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Introduction



The Silverdale Port District is a local government in Kitsap County that was established in 1920. The Port District includes approximately 16 square miles with over 21,500 residents, a regional shopping center, the unincorporated Silverdale Urban Growth Area (under the current Kitsap County Comprehensive Plan), approximately two miles along Hood Canal south of Bangor and three miles along the north end of Dyes Inlet. Figure 1 illustrates Silverdale Port District boundaries (by Port Commission).

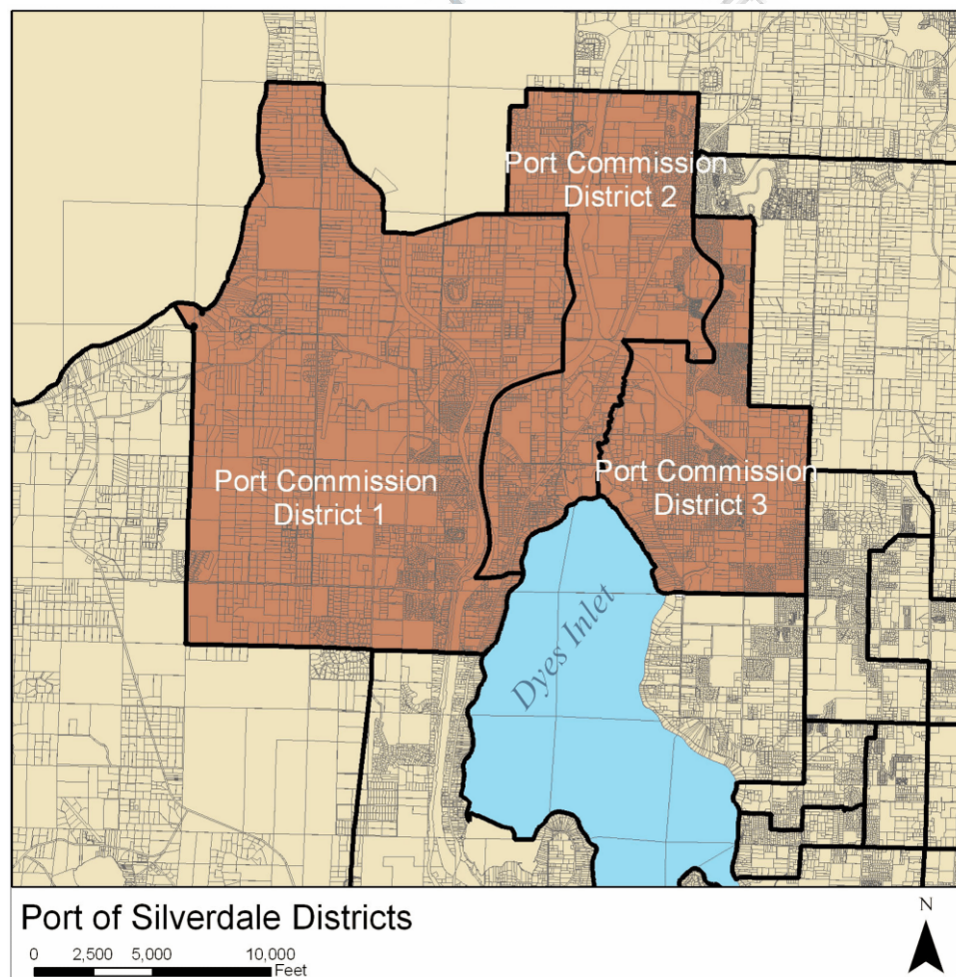


Figure 1. Port of Silverdale Commission districts.

What can a Port do?

A Port is a governmental agency created to develop and support local economic activities and is guided by specific State laws. A summary of the primary authorized functions of The Port of Silverdale is included below. More detailed information on the Port's authority is included in Appendix A:

- Acquire property
- Lease property
- Engage in economic development programs
- Improve land for industrial and commercial purposes
- Establish local improvement districts
- Expend Port funds on:
 - Park and recreation facilities
 - Streets and roads that serve port facilities
 - Acquisition, maintenance and operation of passenger carrying vessels
 - Promotion of tourism

What has the Port of Silverdale done?

Over the years, the Port has developed and maintained several in-water facilities, upland support, and recreational and commercial properties. Landmark developments include:

- 1976 interlocal agreement between the Port and Kitsap County to develop, construct and maintain a public park and recreational moorage facility
- 1984 land swap with the County to enable development of the County's Waterfront Park and construction of the Port's transient moorage facilities
- 1993 development of the Port's boat ramp and associated upland parking area
- 2001 property acquisition for expansion
- 2003-2005 redevelopment of restroom facilities, development of shower facilities and enhancement of boat trailer parking area



Figure 2. Port of Silverdale Comprehensive Plan study area.

Plan Purpose

Under Washington State law (RCW Title 53), a Port is required to develop a comprehensive plan for the use of its existing and future properties. With recent population growth and commercial development in the Silverdale area, and the development of the Kitsap County Comprehensive Plan update and Silverdale Subarea Plan, the Port recognized that the time to update its' comprehensive plan was at hand.

The Comprehensive Plan is meant to act as a guide for the Port, defining their goals and identifying potential ways to achieve those goals. The recommendations included in this plan apply to the Port and Port properties only, and will not affect how private property owners can develop their land; only County zoning and land use regulations apply to private property. The plan elements identified here are based on current best available information and conditions, and development scenarios would only occur:

- When approved by the Port Commission; and
- When funding is available and dedicated

Additional opportunities for community input (and environmental review) will occur when **ANY** significant capital project moves forward.

Study Area

The primary study area for the Comprehensive Plan, illustrated in Figure 2, included Old Town Silverdale with special focus on the Port's existing facilities and properties. The majority of the study area is zoned Neighborhood Commercial (NC), with surrounding areas zoned Regional Commercial (RC) and Urban Low Residential (ULR). Study area and surrounding vicinity zoning designations are illustrated in Figure 3. As part of the socio-economic analysis, the team also investigated economic development opportunities, including service, retail and manufacturing, in the larger Silverdale area. Primary findings of the economic analysis are included in the Economic Analysis chapter of this Plan.

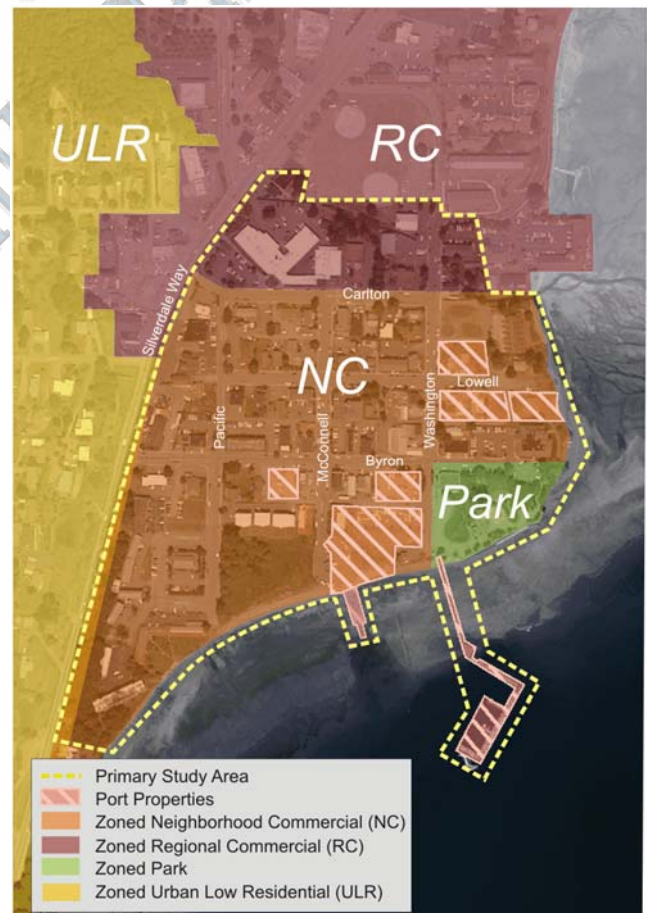


Figure 3. Zoning designations in the Primary Study area and surrounding vicinity.

Process

The Port of Silverdale hired the planning firm MAKERS architecture and urban design and the market research and strategic planning firm BST Associates to help develop the Comprehensive Plan in September of 2006. The schedule illustrated in Figure 4 details the Comprehensive Plan process. Primary features of plan development included:

- A kick-off meeting with Port staff and commissioners to review plan goals, process and schedule
- Site visits
- Interviews/phone conferences with stakeholders identified by Port staff (a summary of interviews are included in Appendix B)
- One on one interviews with Port Commissioners
- Community visioning workshop
- A socio-economic analysis of Kitsap County and the Silverdale area (the complete Socio-Economic Analysis prepared by BST Associates is included as Appendix C)
- Exploration of preliminary “focus areas” for development
- Workshop analyzing preliminary ideas with Port Commissioners
- Draft plan development
- Public Open House presentation of draft materials
- Refinement of plan elements and incorporation of final comments
- Final plan production

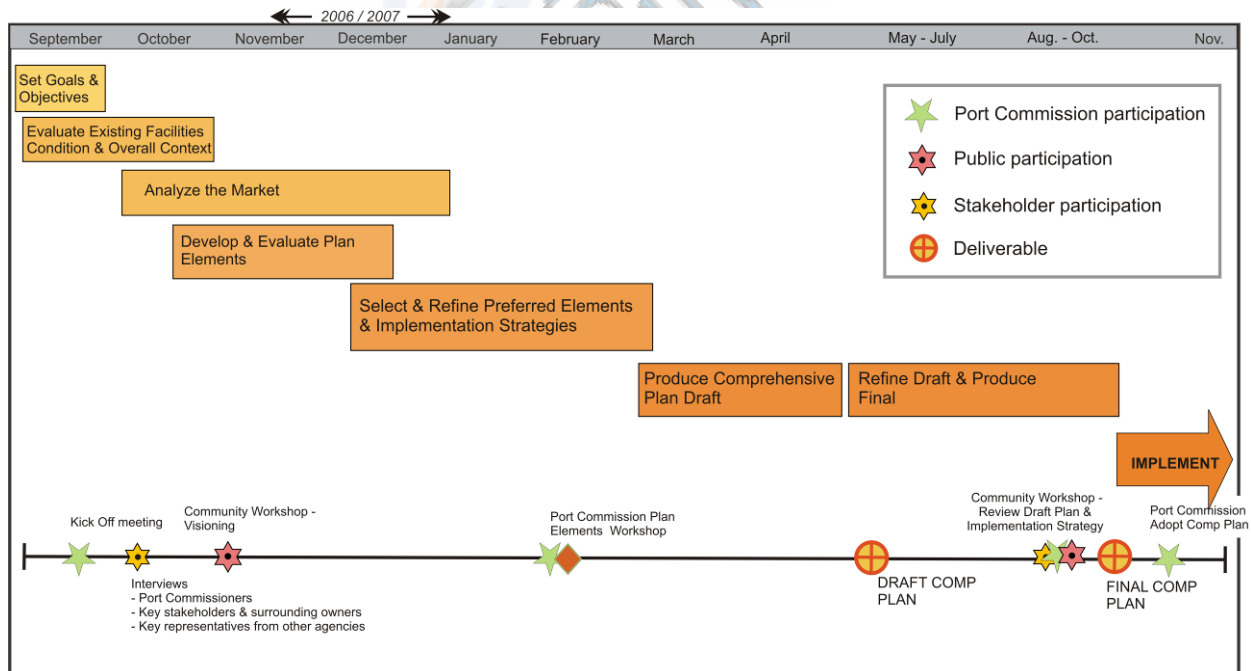


Figure 4. Comprehensive Plan schedule.

