex/Fourplex.
 - Chapter 20.32 describes a Cottage Court but it is unclear which type of residential land use that falls under in Chapter 20.39, especially since there are mismatches in which zones the different types of single-family uses are allowed.
- The terms “Two-family” and “Single-family attached (2 units)” in Chapter 20.39 should simply be “Duplex” which is a more commonly used term. It is also unnecessary to describe two different types of duplexes in Chapter 20.32 when they are both allowed in the same zones. The building type “Attached House” is another instance of the same use being duplicated.
- A single-family triplex/fourplex is intended for potential homeownership with each unit on its own lot, and a multifamily triplex/fourplex is most likely intended for rentals. However, it is unknown why they have different permissions by zone. The same goes for fiveplex and sixplex developments. Ownership and rental housing that has the same land use and appearance should be treated similarly.
- The City has no path to permit manufactured housing (also known as factory-built housing). Factory-built housing should be treated the same as site-built housing if it conforms to all applicable zoning and design standards.

Residential Zones: Dimensional Standards

A blank cell means the standard is not applicable.

Note: The R5 zone is not currently mapped, and so was not evaluated closely.

Dimensional Standards (POMC 20.34)						
Measure	Residential Zones					
	R1	R2	R3	R4	R5	R6
Minimum Lot Size (square feet)						
Detached House (street vehicle access)	6,000	5,000	2,800 – 5,000			4,000
Detached House (alley vehicle access)	5,000	3,000	2,400			
Cottage Court	1,200	1,200	1,200			
Duplex: Side-by-Side		5,000	5,000			5,000

Dimensional Standards (POMC 20.34)						
Measure	Residential Zones					
	R1	R2	R3	R4	R5	R6
Duplex: Back-to-Back		5,000	5,000			5,000
Attached House		2,500	2,000			2,500
Fourplex			7,000	7,000	7,000	
Townhouse		2,000	800	800	1,000	
Apartment			10,000	10,000	10,000	
Minimum Site Size (square feet) (POMC 20.32)						
Cottage Court	22,500	22,500	22,500			22,500
Townhouse		5,000	5,000	5,000	5,000	
Minimum lot width (feet)						
Detached House (street vehicle access)	50	50	36			40
Detached House (alley vehicle access)	50	30	26			40
Cottage Court		20	20	20	20	
Duplex: Side-by-Side (street vehicle access)		60	60			60
Duplex: Side-by-Side (alley vehicle access)		40	40			40
Duplex: Back-to-Back		40	40			40
Attached House (street vehicle access)		30	30			30
Attached House (alley vehicle access)		20	20			20
Fourplex			60	60	60	
Townhouse (street vehicle access)		30	30	30	30	
Townhouse (alley vehicle access)		20	16	16	16	
Apartment			80	80	80	
Other Lot Standards						
Maximum hard surface coverage	50%	70%	80%	80%	80%	75%
Building Height (feet/stories)						
Height, maximum	35 <i>3 stories</i>	35 <i>3 stories</i>	35 <i>3 stories</i>	45 <i>4 stories</i>	55 <i>5 stories</i>	35 <i>3 stories</i>
Height, Accessory Structure (feet)	24	24	24			24
Density						
Minimum density (units per acre)						
Maximum density (units per acre)						

Dimensional Standards (POMC 20.34)						
Measure	Residential Zones					
	R1	R2	R3	R4	R5	R6
Setbacks (Feet)						
Primary street setback, minimum	10	10	10	10	10	10
Side street setback, minimum	10	10	10	10	10	10
Side interior setback, minimum	5	5	5	5	5	5
Rear setback, minimum	10	10	10	4-10	10	10

Figure 50. Excerpt of Port Orchard Municipal Code 20.34

Observations:

- Chapter 20.34 has complex lists of lot area and width standards that differ by zone and by building type, which is summarized in the table above. This is one of the more complicated arrangements of dimensional standards among Washington cities.
- However, the actual minimum lot widths, lot sizes, and setbacks and maximum hard surface coverage standards are generally reasonable. Some of the minimum lot widths greater than 50 feet may be worth revisiting for infill opportunities.
- There are no minimum density requirements, which disincentives most new development (especially subdivisions) from building anything other than single-family homes. This does not fulfill Comprehensive Plan policies LU-11, HS-9, and HS-16, which call for minimum densities at least in local centers.
- The lot size and setback standards are highly specific, providing no flexibility for developers and site planners. One building type must be chosen and stuck with throughout the design process, otherwise choosing or adding a different type seems to require restarting land area needs and design assumptions from scratch. This disincentivizes developing a mix building types in large subdivisions or any type of infill “missing middle” housing.
- The minimum “site size” provided only for cottages and townhouses discourages those middle types by providing a layer of complication and limiting the sites that are eligible for middle housing development.
- Each building type is listed in Chapter 20.32, where there are lists of dimensional standards (lot width, setback, etc.) that says “set by district” for nearly every standard. However, it does not say where to find this information. Code users must know to navigate to the relevant Chapter 20.34, for example, for Residential Districts.

Commercial and Mixed-Use Zones: Allowed Residential Development

In the first table, P means permitted and a blank cell means the building type is not permitted in the zone.

Note: The RMU zone is not currently mapped, and so was not evaluated closely.

Building Types (POMC 20.32.015)									
Building Type	Commercial and Mixed Use Zones								
	RMU	NMU	BPMU	CMU	DMU	GMU	CC	CH	IF
Detached House		P	P						
Backyard Cottage		P	P						
Cottage Court	P	P	P						
Duplex: Side-by-Side		P	P						
Duplex: Back-to-Back		P	P						
Attached House		P	P						
Fourplex		P							
Townhouse	P	P	P	P		P			
Apartment				P		P			
Live-Work	P	P	P	P	P	P	P		P
Shopfront House	P	P	P	P		P	P		P
Mixed Use Shopfront			P	P	P		P		P
Manufactured or Mobile Home Park									
Accessory Building	P	P	P	P	P	P	P	P	P

Figure 51. Excerpt of Port Orchard Municipal Code table 20.32.015

In the second table is selected permitted uses in residential zones. These are reorganized from the actual code and have subheadings added. P means permitted, C means conditionally permitted (subject to extra review and public comment), and a blank cell means the housing type is not permitted in the zone.

Note: The RMU zone is not currently mapped, and so was not evaluated closely.

Use Types (POMC 20.39.040)									
Residential Use	Commercial and Mixed-Use Zones								
	RMU	NMU	BPMU	CMU	DMU	GMU	CC	CH	IF
General									
Single-family detached (including new manufactured homes)		P	P						
Two-family	P	P	P						
Single-family attached (2 units)	P	P	P						
Single-family attached (3 or 4 units)	P	P	P	P	P	P	P		P
Single-family attached (5 or 6 units)	P	P	P	P	P	P	P		P
Multifamily dwellings (3 or 4 units)	P	P	P	P	P	P	P		P
Multifamily dwellings (5 or more units)	P	P	P	P	P	P	P		P

Manufactured or Mobile Homes									
Designated manufactured home, manufactured or mobile home (except for new designated manufactured home)									
New designated manufactured home	P	P	P						
Manufactured or mobile home park									
Supportive Housing									
Indoor emergency housing		C		C	C		C	C	
Indoor emergency shelter		C		C	C		C	C	
Permanent supportive housing	C	C	C	C	C	C	C	C	
Transitional housing	C	C	C	C	C	C	C	C	
Group Lodgings									
Boarding house		C	C			P			
Congregate living facilities		C	C			P			
Lodging house		C	C			P			
Group home (up to 8 residents), except as follows:		P	P						
Adult family home		P	P						
All group living (9 or more residents)	P	C	P	P	C		P		

Figure 52. Excerpt of Port Orchard Municipal Code table 20.39.040

Commercial and Mixed-Use Zones: Dimensional Standards

A blank cell means the standard is not applicable.

