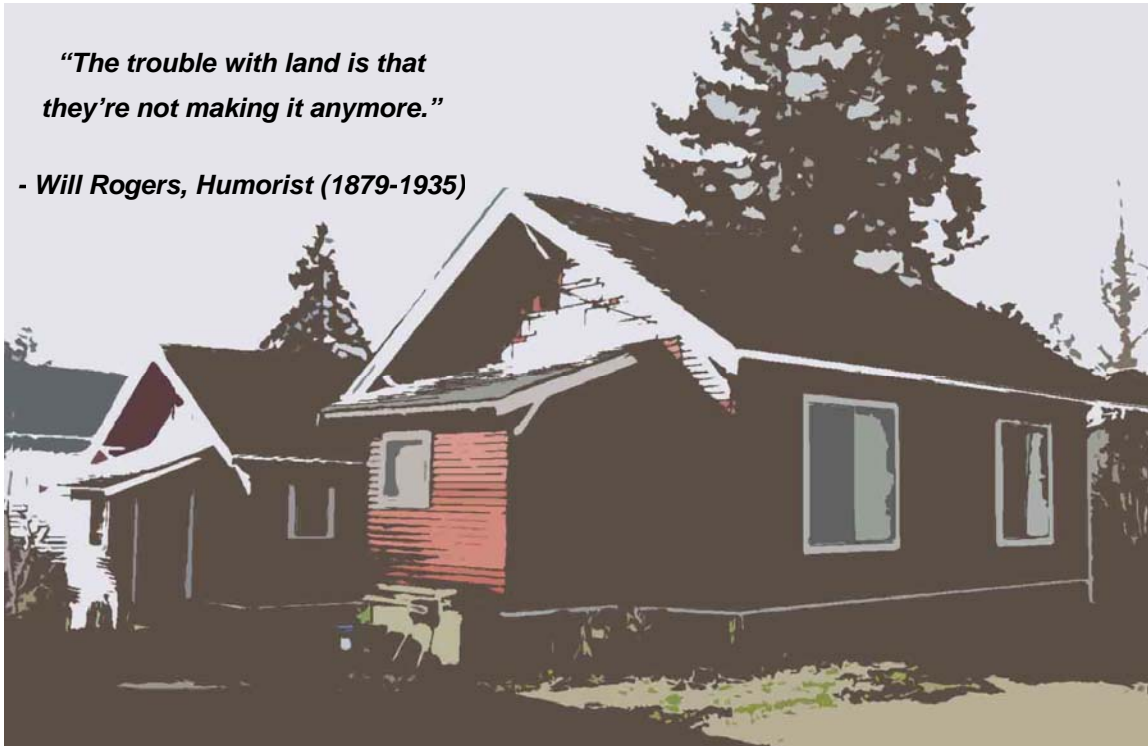


“The trouble with land is that they’re not making it anymore.”

- Will Rogers, Humorist (1879-1935)



CHAPTER 2: LAND USE & ECONOMIC DEVELOPMENT

Keyport is a rural, historic waterfront village bounded and limited in size by its natural borders of water and the Naval Undersea Warfare Center. The community consists primarily of single family homes, a few small businesses, and a community park system. The community is close-knit, where people know and greet their neighbors, and has an active community club which provides social events. Keyport wants to limit urban growth to retain its sense of community and small-town ambience. Keyport would prefer that future business expansion would be limited to small businesses and services serving the community, consistent with historical usage located near the downtown core.

Zoning changes are desired to re-establish certain historical commercial zoning and to establish appropriate zoning where it does not now exist consistent with historical public services. The community would like to establish development patterns, including lot sizes, respect the historical land use patterns while still providing incentives for sensitive and complementary infill development. These

patterns would be consistent with historical progressive development, yet limit urban-like sprawl and high-density growth.

Keyport would like to improve existing transportation infrastructure and services to make it easier and safer to get around the community, make the community more pedestrian friendly, and improve parking for visitors.

Improvements would be requested from Kitsap County as feasible to improve public infrastructure and facilities, including expansion of the sewer lines, upgrading the stormwater drainage system, improving street lighting in the commercial zone, and improving marine access. The Keyport Village would like to promote a pedestrian connection across Dogfish Bay that eliminates the dangerous situation that currently exists. The community would also like to retain a flexible community park system attractive as gathering and recreational centers for both children and adults.

Keyport would like to preserve and enhance the small-town atmosphere and visual character of the area for the community as well as visitors, where one can enjoy a safe and pleasurable walk, enjoy the spectacular marine and mountain views, and have easy access to a village center that acts as a social center with restaurants and services providing for basic needs.

2.1 RESIDENTIAL LAND USE

Historical Residential Land Use

During the 19th Century, the Keyport area attracted homesteaders on land that had been forests. The settlers established a farming community and, in 1896, they named the waterfront community Keyport, stating that the peninsula site was key to Dogfish Bay (later renamed Liberty Bay). The Navy acquired the land in 1905 for the establishment of a new West Coast Torpedo Station and began construction in 1914. Most of the original farmhouses were converted to military housing and still exist today. The area on the west side of the navy base was platted for development in 1918 by the Keyport Townsite Company, and the residential town of Keyport began to grow. The number of residences on small lots grew until they had covered the peninsula alongside the navy base.

Historic Residential Zoning

Prior to the adoption of this plan, properties within the Keyport village have experienced a variety of different zoning designations. These designations included the original 1918 plat of Keyport which predated zoning in Kitsap County and designated a total of 16 blocks into 230 residential lots approximately 40 feet in width by 110 feet in length, with larger lots near the waterfront to the north. The original layout of the 1918 Keyport town plat resulted in an approximate density of 5 lots per acre.

During the decades prior to the Washington State Growth Management Act (GMA), the Keyport land use zoning consisted of the primary zones that closely matched the development patterns and historical plats within Keyport. The zoning consisted of residential 2 homes per acre (R-2), residential 5 homes per acre (R-5), and business general (BG). Throughout the nineteen nineties, the Kitsap County Comprehensive Plan adopted zoning that would be compliant with the GMA and included significant changes to all rural zoning in Kitsap County. Keyport was rezoned as Rural Residential (RR), and the business portions of the community were designated as Neighborhood Commercial (NC) zoning. The densities and minimum lot sizes of each of these respective designations are shown in table 2.1.1.

| Table 2.1.1 Historic Zoning Densities and Lot Sizes | | |
|--|-------------------------|---------------------------|
| Zone | Density | Minimum Lot Size |
| (Pre-Growth Management) | | |
| R-2 - Residential Zone | 2 Dwelling Units/1 Acre | .50 acre (21,780 sq. ft.) |
| R-5 – Residential Zone | 5 Dwelling Units/1 Acre | .20 acre (8,712 sq. ft.) |
| BG – Business General | N/A | N/A |
| (Post-Growth Management) | | |
| RR – Rural Residential | 1 Dwelling Unit/5 Acres | 5 acres (217,800 sq. ft.) |
| NC – Neighborhood Commercial | N/A | N/A |

This variety of zoning designations combined with the extensive platting of Keyport at the beginning of the 1900’s has created a mixture of development patterns throughout the Keyport Village. The Keyport Community Plan proposes to create zoning designations that provide consistent and predictable regulations for infill development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas.

