



KITSAP COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

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Larry Keeton, Director

Keyport Community Planning Process Community Stakeholder Group Meeting: M I N U T E S

Tuesday, April 24, 2007, 7:00 – 9 p.m.

Location: Keyport Bible Church, 15270 Washington Ave. NE, Keyport, WA

Meeting Facilitators: Milt Meeds, Keyport Improvement Group Secretary,
& James Weaver, Kitsap County Department of Community Development (DCD)

Meeting Attendance (from sign-up sheet): Eric Buechler, Doug Chamberlain, Don Cramsey, Rich and Barbara Culley, Deborah Dubois, Shirl Golden, Diane Jennings, Ednamay Kennedy, Gary Kohler, Milt Meeds, Evonne Posten, Andrew Sheridan, John Steinmetz, Carol Thompson, Brian Watne, James Weaver (DCD), Katrina Knutson (DCD), Jim Avery (Kitsap County Assessor), and Jodi Wroblewski (Kitsap County Facilities, Parks, & Recreation).

Agenda Item I: Meeting Introduction:

Milt Meeds, Secretary of the Keyport Improvement Group, began the meeting and discussed the upcoming Keyport Improvement Group elections at the next meeting. Milt also gave a status update regarding the Keyport Improvement Group Activities. Milt then turned the meeting over to James Weaver, from DCD.

James Weaver, a Senior Planner with Kitsap County Department of Community Development and the project manager for the Keyport Community Plan gave a brief update of the community plan status and presented an overview of the project schedule. James described the next steps for the release of the Draft plan, which was estimated for the last week in June. James described the public approval process, the public comment period, the public hearing, and the meetings with the Kitsap County Planning Commission and the ultimate meetings with the Kitsap Board of County Commissioners.

James reminded the group that **Friday, May 4th, was the last day for them to provide input into the Keyport Community Plan online survey.** James indicated that the Keyport Community Plan website address was located at the bottom of each meeting minutes. At that point, James turned the meeting over to Jim Avery, the Kitsap County Assessor.

Agenda Item II: Discussion with Kitsap County Assessor, Jim Avery:

Jim Avery introduced himself to the group and described his position as the elected Kitsap County Assessor. Jim discussed and presented the group with a handout titled "All You Need To Know About The Assessor". Jim described the role of the assessor as having the primary responsibility for identifying the actual parcels, carefully mapping each parcel and utilizing a Geographic Information System to accurate track that information. If any had used the Kitsap County Parcel Search feature on the County website, this function provides much of the assessor information for any parcel. The ability to provide this automated data online has greatly increased the Assessor's efficiency, ability to provide customer service, and also provides complete transparency for any parcel data. Jim indicated that as a result of instituting this computerization and better efficiency, the department actually has less staff and is more efficient than when he began his term as assessor.

Jim Avery then discussed the great staff that is employed at the Assessor Department and described the different types of customer service they can provide. The front counter staff is more than happy to work closely with any concerned citizen to explain the assessment issues, the property data, the mapping or any other topic related to the assessor duties. Jim Avery also distributed his business card and indicated

he would personally answer any questions someone in the group would have about their parcel or their taxes. Jim explained that taxes are instituted and/or increased by voters or through the elected officials, levies, or other measures. He described his job as more of a messenger who is required to distribute the property tax burden. Jim then explained how levy rates are generally calculated for each taxing district, describing the complexity involved with the overlapping junior taxing districts all having different levy rates. An example of junior taxing districts in Keyport would be the Port of Keyport, the Poulsbo Fire Department, the Kitsap Public Utility District, the North Kitsap School District, etc. The funding provided by property taxes were explained how they pay for 1/3rd of all county services, and almost 100 % of school, fire district, port, library, park and Public Utility District services.

Jim then described the "market value" aspect of the assessment process, which was an area of tremendous interest to the group. Jim indicated that, as an economic market, that Real Estate could not always be defined as a "rational" market. Typically, a "rational" market would be one where all products are similar and that with all things equal, the less expensive product would be the first choice. Real estate is not "rational" in that each parcel is a unique item in the world and that some would pay far above a "reasonable" amount for that particular item. As many in the group acknowledged, overall, the Kitsap County appreciation rates have been robust, to say the least. Jim estimated that for this neighborhood, appreciation has been approximately 12%, 20% and 20% for the last three years. This property appreciation has had a distinct impact upon the assessed value due mostly because assessments are based upon a property market value as required in State law.

