

# RESPONSE TO COMMENTS BY CITY OF PORT ORCHARD

## GENERAL

The data in the report does come from a variety of sources. The analysis attempts to reconcile any differences among sources where they occur. The intent is to provide as much detail and explanation for existing conditions and projected future conditions as possible. The time period for the Sub-Area Plan is 2005 to 2025. When other periods are considered in the report, they are extrapolated to this 20 year planning period.

## SPECIFIC COMMENTS

### 1. Page I-1

Paragraph one. Correction made.

Paragraph two. Reference to prime consultant is deleted.

Paragraph three. The Kitsap Regional Coordinating Council (KRCC) is responsible to Kitsap County.

### 2. Page I-4

Paragraph 3. As the average household size has declined over recent decades, more housing units are required to accommodate a given population. This appears to be a long term trend. Apartment vacancy rates are at relatively high levels currently, but that appears to be a short-term condition. With low interest rates, households are choosing for-sale housing over apartments. Eventually, the demand and supply of apartment units will come back into balance, and vacancy rates will decline.

Paragraph 4. The projection for 64,000 square feet of retail space per year is derived from long-term retail spending estimates as presented in the Real Estate Market Analysis section of the report. (Section III).

### 3. Page I-5

Paragraph 1. Correction made.

Paragraph 4. Correction made.

### 4. Page I-6.

Paragraph 2. The 700 acres represents the difference between county-wide unincorporated commercial supply and demand as identified in the County's 2004 commercial/industrial land analysis and described in detail in Section IV of the report.

5. Page II-1.

Additional text added for clarification.

6. Page II-2.

Bottom of page. Health care is included within the Services sector as defined in various industrial classification schemes. From a land use and real estate perspective, medical facilities are usually considered as office space for medical offices, and special purpose facilities for hospitals and clinics.

7. Page II-3.

The State and Local public agency category is renamed Governmental Agencies. The Kitsap Regional Economic Development Council did not list subcategories for private employers in their data. As shown in Table II-2, however, most private employers fall into the subcategories of health care, retail, and finance, insurance, and real estate (FIRE).

8. Page II-4.

Washington State Department of Employment Security projections of employment beyond 2012 were not available at the time of this report.

9. Page II-5.

Correction made.

10. Page II-6.

Washington State Department of Employment Security projections of employment beyond 2012 were not available at the time of this report. Puget Sound Regional Council properties through 2030 are shown in Table II-8.

11. Page II-7.

Correction made.

12. Page II-12.

PSRC figures are shown because they are available at the FAZ level within the County, and because the forecast period is longer. The State and PSRC figures show some discrepancies, but reflect the same trends regarding the high growth sectors.

13. Page II-14.

OFM estimates are prepared at the County level. PSRC prepares population forecasts at the FAZ level. Both forecasts are shown in order to provide an understanding of the outlook for growth in the area.

14. Page III-4.

The figures in Table III-3 are taken directly from the Kitsap County Trends Report. While lot size is one factor in explaining the differences in price, accessibility to Seattle and King County employment centers is a more significant factor. A sentence has been added to note these factors.

15. Page III-6.

Part 1 of Table. The differences in average apartment rents are due largely to the nature of the local job base and wage levels, and household income levels. A sentence is added to this effect.

Part 2 of Table. Rent per square foot is a measure regularly reported in the Apartment Vacancy Report. It effectively adjusts the data for differences in size of units, and is a key factor in driving development feasibility.

16. Page III-7.

The conclusion regarding the emerging interest in the condominium market in Port Orchard is based on the experience of the Sinclair Sunset View project on Tracy, and recent sales at Shoreline Commons on Bay Street. A sentence has been added to this effect.

17. Page III-8.

Silverdale market data trends are included because they represent a geographic submarket for which data are available from the Kitsap County Assessor, and therefore provides additional insight on locational differences in market prices.

18. Page III-9.

The decline in average household size is evident in population and household data for the local, regional, and national level. The most common explanations are smaller families and additional single person households as a result of divorces and longer life-spans.

OFM and PSRC figures are shown because they have different geographic coverage. While there may be differences in specific assumptions, the general trends are the same.

19. Page III-11.

The data shown in the table is published by Bradley Scott, Inc., a prominent local commercial brokerage firm. Silverdale is a major retail concentration in the County, and its inclusion in the data provides insights into the overall retail market.

20. Page III-13.

Home Depot is added.

Sales efficiency factors are average figures for gross retail sales per square foot of leasable area. A phrase to this effect is added. Table III-12 and III-13 summarize the projected market demand for retail development based on income and population growth in the trade area.