Residential Zone Designations

The Keyport Village will contain two residential designations (Figure 2.1.1 and Appendix E); Keyport Village Residential and Keyport Village Low Residential. The zoning in each residential designation recognizes the existing pattern and intensity of development of its area. Uses allowed in these zones will be similar to other LAMIRD residential land use designations in the Kitsap County Comprehensive Plan. The complete list of zoning requirements and allowed uses are shown in Appendix B.

KEYPORT VILLAGE RESIDENTIAL (KVR)

This designation is applied to areas within the Keyport Village where the platting of parcels has been most intense, primarily east of Sunset Avenue in the downtown

Keyport area. The average size for currently developed lots in these areas is approximately .2 acres (8,712 square feet) as most of the 40 foot by 100 foot platted lots were doubled up to develop home sites. To acknowledge this historic development, the Keyport Community Plan sets the minimum divisible lot sizes at .2 acres or at a base density of 5 units per acre with the ability to recognize each historic lot as one dwelling unit. The lot requirements and setbacks for this zone are shown in Table 2.1.2.

KEYPORT VILLAGE LOW RESIDENTIAL (MVLK)

This designation is applied to areas within the Keyport village where platting has occurred piece meal. Individual short plats over the years have created areas without consistent lot sizes. This development pattern is due to the changing zoning over the years and a lack of available services such as sewer and water. The average size for currently developed lots in these areas is just over 0.50 acre (21,780 square feet), though several smaller lots currently exist. To acknowledge this existing development pattern, this designation’s minimum density for developable lots is set at 2 dwelling units per acre.

To develop lots smaller than 0.50 acres, property owners could cluster their developments (see clustered development), which would allow lots as small as .25 acres(10,890 square feet) with a set amount of dedicated public recreation space. The lot requirements and setbacks for this zone are shown in table 2.1.2.

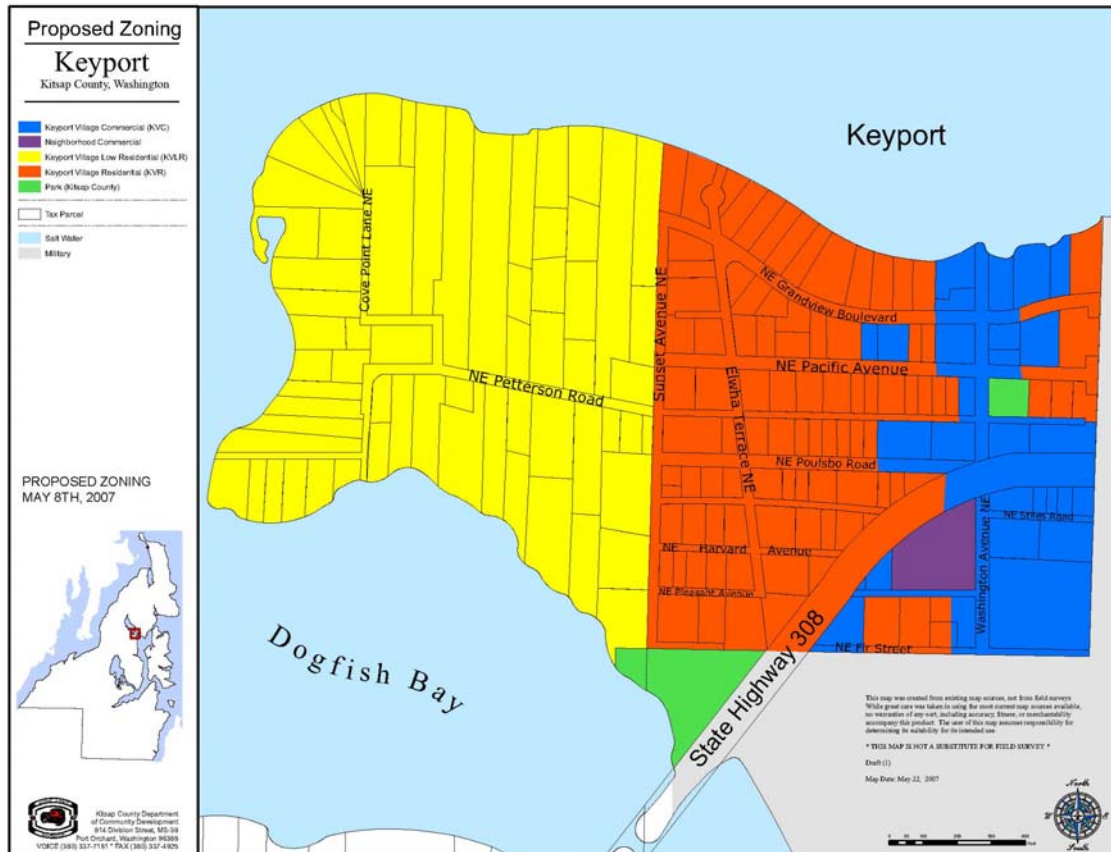


Figure 2.1.1 Keyport Community Plan Proposed Zoning

| Table 2.1.2. PROPOSED REQUIREMENTS AND SETBACKS FOR KVR AND KVLZ ZONES | | |
|---|---|--|
| | Keyport Village Residential KVR (orange) | Keyport Village Low Residential KVLZ (Yellow) |
| Maximum Density | 5 units per acre (or historic underlying lot number) | 2 units per acre w/o clustering (3 units per acre w/ clustering) |
| Minimum Lot Size | 5,000 sq. ft. | 21,780 sq. ft. w/o Clustering (12,500 sq. ft. with clustering) |
| Minimum Lot Width | 30 feet | 50 feet |
| Minimum Lot Depth | 80 feet | 80 feet |
| Front yard Setback | 10 feet (5 feet with porch) | 10 feet |
| Side yard Setback | 5 feet | 5 feet |
| Rear yard Setback | 5 feet | 15 feet |
| Maximum Height | 35 feet | 35 feet |

Keyport Land Use Capacity Analysis

The 2006 Kitsap County Comprehensive Plan listed the existing population of Keyport and set the population growth targets for the 2025 planning horizon. Keyport was identified to have a population of 535 during 2003 with an anticipated population of 560 if present growth rates were projected into the 2025 planning horizon. The distribution of forecasted population within the Limited Area of More Intense Rural Development boundaries was compared to the distribution of land use zoning designations. (Figure 2.1.2)

As part of the Keyport Community Plan, a land capacity analysis was conducted for the dwelling unit capacity and acreages of the Keyport proposed zoning designations. (Appendix H) The analysis methodology included calculation of vacant and underutilized parcels in Keyport. Vacant parcels are not occupied by any habitable or commercial structure. Underutilized parcels are parcels that may have an existing dwelling unit or structure, but could be further subdivided.