Dimensional Standards (POMC 20.35)									
Measure	Commercial and Mixed-Use Zones								
	RMU	NMU	BPMU	CMU	DMU	GMU	CC	CH	IF
Minimum Lot Size (square feet)									
Detached House (street vehicle access)		3,500	3,000						
Detached House (alley vehicle access)		3,500	3,000						
Cottage Court									
Duplex: Side-by-Side		7,000	6,000						
Duplex: Back-to-Back		7,000	6,000						
Attached House			3,500						
Fourplex		7,000							
Townhouse	1,000	800		800					
Apartment				5,000					

Dimensional Standards (POMC 20.35)									
Measure	Commercial and Mixed-Use Zones								
	RMU	NMU	BPMU	CMU	DMU	GMU	CC	CH	IF
Shopfront House	6,000	7,000	6,000	5,000		None	5,000		5,000
Mixed Use Shopfront			10,000	5,000	None	None	5,000		None
Minimum Site Size (square feet) (POMC 20.32)									
Cottage Court									
Townhouse									
Minimum lot width (feet)									
Detached House (street vehicle access)		60	60						
Detached House (alley vehicle access)		60	60						
Cottage Court									
Duplex: Side-by-Side (street vehicle access)		60	60						
Duplex: Side-by-Side (alley vehicle access)		60	60						
Duplex: Back-to-Back		60	60						
Attached House (street vehicle access)			30						
Attached House (alley vehicle access)			30						
Fourplex		60							
Townhouse (street vehicle access)	30	30		16					
Townhouse (alley vehicle access)	16	16		16					
Apartment				50					
Shopfront House	60	65	60	50		None	50		50
Mixed Use Shopfront			80	50	None	None	50		50
Other Lot Standards									
Maximum hard surface coverage	90%	70%	75%	80%	100%	90%	70%	70%	70%

Dimensional Standards (POMC 20.35)									
Measure	Commercial and Mixed-Use Zones								
	RMU	NMU	BPMU	CMU	DMU	GMU	CC	CH	IF
Building Height (feet)									
Height, maximum	35	35	40	40	38	38	35		35
Density									
Minimum density (units per acre)									
Maximum density (units per acre)									
Setbacks (Feet)									
Primary street setback, minimum	0 (10 Max)	10 (30 Max)	10 (30 Max)	0 (10 Max)	(0 Max)		15 (50 Max)	20	5
Side street setback, minimum	0 (10 Max)	10 (30 Max)	10 (30 Max)	0 (10 Max)	(0 Max)		15 (50 Max)	15 (50 Max)	5
Side interior setback, minimum	0 - 5	5	5	0	(0 Max)		10		10
Rear setback, minimum	10	10	10	20	(0 Max)		10		10

Figure 53. Excerpt of Port Orchard Municipal Code 20.35

Observations:

- Apartment and townhouse building types are not allowed in the Commercial Corridor (CC) zone, but single-family attached and multifamily land use is allowed. This appears to limit this type of development to the live-work building type, which has struggled to achieve market feasibility in most of the region.
- Apartment and townhouse building types are allowed in the Commercial Mixed Use (CMU) zone, which is often adjacent to the CC zone along arterial corridors and appears to serve a similar purpose.
- No residential development is allowed in the Commercial Heavy (CH) zone, which prevents any possible mixed-use redevelopment of aging shopping centers or underutilized commercial properties in the Bethel and Sedgwick corridors.
- The maximum impervious surface standards provide sufficient flexibility for residential development
- Note that while the Downtown Mixed Use (DMU) and Gateway Mixed Use (GMU) base height limit 38 feet, the Downtown Height Overlay District (DHOD) that overlaps almost all of these two zones provides increased height limits of 48-68 feet, which increases the feasibility of mixed-use development.

- The 40 feet height limit in the CMU and BPMU zones (perhaps the other most promising zones for mixed-use development given their coverage of the city) is limiting, allowing for only about three stories of development by-right. Mixed-use development is generally more feasible the taller the building is, since the cost of construction on a per-square-foot basis remains relatively constant for 3-6 story buildings.
- Options for height increases and bonus provisions (outside of the transfer of development rights program) may be evaluated in the HAP. Some cities provide height bonuses as part of MFTE participation. As a point of reference, the Ruby Creek Overlay District provides a base 55-foot height limit for the CMU, CC, and CH zones in the southern area of the city.

ADU Standards

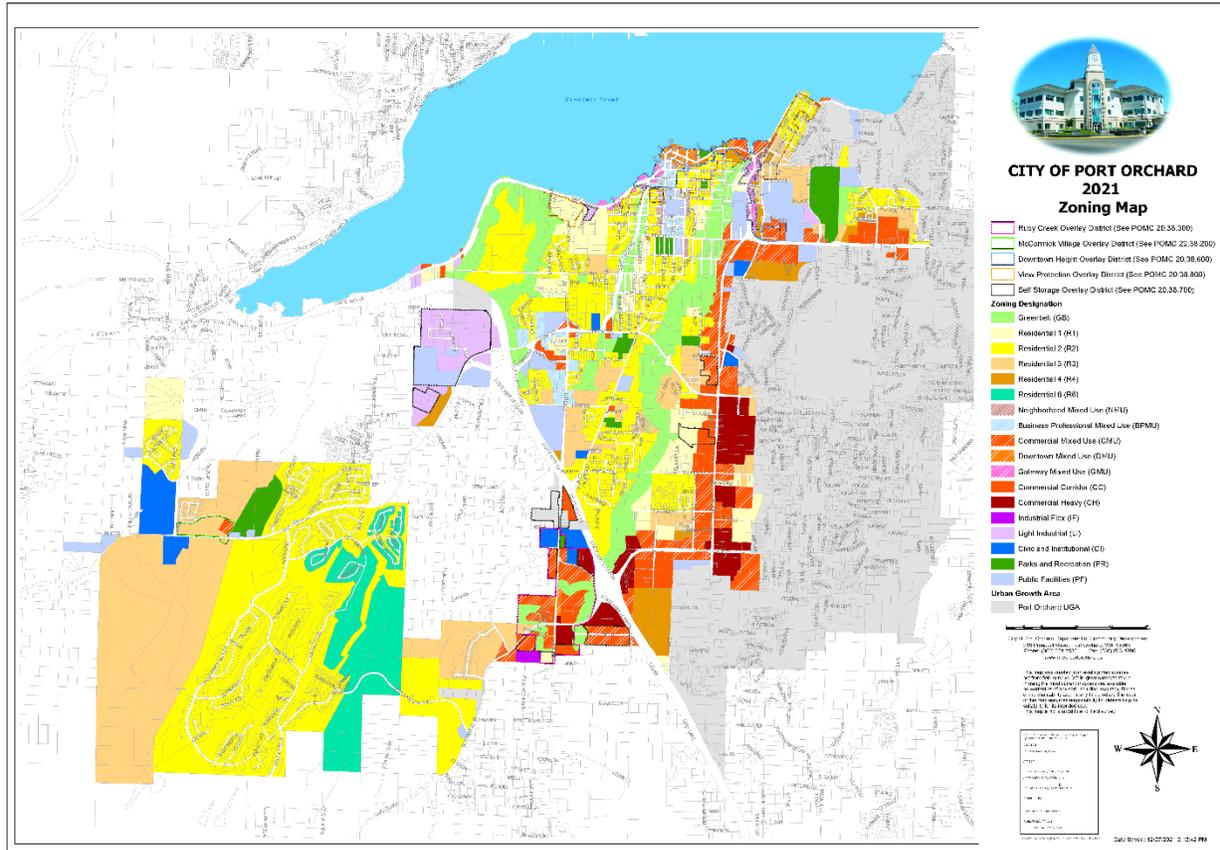
Port Orchard regulates accessory dwelling units (ADU) in two locations: Chapter 20.68 POMC for basic procedures and design requirements, and POMC 20.32.030 for the “Backyard cottage” dwelling type. Attached ADUs are allowed in all residential zones on lots with a single detached dwelling unit and limited to 40 percent the size of the primary unit or 1,000 square feet, whichever is less. Detached ADUs (backyard cottages) are allowed in the R1, R2, R3, R6, NMU, RMU, BPMU, and GB zones and limited to 40 percent the size of the primary unit or 1,000 square feet, whichever is greater.

Port Orchard explicitly permits ADUs to be used as a short-term rental and for occupation by home businesses and occupations.

Port Orchard amended its ADU standards in October 2022 with Ordinance 038-22. The ordinance removes requirements to register an ADU with an affidavit and ending the need for an “ADU agreement” to be recorded with the county auditor. As part of this, the owner occupancy requirement and parking requirements for ADUs have been removed; these are two of the most common and significant barriers to ADUs, so these changes will improve feasibility of ADU development.

Zoning Map

The City’s current zoning map is copied below.



Design Standards

Port Orchard has several housing type design standards.

- POMC 20.32: Building types
- POMC 20.139: Residential design standards for residential building types like detached houses, backyard cottages, cottages, duplexes, townhomes, and accessory buildings
- POMC 20.127: Commercial and multifamily development block frontages, site planning, and building design

At least two stakeholders said the [cottage housing standards](#) discourage their development, particularly the minimum site size standards and the minimum open space:

- The minimum site area is 22,500 SF regardless of number of units, and an additional 4,500 SF site area is required per unit when there are six or more cottages even though the minimum unit lot size is 1,200 SF.
- The minimum courtyard area is 3,000 SF (minimum width 40 feet) and extra 600 SF per unit is required when there are six or more cottages.
- Compare these other typical cottage standards, such as in [Anacortes](#), which do not regulate lot size and have smaller open space requirements.