Stakeholder Participants

In addition to the two open houses attended by numerous community members (sign-in sheets are included in Appendix B), representatives from several stakeholder groups were interviewed during the plan's development, including:

- Boat owners
- Old Town Association representatives
- Business owners in Old Town Silverdale
- Port property tenants
- Economic Development Association representative
- Community members
- School District representative
- Chamber of Commerce representative
- Central Kitsap CAC representative
- Kitsap County Planning Department staff
- Kitsap County Housing Authority staff
- Public Utility District #1 staff

You're invited to:

Port District of Silverdale Comprehensive Plan Public Workshop

Project: Develop a Comprehensive Plan for the Port of Silverdale's properties in Old Town

The Port of Silverdale recently began developing a comprehensive plan for their properties in Old Town. Please join the Port for a workshop to discuss the plan's goals, which include identifying and exploring potential development strategies that will:

- Support and reinforce Old Town's character
- Enhance recreational opportunities and waterfront access
- Generate revenue and serve as an economic catalyst

This is the first of three public meetings that will be held as part of the planning process. Alternative scenarios will be developed and refined from December to February. The draft plan submittal is targeted for early spring of 2007.

Purpose of the Workshop

The purpose of this meeting is to review the project's purpose and progress to date, and to discuss *your* ideas and concerns. What would you like to see accomplished through this planning effort? How do you envision Old Town Silverdale now? In 15 - 20 years? What steps do you think will be necessary to make the vision for Old Town a reality?

When and Where

Monday, November 6, 2006, 7:00 to 8:30 PM at the Port's property at 3255 N.W. Lowell Street

Contact: Phil Best or Theresa Haaland at the Port; (360) 698 - 4918 or via e-mail: portsilv@tscnet.com



Figure 5. Public notice flyer advertising the 1st community open house.

Plan Goals

Port staff, Port Commissioners, stakeholder groups and community members identified and prioritized the following goals for the Port's Comprehensive Plan.

- ◆ Identify and explore potential development strategies for the Port's properties in Old Town Silverdale that will:
 - Support and reinforce Old Town's character
 - Enhance recreational opportunities and waterfront access
 - Generate revenue and serve as an economic catalyst
- ◆ Protect and enhance environmental features, particularly shorelines, streams and wetlands
- ◆ Improve the pedestrian environment, waterfront access and pathways
- ◆ Increase overall activity in the area
- ◆ Promote community events
- ◆ Explore partnership opportunities
 - For activities
 - For facilities
 - For development
- ◆ Coordinate with the goals of other planning efforts, including:
 - Kitsap County Comprehensive Plan Update
 - Silverdale Downtown Design Guidelines
 - The Old Town Association's Vision Statement



Figure 6. Both new and old buildings displaying the historic character of Old Town.

Existing Facilities

The following section summarizes the Port's existing in-water and upland assets, illustrated in Figure 9.

In-Water Facilities

The Port's in-water facilities include the only public pier, launch, and moorage (transient) in Dyes Inlet, and demand for these resources is increasing every year. The transient moorage facilities provide approximately 1,300 lineal feet of berthing, fresh water hookups, pump-out and power to visiting boaters for up to three nights. The boat launch is one of the deepest in the area, allowing boaters to launch at very low tides. The handling pier is available from April to October.

Upland Properties

The Port's upland properties total 2.98 acres and include: 1.5 acres on three parcels that support boat ramp parking, public rest rooms, and the open lawn area located between of the County's waterfront park and the boat ramp parking lot; four unpaved lots along Byron Street, one of which is currently used for the temporary storage of small sail boats used by the Kitsap County Parks Department youth sailing program; and six lots along Lowell that contain former residences converted to commercial uses under the County's Neighborhood Commercial (NC) zoning designation.



Figure 7. The Kitsap County Parks department operates a sailing program using the Port of Silverdale's facilities.



Figure 8. Several of the Port's upland properties currently accommodate parking.

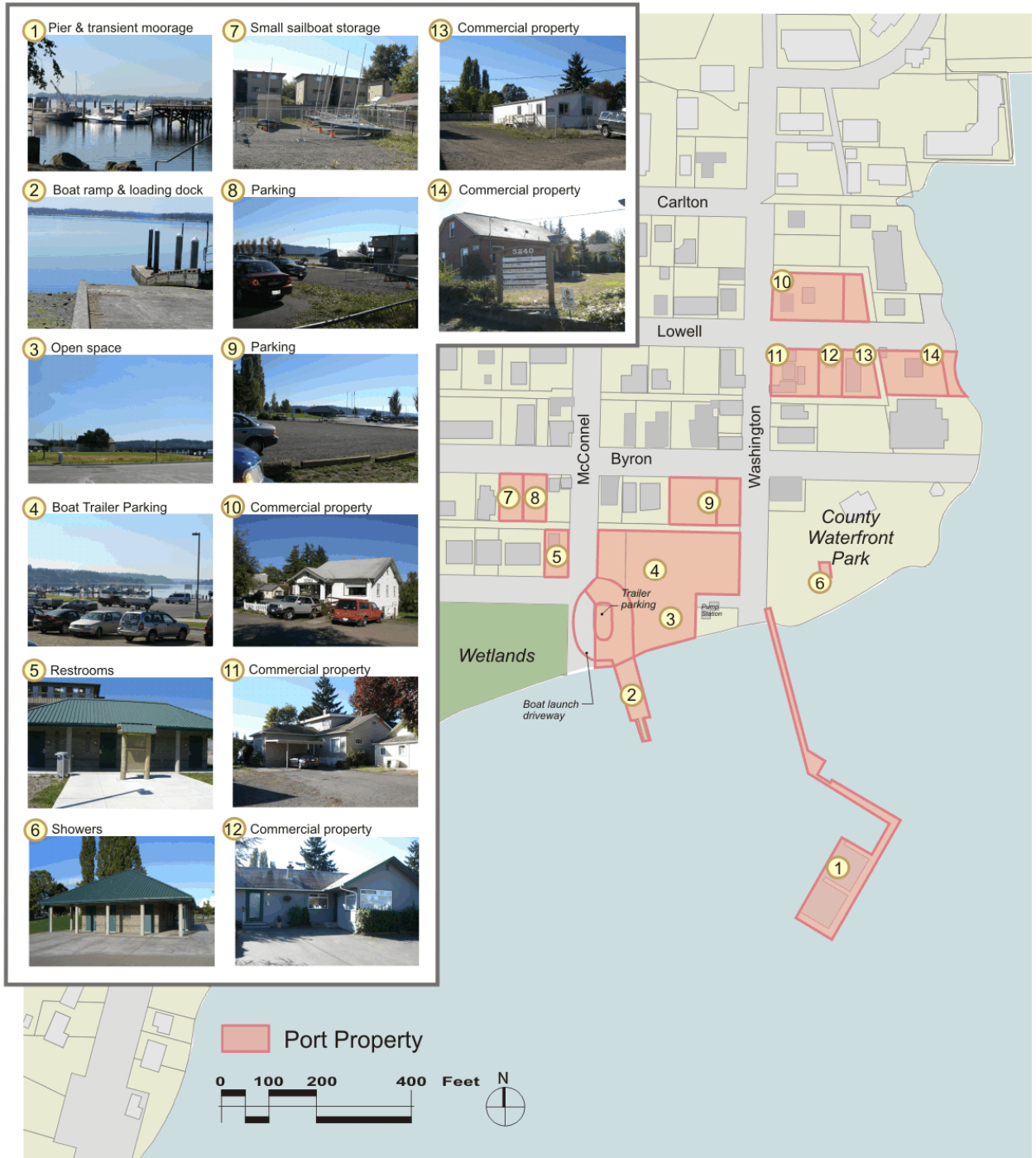


Figure 9. The Port of Silverdale's existing facilities and properties.

Economic Analysis

As part of plan development, BST Associates prepared a socio-economic report to provide background information on the economy and demographics of the Silverdale area and to help determine potential development opportunities that meet the goals of the Port and community. This section summarizes the findings of their report, which is included as Appendix C. Overall, the report revealed:

- ◆ Population growth in the Silverdale area is expected to continue to rise
- ◆ Employment in the service sector (finance, insurance, real estate and others) is expected to experience the most significant growth, adding approximately 100 jobs per year through 2020
- ◆ Demand for commercial space, particularly office space, is strong; there will likely be demand for mixed-use development in the Old Town area from the retail and service sectors
- ◆ There does not appear to be significant industrial/manufacturing opportunities for the Port at this time
- ◆ Neither permanent moorage nor fueling facilities are considered feasible projects for the Port at this time; however, the Port should track usage of the transient dock to determine if and when the demand for temporary moorage exceeds the amount of available space. When that occurs the Port should explore expanding existing transient moorage facilities

Demographics

The Puget Sound Regional Council (PSRC) reports that between 1980 and 2000 the population of Kitsap County as a whole grew by an average of more than 4,100 residents per year. Though this growth trend slowed after the year 2000, it is expected to accelerate again between 2010 and 2020.

According to the historical trends and forecasts from PSRC, the population of the Central Silverdale¹ area jumped from fewer than 3,000 to more than 8,100. Between 1990 and 2000 the number of residents grew by an additional 6,400. From 2000 through 2020 the PSRC forecast an average annual growth of 1.6%, with the population growing to approximately 17,000 in 2010 and 20,000 in 2020, or by approximately 300 new residents per year. Growth in the number of households shows a similar pattern.