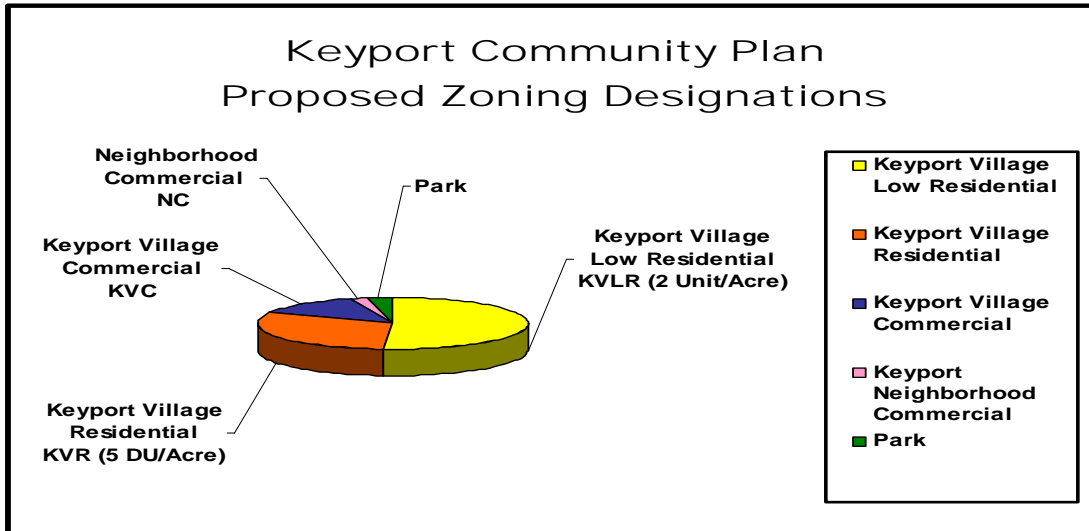


Figure 2.1.2 Distribution of Keyport proposed zoning designations.

The results of the Keyport Land Use Capacity Analysis were that Keyport possess a total of 188 individual lots identified as redevelopable (either vacant or underutilized). The full development of all of these 188 lots have been calculated to yield a total of 28 additional units in Keyport. This calculation anticipates that Keyport Village Residential is redeveloped at a density of 5 units per acre and Keyport Village Low Residential is developed at the base density of 2 units per acre.

Additionally, the analysis identified a total of 17 commercial properties that were considered as redevelopable (either vacant or underutilized). The redevelopable commercial properties may potentially yield as many as 17 additional dwelling units if all were developed under a mixed-use format of commercial on the ground floor with dwelling units on the floor above. Typically, commercial mixed-use development is at the discretion of the developer and the calculation of these potential units is not typically factored into the Land Use Capacity Analysis tables.

Clustered Development Proposal

The community meetings and Keyport Online survey reflected a desire for additional open spaces in the western portion of the community and an option for property owners to pursue historical infill development options. The Keyport Village has historically developed in densely platted rectangles with little or no public recreation open space. It is this lack of open space combined with the removal of natural vegetation, in part, that may have contributed to localized stormwater problems. To encourage the retention of vegetated or active recreation open space in the Keyport Village, the Plan proposes to create a density bonus for clustered development.

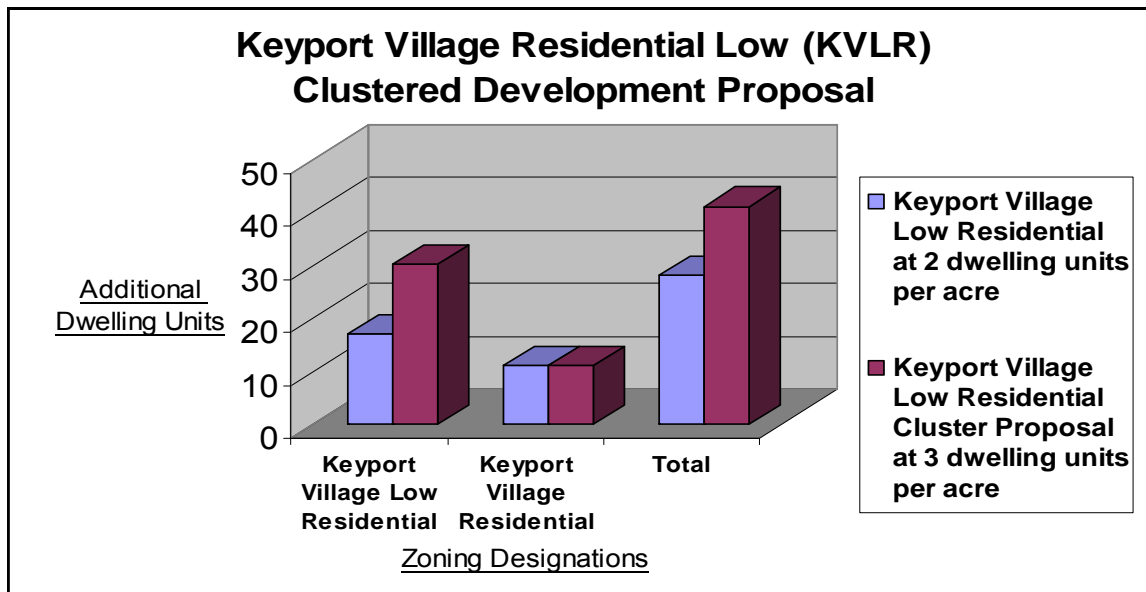


Figure 2.1.3 Keyport Clustered Development Proposal Chart

As an incentive to cluster, developers that propose to dedicate a particular amount of their property in public recreation space or open space will be allowed a maximum of three units per acre. The three units per acre through clustering proposal was utilized historically through the performance based development provision of the pre-growth management zoning code and development regulations as far back as 1978.

For example, a property owner with 2 acres in the Keyport Village Low Residential zone (.50 acre minimum divisible lot size), would normally only be able to subdivide the parcel into 4 lots. No open space needs to be included and all of the acreage could be available for clearing or for homes. With the clustered development proposal, this owner would dedicate a minimum of 12,000 square feet of the two gross acres in open space and be allowed to subdivide the remaining land into 6 lots, each at the minimum developable lot size. The clustered development proposal would address a number of issues raised by the community in both the community meetings and in the Keyport Online Survey identifying a desire for more public open space and active recreation opportunities in Keyport with another desire for the increased density for the subdivision of remaining large lots. The provision of the open space percentage is consistent with historical planned unit developments allowed under historical Kitsap County zoning.