Building Code

The City of Port Orchard has adopted standard building and trades under [Chapter 20.200 POMC](#) with local amendments. Adopted codes include the International Building Code (applies to commercial and mixed-use development, and residential development with three or more units), the International Residential Code (applies to single-family, duplex, and townhouse development), and international codes for mechanical systems, plumbing, energy conservation, fire safety, and property maintenance.

Landlord-Tenant Regulations

People who rent homes are significantly more likely to be cost-burdened, face eviction, and be at risk of homelessness. Recognizing this, the State of Washington sets the baseline for the landlord-tenant relationship through the State Residential Landlord-Tenant Act, RCW 59.18. According to the Attorney General’s Office, there is no centralized enforcement mechanism for the RCW, and so it is incumbent upon landlords and tenants to either self-remedy violations, seek counseling or low-cost legal help from non-profit organizations, and/or resolve disputes through the courts.

Over the past few years, the Washington State Legislature has adopted new tenant protections as follows.

Year	RCW	Topic	Effect
2018	59.18.255	Prohibition on source of income discrimination	Prohibits source of income discrimination against a tenant who uses a benefit or subsidy to pay rent
2019	59.18.200	Notice of demolition	Tenants must be provided a 120-day notice to tenants of demolition or substantial rehabilitation of premises
2019	59.18.140	Notice of rent increase	Tenants must be provided a 60-day notice of a rent increase, and increases may not take effect until the completion of the term of the current rental agreement
2020	59.18.610	Initial deposits and fees	Tenants may request paying initial deposits, nonrefundable fees, and last month’s rent in installments (may be spread over 2-3 months, depending on lease length)
2021	59.18.650	Just cause evictions	Landlords must specify a reason for refusing to continue a residential tenancy, subject to certain limited exceptions

Figure 54. Recent state landlord-tenant regulations

Notably, rent control by local jurisdictions was banned at the state level in 1981 (RCW 35.21.830). Otherwise, local jurisdictions are free to adopt additional or more stringent regulations than those provided by the state, and numerous cities and counties have done so.

The City of Port Orchard has not adopted any local landlord-tenant regulations. The King County Bar Association provides a model tenant protection ordinance within the framework of Washington State law which could be informative for future discussions and recommendations. Several Washington cities have recently adopted at least portions of the model ordinance.

State Land Use Law

In recent years the Washington State Legislature has enacted preemption laws requiring local jurisdictions to ease regulations on certain types of residential land uses. In the 2022 legislative session, several additional bills were proposed with major preemptions regarding missing middle housing, accessory dwelling units, and minimum building heights (respectively, [HB 1782](#), [HB 2020](#), and [HB 1660](#)). These recent bills did not pass but can likely be expected to come up again in 2023 and beyond as Washington continues to confront statewide housing challenges.

A non-exhaustive list of recent state preemptions follows.

Year	RCW	Topic	Effect
2018	36.70A.450	Home-based family day care	Cities may not prohibit the use of a residential dwelling, located in an area zoned for residential or commercial use, as a family day-care provider's facility serving twelve or fewer children
2019	35.21.684	Tiny homes	Cities may not adopt ordinances that prevent tiny homes with wheels used as a primary residence in a manufactured/mobile home community, with the exception that ordinances may require that tiny houses with wheels contain sanitary plumbing fixtures.
2019	35A.63.300	Religious organization density bonus	Upon request, cities must allow an increased density bonus for development of single-family or multifamily residences affordable to low-income households on property owned by religious organizations.
2019	36.70A.600	Safe harbor from appeals under the State Environmental Policy Act	The adoption of ordinances and other nonproject actions taken by a city to ease regulations on housing development are not subject to administrative or judicial appeal under RCW 43.21C. Similar protection is made for housing elements and implementing regulations that increase housing capacity under RCW 36.70A.070.
2020	36.70A.698	Parking for accessory dwelling units	Cities may not require the provision of off-street parking for accessory dwelling units within one-quarter mile of a major transit stop (likely does not apply to Port Orchard due to low transit service today).
2020	36.70A.620	Parking for multifamily housing	Cities may not require more than a certain ratio of parking spaces per unit within one-quarter mile of a frequent transit stop. There are different limits for market-rate units, designated senior and disability homes, and low-income units (likely does not apply to Port Orchard due to low transit service today).
2021	35A.21.430	Permanent supportive housing	Cities may not prohibit permanent supportive housing in areas where multifamily housing or hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed. This supersedes a similar law passed in 2019, RCW 35A.21.305.

Year	RCW	Topic	Effect
2021	35A.21.430	Transitional housing	Cities may not prohibit transitional housing in areas where multifamily housing or hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed.
2021	35A.21.430	Indoor emergency shelters and indoor emergency housing	Cities may not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed.
2021	35A.21.314	“Family” definition and number of unrelated household occupants	Except for limits on occupant load per square foot or general health and safety provisions, cities may not regulate or limit the number of unrelated persons that may occupy a household or dwelling unit.
2021	36.70A.070	Requirements for Comprehensive Plan Housing Elements	Requires planning and analysis of housing needs for moderate, low, very low, and extremely low-income households; a variety of housing types; zoning that may have a discriminatory effect; and other related issues. This will apply to the next major update of Port Orchard’s Comprehensive Plan due in 2024.

Figure 55. Recent state zoning preemptions

Federal Incentives

Created in 2017, Opportunity Zones are intended to assist economically distressed communities with preferential tax treatment for those investing eligible capital gains. Port Orchard has been designated with two federal [Opportunity Zones](#) located contiguously with Census Tracts #53035092200 and #53035092300. This covers the much of the city east of State Route 16. Generally, this tool has seen little interest from large residential developers, but it may be appealing to local or long-term hold developers. The program expires in 2026.

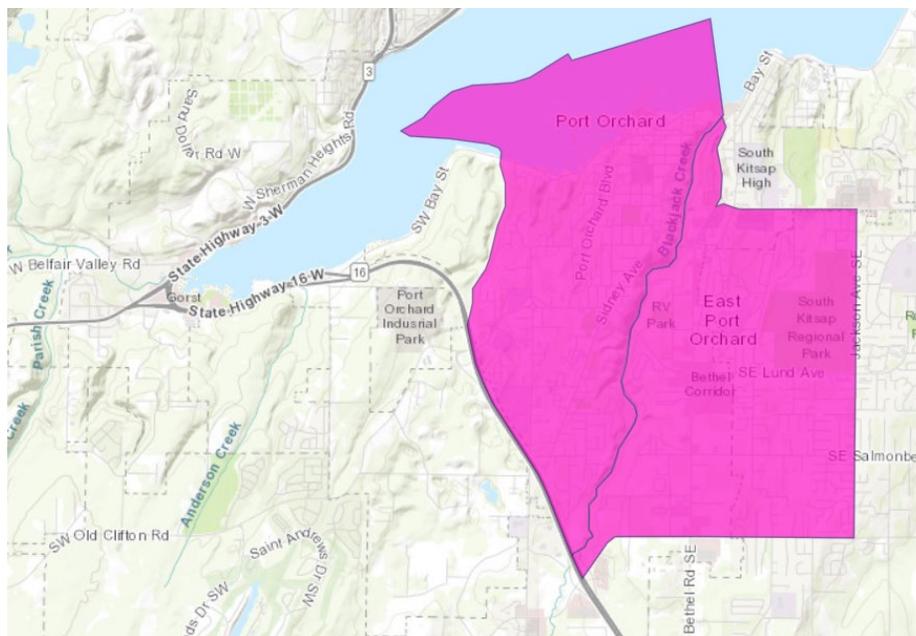


Figure 56. Location of the federal Opportunity Zones in Port Orchard

Port Orchard shares many of its housing challenges with other communities nationwide, and the country's affordable housing problem has caught the attention of the White House. In [May 2022](#), President Biden released a statement saying, in part:

“One of the most significant issues constraining housing supply and production is the lack of available and affordable land, which is in large part driven by state and local zoning and land use laws and regulations that limit housing density. Exclusionary land use and zoning policies constrain land use, artificially inflate prices, perpetuate historical patterns of segregation, keep workers in lower productivity regions, and limit economic growth. Reducing regulatory barriers to housing production has been a bipartisan cause in a number of states throughout the country. It’s time for the same to be true in Congress, as well as in more states and local jurisdictions throughout the country.”