21. Page III-15.

For purposes of real estate market analysis, health services are considered as office or special purpose facilities.

22. Page III-16.

The Department of Employment Security (DES) is the State agency responsible for employment projections. DES projections are not available beyond 2012. The Bradley Scott survey tracks historical retail, office and industrial vacancy rates, and does not include projections of future demand. Historical absorption rates derived from Bradley Scott data are considered in the projections in this report.

23. Page III-18.

While Silverdale is not incorporated, it does provide a significant concentration of residential and commercial development. Available data on development conditions in Silverdale provides insights into county-wide conditions.

24. Page III-20.

The figures in Table III-8 assume a decline in South Kitsap's share of county-wide retail employment as projected by PSRC. This decline is related to the continued capture of regional-scale retail (versus neighborhood scale retail such as grocery stores) in the central part of the County. However, in terms of total square feet of retail space, the rate of annual growth per year increases over each decade.

25. Page III-27.

Sentences added to this effect.

26. Page IV-1.

Entire section has been rewritten to include updated land capacity results.

27. Page IV-3.

Comment added to this effect.

28. Page IV-4.

The figures are updated to include the Updated Land Capacity Analysis (ULCA) results. The population per dwelling unit factors are implied in the land capacity analysis and vary from 2.3 to 2.5 by area.

29. Page IV-5.

The information is included because it represents the County's published commercial/industrial lands analysis. Information is added in this section to address demand and capacity in South Kitsap.

30. Page IV-8.

The analysis is intended to reflect real estate market location criteria and market suitability. Zoning and critical areas must be considered in the development and evaluation of land use alternatives.

31. Page IV-10.

Sentence added.

32. Page IV-13.

SKIA is an important resource in meeting County-wide economic development objectives.

33. Page IV-15.

This section has been revised to incorporate ULCA. Resident per DU factors are consistent with ULCA and vary from 2.3 to 2.5 by area.

34. Page IV-16.

There are references to different sources and timelines. Comments are added to clarify the basis for extrapolating data from other periods to the period 2005 to 2025.

35. Page IV-17.

There are references to different sources and timelines. Comments are added to clarify the basis for extrapolating data from other periods to the period 2005 to 2025.

36. Page IV-18.

The industrial projections are determined largely by the County's policy of targeting industrial employment at 9% of total employment rather than the current 2.9%. Employment growth and the associated industrial absorption will be relatively high until the goal is reached. There has not been significant progress in meeting the goal, so it remains a goal for the 20 year period 2005-2025 just as it was a goal for the earlier period.

# **RESPONSE TO COMMENTS BY JERRY HARLESS**

## **GENERAL**

1. Industrial Employment Growth Targets. The report was prepared assuming current economic development policies regarding industrial employment growth.
2. Updated Land Capacity Analysis. The report has been revised to incorporate results of the updated Land Capacity Analysis as of August 2005.
3. Application of Reasonable Measures. The analysis does not assume that housing demand must be met by expanding the UGA. Rather it identifies the amount of housing to be accommodated. Whether that will be accommodated by expanding the UGA, reasonable measures, or a combination will be addressed in the land use alternative.
4. Resident Preference Criteria. The analysis does not apply resident preference criteria. Rather, it identifies location criteria for each use. These outcomes are intended to reflect real estate market realities in considering whether particular areas are suitable for certain types of developments.

## **SPECIFIC COMMENTS**

Page I-5. The report has been revised to reflect the results of the 2005 Updated Land Capacity Analysis, dated August 2005.

Page II-1. Recent employment growth has not made progress toward the goal of increased industrial employment as a percentage of total employment.

Page II-6. The industrial land analysis in the report assumes that the increase in industrial employment will occur over the 20 year period 2005 to 2025 rather than the earlier 20 year period 1997-2017.

Page III-1, III-2, III-6, III-7, III-9. The analysis identifies a number of dwelling units to be accommodated. That figure could be accommodated through a mix of housing types at varying densities. These issues will be addressed in the land use alternatives.

Page III-2. Correction is noted.

Page IV-3. The Updated Land Capacity Analysis of August 2005 was used.

Page IV-4. This section has been rewritten based on the results of the Updated Land Capacity Analysis and no longer makes comparisons to the previous analysis.

Page IV-7. The analysis doesn't apply resident preference criteria, rather location criteria for each use. These criteria are intended to reflect economic realities in considering whether particular areas are suitable for certain types of development.

Page IV-14. This section has been rewritten based on the results of the Updated Land Capacity Analysis, August 2005. The analysis identifies a number of units to be accommodated. That figure could be accommodated by a combination of reasonable measures and expanded boundaries for the UCLA.