Jim then described the valuation process for the 112,000 Kitsap County parcels he is required to assess each year, and described some of the factors that go into those assessments. Jim described the use of "comparables" in the valuation process and indicated that recent sales are a valuable part of that calculation. Improvements, subdivisions, new construction, and changes in zoning also have impacts into the valuation process. Other factors include size of the parcel, location (85 different tax neighborhoods), property type (improved, vacant, waterfront, commercial, etc.), building age & condition, quality of improvements and quality of views. Other items that have a direct impact would be unique improvements such as boat ramps, private docks, etc., which given the amount of waterfront parcels in Keyport does have more impact than most communities. Jim Avery then passed out his business card with his direct contact information and then opened up the floor to questions: The group had a number of questions and joined in an animated discussion.

Question: *I received a card on my door that your department visited my house this year and reassessed my waterfront home. Here is my most recent tax statement; can you answer why my property assessment tripled? And how do I appeal this huge assessment?*

Assessor Reply: We typically update each neighborhood on a six year cycle, this last year was the Poulsbo area neighborhood / assessment tract and that included Keyport. A card on your door meant that the assessor staff person physically evaluated the outside of the property to gain the most accurate assessment possible. Waterfront valuation assessments also include a calculation of linear feet of waterfront property and the quality of view that each parcel may have.

A better question might be why your property assessment made an immediate one year increase instead of gradually increasing over the entire last five years when little to no increase was apparent. In smaller communities such as Keyport, there are fewer sales to measure comparables for determining the general valuation increase over a neighborhood. Last year, Keyport had a few home sales that reflected the recent property appreciation and desirability of quaint waterfront communities, such as Keyport. These recent sales were calculated into the valuation models for the Keyport area and that, combined with the six-year on-site inspection of the neighborhood this year, may have increased the taxable valuation of all the properties in the area.

Assessments are required by state law to reflect the accurate valuation of the parcels. All of the waterfront property has become very desirable in Kitsap County and has experienced increased appreciation. Additionally, here in the north part of the county, the North Kitsap School District bond levy and other levies that passed in the recent elections directly impact your personal tax bill.

The appeal process is a through the tax equalization board and it is a very simple process for appealing the tax estimate. The equalization board may not always side with the Assessor Department valuation, as each parcel is uniquely different and the calculations for the 112,000 Kitsap County parcels may have an occasional occurrence where the actual on-site conditions are not accurately captured in the judgment of the board. The assessment process has become quite unified throughout the taxing jurisdictions with the process being about 95 % scientific, and 5 % art. The department strives to further refine that 5 % with one of those methods of refinement being through these individual tax appeals.

Question: *What would be the impact of passing the Fire levy or the Library Levy in May?*

Assessor Reply: I am not here to discuss whether or not the community should support a levy or not.. A direct answer to your question would be that an increase in your property tax will occur with each levy passed. Each of these levies is a personal decision by the voters. Once the vote is decided, I just calculate the levy rate and apply that to the yearly property tax.

Question: *Why don't the property taxes reflect the wages that we bring home? Our wages don't increase each year, but the property tax seems to keep increasing exponentially?*

Assessor Reply: Washington State is a state that funds the majority of government services, education, and public infrastructure through two means, sales tax and property taxes. Property taxes don't take into account any valuation for the actual wages or income of the property owner. It would require some form of income tax in this state to balance these funding mechanisms upon the incomes generated by it's citizens. Other states have enacted property measures similar to California's Proposition 13, which would freeze tax assessments based upon the valuation of the last parcels' sales price. Washington State doesn't presently have any such measures, and it would be upon the voters or state legislature to enact something of that nature.

Question: *Why did my dock and float taxes increase when I lease the underlying tidelands from the Washington State Department of Natural Resources? I can't pass all of that tax increased on directly to my moorage customers, they would leave. So who is going to absorb that increase?*

Assessor Reply: Even when the docks and floats are over land that is technically leased from the Washington State Department of Natural Resources, they are still considered improvements for the appurtenant parcel. Additionally, most commercial parcels are evaluated based upon an income approach, utilizing more information than the simple market based comparables approach. Regarding the cost of property tax in a commercial enterprise, property tax may be a necessary cost of doing business. If that cost is passed on directly to the consumer would be a decision made by the individual property or business owner. Property tax is usually small percentage of the rental income collected. Any increase in rent relating to an increase in property tax would most likely take that into consideration.

Question: *Isn't there any program for fixed income seniors from getting taxed out of their houses?*

Assessor Reply: Yes, there is a Senior Citizen / Disabled property tax exemption process that citizens may participate in if they are qualified. The program was set up specifically to keep fixed income residents from being taxed out of their homes. The current qualifications require a family income of less than \$35,000 per year. Additional programs include property tax exemptions for Forest Land, Agricultural Land, Open Space. There is even a 3 year tax exemption in Kitsap County for remodeling. The City of Bremerton also recently explored a property tax exemption for new Multi Family development. One thing to note is that all non-exempt taxpayers pay for these exemptions.