The President has directed his administration to leverage existing transportation and economic development funding streams to reward jurisdictions that promote density, main street revitalization, and transit-oriented development. For the near future, the President has also proposed billions of dollars for HUD grant programs to support local jurisdictions in eliminating barriers to affordable housing production, supporting manufactured housing, scaling up ADU production, and other measures.

Section 7 – Land Capacity Analysis

A land capacity analysis is a core element of a housing needs analysis, as required by the Washington Department of Commerce. Kitsap County completed a Buildable Lands Report in November 2021 which contains a comprehensive analysis of vacant and redevelopable land in Port Orchard as well as required land to meet expected population growth. As shown in Figure 54, Port Orchard has surplus land to accommodate 5,750 more residents than expected by 2036. According to the 2021 Kitsap County Buildable Lands Report, the County is currently updating its zoning to remove barriers to housing in UGAs. The target population growth in Port Orchard’s UGA is based on forthcoming County zoning code revisions incentivizing urban housing development in the UGA consistent with its designation as a High-Capacity Transit Corridor in PSRC’s VISION 2050 framework. Together, the city and UGA have available land for a surplus of 5,750 residents.

Jurisdiction	2020 Population	2044 Population Target	2020-2044 Population Growth	2020 Population Capacity	Surplus / Deficit
Port Orchard City	15,587	26,087	10,500	16,250	5,750
Port Orchard UGA	15,370	18,922	3,552	3,552	0
Port Orchard Total	30,957	45,009	14,052	19,802	5,750

Figure 57. Port Orchard 2021 Residential Buildable Lands Analysis Summary. Source: 2021 Kitsap County Buildable Lands Analysis, Kitsap Regional Coordinating Council, City of Port Orchard

Figure 58 shows a breakdown of unit and population capacity by zone and type of unit. As shown, the majority of the new unit capacity is on vacant or redevelopable land in the R2 and R3 zones, as well as to a lesser degree in the CMU zone. The largest amount of multifamily unit capacity is found in the R3 zone.

Zoning	Net Acres	Single-Family Unit Capacity	Multifamily Unit Capacity	Population Capacity
Greenbelt (GB)	71.74	36		96
Residential 1 (R1)	35.15	255		685
Residential 2 (R2)	147.06	1,495		4,022
Residential 3 (R3)	31.87	1,540	1,350	7,049
Residential 4 (R4)	21.56		456	954
Residential 6 (R6)	18.11	421		1,134
Neighborhood Mixed Use (NMU)	0.54		5	11
Business Professional Mixed Use (BPMU)	5.59		19	39
Downtown Mixed Use (DMU)	0.24		2	4
Gateway Mixed Use (GMU)	0.31		39	82
Commercial Mixed Use (CMU)	49.76		961	2,009
Commercial Corridor (CC)	18.62		79	166

Figure 58. Port Orchard 2021 Buildable Lands by Zone. Source: 2021 Kitsap County Buildable Lands Analysis.

Port Orchard’s land capacity is likely higher than the numbers listed in the 2021 Kitsap County Buildable Lands Report as a result of new zoning changes adopted in 2019 but not used in the analysis. For example, the Buildable Lands Report assumed that the R2 zone would see only single-family development even though although multifamily development is allowed in the zone and multifamily development would result in a larger number of units than shown in the table above.

Appendix A – Kitsap County Impact Fee Comparison

	Single-Family	Duplex	Triplex & Fourplex	Townhouse	Multifamily 1-2 floors	Multifamily 3+ floors	Multifamily Mixed Use	ADU
Road Impact Fees								
Port Orchard	\$5,205.69	\$5,205.69	\$2,944.63 – \$5,205.69	\$5,205.69	\$2,944.63	\$2,313.64	\$1,892.98	\$1,472.32 – \$2,944.63
Kitsap County	\$4,229.84	\$2,294.91	\$2,294.91	\$2,564.90	\$2,294.91	\$1,754.93	\$1,619.94	\$2,564.90
Bremerton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poulsbo	\$564.00	\$564.00	\$564.00	\$564.00	\$564.00	\$564.00	\$564.00	\$564.00
Bainbridge Island	\$1,811.82	\$1,123.33	\$1,123.33	\$1,413.22	\$1,123.33	\$1,123.33	\$1,123.33	\$1,123.33
Gig Harbor	\$5,257.00	\$5,582.00	\$5,582.00	\$5,582.00	\$5,582.00	\$5,582.00	\$5,582.00	\$5,582.00
Parks Impact Fees								
Port Orchard	\$4,280.00	\$3,089.00	\$3,029.00	\$3,089.00 – \$4,280.00	\$3,014.00	\$3,014.00	\$3,014.00	\$2,344.00
Kitsap County	\$743.10	\$362.03	\$362.03	\$362.03	\$362.03	\$362.03	\$362.03	\$362.03
Bremerton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poulsbo	\$1,195.00	\$1,195.00	\$1,195.00	\$1,195.00	\$1,195.00	\$1,195.00	\$1,195.00	\$1,195.00
Bainbridge Island	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gig Harbor	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
School Impact Fees								
Port Orchard	\$1,370.83	\$861.65	\$861.65	\$861.65	\$861.65	\$861.65	\$861.65	\$861.65
Kitsap County	\$1,455.66	\$839.81	\$839.81	\$839.81	\$839.81	\$839.81	\$839.81	\$839.81
Bremerton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poulsbo	\$1,455.66	\$839.81	\$839.81	\$839.81	\$839.81	\$839.81	\$839.81	\$0.00
Bainbridge Island	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gig Harbor	\$4,130.00	\$2,179.00	\$2,179.00	\$2,179.00	\$2,179.00	\$2,179.00	\$2,179.00	\$4,130.00
Total Impact Fees								
Port Orchard	\$10,856.52	\$9,156.34	\$6,835.28 – \$9,096.34	\$9,156.34 – 10,347.34	\$6,820.28	\$6,189.29	\$5,768.63	\$4,677.97 – \$6,150.28
Kitsap County	\$6,428.60	\$3,496.75	\$3,496.75	\$3,766.74	\$3,496.75	\$2,956.77	\$2,821.78	\$3,766.74
Bremerton	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poulsbo	\$3,214.66	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$2,598.81	\$1,759.00

	Single-Family	Duplex	Triplex & Fourplex	Townhouse	Multifamily 1-2 floors	Multifamily 3+ floors	Multifamily Mixed Use	ADU
Bainbridge Island	\$1,811.82	\$1,123.33	\$1,123.33	\$1,413.22	\$1,123.33	\$1,123.33	\$1,123.33	\$1,123.33
Gig Harbor	\$10,887.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$9,261.00	\$11,212.00

Appendix B – Comprehensive Plan Policies

The consultant team’s comments on select housing policies are listed below.

Housing Element

Goal/ Policy	Text	MAKERS Comments
HS-1	Identify a sufficient amount of land for housing, including but not limited to government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes, and foster care facilities.	The Land Capacity Analysis in Section 7 of this report finds the City has surplus capacity for 5,750 residents beyond 2044 growth targets. Land capacity will be reviewed in more detail with the update to the Port Orchard Comprehensive Plan due in 2024.
HS-2	Support the development of a variety of housing types, including apartments, townhomes, mixed-use (residential and other uses) and live-work development, small-lot and zero lot line single-family homes, and manufactured homes, as well as traditional single-family homes, through innovative planning, efficient and effective administration of land and building codes, and, where available, applicable financial assistance.	The City has a good foundation of supportive zoning standards to support a variety of housing types, though as noted in Section 6 some improvements could be made or more incentives added. The MVOD zone is an example of innovative planning. Financial assistance largely is implemented through the MFTE program, though other options may need to be explored to support the low-income population. See also HS-20.
HS-3	Monitor official and estimated population and housing data to ensure zoning and development regulations reflect market demands	The HAP is partially fulfilling this policy. Some gaps have been found in this report.
HS-4	Adopt zoning and development regulations that will have the effect of minimizing housing costs and maximizing housing options.	According to City staff, this policy is generally being met, but stakeholders report other factors outside the City’s control are also contributing to increasing the costs of building housing.
HS-5	Support the development of housing and related services that are provided by regional housing programs and agencies for special needs populations, especially the homeless, children, the elderly, and people with mental or physical disabilities.	Port Orchard does not have any emergency housing or emergency shelter for homeless individuals. Supportive and group housing for people with mental or physical disabilities also appears limited, though there is a considerable share of senior housing and assisted living facilities concentrated on the Pottery Avenue corridor.
HS-6	Consider reducing permitting fees for development which provide affordable housing as defined by the Washington Administrative Code (WAC) section 200-120- 020.	No waivers/reductions for impact fees, general facilities charges, or other permitting fees appear to be in place.
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.	This has been met through the MFTE program.
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.	This has been met through the MFTE program.