In the analysis of the impact of the Clustered Development Proposal, one outcome would be an increase of an additional 13 dwelling units within the Keyport Community (Please refer to Appendix H). The Keyport Land Use Capacity Analysis identified that the Keyport Village Low Residential zone would have an estimated 7 additional dwelling units that could be provided on vacant parcels and an estimated 10 additional dwelling units that could be provided on

larger lots with existing homes. The implementation of the Clustered Development Proposal would increase the number to 23 additional dwelling units that could be provided on larger lots with existing homes as shown in figure 2.1.3.

2.2. Housing

The key Housing goals and proposals recognize that Keyport has ample zoning capacity to more than fulfill its 2006-2025 Comprehensive Plan Growth target for housing as identified in the Keyport Land Use Capacity Analysis. The housing goals were developed out of a combination of community comments, Keyport Online Survey results, the Vision Statement, and Keyport Improvement Group meetings. Throughout the Keyport planning process, community comments continually turned toward affordable housing for a greater diversity of incomes, a concern that elderly or fixed income residents were being taxed out of their homes, and a desire to maintain the single-family character and architectural quality of Keyport. Keyport is committed to seeking ways of meeting the needs of diverse populations and families, and exploring innovative approaches to providing affordable homes by providing housing to serve residents at all stages of life.

The Keyport housing strategy includes:

- Encouragement of additional Accessory Dwelling Units (ADUs) that will provide infill housing opportunities for property owners and residents. The accessory dwelling unit as a housing strategy allows the existing architectural character and historic single family homes of Keyport to be maintained, while promoting a housing type that allows a wide range of incomes, including the elderly or young adults to live and contribute to the neighborhood without having to relocate to an entire other community when economic changes occur.
- Encouragement of live-work opportunities and mixed-use projects in the downtown commercial zones. The incorporation of residential uses in the Keyport Village Commercial zones provides opportunities for investment costs for small businesses to be incorporated into and offset by additional housing opportunities. The historical character of many small town main streets similar to Keyport was for shop owners to live in apartments or homes with the business enterprise, providing additional activity downtown after business hours and increasing the vitality of the commercial district.
- Because Keyport has many older single-family and multi-family homes that were not built with accessibility in mind, Keyport may have few buildings that are American Disability Act (ADA) accessible. Such limitations make it difficult for some individuals with disabilities to find a

home to live in Keyport, or to remain after becoming infirmed or disabled. Encouragement of the creation of additional homes that meet these requirements would provide additional opportunities for elderly or disabled populations to enjoy the Keyport community.

- The final component of the Keyport housing strategy is to make certain through active community participation in the development review process, that new housing developments in Keyport serve the overall community sense of design and esthetics – building “neighborhood” as well as building housing. Participating in public meetings, providing comments, and voicing concerns at public hearings is anticipated to be an effective means to assist local government in facilitating this goal.

While these strategies are proposed to be implemented as new development occur, there are few housing strategies that require significant new resources, there is envisioned to be a community stewardship organization – presumably the Keyport Improvement Group (please see Chapter 9: Plan implementation / Community Building) that will work with developers, the Kitsap County Department of Community Development, and residents to monitor and implement the housing strategies of the plan.

2.3 KEYPORT HISTORIC BUILDINGS

Keyport was founded as early as 1880 by the earliest homesteaders, with more and more arriving by the turn of the century. Keyport benefits from its early founding by possessing many historic structures and home sites. Keyport Community Plan, Appendix C includes a table of all Keyport structures that were built within or before the historic period of significance (50 years ago or more) and that may qualify for the historic status under the Washington State Department of Archaeology & Historic Preservation.

Keyport possesses many buildings that are more than fifty years old, with the Keyport homesteaders during those early years building many of the structures and homes on lands that were later appropriated by the Navy with the founding of the Keyport Torpedo Station. A number of those buildings of most significance were originally built on the land appropriated by the Navy and are still standing and maintained including Quarters A, G, and many other buildings.

Significantly important buildings in Keyport include:

The Keyport General Store; 1903

The Keyport general store and post office was built in 1903 and run by a young man named Henry Husby, the building was next to the community dock at the end of the peninsula and served as the social and commercial hub of Keyport. Upon the founding of the Keyport Torpedo Station, the



building was moved in 1914 its present location on Washington Avenue and is now known as the Keyport Mercantile.

Keyport Community Church; 1937

The Keyport Community Church, shown here in 1962, was built by volunteers-churchgoers and non-who labored throughout much of the 1930's to piece it together. It was dedicated in 1937 and has served as a center of community activity ever since.



Keyport School Building; 1908

Students pose in front of the final Keyport School building in 1930. Built in 1908, it was used until the 1940's. The structure was eventually sold to the North Kitsap Baptist Church and was later used as a restaurant in Poulsbo, Washington.



Quarters D; estimated 1899

The Anton Norum family home was given up in 1914 to serve as Commander Jensen's quarters for the Keyport Torpedo Station. The Norums, shown on the porch, moved to a cabin in Lemolo. Quarters D was eventually replaced in 1936 by Quarters S, a new Commanders Quarters.



Quarters G, 1898

The founding of the Keyport Torpedo Station in 1914 incorporated many homes from the early homesteaders. Quarters G, as it looked in 1981, is one of the structural reminders of the Keyport pioneers. This turn of the-century home was built and owned by Peter Hagen.



Quarters E; 1918, F; 1917, J; 1921, & K; 1921

The home to the far right is Quarters D, to the left of Quarters D are (from right to left): Quarters E, F, J, and K, all of which are still in use today.



Historic Preservation Goals and Policies recognize the importance of archaeological, cultural, and historic resources in Keyport. Historic Preservation Strategies include:

- Encourage creation of Historic House Plaques and creation of a Keyport Historic Homes walking tour and brochure.
- Encourage preservation on-site of historic structures eligible for inclusion on a local, state or federal register of historic places. If a historic structure cannot be preserved, recommend documentation, photography, text, video, architectural recycling, etc. as a mitigation measure for community impacts.
- Historic (pre-1920) single-family, residential structures that are proposed for additions to the structure are encouraged to consider additions compatible with the character of the original structure or to the rear of the structure, preserving the original architectural character from the public street.
- New buildings are encouraged to be constructed so that the overall character of the street, including traditional building forms, roof shapes, and relationship of building to street, compatible with the existing context of nearby historic structures.
- Where possible, create tax incentives and encourage private purchase and renovation of historic structures.

The Plan recommends examining the feasibility of a local historic registry program and the creation of a Kitsap County Historic Preservation ordinance which would provide incentives for preservation of historic resources.