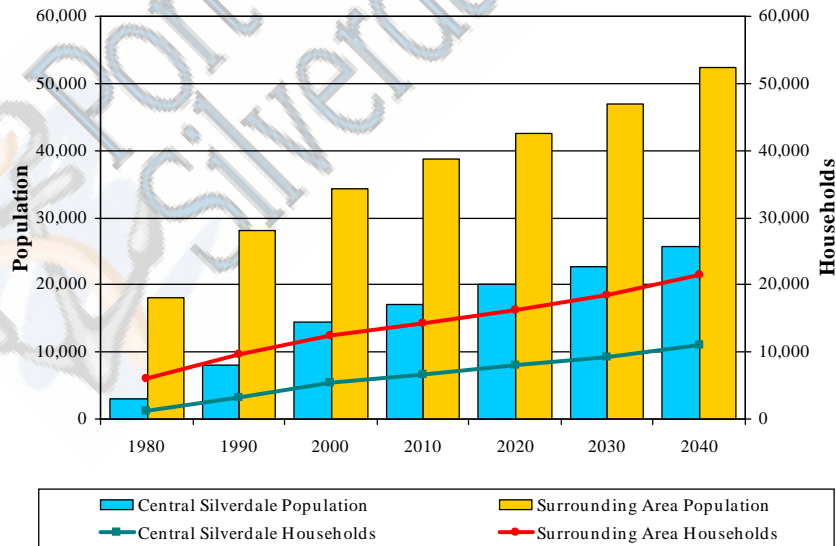


Figure 10. Population and household growth trends in Central Silverdale and surrounding areas.

¹ PSRC prepares economic and demographic forecasts at the sub-county level; these forecasts divide counties into Forecast Analysis Zones (FAZs) and provide the best source of information on the Silverdale area. "Central Silverdale" refers to the FAZ most fully encompassed by the Port of Silverdale's district boundaries. FAZs are discussed in more detail in Appendix C.

Employment

Government is currently the biggest source of jobs in Kitsap County, due mainly to the presence of the Navy. However, forecasts indicate that employment in the retail and services sectors is expected to grow much faster over the next 10 to 15 years.

The Silverdale area retail sector accounted for 75% of all new area jobs between 1980 and 2000, largely due to the construction of the Kitsap Mall and other nearby stores. Retail and service jobs are expected to continue to increase through 2020, with a projected average of 60 new jobs per year.

The service sector (finance, insurance, real estate and others) is expected to grow at a much faster rate in the Silverdale area, adding approximately 2,000 new jobs between 2000 and 2020 (100 jobs per year).

The economic analysis also explored the potential for development opportunities in the manufacturing sector. However, while manufacturing is an important source of jobs in Kitsap County, significant growth is not expected. In the Silverdale area, manufacturing accounts for very little employment and is expected to grow by just an additional 88 jobs through 2020.

While government jobs in the Silverdale area dropped by approximately 3,000 jobs between 1980 and 2000, government and education jobs are expected to grow slowly through 2020, adding approximately 40 new jobs per year.

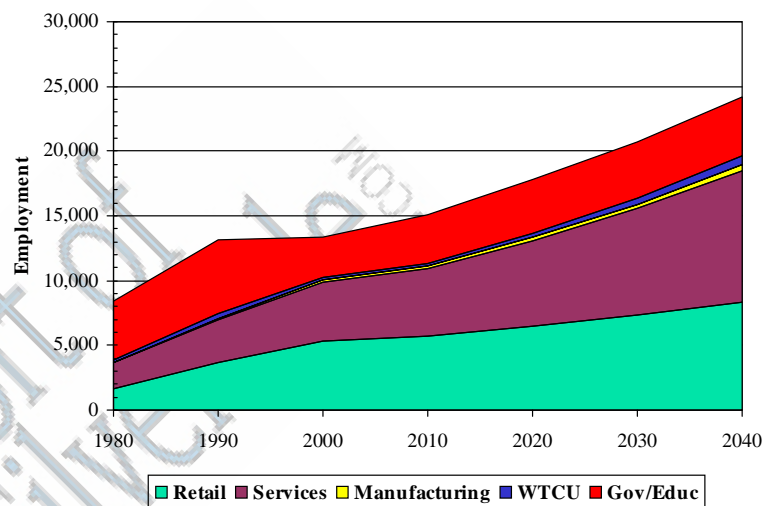


Figure 11. Silverdale area employment rates by sector.

Unemployment

Unemployment in Kitsap County has tended to be less severe than in the rest of the state, primarily due to the high percentage of government jobs in the county. In 2006 unemployment rates in Kitsap County were nearly at their lowest point in the last 17 years at 4.7%.

Income

Personal income comes primarily from three sources: wage and salary income, transfer payments (such as Navy pensions and Social Security), and dividends/interest/ rent. Since 1970, Kitsap County and the rest of the state have witnessed a decline in the share of income that comes from wages and salaries. Meanwhile, the share of income contributed dividends, interest and rent has increased, reflecting the growth of the retired population in both Kitsap County and Washington State.

Retail Sales

In Kitsap County taxable retail sales grew by an annual average rate of 4.7% from 1998 through 2005, which is a very strong growth rate and much faster than the population growth rate. In contrast, taxable retail sales in Washington State grew by an average of 2.0% per year during the same period. The fastest growth in retail sales occurred in unincorporated parts of the county, including Silverdale, where annual growth was 7.2 % per year. While “big box” retailers like Wal-Mart and the Home Depot accounted for a significant percentage of annual retail sales, they did not account for the entire annual percentage rate growth. The Table 1 illustrates taxable retail sales by category.

Table 1. Taxable Retail Sales in Unincorporated Kitsap County by Business Category

Category	1998	Share of Total	2005	Share of Total	AAGR *
Motor Vehicle and Parts Dealers	\$34.4	5.3%	\$55.7	5.2%	7.1%
Furniture and Home Furnishings Stores	\$21.3	3.2%	\$20.4	1.9%	-0.6%
Electronics and Appliance Stores	\$32.1	4.9%	\$65.3	6.1%	10.7%
Building Material and Garden Equipment and Supplies Dealers	\$57.7	8.8%	\$164.4	15.4%	16.1%
Food and Beverage Stores	\$31.9	4.9%	\$40.8	3.8%	3.6%
Health and Personal Care Stores	\$12.1	1.8%	\$15.4	1.4%	3.6%
Gasoline Stations	\$10.9	1.7%	\$14.5	1.4%	4.1%
Clothing and Clothing Accessories Stores	\$36.8	5.6%	\$55.4	5.2%	6.0%
Sporting Goods, Hobby, Book, and Music Stores	\$35.1	5.3%	\$55.7	5.2%	6.8%
General Merchandise Stores	\$273.4	41.7%	\$383.3	35.8%	4.9%
Miscellaneous Store Retailers	\$34.3	5.2%	\$64.2	6.0%	9.4%
Nonstore Retailers	\$6.1	0.9%	\$18.7	1.7%	17.3%
Food Services and Drinking Places	\$69.7	10.6%	\$116.7	10.9%	7.6%
Total	\$655.7	100.0%	\$1,070.5	100.0%	7.3%

* Average Annual Growth Rate (AAGR)

Source: BST Associates, WA State Department of Revenue data

Industrial Development

While Port districts in Washington State commonly develop industrial parks in order to attract tenants who will create good-paying jobs in a community, there does not appear to be a strong need for the Port of Silverdale to enter the industrial land business. Approximately 181 acres of industrial-zoned land and land with industrial space in the Silverdale UGA (Urban Growth Area) is vacant, though vacancy rates for industrial buildings in North Kitsap have generally been low since 2001 (5% - 7.6%). This low vacancy rate is likely a result of reluctance by developers to build speculative industrial space, resulting in less industrial space available on short notice.

The large amount of vacant industrial land around Silverdale suggests that there has not been much market incentive for private developers to build industrial space in the area. It is possible that the Port of Silverdale could develop speculative space in order to try to attract industrial jobs, something that the private sector is reluctant to do. However, the low number of jobs expected over the long run makes this a less compelling prospect for the Port.

Commercial, Retail, and Related Development *Office Space*

The vacancy rate for office space in Kitsap County has been declining for most of the past decade, and until very recently the rate in Silverdale was even lower. Figure 12 illustrates office vacancy trends in both Kitsap County and Silverdale.

According to commercial real estate agents, the asking base rate for office space in Silverdale is close to \$17.00/sq ft/year, while the countywide asking rate is closer to \$15.00. Triple net² costs add an additional \$3.50 - \$8.00 per year to this price. With services employment projected to grow by approximately 1,100 to 1,370 jobs between 2007 and 2020, an additional 440,000 to 575,000 square feet of office space will be needed by 2020 within the Port of Silverdale district.

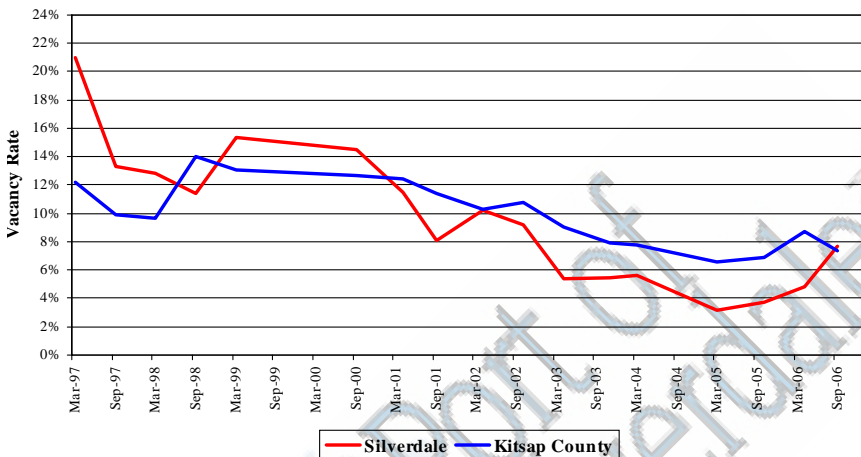


Figure 12. Kitsap County and Silverdale area office vacancy rate trends.

Source: Bradley Scott, Inc.

Retail Space

Fluctuations in the rate of vacancy for retail space in Silverdale has followed the same general pattern as those for the county as a whole, with Silverdale seeing higher highs and lower lows than the county. Figure 13 illustrates retail vacancy trends in both Kitsap County and Silverdale.

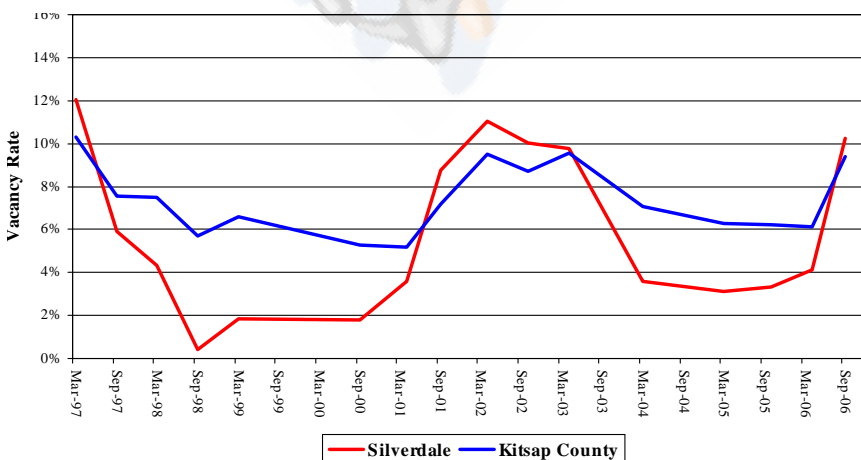


Figure 13. Kitsap County and Silverdale area retail vacancy rate trends.