Goal/ Policy	Text	MAKERS Comments
HS-9	Implement minimum residential density requirements in centers of local importance in order to increase land and infrastructure efficiency.	The City does not have any minimum density standards in any zone.
HS-10	Encourage the development of vertical multi-family housing above ground floor commercial uses within centers of local importance.	The MFTE Type III program and supportive zoning helps encourage this type of housing, and there are a variety of private projects proposed in local centers.
HS-11	Encourage the development of a mix of housing types within walking and bicycling distance of public schools, parks, transit service, and commercial centers.	A more thorough review of the future land use map will be needed in the Comprehensive Plan update. This is a good policy to continue forward.
HS-12	Require that new housing developments occur concurrently with necessary infrastructure investments.	This is primarily met through impact fees.
HS-14	Implement zoning and development regulations which encourage infill housing on empty and redevelopable parcels.	This type of development does not appear to be happening in large numbers, with most housing being built on greenfields on the edge of the city. More incentives for infill and redevelopment in local centers should be explored in the HAP.
HS-15	Allow the development of residential accessory dwelling units (ADUs) and detached accessory dwelling units (DADUs) in appropriate residential areas with sufficient public facilities to adequately serve additional residents.	Allow in <u>all</u> residential areas. Consider policy to allow ADU's to be built with all single-family, duplex, and triplex developments.
HS-16	Consider increasing maximum housing densities and implementing minimum housing densities in appropriate areas.	Similar to policy HS-9. Minimum densities will be explored in the HAP. The City has no maximum density limits in residential zones.
HS-18	Consider programs to preserve or rehabilitate neighborhoods and areas that are showing signs of deterioration due to lack of maintenance or abandonment.	One project has utilized the MFTE Type II program intended for abandoned properties. The City could consider other maintenance support, such as use of Community Development Block Grants to help low-income homeowners with rehabilitation.
HS-19	Consider commercial building design standards that establish and protect neighborhood character.	Commercial design standards have been adopted.
HS-20	Seek federal, state, and other funding for the renovation and maintenance of existing housing stock.	Staff report no work has been done on grant applications to renovate/maintain existing housing stock.
HS-22	Streamlining the permitting process for development by implementing policies and procedures that reduce the length of time involved in plan approval.	Stakeholders noted that permit processing time and unexpected hurdles are a continuing problem, though the City has recently moved to an electronic system.
HS-24	Consider developing and implementing flexible development standards for housing being proposed in the vicinity of critical areas to meet both the goals of housing targets and environmental protection.	The City has recently updated its critical areas standards and has no maximum density limits in residential zones.
HS-27	If the City's growth rate falls below 2.1% annual growth, the rate at which the City would need to grow at in order to hit its 2036 growth target, the	In individual years the growth rate has sometimes been lower than 2.1% (e.g. 2.7% from 2017 to 2018), and from 2015 to 2022 the average annual

Goal/ Policy	Text	MAKERS Comments
	city should consider adopting reasonable measures such as reducing adopted transportation levels of service, impact fees, or accelerating growth related projects within the City’s Capital Improvement Program.	growth rate was 2.6%. It is unclear which timeframe should be used to evaluate whether “reasonable measures” are needed.
HS-28	If the City’s growth rate increases from the 2.5% growth rate experienced from 2013-2015, the City should consider adopting reasonable measures including increasing transportation level of service standards, impact fees, or delaying projects within the City’s Capital Improvement Program.	In individual years the growth rate has sometimes been higher than 2.5% (e.g. 2.8% from 2021 to 2022), and from 2015 to 2022 the average annual growth rate was 2.6%. It is unclear which timeframe should be used to evaluate whether “reasonable measures” are needed.

Land Use Element

Goal/ Policy	Text	MAKERS Comments
LU-1	Ensure that land use and zoning regulations maintain and enhance existing single-family residential neighborhoods, while encouraging that new development provides a mixed range of housing types.	Some variety of housing types are being seen in recent years, but not enough to meet all market needs. Revisiting this policy in the context of single-family neighborhoods may be warranted in the Comprehensive Plan update.
LU-11	Within centers of local importance, set minimum building densities that enable lively and active streets and commercial destinations. Such limits may take the form of: minimum floors or building height, floor-area-ratios, and lot coverage; and maximum street setbacks and parking spaces.	The housing policy review in Section 6 finds that none of these ideas have been implemented, with the exception of maximum street setbacks in limited commercial areas.
LU-17	Incentivize infill development to preserve and protect open space, critical areas, and natural resources.	This type of development does not appear to be happening in large numbers, with most housing being built on greenfields on the edge of the city. More incentives for infill and redevelopment in local centers should be explored in the HAP.

Transportation Element

Goal/ Policy	Text	MAKERS Comments
Goal 7	Work with Kitsap Transit to provide increased transit service to the City as development occurs.	Level of service standards for transit frequency is not mentioned anywhere in the Transportation Element.
TR-38	Require new development and redevelopment to provide safe neighborhood walking and biking routes to schools.	The future land use map and zoning map should be evaluated to determine what housing capacity and potential for new development exists near schools. New infrastructure is most easily paid for by new development, and schools should be nodes of residential density to facilitate short walks and bike rides for students from home.
TR-86	Consider reduction of parking requirements if a development provides alternatives for multi-	Noted.

Goal/ Policy	Text	MAKERS Comments
	modal uses such as Transportation Demand Management measures.	

Accepted & Accepting

imagining DEI at City of Port Orchard



Where We're Going

INTRO

let's get acquainted

WHAT?

definitions

WHO?

WHY?

the problem
the solution

WHERE?

mission, vision, and values
mayor's statements
policies
culture and social norms

HOW?

stage 1
stage 2
stage 3

WHEN?



Intro

Things to consider before we begin



Let's Get Acquainted

What do we bring to the table?



Biases

Who I Am

White

Woman

30s, Millennial

Worldview

Abilities & Disabilities

Who Are You?

Race?

Gender?

Age?

Worldview?

Abilities & Disabilities?



What?