2.4 COMMERCIAL LAND USE

Existing Business & Commercial Land Use

The Keyport community consists of a small variety of commercial businesses and services, including the Keyport Post Office, the original mercantile/general store, a well-known restaurant, an automobile repair shop, a motel, a couple of office buildings, the Port of Keyport marina, a private marina, two parks, a church, a fire station, and several in-home enterprises.

Keyport also enjoys a limited amount of tourism from the Naval Undersea Museum, which is open and free to the public. The museum is visible on one's

first approach to the town, situated overlooking the bordering estuary and the bridge crossing it. The Naval museum houses two Historic Naval Ships, the RV Deep Quest and RV Trieste II. Both are deepwater submarines. The museum features exhibits on the Ocean Environment and the technologies of diving, submarines, torpedoes, and mine warfare plus various temporary and outdoor exhibits. Significant artifacts displayed include major U.S. torpedoes dating from the Whitehead and Howell torpedoes to modern Mk 46 and Mk 50 weapons; a Confederate mine from the Civil War; torpedo tubes from the fleet ballistic missile submarine USS Tecumseh (SSBN 628); and a simulation of the control room from the fast attack submarine Greenling (SSN 614). The exhibits offer numerous video, audio, and hands-on activities to enhance a visitor's enjoyment and understanding

Historical Commercial Zoning

The Keyport community was originally designated as mostly commercial zoning, Commercial Zone Designations with nearly half of the Keyport platted town designated as Business General zoning (Figure 2.4.1). The Business General Zone regulations and land uses (obtained from the September 1973 Kitsap County Zoning Ordinance): In the Business-General zone, the historic uses included retail trade, repair & maintenance service establishments, offices, storage or automobile services, churches, community clubs, hotels & motels, recreation establishments, dwellings on the second story of a building, or most businesses that are intended to serve the neighborhood and the community in which they are located, as well as the traveling public.

The Keyport community had indicated through the community meetings and online Keyport Survey that they prefer that future business expansion would be limited to small businesses and services serving the community, consistent with historical usage located near the downtown core. The community had also indicated that the distribution of neighborhood commercial zoning in the 1998 Comprehensive Plan for compliance with the Growth Management Act, did not often accurately accommodate many existing business

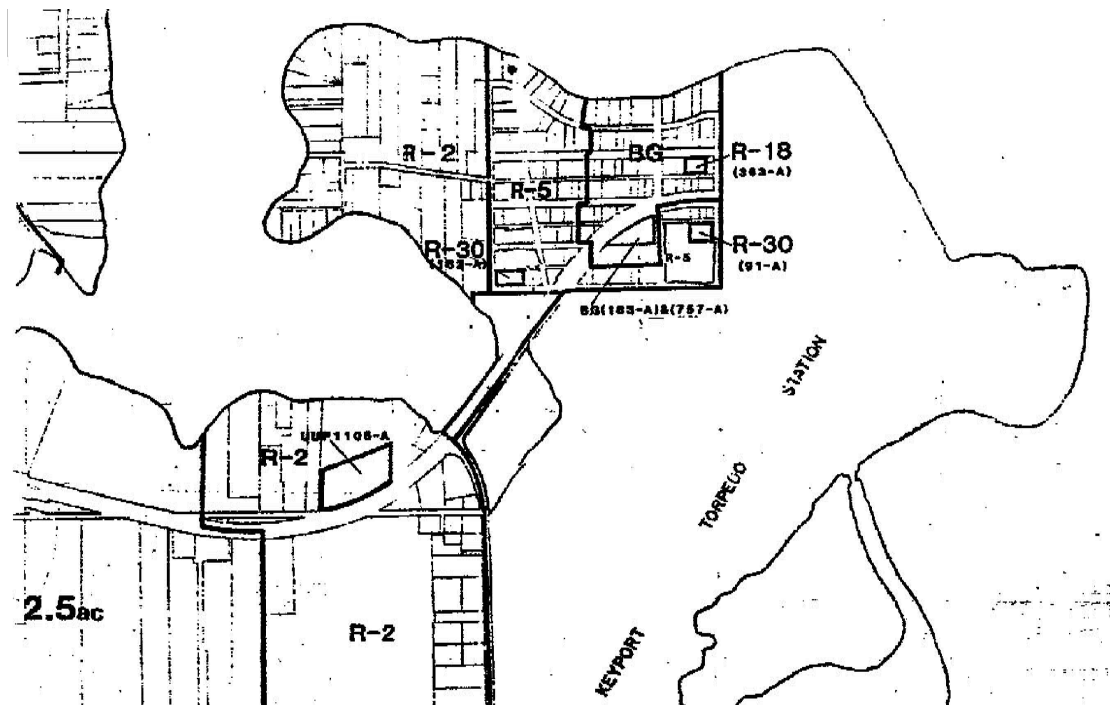


Figure 2.4.1 Keyport Historical Zoning (1973 Kitsap County Zoning Ordinance)

Commercial Zoning

The Keyport Online survey focused on the area of ‘downtown’ Keyport which was partially designated Neighborhood Commercial in the Kitsap County Comprehensive Plan. The community group indicated that the size and locations of these designations were inappropriately placed or too large for the current or future population of Keyport. They developed a range of alternate commercial boundaries showing how each could accommodate businesses suitable for the village of Keyport.

Using the results of this process, the Keyport commercial zoning designation was applied generally to the area adjacent to Washington Avenue NE, clearly identifying the corridor as the historic “main street” of the community and the commercial core of the neighborhood. Additional commercial parcels were added along Highway 308 frontage and along the Liberty Bay waterfront to acknowledge existing businesses and to provide additional commercial opportunities for the community. (Figure 2.1.1 and Appendix H).

The commercial designations have been applied to areas where historic commercial development has occurred and/or where future development has been deemed acceptable by the community. The commercial uses in this zone are of modest intensity and are generally consistent with similar Limited Area of More Intense Development (LAMIRD) commercial designations in the Comprehensive Plan. Such uses could include restaurants, dry cleaners, video stores, professional services, Laundromats and/or specialty stores.

Neighborhood Commercial (NC)

The existing Neighborhood Commercial zoning designation was retained for one parcel on Washington Avenue to accommodate the existing hotel and existing grandfathered structure, built in 1977. The Neighborhood Commercial zoning is consistent with the current and historical use of the parcel and reflects the land use permits previously issued. (Figure 2.4.2)



Figure 2.4.2 Continental Hotel and Neighborhood Commercial zone designation (purple).

Keyport Village Commercial (KVC)

This designation is applied to areas where historic commercial development has occurred and/or where future development has been deemed acceptable by the community. The commercial uses in this zone are of modest intensity and are generally consistent with similar Limited Area of More Intense Development (LAMIRD) commercial designations in the Comprehensive Plan. Such uses could include restaurants, dry cleaners, video stores, professional services, Laundromats and/or specialty stores.