Source: Bradley Scott, Inc.

² In a triple net lease agreement, the lessee, in addition to rent, assumes payment for all expenses associated with the operation of a property, including fixed expenses (such as taxes and insurance) and operating expenses (such as maintenance and repair).

According to interviews with commercial realtors, the average asking rate in Kitsap County can be as high as \$24.00/sq ft/year for retail space, but currently listed properties range from \$11.00 to \$20.00. The relatively low asking price for currently listed properties is likely due to the relatively high vacancy rates. However, with retail employment projected to grow by approximately 475 to 725 jobs between 2007 and 2010, an additional 265,000 to 600,000 square feet of retail space will be needed by 2020 within the Port of Silverdale district.

Mixed-Use

Development of mixed-use buildings in waterfront areas has become a very popular and financially successful business in the past decade. There are numerous examples of these facilities in the Pacific Northwest including the Riverplace project in Portland, East Bay Landing in Olympia and Marina Village in Everett, among others. The waterfront in downtown Bremerton is currently undergoing a massive transformation, with redevelopment adding a new regional waterfront conference center, hotel, parking, restaurants, retail space condominiums, and expanded marina facilities. Mixed-use developments include the following types of uses:

- Offices for professional services such as law offices, financial services, real estate, etc.
- Retail space generally oriented toward upscale retail goods such as art, jewelry, leather goods, etc.
- Personal services such as hair salons and barbers
- Restaurant, delicatessen and/or related food products, wine shops, etc.
- Condominiums or apartments (usually second and/or or third level)

The Port of Silverdale is in a good position to take the lead in promoting this kind of development. Overall, the demand for commercial space in Silverdale is strong, especially for office space to serve the fast-growing services industry. Employment growth projections for the Silverdale area indicate that as much as 600,000 square feet of office space may be needed between 2007 and 2020. The office market presents an attractive opportunity for the Port of Silverdale's Old Town properties. Retail space is also seeing increasing demand, although the rate of growth in the retail sector is not expected to be as strong as growth in services. Additionally, mixed-use redevelopment of Port property in the Old Town area is likely to see demand from the retail sector as well as from the services sector.

The growth in the population of Kitsap County also means a need for additional housing. The Port of Silverdale property in Old Town Silverdale may present an attractive location for development of mixed use buildings that contain both housing and commercial space.

Permanent Moorage and Marine Fuel Facility

There are currently an estimated 39,000+ slips in marinas in Puget Sound, with Kitsap County accounting for approximately 7% of the total permanent slips. However, a large portion of these slips are less than 40 feet and cannot accommodate the growing number of larger vessels on the market.

Growth in the number of boats that require moorage will generate the need for around 300 to 400 additional slips per year for the next ten years in Puget Sound. Kitsap County is expected to account for 12% to 15% of this demand, or 40 to 50 slips per year.

Two projects that are currently underway are likely to satisfy the demand for additional moorage/larger slips in Kitsap County. The first of these, the new downtown Bremerton marina, will have as many as 350 slips, while a reconstructed Seabeck marina is expected to provide 200 slips. In total these two facilities will provide an additional 550 slips, while anticipated demand for the next ten year is for 509 slips.

A marine fueling facility is also likely to prove financially risky. The short boating season (Memorial Day to Labor Day) means that a marine fuel facility must generate sufficient sales over a four month period to cover 12 months worth of operation & maintenance costs as well as financing costs. In addition, much of the boating activity in the area involves trailerable boats, which are able to fuel at gas stations that can charge a lower price than a marine fuel facility.

Marina Finance Considerations

Construction costs for marinas are escalating rapidly, which makes it difficult to build marinas profitably or to find financing. Compounding the problem are low moorage rates in the Kitsap County market. Estimated construction costs at some recent marina projects in the Puget Sound have run \$10.00 per linear foot or more, but moorage rates at marinas near Silverdale are low:

- Port of Poulsbo - \$4.23
- Port of Brownsville – \$4.75 - \$5.75
- Port Washington Marina - \$5.75
- Port of Kingston - \$4.57

The New Bremerton marina is a \$23 million project, and a similar-sized project for Silverdale would likely face similar costs. This level of commitment would likely use all of the Ports financing capacity and preclude the Port of Silverdale from engaging in other types of projects.

Transient Moorage Expansion

Demand for transient moorage is seasonal, with nearly all of the demand occurring between Memorial Day and Labor Day. The demand for additional transient moorage space in Silverdale will depend on boaters being attracted to Old Town. Redevelopment of Old Town may increase the number of shore-side activities available to boaters, and increase the demand for temporary moorage. The Port should track usage of the existing transient dock to determine if and when the demand for temporary moorage exceeds the amount of available space. When that occurs that Port should examine the possibility of expanding the existing facility.

Preliminary Focus Areas

Based on Port goals, community and stakeholder feedback, and initial economic analysis findings, the planning team identified and explored three “focus areas”, based on the location of the Port’s existing properties within Old Town Silverdale, as the most likely for new projects. These focus area analyses are summarized below; associated cost estimates are included as Appendix D. Focus Area analysis findings were ultimately used to develop final plan recommendations which are presented in the Recommendations chapter.

Focus Area #1: Permanent Moorage

Focus Area #1 explored:

- ◆ Relocating / reconfiguring the existing transient moorage floats
- ◆ Developing a 250 – 300 slip marina with an average slip size of 32’ (based on market demand), including
 - A fuel float
 - A breakwater
- ◆ Developing approximately 140 parking spaces (based on an industry standard of .5 parking spaces per slip) on the Port’s existing upland property to support in-water facilities
- ◆ Retaining the existing boat launch and upland parking area

Findings

The primary findings of this Focus Area analysis concluded that development of permanent moorage facilities would:

- ◆ Require the Port to finance construction through a General Bond
- ◆ Preclude the Port from engaging in other projects in the near term
- ◆ Require the majority of the Port’s adjacent upland properties be used for parking, further affecting the Port’s future development options
- ◆ Require competing with other new marinas in the area, either planned or under construction, that will likely meet the projected moorage demand in Kitsap County

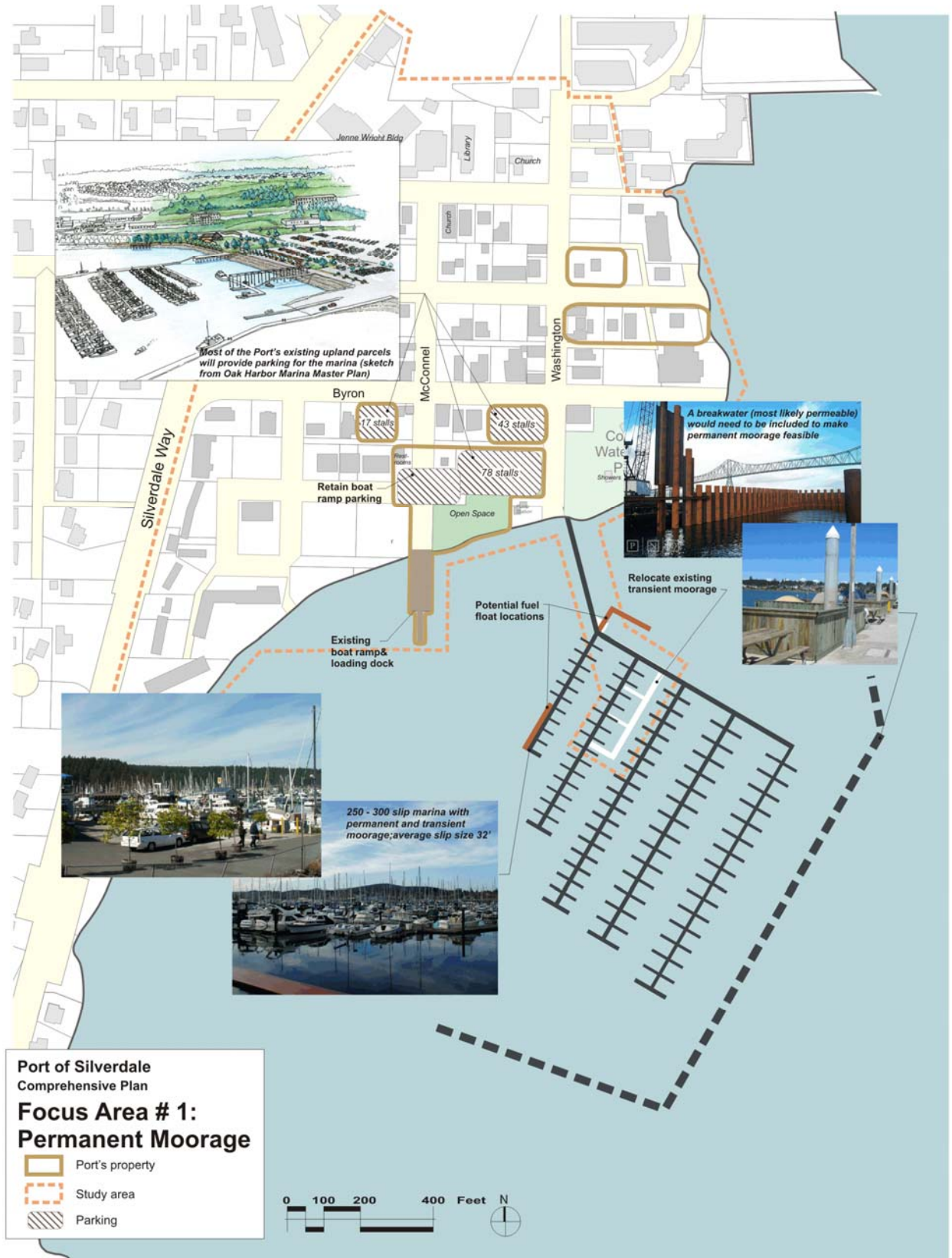


Figure 14. Potential configuration of permanent moorage, fuel float, breakwater, and parking facilities in Old Town.