Question: *If we complete this plan and my parcel will be zoned commercial, will that increase my taxes? Do you reassess a parcel when the zoning changes or when the new building is constructed?*

Assessor Reply: Any zoning change may impact your parcel valuation, so yes there may be an increase in the tax amount. As noted before, it is the nearby sales that typically drive the valuations, so as more and more of the adjacent properties begin to be developed or sold, that would have a more immediate impact upon your valuation than the simple zoning change. Also, when the new construction is completed on your parcel, that year's valuation may change due to the new development.

Question: *Why do the taxes keep going up? I thought we passed those Initiatives to keep government from raising the property taxes?*

Assessor Reply: Yes the Washington State initiatives passed in recent years do limit government tax increases to a 1 percent per year growth. That limited tax amount is the total amount collected, and may not be necessarily identified in each individual parcel's property tax. Let me use an example of the 1 percent limit. Let us assume that last year, Kitsap County collected a total of 10 million dollars (used for example purposes only) for all county services from all property tax payers. Due to the initiatives, the total amount able to be collected the following year would be 10 million dollars plus an additional \$100,000 for a total of 10.1 million. This amount is equally dispersed upon all the property tax payers, based upon a tax rate applied to the valuation of their parcels. As the valuation of the property in Kitsap County has gone up in recent years, this has actually reduced the amount of the tax rate as that total amount is applied over all the parcels. As counter intuitive as it may seem, the actual tax rate in Kitsap County has gone down substantially over the course of my term as the Assessor.

For assessment purposes Kitsap County has a large amount of Federal and other lands that are not taxed. This impacts the tax burden on the remaining parcels. Additionally, a great deal of timber lands, state lands, open space, agriculture lands, and tax exemptions described earlier increase the overall tax burden on the remaining parcels. As there are fewer parcels to distribute this total amount to, the individual tax amount is increased for the remaining parcels. This also does not include the individual levies passed for each district which all contribute to the overall tax amount. With all things equal in the funding mechanisms for local government, and with the forecasted increases in population in the near future, local governments may have difficulty in maintaining the historical or existing levels of service without some sort of tax increases.

The group thanked Jim Avery for coming to Keyport to discuss these issues with them and for answering their questions. Jim stated that it was his pleasure and reiterated his availability to discuss individual questions anyone may have. At that point the group took a break for cookies.

Agenda Item III: Discussion with Kitsap County Facilities, Parks, and Recreation Representative, Jodi Wroblewski:

After the short break, James Weaver introduced Jodi Wroblewski from Kitsap County Facilities, Parks, and Recreation. Jodi introduced herself to the group and thanked them for their ongoing volunteerism with the two parks in Keyport, the Keyport Park on Washington Avenue NW and the Keyport Saltwater Park at the entrance to the Keyport Naval Base. Jodi then complemented the great job that Dori and the maintenance crew did for both those parks, with agreement from many members in the community. Most were surprised to hear that there were only three Kitsap County staff members responsible for maintenance of all the parks in the North Kitsap district, including Hansville, Kingston, the Regional Parks, and Keyport.

Jodi then discussed the efforts of the 2006 Kitsap County Parks, Recreation and Open Space Plan (website: <http://www.kitsapgov.com/parks/>) in identifying the needs, level of service, and capital facilities plan for the parks in the County. Jodi indicated that the plan identified a need for the large Regional Parks in the district, with a minor need for improvement in shoreline access. She also described the limited funding options that the parks department is faced with in the near future and how the maintenance may be more heavily reliant upon increased volunteer efforts in the near future. She indicated that expansions or equipment purchases may be more difficult as the parks funding is further reduced in the future funding cycles.

James Weaver offered that as part of the draft Keyport Community Plan, he and Jodi had been discussing

potential funding pilot projects for Park facilities that may be explored through the plan. He mentioned that there may be an opportunity for utilizing the Transfer of Development Rights program, and potentially using the sale of the potential development credits for funding park maintenance or improvements. James reiterated that this may be a potential pilot project and that the Department of Community Development was working very closely with Facilities, Parks, & Recreation to pursue some out-of-the-box solutions for funding. James indicated that additional information on the Transfer of Development Rights program could be found at the Kitsap County DCD website: (http://www.kitsapgov.com/dcd/community_plan/tdr)

Jodi wrapped up her presentation with a brief description of some of the recreation equipment options for small parks such as the Keyport community parks. Discussion revolved around the existing merry-go-round, swings, and type of new equipment that the Parks Department was endorsing for active recreation sites. A number of the community group strongly expressed their appreciation of the parks and explained that the parks were utilized by a wide range of user groups and age ranges, including toddlers, teens, seniors, and everything between. Jodi then opened the floor to parks questions.