To accommodate properties in this zone with existing residential-only uses, such properties will be allowed to rebuild, remodel or add on, but when doing so must meet all the requirements of the Keyport Village Residential zone.

Within this designated commercial area, parking is a concern. As the area continues to develop, the availability of parking may be of concern. One strategy to offset the parking concern is the proposal to maintain street parking on Washington Avenue, minimizing frequency of driveways or no parking zones. Additionally, maintaining the excess right-of-way on Highway 308 as community parking would be beneficial to help alleviate this issue. To allow for pedestrian oriented commercial development in a manner compatible with the historical character of Keyport, parking regulations for new commercial development have been crafted to a level commensurate with the uses designated and desired type of commercial projects in this zone (Appendix B).

| Table 2.4.1. PROPOSED REQUIREMENTS AND SETBACKS FOR KVC AND NC ZONES | | |
|---|---|--|
| | Keyport Village Commercial KVC (blue) | Neighborhood Commercial NC (Purple) |
| Maximum Density | 5 units per acre for Mixed Use (or historic underlying lot number) | 30 units per acre per KCC 17.382.070 |
| Minimum Lot Width | 30 feet | N / A per KCC 17.382.070 |
| Front yard Setback | N / A | 20 feet, per KCC 17.382.070 |
| Side yard Setback | N / A | 10 feet, per KCC 17.382.070 |
| Rear yard Setback | N / A | 10 feet, per KCC 17.382.070 |
| Maximum Height | 35 feet | 35 feet , per KCC 17.382.070 |
| Design Guidelines | Applicable | Applicable |

Mixed Use Development

Mixed use developments combine several uses on one site including residences, shops, offices, entertainment, and public spaces. This synergistic combination creates live/work/play environments that offer a variety of choices to multiple users. Being compact, mixed-use development may also result in a more efficient use of roads, utilities, and public services that make housing more affordable.

To encourage two-story mixed-use development, the height for commercial or mixed-use properties within this zone will be set at 35 feet. Additionally, the concern regarding the small town character and the pedestrian friendliness of future commercial development was repeatedly raised as an issue at the community meetings and through the Keyport Online Survey. Implementation of design guidelines for all commercial properties was supported by the community in an effort to ensure new development promotes pedestrian activity and is sensitive to the historic character of the Keyport village.

Mixed Use proposals will be calculated for residential density in a similar manner as the Keyport Village Residential zone to acknowledge the historic development pattern. The Keyport Community Plan sets the minimum divisible lot sizes at .2 acres or at a base density of 5 units per acre with the ability to recognize each historic lot as one dwelling unit.

Design Guidelines

The importance and the small size of the Keyport downtown and commercial area brings a greater amount of focus and attention to detail from the community. The community expressed the importance of design guidelines, both in the Keyport Online Survey (Appendix A) and the community meetings. Support was expressed for design guidelines that were oriented to design of building facades, streetscape, transparency at the ground floor, location of entrances, balconies

and terraces at second floors, street signage, and how building corners at the major intersections could be emphasized or enhanced. The community also expressed support for attractive window types, canopies and weather protection, landscaping around blank walls and how the back of buildings are treated throughout the commercial parcels in Keyport.

In response to the community desire for Design Guidelines, Appendix G proposes a draft design guidelines for use throughout Keyport. The design guidelines would be administered by the Department of Community Development in the review of any permit within the Keyport Village Commercial Zone or the Neighborhood Commercial zone, within the Keyport Limited Area of More Intense Rural Development. It may be noted that there are only a total of 29 parcels proposed to be commercial and most of those (15) were located on Washington Avenue. Additionally, signage was discussed with a focus on pedestrian oriented blade signs along Washington Avenue, illuminating Washington as the “front door” to Keyport and the main interaction with tourists and visitors.

2.5 ECONOMIC DEVELOPMENT

The economic history of the Keyport community has typically grown and waned with the direct activity of the adjacent U.S. Navy base. Although historical economic growth was and to a large degree still is tied to the military, the relocation of the main gate from the center of “downtown” Keyport to the edge of Dogfish Bay has had significant economic impacts to the business and economic vitality of the community. This section deals with the economic development of Keyport, including the history, the present, and the vision and goals for community change.

Economic History

During the 19th Century, the Keyport area attracted homesteaders on land that had been forests. The settlers established a farming community, a general store, and a pier. Economic activity by the early settlers was resource based with industry in farming, fishing, and logging.

Throughout the early 1900s, and especially during the tremendous growth of the Naval Torpedo Station in World War II, employment was dominated by the naval presence. The town attracted many small-town businesses, including a hotel, grocery stores and meat markets, marine repair facilities, cafes, barber shops, a school, a dentist office, and a post office. Keyport continued to succeed as a small community after the war years, serving a large population of Military personnel and consultants.

Keyport continued to prosper as a small community with the majority of transit and employment for the Keyport Naval Base entering and existing through the main gate in the middle of downtown Keyport. Keyport began to suffer from an economic malaise in the seventies and mid eighties, coinciding with the relocation of the Keyport naval base main gate. In 1985, the main gate to Keyport was relocated, eliminating the need for travel through the business district to access the naval base. Events on 9-11 further changed the open neighborly atmosphere historically enjoyed between the naval base and the community as a result of the heightened security for all military installations after that point. All of these separately contributed to a slightly lagging economic vitality for the community.

Keyport Economic Forecast

The 2006 Kitsap County Comprehensive Plan listed the existing economic activity in Keyport and set the projected growth targets for the 2025 planning horizon. Keyport was identified to have a employment base of 63 non-military (or military consultant) jobs in the LAMIRD Boundary during 2003. The present amount of military focused or military contracting employment on the Naval Base Kitsap at Keyport was estimated as 1,452 in 2006.

The 2006 Kitsap County Comprehensive Plan also identified a total anticipated jobs of 67 non-military (or non-military consultant) if present growth rates were projected into the 2025 planning horizon. Table 2.5.1 breaks down the non-military positions by industrial category. The employment data depicted above classifies companies (and hence jobs) by NAICS (North American Industrial Classification System), and the similar Standard Industrial Classification (SIC) system. Below is a brief definition of major employment sectors. Figure 2.5.1 illustrates the non-military employment distribution through Keyport.

| Table 2.5.1 Keyport Employment by Category (source 2006 Kitsap County Comprehensive Plan) | | | | | | | |
|--|---------------|-----|--------|-------|-----------|--------|-------|
| | Manufacturing | WTU | Retail | FIRES | Const/Res | Gov/Ed | Total |
| 2003 | 6 | 0 | 3 | 50 | 4 | 0 | 63 |
| 2025 | 6 | 0 | 3 | 50 | 8 | 0 | 67 |

The three sectors below can be aggregated ‘industrial’ sector category jobs.