Focus Area #2: Byron Street

Focus Area #2 explored:

- ◆ Redeveloping the Port's existing properties along Byron Street with mixed-use buildings displaying the appropriate historic character
- ◆ Long-term mixed-use redevelopment of surrounding properties
- ◆ Including pedestrian amenities such as street furniture, pedestrian lighting and street trees / landscaping adjacent to new development
- ◆ Potential recreational and environmental enhancement opportunities in the surrounding area, including;
 - Small boat/kayak launch and/or sailboat float
 - Upland (dry) boat storage
 - Wetland and shoreline enhancement
 - Wetland boardwalk, viewpoint and interpretive signage

Findings

The primary findings of this Focus Area analysis concluded that development along Byron would:

- ◆ Create a significant, positive visual impact along Old Town's main street
- ◆ Increase activity in an existing commercial area, ultimately benefiting other area businesses
- ◆ Provide opportunities for increased recreational activity along the waterfront

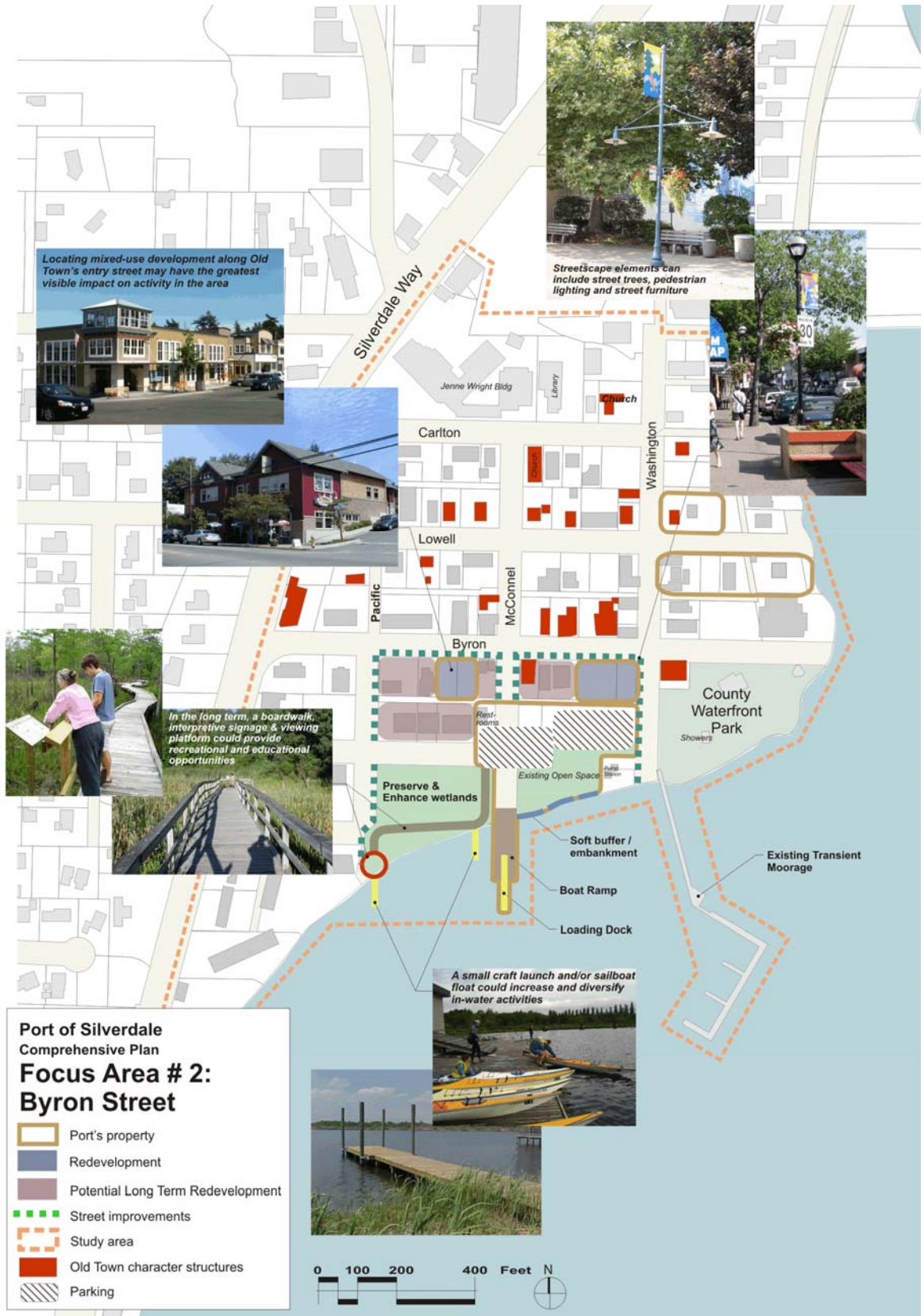


Figure 15. Potential development, recreational facilities and environmental enhancement projects along Byron Street and the adjacent waterfront.

Focus Area #3: Lowell Street

Focus Area #3 explored:

- ◆ Relocating the Port's temporary structure at 3255 NW Lowell
- ◆ Near-term redevelopment the Port's existing properties along Lowell Street with mixed-use buildings displaying the appropriate historic character
- ◆ Long-term mixed-use redevelopment of surrounding properties
- ◆ Including pedestrian amenities such as street furniture, pedestrian lighting and street trees / landscaping adjacent to new development
- ◆ Potential recreational and environmental enhancement opportunities in the surrounding area, including;
 - Waterfront trail extension (Clear Creek Trail)
 - Strawberry Creek enhancements

Findings

The primary findings of this Focus Area analysis concluded that development along Lowell would:

- ◆ Provide an opportunity to create a signature, "campus" or "village" style development along the waterfront that would be appropriate for both residential and commercial uses
- ◆ Increase activity in a less active part of Old Town, but create less immediate visual impact due to the relatively hidden location
- ◆ Extending the Clear Creek trail and enhancing Strawberry Creek will require working with private land owners along the waterfront and creek bed



Figure 16. Potential near and long term development, recreational and environmental enhancement projects along Lowell and Washington Streets and the adjacent waterfront.

Decision Criteria

To help the Port make decisions regarding potential projects, the planning team developed a simple set of criteria summarizing Port and Community goals for the Plan;

- 1. Does it promote the community’s vision?**
 - Increased activity
 - Appropriate economic development
 - Pedestrian-friendly environment
- 2. How many of the Port’s objectives does the project meet?**
 - Support and reinforce Old Town’s character
 - Enhance recreational opportunities and waterfront access
 - Promote community activity
 - Generate revenue and serve as an economic catalyst
- 3. Will it generate income?**
 - For area businesses
 - For the Port to use in future projects
- 4. Are there any partnership opportunities?**
 - County or other agencies, non-profits

When these criteria were applied to the preliminary Focus Area options (Figure 17), it became clear that permanent moorage was not a viable option for the Port, at least in the near to mid-term. However, the Byron Street and Lowell Street Focus areas met several of the established criteria. The team explored potential opportunities in these areas further, and established draft recommendations for the Port’s Comprehensive Plan.

Focus Areas	Port and Stakeholder Goals				Cost
	Promotes Community Vision	Meets Port Objectives	Income Producing Potential	Partnership Opportunities	
<i>Rating: ● = High ◐ = Medium ○ = Low – = Neutral</i>					
# 1: Permanent Moorage					
In-Water Moorage	○	○	◐	–	○
Breakwater	–	–	–	–	○
Fuel Float	○	○	○	–	●
Parking	◐	○	–	–	●
# 2: Byron Street					
Near – mid term mixed use development	●	●	●	●	○
Small craft / sailboat launch/float: small craft dry storage	◐	◐	○	◐	●
Wetland boardwalk	◐	◐	–	●	●
Streetscape elements	●	○	–	◐	●
Long term mixed use development	●	●	●	●	○
# 3: Lowell Street					
Near – mid term mixed use development	●	●	●	●	○
Clear Creek Trail connection	◐	○	–	◐	●
Strawberry Creek Enhancements	◐	○	–	◐	●
Streetscape elements	●	○	–	◐	●
Long term mixed use development	●	●	●	●	○

Figure 17. Matrix illustrating how the three preliminary Focus Area Options met established goals.

Recommendations

The challenge in developing the draft recommendations for the Port of Silverdale's Comprehensive Plan was to identify projects that:

- ◆ Worked within the Port's resources
- ◆ Responded to market realities
- ◆ Met the Port's objectives while also addressing the objectives of the community and area stakeholders

The following section identifies overall development, partnership and environmental stewardship strategies that best meet these objectives, then presents specific project recommendations and implementation strategies. These recommendations ***apply only to Port of Silverdale properties and facilities***, and do not affect how private property owners develop their land.

Development Strategies

- ◆ **Improve the pedestrian environment.** Work with area stakeholders and community members to determine an appropriate style for street furniture, lighting, street trees and other landscape features. Include the identified pedestrian amenities in Port development or redevelopment projects; where possible, partner with the water district (lighting) and the County (trash receptacles) to install these streetscape elements. Encourage private developers and business owners to provide similar pedestrian amenities.
- ◆ **Support and promote community activity.** Work with community groups and government agencies (the County, e.g.) to encourage community activities in Old Town such as craft markets, live entertainment, and boating activities. To help foster a unique and lively environment in Old Town, consider implementing a policy that dedicates 1% of the Port's major annual capital expenditures to the promotion of public art. Opportunities to support community activity are discussed in more detail in the Implementation section of this plan.
- ◆ **Identify and protect heritage trees.** Old Town is home to several old growth trees which lend to the character of the area. The Port should work with other agencies, community members, non-profit groups, property owners and developers to establish a voluntary participation program that identifies and protects significant old growth trees.
- ◆ **Develop a mixed-use building.** When considering market analysis findings, Port resources and stakeholder goals, it becomes clear that a mixed-use development would be an important step in achieving plan goals. Mixed-use development typically includes a variety of uses such as retail, restaurant, office and/or housing. Two appropriate development types, illustrated in Figure 18 on the following page, were identified by the planning team:

- Small, two-story buildings, in line with area scale and character, that could be added to over time to create a “village” atmosphere
- A larger, more traditional two-story mixed-use building with multiple tenants



- ◆ **Consider including fiber optic cable.** Because of the fast-growing demand for office space in the Silverdale area, the Port should consider providing the infrastructure to support high-speed internet. PUD #1 estimates below ground fiber optic cable installation costs \$ 40,000 per mile; to provide service to the Port property on Washington and Lowell would cost an estimated at \$62,000. To continue service to the Port’s Byron Street property would cost an additional \$24,000. However, there may be opportunity to install fiber optic cable during planned road repairs and water service improvements, reducing associated costs. The Port should work with the Water District to coordinate accordingly.



Figure 18. Smaller, “cottage-style” two-story mixed-use buildings (top) and larger two-story mixed-use building with multiple entrances (bottom).

- ◆ **Consider investing in “development ready” properties.** To spur economic development, the Port should consider acquiring properties which are candidates for redevelopment; establishing utilities (fiber optic, water, electric, e.g.), permitting, and streetscape elements; and returning the improved property to the private market.
- ◆ **Rehabilitate deteriorating buildings that have historic or Old Town character.**³ The Port should work with property owners and developers to protect and renovate buildings with historic character (identified in Figure 6), and where possible, acquire properties with historic character structures to rehabilitate.
- ◆ **Redevelop deteriorating buildings that detract from the historic or Old Town character**³. Where buildings which are candidates for redevelopment (quantified by dividing the building value by the combined building/land value) exist, encourage private developers to redevelop in an appropriate manner, or work to acquire property and redevelop in an appropriate manner.
- ◆ **Build a waterfront esplanade on waterfront properties.** Work with the Clear Creek trail Task group to complete the Clear Creek Trail wherever possible.
- ◆ **Support the development of public parking as necessary.** Work with other agencies (Kitsap County e.g.) and private developers to identify and develop public parking assets as the need arises.