Teasing out the buzzwords



Definitions

Let's get on the same page



Diversity

A group of people with different characteristics



Equity

Changing processes and programs so outcomes are fair for all individuals



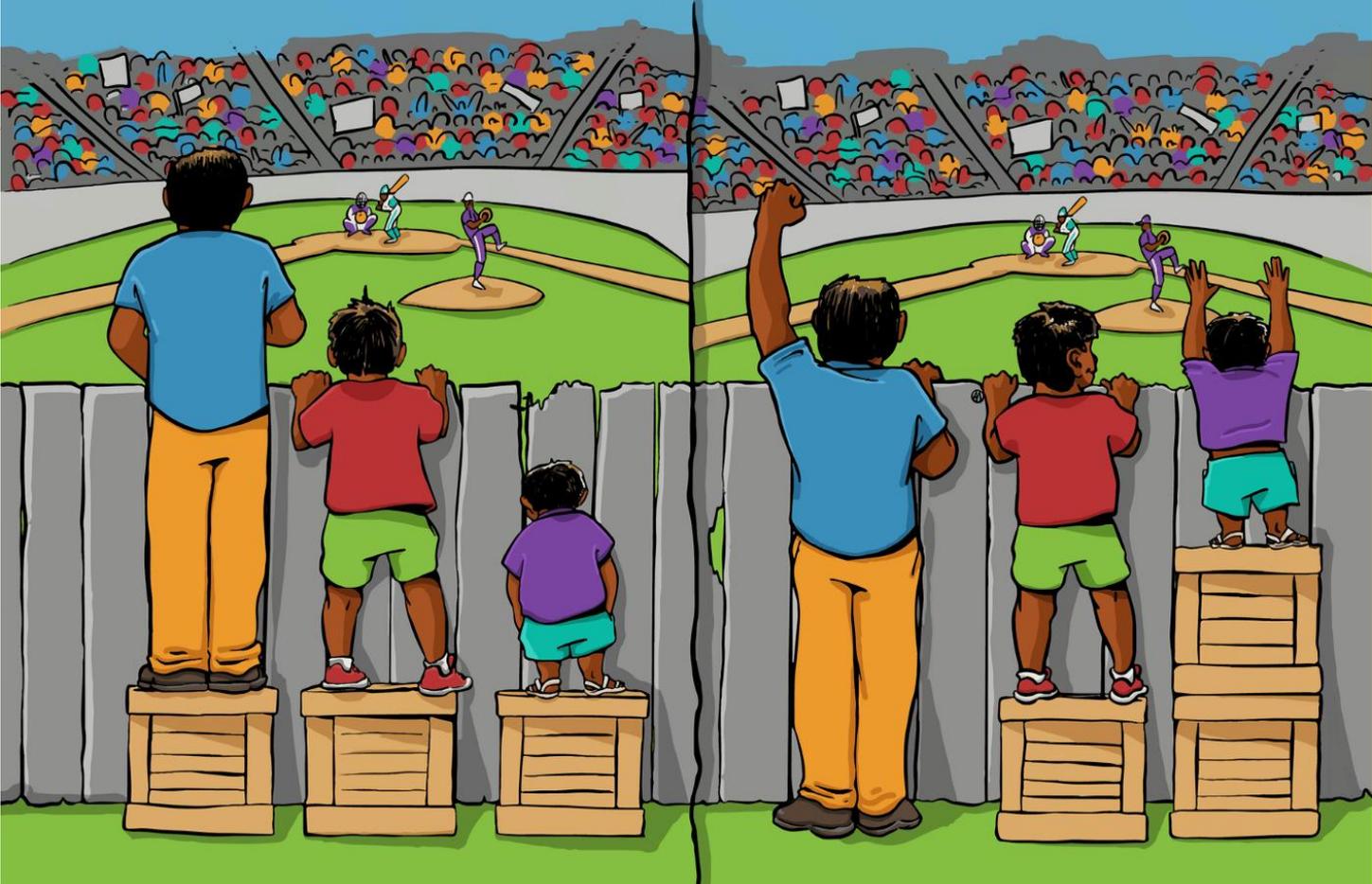
Equality



Equity



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EQUALITY

EQUITY

Inclusion

Fostering a culture of welcome and belonging for each individual in your organization



DEI? IDE? EID?

Which one is the foundation for the others?



Inclusion!

- Inclusion is essential for sustainable diversity.
- Equity supports both inclusion and diversity.
- Diversity is a result of efforts in Inclusion and Equity.



Who?

The people DEI programs are designed to lift up



Who:

DEI programs aim to amplify **historically underrepresented, marginalized, or underestimated communities of people.**



In the U.S.

this includes:

Women

People of color

Minorities (sexual, religious)

Low socioeconomic status

Neurodiverse & Disabled



Why?

The **problem** that needs fixing



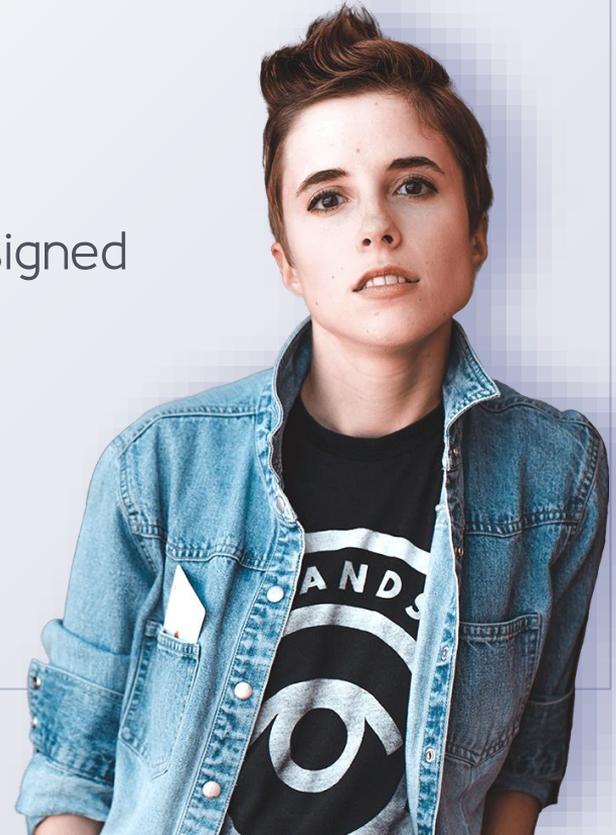
The Problem

In the U.S. and in the Workplace



The U.S. Problem

Disparity between who society was designed for versus who is living in it now.



The Workplace Problem

- ▶ Risk of Lawsuits (discrimination, harassment)
- ▶ Reputation
- ▶ Productivity
- ▶ Innovation
- ▶ Employee Retention
- ▶ Employee Mental Health
- ▶ Revenue



The Solution

How DEI Programs Improve the Workplace



The Workplace Solution

Address all these problems through a commitment to promoting Diversity, Equity, and Inclusion.



The Workplace Solution

- ▶ Risk of Lawsuits (discrimination, harassment)
- ▶ Reputation
- ▶ Productivity
- ▶ Innovation
- ▶ Accuracy
- ▶ Employee Satisfaction
- ▶ Revenue





The Workplace Solution

- ▶ Risk of Lawsuits (discrimination, harassment)
- ▶ Reputation
- ▶ Productivity
- ▶ Innovation
- ▶ Accuracy
- ▶ Employee Satisfaction
- ▶ Revenue



Where?

Fitting in with COPO priorities



Mission, Vision, and Values

The prescriptive culture of City of Port Orchard



Mission

The City of Port Orchard will, within the general context of adopted plans, provide for the maintenance, preservation, and improvement of a wholesome city in which the citizens will enjoy living and raising families; recognizing the need for economic well-being and security.

- excerpt of Resolution No. 1838 (1998)



Vision

Reaffirm and demonstrate a tolerance of new ideas and celebrate the City of Port Orchard's varied cultural and ethnic diversity.

- excerpt of Resolution No. 1608 (1992)



Values

Improvement (“raising the bar”)

History (“honoring the past”)

Progress (“not living in the past”)

Cooperation (“building connections”)

Inclusion (“decision-making process positively impacts DEI”)

– Guiding Principles



Mayor's Statements

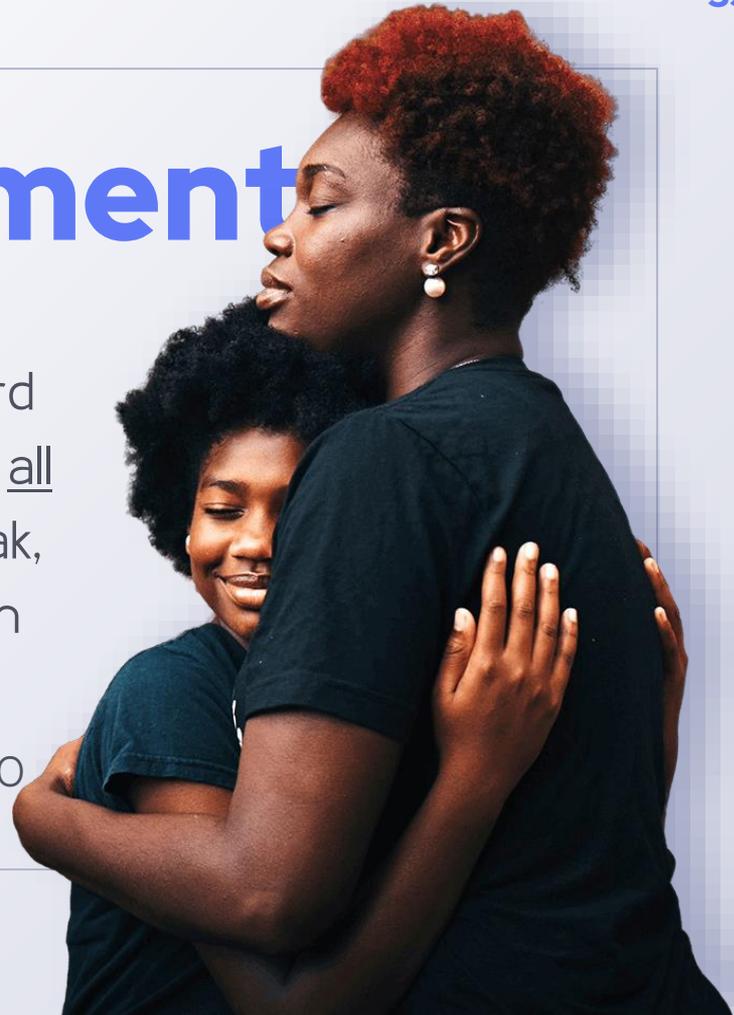
Expressing a clear stance



Mayor's Statement

“When it comes to ensuring Port Orchard is a safe and respectful community, we all must participate. I encourage all to speak, and I commit to listening and engaging in long-overdue dialogue.”

- Rob Putaansuu, 6/10/20



Mayor's Statement

“The City Council, our management team, and I all take seriously the responsibility to foster anti-racism and directly address racism and inequality in our policies and practices.”

- Rob Putaansuu, 6/25/21



Policies

The rules and guidelines of City of Port Orchard



Policies

Equal Employment Opportunity

Anti-Harassment

Anti-Discrimination

Open Communications Policy



Culture and Social Norms

The descriptive culture of City of Port Orchard



Culture

- Leadership Behavior
- Communication Styles
- Internal Messages
- Celebrations



Social Norms

Emotion

Manners

Respect

Participation

etc...