- **Construction / Resources:** Agriculture, forestry, fishing; Mining; Construction.
- **WTU: Wholesale / Trade:** Transportation & warehousing.
- **Manufacturing:** Manufacturing.

The sectors below can be aggregated into ‘commercial’ sector category jobs.

- **Retail / Trade:** Retail and Trade.
- **FIRES:** Finance and insurance; Real Estate and Services
- **GOV / ED:** Government and Education (public and private).

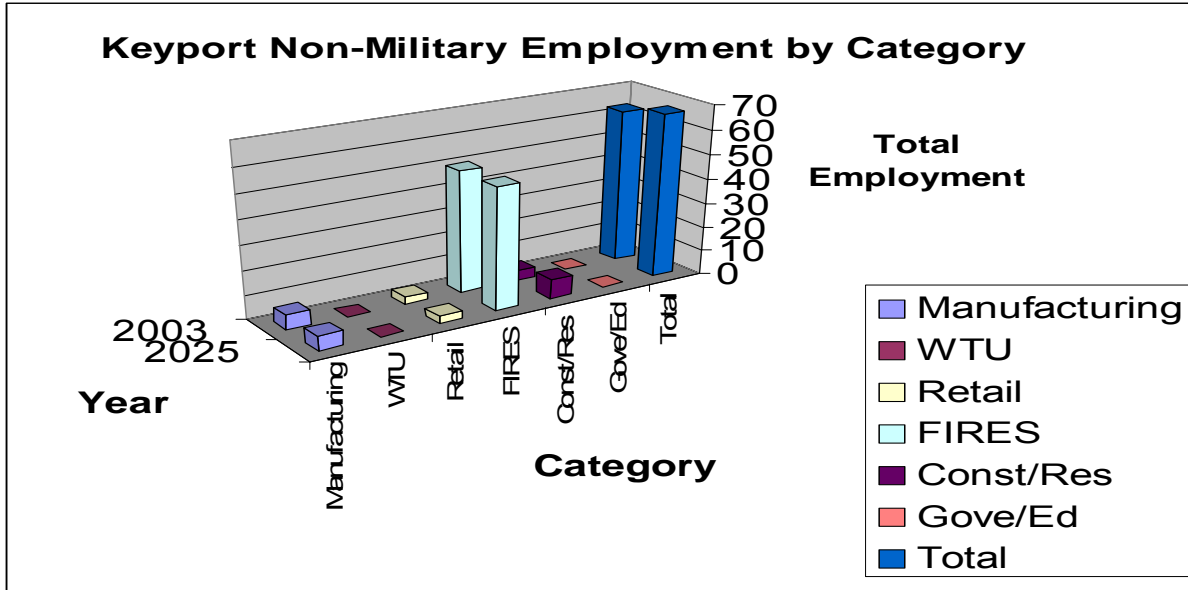


Figure 2.5.1 Keypoint Non-Military Employment by Category: source 2006 Kitsap County Comprehensive Plan.

The Keypoint economic present status and the forecasted growth show exactly what industries are strongest in the Keypoint village and where there are opportunities for improvement. Keypoint possesses the ability to target future growth in areas where there has been little or no economic activity such as additional retail, transportation, and government or educational facilities.

Economic Development Strategies

Economic Development strategies for a small community such as Keypoint need to be finely crafted to best fit the character and scale of the community. By providing for a diversity of enterprises which both serve and employ local residents, Keypoint is better able to withstand fluctuations in the larger regional economy. In addition, people who live and work in their community are available to invest time and money in their families, organizations, and community life.

A key to a successful, diverse local economy is to create and undertake business opportunities as they arise. A diverse local economy will include economic activity along a continuum, from resource-based businesses such as fishing, to small scale business, home-based businesses, retail, professional and personal services, technology and knowledge based businesses and tourism. The following economic development strategies were a result of the community meetings, individual comments, and Keypoint Online survey results.

Keypoint as a Tourist Destination

Keypoint possess a number of benefits that lend itself to a prime tourist destination. The Keypoint community benefits from it’s location at the entry to Liberty Bay. Liberty Bay and Poulsbo in particular has become a very attractive

destination for the boating community from Seattle and the entire Puget Sound area. Often during summer, boats anchor in lines in both Poulsbo and Keyport docks for any available space or slip to tie up and explore the communities. The influx of marine tourism has bolstered the Poulsbo economy with income streams generated from outside the region. Keyport also may benefit from this economic opportunity, not only from the overflow from Poulsbo marine tourism, but as a destination in of itself.

Keyport already boasts a wonderful tourism asset in the Naval Undersea Museum. The Museum is free to the public and as of 2007, serves approximately 40,000 visitors per year. Keyport also has a unique and renowned destination restaurant, the Whiskey Creek Steak House. The opportunity for the Keyport community to capitalize on the existing and expansion of museum tourism to the Naval Undersea Museum lies in the ability to provide linkages to the adjacent services such as book stores, art galleries, bakeries, coffee shops, restaurants, and similar small retail accommodations to serve the tourist population.

Keyport itself has much to offer tourists in the outstanding views and public access to water, with a public park on Dogfish Bay and the port facilities on Liberty Bay. The flat, walkable topography of the peninsula lends itself to pedestrian mobility and casual walks and the quaint architectural character of the cottages and historic homes lend a unique charm to the community. Encouraging the tourism industry would include overnight accommodations such as unique small boutique hotel or bed and breakfast facilities which would enhance the tourism experience while providing additional income opportunities for existing residents with minimal impact to the built environment.

Washington Avenue Key Projects

Washington Avenue is the “Main Street” of Keyport and many consider as the front door to Keyport. The public wharf and the Keyport Mercantile were historically located as the north anchors of the commercial avenue with the majority of all Keyport commercial activity and parcels oriented to Washington Avenue. Washington Avenue also provides the direct linkage to the Naval Undersea Museum by way of a pedestrian gate at the southern terminus of the public street. For economic development to successfully be implemented in Keyport, the five projects for Washington Avenue are keys to that success. (Figure 2.5.1)



Figure 2.5.1 Washington Avenue Key Projects

The Naval Undersea Museum Pedestrian Gate is a Keyport Community Plan Project that is important because it provides the pedestrian connection between the Keyport community and the Naval Undersea Museum. The gate was open during museum hours, offering pedestrian access between Keyport and the museum until the events of 9-11. The museum grounds have continued to be open and accessible to the public during museum hours. The project includes coordination with the Keyport Naval Undersea Museum for restored pedestrian access from Washington Avenue to the Museum. The museum is a regional destination that the entire Keyport Community would benefit from increased access. Improvements would include:

- Opening of the pedestrian gate at the south terminus of Washington Avenue during normal Museum hours.
- Possible gateway or entry monument Museum entrance.
- Signage along Washington Avenue and at the Port of Keyport public dock.