³ It should be noted that some community members have expressed concern over the Port acquiring more property in Old Town, stating that development should be left to the private market. The Port may consider returning rehabilitated/redeveloped properties to the private market in the future.

Partnership Opportunities

Wherever possible, work with other government agencies, community groups, and non-profits to achieve Plan goals, including increasing community activity and recreational opportunities, and environmental protection and enhancement. Potential partnership opportunities include:

- ◆ **Housing Authority.** The Housing Authority has shown interest in partnering with the Port of Silverdale to develop the housing portion of mixed-use projects. The financing, construction, land and building ownership details would be worked out on a case to case basis, but would likely involve the Housing Authority constructing and owning upper-level apartments and the Port constructing and owning ground-level commercial space on property owned by the Port.
- ◆ **Kitsap County.** Wherever possible, the Port should work closely with the County to pursue environmental protection and enhancement projects, streetscape improvements (in coordination with new development and redevelopment of Port properties), and recreation opportunities; continue the existing partnership with the County's Parks Department sailing program and pursue ways to support program growth and potentially develop other boating programs and support facilities (rowing, e.g.). There may also be opportunities to partner with the County to promote community activities in the County's Waterfront Park and adjacent Port properties. Activities could include;
 - Craft markets
 - Outdoor Cinema/theatre
 - Live music
 - Boating competitions

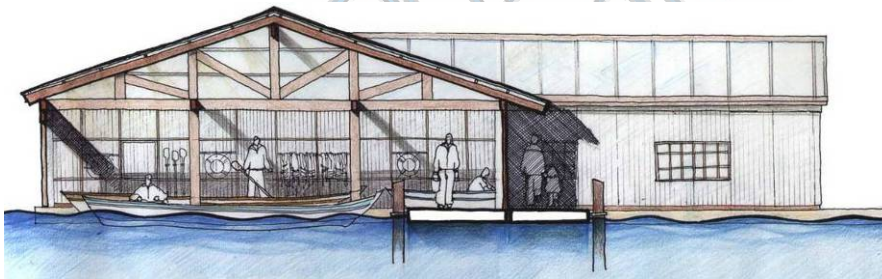


Figure 19. An example of a rowing program boathouse facility (in Anacortes, WA).

Environmental Stewardship

Working with County agencies, non-profit and volunteer groups, the Port should pursue shoreline, wetland and Strawberry Creek enhancements wherever possible. The School Board has expressed interest in working with the Port to develop a volunteer program that would enhance Strawberry Creek.

Implementation

The following section includes a proposed implementation strategy for specific project recommendations. To effectively pursue these projects, the Port should **consider hiring a full-time employee** to manage properties and coordinate with potential partner agencies and organizations.

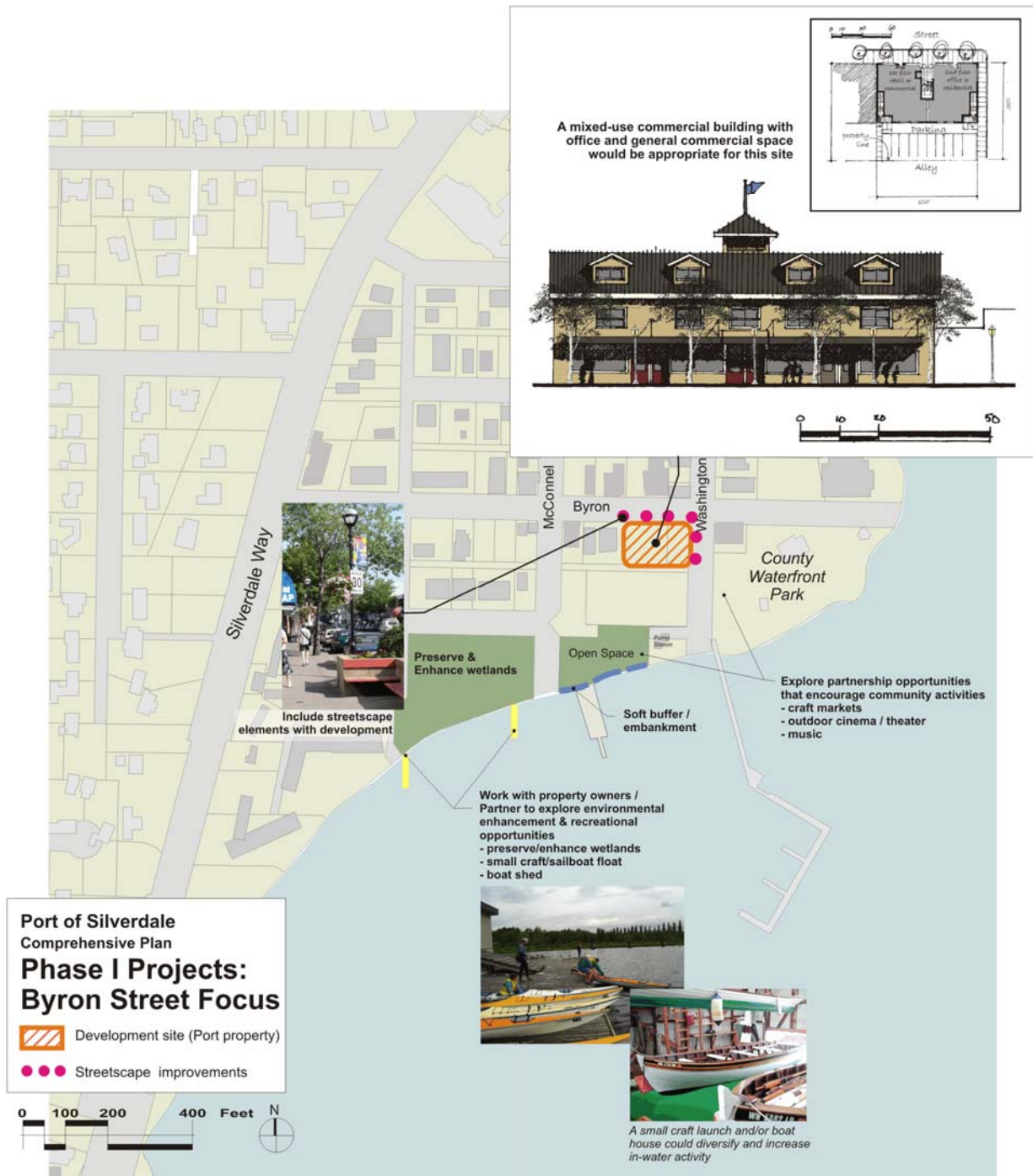


Figure 20. Phase 1 Projects focus on the Port's existing properties and surrounding areas along Byron.

Phase 1: Byron Street Projects

Because Byron Street is Old Town's primary commercial corridor, focusing the Port's resources in this area will have the most significant and immediate impact, creating noticeable improvements in a highly visible area.

In the near term, establish a mixed-use building on the Port's existing property at the corner of Byron and Washington. This site could accommodate an approximately 12,000 SF two-story building and 10 -12 parking spaces with alley access. The building could accommodate either:

1. All office and/or general commercial space

A 12,000 SF building with first and second floor office/general commercial space (which could include retail or restaurant uses) would:

- Cost approximately \$2.5M - \$3M to construct ⁴
- Generate an approximately 7% Internal Rate of Return (IRR) over 25 years ⁵
- Leave approximately 4,700 SF of open space on the adjacent lot to accommodate 10 – 12 parking spaces in the near term, and/or a smaller (3,600) mixed use building in the long-term

2. Ground floor office and/or general commercial space and second floor residential (build through a partnership with the Housing Authority)

A 12,000 SF building with first floor office/general commercial space and second floor residential would:

- Cost approximately \$1.3M - \$1.6M to construct the first floor commercial (assumes cost to construct housing covered by partnering agency) ⁴
- Generate an approximately 7% IRR over 25 years ⁵
- Leave approximately 4,700 SF of open space on the adjacent lot to accommodate 10 – 12 parking spaces in the near term, and/or a smaller (3,600) mixed use building in the long-term

Prior to the design phase of this project, the Port should begin working with the community, Old Town Association, and other stakeholder groups to identify appropriate pedestrian amenities (pedestrian lighting, furniture, street trees, public art), which are recommended for installation along the length of the new façade facing Byron. The Port should begin the environmental review process, including development of a SEPA checklist, as the building is in the design phase.

⁴ Cost is order of magnitude and is based on industry standards and similar project construction costs

⁵ IRR is the annualized effective compounded return rate which can be earned on the invested capital, i.e. the yield on the investment. The IRR was calculated using average rental rates for office and retail reported by BST Associates in a 2007 Socio-Economic Report generated for the Port of Silverdale. More detailed information on annual income and IRR is included in Appendix E.

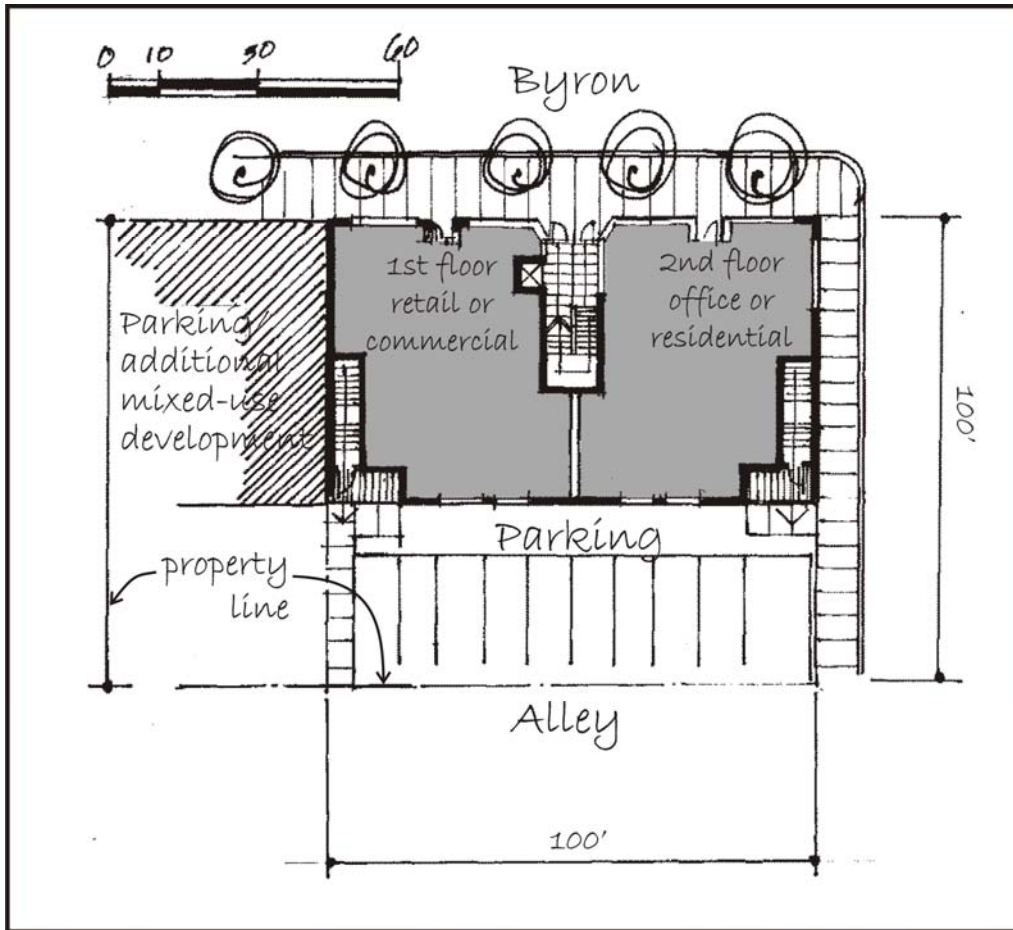


Figure 21. Floor plan illustrating mixed-use development on the Port's property at the corner of Byron and Washington.