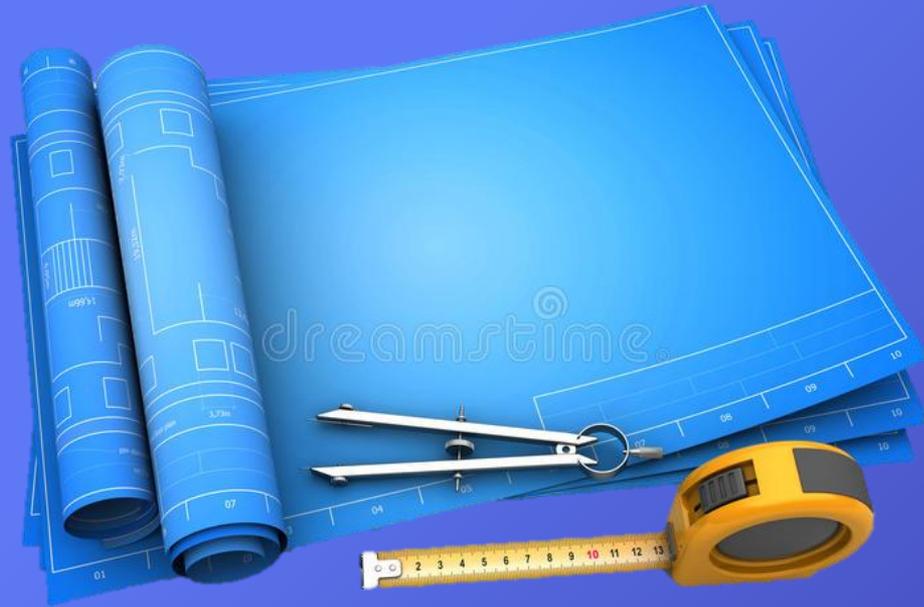
How?

Charting a path forward



Stage 1

Outlining a Plan



Stage 1: Outlining a Plan

- ▶ **Current Employees**
- ▶ Commitment to Diversity & Inclusion
- ▶ Assessment
- ▶ Goals & Benchmarks
- ▶ Action Steps



Stage 2

Building a Foundation



Stage 2: Building a Foundation

- ▶ Current & Future Employees
- ▶ Form Committee
- ▶ Education
- ▶ Regular Measurements
- ▶ Policies and Practices



Stage 3

Neighborhood Outreach



Stage 3: Neighborhood Outreach

- ▶ **Community**
- ▶ Establish Community Partnerships
- ▶ Outreach
- ▶ Fundraisers & Donations
- ▶ Events & Celebrations



When?

Ready to get started?



Next Steps

1. Commitment
2. Leadership
3. Assessment
4. Committee



"

THANK YOU!





City of Port Orchard

216 Prospect Street, Port Orchard, WA 98366
(360) 876-4407 • FAX (360) 895-9029

Agenda Staff Report

Agenda Item No.:	<u>Business Item 7B</u>	Meeting Date:	<u>January 10, 2023</u>
Subject:	<u>Adoption of a Resolution Confirming</u>	Prepared by:	<u>Brandy Wallace, MMC</u>
	<u>Mayoral Appointment to the Building</u>		<u>City Clerk</u>
	<u>Board of Appeals</u>	Atty Routing No.:	<u>N/A</u>
		Atty Review Date:	<u>N/A</u>

Summary: Annually, the City Clerk’s office reviews the expiring terms and/or vacancy of members of various boards, committees, and commissions.

The Mayor is seeking to appoint the following volunteer to fill an expired term upon confirmation of the City Council:

- **Building Board of Appeals Mechanical and Plumbing Professional:** Reappointment of Sean Hoynes, for a five-year term expiring December 31, 2027;

Recommendation: Mayor Putaansuu recommends adoption of a resolution confirming his appointment to the Building Board of Appeals, as presented.

Relationship to Comprehensive Plan: N/A.

Motion for consideration: “I move to adopt a resolution confirming the Mayor’s appointment to the Building Board of Appeals, as presented.”

Fiscal Impact: None.

Alternatives: Not confirm the Mayor’s appointment and provide further direction.

Attachments: Resolution.

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY OF PORT ORCHARD, WASHINGTON CONFIRMING
MAYORAL APPOINTMENT TO THE BUILDING BOARD OF APPEALS.**

WHEREAS, the Mayor is authorized to appoint volunteers to fill expired or vacant terms on various boards, committees, and commissions, upon confirmation of the City Council; and

WHEREAS, the Building Board of Appeals has an expiring term for a Mechanical and Plumbing Professional; and

WHEREAS, it is the Mayor's desire to reappoint Sean Hoynes to this Board for a five-year term, expiring December 31, 2027; now therefore,

**THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON, HEREBY RESOLVES
AS FOLLOWS:**

THAT: The City Council of the City of Port Orchard does hereby confirm the reappointment of Sean Hoynes, to the Building Board of Appeals for a five-year term expiring December 31, 2027.

PASSED by the City Council of the City of Port Orchard, APPROVED by the Mayor and attested by the City Clerk in authentication of such passage this 10th day of January 2023.

Robert Putaansuu, Mayor

ATTEST:

Brandy Wallace, MMC, City Clerk



**City of Port Orchard
Council Meeting Minutes
Regular Meeting of December 13, 2022**

1. CALL TO ORDER AND ROLL CALL

Mayor Putaansuu called the meeting to order at 6:30 p.m.

Roll call was taken by the City Clerk as follows:

Mayor Pro-Tem Lucarelli	Present
Councilmember Chang	Present
Councilmember Clauson	Present
Councilmember Cucciardi	Absent
Councilmember Diener	Present via Zoom
Councilmember Trenary	Present
Councilmember Rosapepe	Present
Mayor Putaansuu	Present

Staff present: Public Works Director Lang, Community Development Director Bond, HR Manager Lund, City Attorney Archer, and Deputy City Clerk Floyd.

Staff present via remote access: Police Chief Brown and City Clerk Wallace.

The meeting streamed live on YouTube.

A. PLEDGE OF ALLEGIANCE (Time Stamp: 00:37)

Mayor Putaansuu led the audience and Council in the Pledge of Allegiance.

2. APPROVAL OF AGENDA (Time Stamp: 00:58)

MOTION: By Councilmember Trenary, seconded by Councilmember Rosapepe, to excuse Councilmember Cucciardi due to business reasons.

The motion carried.

MOTION: By Councilmember Lucarelli, seconded by Councilmember Clauson, to approve the agenda as modified.

The motion carried.

3. CITIZENS COMMENTS (Time Stamp: 03:09)

There were no citizen comments.

4. CONSENT AGENDA (Time Stamp: 03:45)

- A.** Approval of Voucher Nos. 85141 through 85190 and 85198 through 85244 including bank drafts in the amount of \$1,328,988.56 and EFT's in the amount of \$362,445.05 totaling \$1,691,433.51.
- B.** Approval of Payroll Check Nos. 85134 through 85140 and 85191 through 85197 including bank drafts and EFT's in the amount of \$476,607.91 and Direct Deposits in the amount of \$452,296.92 totaling \$928,94.83.
- C.** Adoption of a Resolution Approving the WA State Department of Commerce GMA Periodic Update Grant-FY 2023 Interagency Agreement (**Resolution No. 120-22 and Contract No. 134-22**)
- D.** Adoption of a Resolution Declaring Certain Personal Property as Surplus and Authorizing its Disposition Thereof (**Resolution No. 121-22**)
- E.** Approval of Amendment No. 2 to Agreement No. 002-21 with AtWork! Commercial Enterprises, LLC for 2021 for Tremont Landscaping Maintenance
- F.** Approval of Amendment No. 2 to Agreement No. 007-21 with AtWork! Commercial Enterprises, LLC for 2021 Various Areas Landscaping Maintenance
- G.** Adoption of a Resolution Approving Amendment No. 1 to Contract No. 094-20 with Grette Associates for Third-Party Critical Areas Review (**Resolution No. 122-22**)
- H.** Approval of a Contract with Kitsap Council Prosecuting Attorney for Prosecution of Municipal Criminal Complaints and Civil Infractions (**Contract No. 004-23**)
- I.** Adoption of a Resolution Amending Resolution No. 111-22 for Purchase of Vacant Property on Sherman Ave for Stormwater Facilities and Grant of a Drainage Easement (**Resolution No. 123-22**)
- J.** Approval of Amendment No. 2 to Contract No. 001-22 with CONSOR North America, Inc. for 2022 On-Call/Modeling Services for the City's Water Systems
- K.** Approval of Amendment No. 1 to Contract No. 003-22 with CONSOR North America, Inc. for 2022 On- Call/Modeling Update Services for the City's Sewer Systems
- L.** Approval to Accept Ballard Marine Construction and Newalen, LLC services to Acquire for Derelict Vessel Removal and Acceptance of Department of Natural Resources Reimbursement through the Derelicts Vessel Removal Program (**Purchase Order No. 076-22**)
- M.** Approval a Contract with Washington State Parks and Recreation Commission Subrecipient Grant Agreement for a Federal Financial Assistance Grant (**Contract No. 130-22**)
- N.** Approval of Amendment No. 5 to Contract No. 002-18 with Kitsap County for Incarceration of City Prisoners
- O.** Approval of a Purchase with CDW-G for Microsoft Product Licenses (**Purchase Order No. 074-22**)
- P. New:** Excusal of Councilmember Cucciardi Due to Business Reasons

MOTION: By Councilmember Clauson, seconded by Councilmember Trenary, to approve the Consent Agenda as amended.