Questions: *Is there any way for the Parks department to provide additional signage about the danger of the mud flats at low tide? I have seen many kids get stuck out there and loose shoes or other articles of theirs.*

Parks Reply: There are a couple of signs about the shellfish harvesting that were provided by the Kitsap County Health Department. Those signs are also maintained by the Health Department. Typically, the parks department doesn't have a warning sign regarding mud at low tide, nor have there been many complaints. It may be an inconvenient situation, but this hasn't shown up on our radar as a widespread problem at any waterfront parks. I can definitely look into that, though.

Questions: *What potential improvements could we make to improve Kayak access to Saltwater Park? Is there any potential for a small watercraft dock, float, or access path?*

Parks Reply: The difficulty in providing additional funding for any new improvements for Kitsap County parks in the upcoming years. As the budgets stay the same and the cost of providing service increases exponentially (fuel, construction materials, etc.) the ability to make improvements will rely more and more upon the available grants, donations, and volunteer efforts of the communities. The entire County is facing this similar issue. Regarding the shoreline access, Keyport Saltwater Park is identified as a semi-rural shoreline adjacent to Dogfish Bay with significant habitat benefits to this part of the bay. Most likely, any potential development or improvements would be focus on the upland portion of the park, allowing the waterfront portion to remain as natural as possible. Many of the group agreed that the Port of Keyport facilities may be a better location for small watercraft improvements.

Questions: *How can we reduce vandalism at the Keyport parks?*

Parks Reply: It was mentioned that increased lighting might be a deterrent to the vandalism issue, especially at Saltwater Park where there were no night lighting of any sort. Additional measures included the potential murals or mosaics, or similar artistic improvements to the existing structures to reduce the desire to deface community landmarks. Increased vegetation clearing around the access road was also mentioned as a potential to reduce vandalism.

Questions: *How do we as a community request new lights at Keyport Saltwater Park and a crosswalk at the traffic light on Highway 308?*

Parks Reply: The lights might be a safety improvement that could be proposed as part of the Keyport Community Plan with the idea that funding could be coordinated for the lights among many departments. Jodi describe the lights within the parks as a possible safety measure to assist in the minimizing of vandalism. Another suggestion was street lights on the Highway 308 right-of-way that illuminated the entrance to the park, utilizing State funding along Highway 308. The improvements for any crosswalk or pedestrian crossing for Highway 308 would have to be coordinated with the state as well. James added

that those two improvements were something that could be explored through the plan and the non-motorized portion of that plan.

Agenda Item V: Proposed Land Use and Zoning Discussion

James Weaver from Kitsap County Department of Community Development then briefly discussed the preliminary proposed Keyport zoning and described the revised zoning map that reflected comments received from the group last meeting. James discussed various aspects of the Neighborhood Commercial zone and the proposed Keyport Commercial Zone, which mostly impacted properties on Washington Avenue. James quickly proceeded to describe the changes that had been made to the preliminary zoning proposal as a result of the input received at the last meeting and information received to date in the online survey.

For a comparison with the other rural villages in Kitsap County, James handed out the use tables for the other Limited Area of More Intense Rural Development (LAMIRD) plans including the Manchester Village Plan, Port Gamble, and Suquamish Plans as an example of similar development code. He described a new commercial zone as Keyport Village Commercial (KVC) which would be applied to most of Washington Avenue and along southern portions of Highway 308. The Keyport Commercial Village zone would allow a mix of commercial and residential uses, but those specific uses are still being developed and would be available at the next meeting. James indicated that the use tables were being developed to reflect the comments received in these public meetings and the comments received in the online survey. James then closed his presentation, noting that both the Parks discussion and the Assessor discussion had run much longer than planned for. He indicated that these development code and zoning items would be further discussed at the next meeting.

Agenda Item VI: Other Business:

No other business was discussed.

Agenda Items: Next Steps / Future Meetings

The next meeting is anticipated to contain discussion of the Survey Results and Development Code.

9:20 p.m. Meeting Adjourn

Please Note: Meeting minutes are provided by Kitsap County Department of Community Development staff with comments, questions, discussion and conversations summarized to the best ability. Any corrections or comments may be directed to James Weaver at jweaver@co.kitsap.wa.us.