As construction of a mixed-use building is pursued, the Port should also:

- ◆ Partner with adjacent land holders, business owners, County agencies and recreational boating outfits to explore opportunities to increase recreational opportunities & activity.
- ◆ Work with the County Parks Department and/or local rowing/sailing organizations to explore the viability of developing rowing and/ kayak, or sailing program and facilities such as a small boat shed and dedicated launch, and a dedicated small sailboat float.
- ◆ Partner with local agencies, non-profits and other community groups to enhance and protect environmentally sensitive areas such as shorelines and wetlands.
- ◆ Consider implementing a policy that dedicates 1% of the Port's major annual capital expenditures to the promotion of public art in Old Town, through events like art walks and the acquisition and/or commissioning of public art pieces including sculptures, murals and street furniture pieces.

Cost Estimate

Table 2 below includes order-of-magnitude cost estimates associated with Phase 1 projects.

Table 2. Cost Estimates for Phase 1 Byron Street Projects

Item	Units	Qty	Unit Price	Cost (\$2007)
Mixed-use building (office and general commercial) ^{1,2}	SF	12,000	\$ 140	\$ 1,680,000
Streetscape elements ³	LS	1	\$ 11,700	\$ 11,700
Kayak / small craft launch ⁴	SF	1,000	\$ 55	\$ 55,000
Boat shed ⁴	LS	1	\$ 123,000	\$ 123,000
Sub-Total 1: (No Contingency Pre-tax const. cost)				\$ 1,869,700
Contingency @ 20%:				\$ 373,940
Tax @ 8.3%:				\$ 93,111
Sub-Total 2:				\$ 2,336,751
Permitting, Sampling, Monitoring:	(2.0%)			\$ 46,735
Engineering/Design:	(8.0%)			\$ 186,940
Contract/Const Admin, Fab & Const Inspection:	(5.0%)			\$ 116,838
Sub-Total 3:				\$ 2,687,264
Fiber optic cable	LS	1	\$ 62,000	\$ 62,000
TOTAL ⁵				\$ 2,749,264

Ranges:

\$2.7M- \$3.2M

Cost to Port if partnering agency covered the cost to construct upper-level housing

\$1.5M - \$1.8M

¹ Assumes construction of one 2-story 12,000 SF mixed-use building; cost for construction (\$140/sf) based on industry standards

² Assumes all commercial space; partnership with Housing Authority for upper level residential would reduce cost

³ Assumes one bench (\$1,300 ea) and trash receptacle (\$800 ea) per block, street trees (\$800 ea) and pedestrian lighting (\$4,000 ea) every 30 ft; cost based on similar projects and industry standards

⁴ Cost to construct small craft launch and boat house based on industry standards and similar projects

⁵ Concept level, order-of-magnitude costs in 2007 dollars

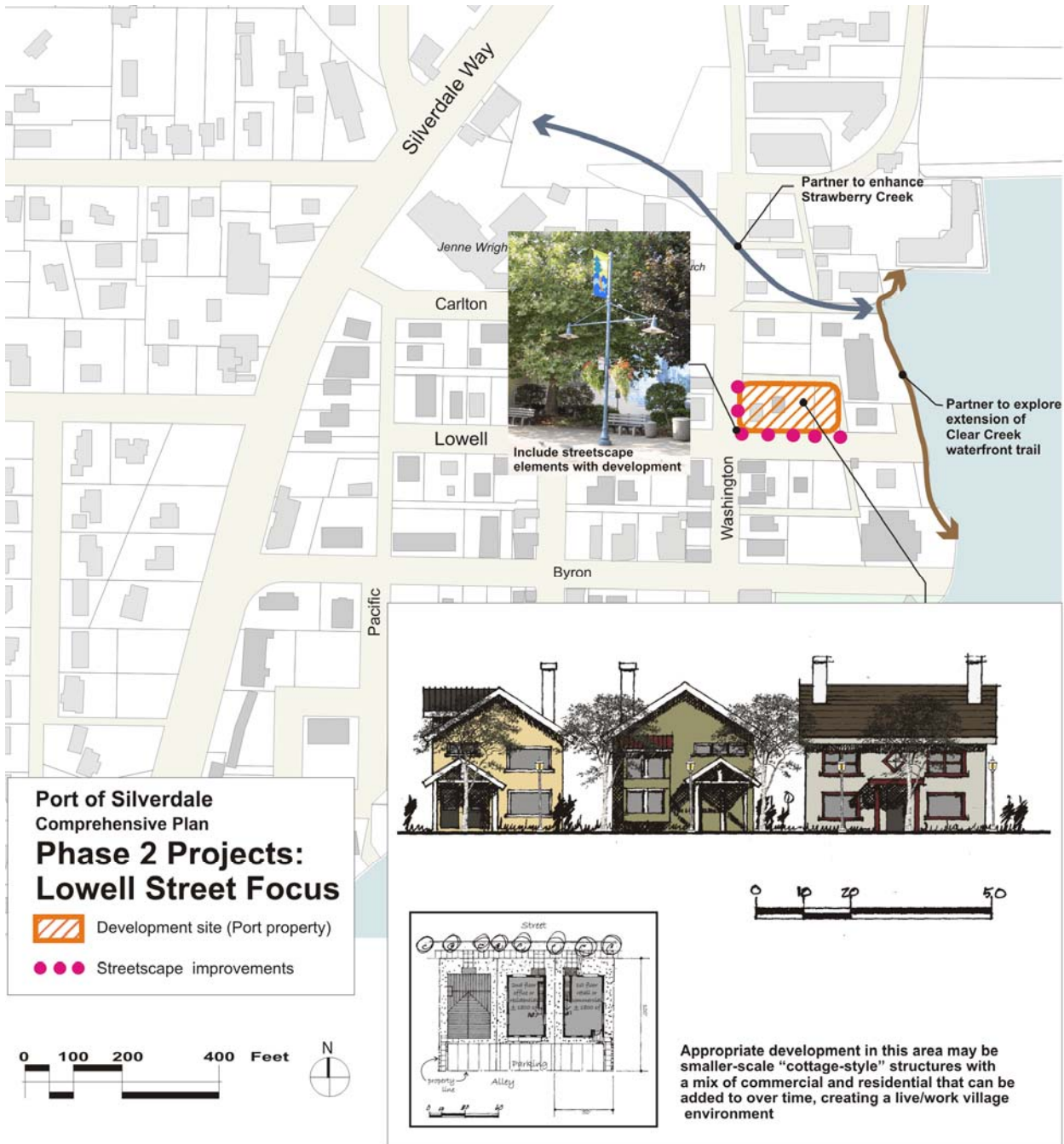


Figure 22. Phase 2 projects focus on the Port's existing properties and surrounding areas along Lowell.

Phase 2: Lowell Street Projects

As the Phase 1 projects are implemented, begin exploring Phase 2 development along Lowell Street. The most appropriate type of development here may be the smaller scale, cottage-style mixed-use buildings (see Figure 18) that can be added to over time to create a campus or village environment. Consider the Port's existing property on the northeast corner of Lowell and Washington for the first Phase 2 building. This corner site has high visibility, with existing structures that will soon be candidates for redevelopment due to deteriorating condition. This site could accommodate one to two 3,600 SF buildings and approximately 4-5 parking spaces with alley access at the rear of each building. These buildings could accommodate either:

1. All office and/or general commercial space

Construction of two all commercial buildings would:

- Cost approximately \$ 1.5M - \$ 1.8M⁴
- Generate an approximately 7% Internal Rate of Return (IRR) over 25 years⁵

2. Ground floor office and/or general commercial space and second floor residential (build through a partnership with the Housing Authority)

Constructing two buildings with 1,800 SF of ground floor commercial space and upper level housing (assumes upper-level housing costs met by partnering agency) would:

- Cost approximately \$ 770k - \$940k⁴
- Generate an approximately 7% Internal Rate of Return (IRR) over 25 years⁵

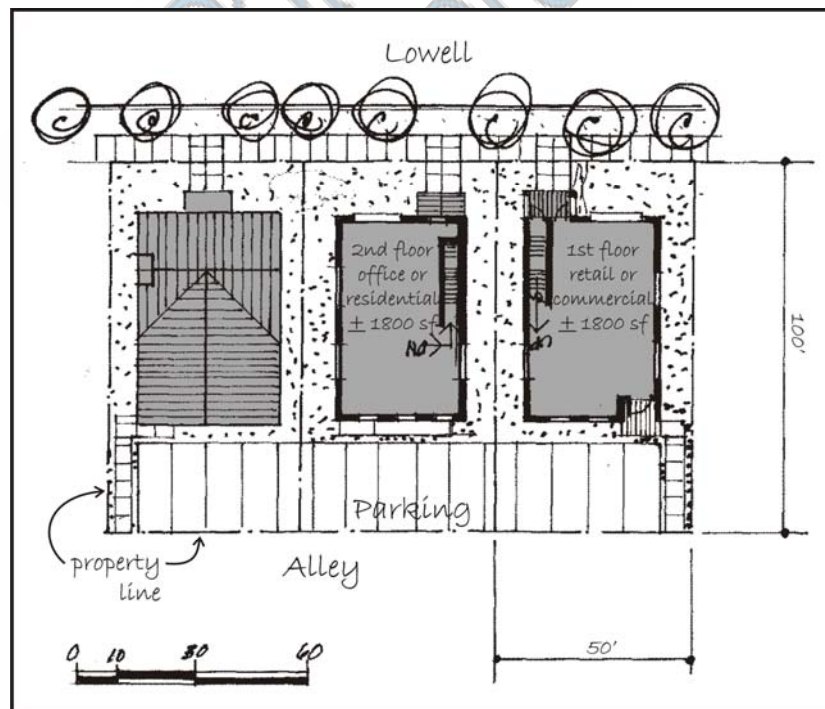


Figure 23. Illustrates small scale development along Lowell.