The motion carried.

5. PRESENTATION (Time Stamp 04:23)

A. Community Event Center Shoreline Restoration Concepts

Mayor Putaansuu explained the differences that were presented before, in that the deck has gotten 10 feet longer and we determined that we have enough mitigation to do this. Additionally, they better refined the trail that goes down to the water. There will be a rail between the trail and the deck, similar to what is on the pedestrian pathway near the bridge. We also have a grant that requires us to have a glass feature on the deck.

The cost to demolish the existing seawall is now estimated at half a million dollars.

Brief discussions were held regarding cost estimates, decks, and trail.

6. PUBLIC HEARING

There were no public hearings.

7. EXECUTIVE SESSION (Time Stamp: 10:29)

At 6:41 p.m., Mayor Putaansuu recessed the meeting for a 15-minute executive session pursuant to RCW 42.30.110(1)(i) to discuss actual and potential litigation. City Attorney Archer, and Community Development Director Bond were invited to attend, and City Attorney Archer noted action will follow.

At 6:56 p.m., Mayor Putaansuu reconvened the meeting back into session.

8. BUSINESS ITEMS**A. Adoption of an Ordinance Amending Port Orchard Municipal Code 5.84 Concerning Utility Taxes (Time Stamp 12:02)**

MOTION: By Councilmember Lucarelli, seconded by Councilmember Rosapepe, to approve an ordinance amending POMC 5.84 concerning utility taxes as presented.

The motion carried.

(Ordinance No. 051-22)

B. Adoption of an Ordinance Adopting Annual Housekeeping Amendments under Port Orchard Municipal Code Titles 5, 10, and 20 (Time Stamp: 15:46)

MOTION: By Councilmember Chang, seconded by Councilmember Trenary, to adopt an ordinance amending in Port Orchard Municipal Code to Titles 5, 10, and 20 for housekeeping purposes, as presented.

**The motion carried.
(Ordinance No. 052-22)**

C. Adoption of an Ordinance Amending Port Orchard Municipal Code Section 20.132 Creating New Code Language to Allow Subdivision Entry Signage (Time Stamp 19:16)

MOTION: By Councilmember Rosapepe, seconded by Councilmember Chang, to adopt an ordinance amending Port Orchard Municipal Code 20.132, as presented.

**The motion carried.
(Ordinance No. 050-22)**

D. Adoption of a Resolution Granting Final Plat Approval for Stetson Heights Phase 3 (Time Stamp 21:23)

MOTION: By Councilmember Trenary, seconded by Councilmember Lucarelli, to adopt a resolution, as presented, granting final plat approval for Stetson Heights Phase 3 and authorize the Mayor to execute the draft Utility Easement for the Water Booster Pump Station.

**The motion carried.
(Resolution No. 125-22)**

E. Adoption of a Resolution Approving the Comprehensive Plan Periodic Update Public Participation Program (Time Stamp 26:58)

MOTION: By Councilmember Clauson, seconded by Councilmember Lucarelli, to adopt a Resolution, adopting the 2024 Comprehensive Plan Update Public Participation Program, as presented.

**The motion carried.
(Resolution No. 126-22)**

F. Approval of an Agreement with the Police Guild Representing Patrol Officers Regarding Recruitment Incentives for New Certified and Lateral Police Officers (Time Stamp 29:42)

MOTION: By Councilmember Clauson, seconded by Councilmember Trenary, to authorize the Mayor to sign an Agreement with the Port Orchard Police Guild representing the Patrol Officer Employees regarding recruitment incentives for Certified and Lateral Peace Officers.

**The motion carried.
(MOU No. 4 to Contract No. 086-22)**

G. Approval of Amendment No. 8 to Contract No. 066-20 with Rice Fergus Miller, Inc. for the Design Development and Construction Drawings of the Port Orchard CEC-LEED Feasibility (Time Stamp 36:57)

MOTION: By Councilmember Rosapepe, seconded by Councilmember Clauson, to authorize the Mayor to execute Amendment No. 8 to Contract No. C066-20 with Rice Fergus Miller, Inc. for the South Kitsap Community Event Center Project in an amount of \$16,500.

The motion carried.

H. Approval of the November 8, 2022, City Council Meeting Minutes (Time Stamp 44:31)

MOTION: By Councilmember Clauson, seconded by Councilmember Trenary, to approve the minutes of the November 8th City Council meeting.

The motion carried. Councilmember Lucarelli abstained.

I. Approval of the November 15, 2022, City Council Work Study Session Meeting Minutes (Time Stamp: 45:09)

MOTION: By Councilmember Clauson, seconded by Councilmember Chang, to approve the November 15th City Council Work Study Session meeting minutes.

The motion carried. Councilmembers Diener and Trenary abstained.

J. Approval of the November 22, 2022, City Council Meeting Minutes (Time Stamp: 45:51)

MOTION: By Councilmember Clauson, seconded by Councilmember Lucarelli, to approve the November 22, 2022, City Council meeting minutes.

The motion carried. Councilmember Trenary abstained

9. DISCUSSION ITEMS (No Action to be Taken)

A. Community Event Center Shoreline Design (Time Stamp 46:23)

This item was discussed earlier under Presentations.

10. REPORTS OF COUNCIL COMMITTEES (Time Stamp: 46:29)

Mayor Putaansuu reported the Finance Committee is scheduled to meet January 17th. The Transportation Committee is scheduled to meet January 24th. The Lodging Tax Advisory Committee

is scheduled to meet in February. He also reported on the Kitsap Public Health District and Kitsap Transit.

Councilmember Lucarelli and Mayor Putaansuu reported on the Festival of Chimes and Lights event.

11. REPORT OF MAYOR (Time Stamp: 50:14)

The Mayor reported on the following:

- Public works grants which include a complete overlay of old Clifton Rd, study and design for Tremont St, and pedestrian improvements along Sidney Rd;
- Suspending vendor use of the gravel lot at 640 Bay St and using the space for construction lay down;
- Update on the Mayor's Exchange;
- Legislative agendas;
- AWC [Association of Washington Cities] Executive Board;
- In compliance with Resolution 007-11 'Establishing a Process for Future Amendments to the City's Personnel Policies and Procedures', he reported on updates to the Development Director, Mechanic, Police Chief, Electrician, and Public Works Operations Manager job descriptions; and
- Read a portion of the minutes from 1927, 1947 and 1972.

12. REPORT OF DEPARTMENT HEADS (Time Stamp 1:02:03)

Public Works Director Lang thanked public works staff for their work and effort over the last few weeks.

Community Development Director Bond reported on 2023 meeting schedules for the Land Use and Economic Development and Tourism Committee meetings, ribbon cutting for Haven Townhomes, and upcoming comprehensive plan update open house.

City attorney Archer reported she will bring the salary commission conversation back to Council in January and next week she will bring forward the recent litigation memorandum on homelessness issues.

Police Chief Brown reported on the upcoming blanket and coat drive and spoke to good efforts made by police officers.

13. CITIZEN COMMENTS (Time Stamp 1:09:58)

There were no citizen comments.

14. EXECUTIVE SESSION

The executive session was held earlier.

15. GOOD OF THE ORDER (Time Stamp 1:10:16)

Councilmember Clauson reported on the Governor's Committee on Disability Issues & Employment Leadership Action Planning meeting that he attended virtually where some discussion was held regarding accessibility to the pathway.

16. ADJOURNMENT

The meeting adjourned at 7:59 p.m. No other action was taken. Audio/Visual was successful.

Brandy Wallace, MMC, City Clerk

Robert Putaansuu, Mayor