The Keyport Saturday Street Fair / Farmers Market is a Keyport Community Plan Project that could include coordination with local farmers (Scandia, Central Valley, etc.), local performers, and artisans to provide a Saturday event similar to the Poulsbo Farmers Market or other community events around Kitsap County. Project elements would include designated areas for booths, local music or community theater programs, coordination with museum events, and an

economic opportunity event to showcase Keyport on a weekly basis.

The Keyport Village Square is a Keyport Community Plan Project that incorporates transportation improvements and traffic calming devices such as specialized paving that enhance the intersection of Washington Avenue and Washington State Route 308. The focus of the intersection as the social, economic, transportation, and activity center of the Keyport community would include the following improvements:

- Raised or enhanced paving at the intersection.
- A community kiosk or specialized lighting.
- Enhanced corner sidewalks & pedestrian improvements.
- An Entry monument, artwork, or other community landmark.
- Landscaping or street trees.

The Washington Avenue Pedestrian Improvements includes coordinated enhancement of the pedestrian elements of Washington Avenue from the Naval Undersea Museum to the Port of Keyport Marina. Improvements would include widened or specialized sidewalks (coloring, inlays, etc.), Specialized lighting, Coordinated street furniture (trash, benches, signs, etc)., landscaping or street trees and historic plaques or markers.

Marina Improvements for the Port of Keyport is a Keyport Community Plan Project that includes enhancement or expansion of the existing Port of Keyport Marina as the main waterfront access point and recreation center of the Keyport Community. Improvements are detailed in Chapter 6: Port & Waterfront Development.

Accommodate and Encourage Home Businesses

The advent of advance technology through internet and web based information transfer, has provided the ability to have increasingly sophisticated business services from home based businesses. Accommodating these type of businesses in Keyport was desired due to the low impact of the infrastructure and buildings required for these undertakings and the ability for existing residents and buildings to immediately be put to work providing these type of economic development opportunities. Businesses could include professional services, auction services or small “boutique” businesses that offer fewer higher priced or limited demand products for a market that is limited only by access to the internet. Artist studios, writers, and the creative arts in general also fall into this category for small, home based business. This category of economic development also brings in substantial income from outside the community or region, further benefiting the community as a whole.

2.6 VIEW PROTECTION

View protection was discussed heavily in both the Keyport public meetings and in the Keyport Online Survey. The concept of view protection received substantial support when protecting public views of Liberty Bay, Dogfish Bay, and the Olympic Mountains including public views from Keyport Saltwater Park, the Port of Keyport Dock at Washington Avenue and from public street ends.

The concept of private view protection, either through height restrictions, view corridors, or other measures became very controversial when the actual development language was discussed and debated in the community meetings. A draft view protection proposal, modeled after development code adopted in the Manchester Limited Area of More Intensive Rural Development was submitted to the community for review and comment. The issue polarized the community between those impacted by private view protection language and those benefiting from the protected private views.

No compromise could be struck in the community meetings and the item was voted to be removed from the draft Keyport Community Plan. It was agreed that the draft plan appendix would include the draft proposal, but that it was to be included for context and not as a recommendation.

Please refer to Appendix F to review the Keyport view protection draft proposal. The issue continued to divide the community and ultimately became the subject of competing petition drives with one for and one against. The view protection proposal became the “line in the sand” for a community that generally agreed on the majority of land use and community issues.

As view protection is not a required component of a Limited Area of More Intense Rural Development, the view protection language is not proposed to be included at this time within this Draft Keyport Community Plan. The community may revisit the issue at a future date, as a development code proposal, independent of the Limited Area of More Intense Rural Development approval.

2.7 LAND USE/ECONOMIC DEVELOPMENT GOALS & POLICIES

Goal 1 **Protect and enhance the Keyport Village character.**

Goal 2 **Provide zoning that is consistent with Keyport’s existing built environment and lot sizes that allow for beneficial infill development.**

Policy Key-1 Set minimum lot sizes, set backs, heights, and densities for residential development

Policy Key-2 Require application of Design Guidelines for all new commercial development in Keyport.

Goal 3 Encourage property owners to cluster newly subdivided lots.

Policy Key-3 Reinststate the historical density bonus for all future clustered developments in the Keyport Village Low Residential (KVLR) zone.

Goal 4 Promote the establishment and support of a vital Keyport Village Commercial zone.

Policy Key-4 Establish a commercial zone appropriate for the population and transportation network of the Keyport Village.

Policy Key-5 Promote businesses that further the economic vitality of Keyport as a “destination”.

Goal 5 Encourage mixed-use development within the commercial zone.

Policy Key-6 Modify County parking requirements to levels appropriate for the Keyport Village.

Policy Key-7 Encourage the development of design standards for the Keyport Village Commercial zone.

Policy Key-8 Allow structures within the Keyport Village Commercial zone to achieve a height of 35 feet.

View Protection

Goal 6 Protect Keyport’s existing views of the Olympic mountain range, Liberty Bay, Dogfish Bay and Puget Sound.

Policy Key-9 Encourage development that creates the least impact to existing views.

Historic Preservation

GOAL 7 Archaeological, cultural, and historic structures or places are an important community asset, are a part of Keyport’s character, and should be identified, evaluated, and preserved.

Policy Key-10 The Keyport community, in conjunction with the Poulsbo Historical Society, should identify and seek funding to institute a historic survey, implement a local, historic registry program and/or the creation of a landmark commission.

Policy Key-11 If feasible, the County should be encouraged to implement a local historic preservation ordinance.

GOAL 8 Historic structures or places are an important feature of community design and should be preserved and enhanced.

Policy Key-12 Design Guidelines should be implemented for design of projects adjacent to a historic structure to ensure that new development is compatible with the structure and that its surroundings are preserved.

2.8 LAND USE & ECONOMIC DEVELOPMENT KEY PROJECTS

Washington Avenue Key Projects

Washington Avenue is the “Main Street” of Keyport and many consider as the front door to Keyport. The public wharf and the Keyport Mercantile were historically located as the north anchors of the commercial avenue with the majority of all Keyport commercial activity and parcels oriented to Washington Avenue. Washington Avenue also provides the direct linkage to the Naval Undersea Museum by way of a pedestrian gate at the southern terminus of the public street. For economic development to successfully be implemented in Keyport, the five projects for Washington Avenue are keys to that success including the Naval Undersea Museum Pedestrian Gate, the Keyport Saturday Street Fair / Farmers Market, The Keyport Village Square (please refer to Chapter 3, Section 3.6), The Washington Avenue Pedestrian Improvements, Marina Improvements (please refer to Chapter 5, Section 5.6).