As construction of Phase 2 mixed-use building(s) are pursued, the Port should also:

- ◆ Develop streetscape elements along building facades
- ◆ Work with the Clear Creek Trail Task group and waterfront property owners to explore development of a waterfront trail to the east of Washington
- ◆ Partner with community groups, non-profits, county agencies and volunteers to enhance Strawberry Creek
- ◆ Continually work to promote community events and activities, such as art walks, music festivals, craft markets, outdoor theatre and cinema

Cost Estimate

Table 3 below includes order-of-magnitude cost estimates associated with Phase 2 projects.

Table 3. Cost Estimates for Phase 2 Lowell Street Projects

Item	Units	Qty	Unit Price	Cost (\$2007)	2012 (3.5%/yr)
Mixed Use Development ^{1,2}	SF	3,600	\$ 140	\$ 504,000	\$598,594
Mixed Use Development ^{1,2}	SF	3,600	\$ 140	\$ 504,000	\$598,594
Streetscape Elements ⁴	LS	1	\$ 50,100	\$ 50,100	\$59,503
Bridge over Strawberry Creek ³	LS	1	\$ 3,600	\$ 3,600	\$4,276
Strawberry Creek Enhancements	LS	1	\$ 25,000	\$ 25,000	\$29,692
Sub-Total 1: (No Contingency Pre-tax const. cost)				\$ 1,116,700	\$ 1,326,289
Contingency @ 20%:				\$ 223,340	\$ 265,258
Tax on materials @ 8.3%:				\$55,612	\$ 66,049
Sub-Total 2:				\$ 1,395,652	\$ 1,657,596
Permitting, Sampling, Monitoring:	(2%)			\$ 27,913	\$ 33,152
Contract/Const Admin, Fab & Const Inspection:	(5%)			\$ 69,783	\$ 82,880
Sub-Total 3:				\$ 1,604,999	\$ 1,906,236
Fiber Optic from Byron to Lowell	LS	1	\$ 24,000	\$ 24,000	\$ 28,504
TOTAL ⁵				\$ 1,628,999	\$ 1,934,740
Ranges:				\$1.6M - \$2M	\$1.9M - \$2.3M
<i>Cost to Port if partnering agency covered the cost to construct upper-level housing</i>				\$909k - \$1.1M	\$1M- \$1.2M

¹ Assumes construction of one 2-story 3,600 SF mixed-use building; cost for construction (\$140/sf) based on industry standards

² Assumes all commercial space; partnership with Housing Authority for upper level residential would reduce cost

³ Cost to construct 6'x16' footbridge based on industry standards for similar projects

⁴ Assumes one bench (\$1,300 ea) and trash receptacle (\$800 ea) per block, street trees (\$800 ea) and pedestrian lighting (\$4,000 ea) every 30 ft; cost

⁵ Concept level, order-of-magnitude costs in 2007 dollars

Long Term Projects

In the Long term, the Port should assess the success of the mixed use building constructed in Phase 1 and Phase 2 and continue to monitor market demand. The number of recommended long term projects (discussed below) which are implemented may depend on the amount of upper-level housing constructed (and funded) by a partnering agency in Phases 1 and 2, which will affect the Port's cost to implement Phase 1 and 2 projects.

As the market and budget allow, pursue the following projects in the long term:

- ◆ Work with the County Parks Department's sailing program to provide alternate storage for the program's small sailboats and develop a mixed-use building on the Port's property along Byron between McConnel and Pacific (currently used to store small sails). This site would accommodate one to two 3,600 SF buildings and approximately 4-5 parking spaces with alley access at the rear of each building. Buildings could accommodate either all office/general commercial space or ground floor office/general commercial space and second floor residential. Constructing two mixed-use buildings would:

- Cost approximately \$ 1.5M – \$2.8M^{1, 6}, depending on the amount of housing included

Alternately, the Port could develop one 3,600 SF mixed-use building adjacent to their new building on the corner of Byron and Washington.

- ◆ If possible, work with property owners, area agencies, non-profits and community groups to explore developing a boardwalk with viewpoints and educational signage on the wetlands adjacent to the boat ramp.
- ◆ Relocate the temporary structure at 3255 NW Lowell and pursue construction of similar small mixed-use building(s). As the Port's other properties become candidates for redevelopment, continue to develop properties along Lowell with a mix of commercial and residential uses that create an active live-work environment. Assuming two buildings are constructed in Phase 2, the Port properties along Lowell (excluding the historic character building at 3240 NW Lowell) could accommodate 3-4 additional small-scale mixed-use buildings. Three additional buildings would:
 - Cost approximately \$1.8M - \$4.1M^{4,6}, depending on the amount of housing included

⁶ Cost inflated at 3.5% per year for 10 years



Figure 24. Long term projects.

Cost Estimate

Table 4 below includes order-of-magnitude cost estimates associated with long term projects.

Table 4. Cost Estimate for Long-Term Projects

Item	Units	Qty	Unit Price	Cost (\$2007)	2017 (3.5%/yr)
Byron Street Mixed-use development ^{1,2,4}	SF	7,200	\$140	\$1,008,000	\$1,421,884
Byron Street Streetscape Elements ^{3,5}	LS	1	\$36,817	\$36,817	\$51,934
Wetland boardwalk, signage and viewpoint	LF	600	\$120	\$72,000	\$101,563
Relocate Temporary Structure (Lowell)	LS	1	\$ 7,500	\$ 7,500	\$10,579
Lowell Street Longterm Mixed Use Development ^{1,4,5}	SF	10,800	\$ 140	\$ 1,512,000	\$2,132,825
Lowell Street Streetscape Elements ^{3,5}	LS	1	\$ 154,400	\$ 154,400	\$217,796
Sub-Total 1: (No Contingency Pre-tax const. cost)				\$2,790,717	\$2,361,201
Contingency @ 20%:				\$ 558,143	\$ 472,240
Tax on materials @ 8.3%:				\$138,978	\$117,588
Sub-Total 2:				\$ 3,487,838	\$ 2,951,029
Permitting, Sampling, Monitoring (2%)	(2%)			\$ 69,757	\$ 59,021
Engineering/Design (8%)	(8%)			\$ 279,027	\$ 236,082
Contract/Const Admin, Fab & Const Inspection (5%)	(5%)			\$ 174,392	\$ 147,551
Sub-Total 3:				\$ 4,011,014	\$ 3,393,684
TOTAL ⁶				\$ 4,011,014	\$ 3,393,684
Ranges:				\$4M - \$5M	\$3.4M - \$4.1M
<i>Cost to Port if partnering agency covered the cost to construct upper-level housing</i>				\$2.2M - \$2.7M	\$1.8M - \$2.2M

¹ Cost for construction (\$140/sf) based on industry standards

² Assumes two 2-story, 3,600 SF mixed use buildings; partnership to build upper level residential would reduce cost

³ Assumes one bench (\$1,300 ea) and trash receptacle (\$800 ea) per block, street trees (\$800 ea) and pedestrian lighting (\$4,000 ea) every 30 ft;

⁴ Assumes construction of three 2-story 3,600 SF mixed-use buildings. Partnering to construct upper-level housing would reduce cost.

⁵ Assumes 10 year horizon and 3.5 % annual inflation based on industry projections

⁶ Concept level, order-of-magnitude costs in 2007 dollars

Time Line

The time line below illustrates a recommended time line for implementing the projects identified in the Port of Silverdale Comprehensive Plan.

Implementation Time Line

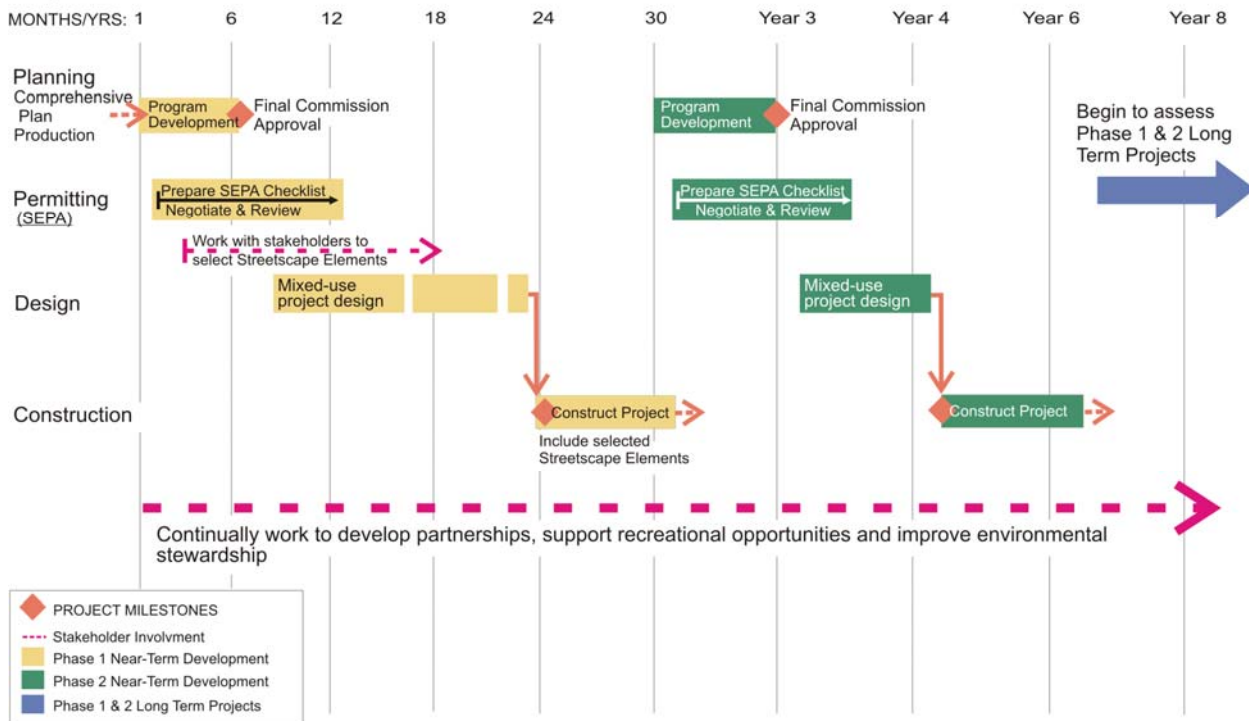


Figure 25. Timeline illustrating Phase 1, Phase 2 and Long term project implementation

Conclusions

The Comprehensive Plan recommendations meet both community and Port objectives by:

- ◆ Establishing appropriate development that will;
 - Increase overall activity in the area by adding both businesses and residents
 - Support diversified uses
- ◆ Encouraging walking and extending hours of activity by;
 - Improving the pedestrian environment
 - Working to provide new links in the Clear Creek Trail system
- ◆ Supporting and promoting new recreational opportunities
- ◆ Helping to enhance and protect and highlight key environmental features