

# Kitsap Industrial Land, Buildings & Infrastructure Study (KILBIS) Technical Report

Kitsap Economic Development Alliance (KEDA)

*Final Draft*

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Prepared for:





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In 2024 as part of its five-year regional economic strategy, KEDA contracted Community Attributes Inc. to produce this Kitsap Industrial Land, Buildings and Infrastructure Survey.

**The purpose:** After decades of speculation and assumptions about our community’s economic and industrial present and future, we wanted to go get real data that could inform our economic development strategies. It was time to identify the land and building inventory that’s available in Kitsap County, carefully assess the state of infrastructure, and poke, prod, and “ground-truth” this information to better inform planning around the future of infrastructure and industry in Kitsap in order to ensure economic vitality. This work has been completed, finding:

***The most pressing near-term needs for Kitsap’s industrial market center on the creation of new industrial facilities and supporting infrastructure - quickly.***

The number one reason for this is the once-in-a-generation opportunity for Kitsap County to leverage the SIOP-related expansion of the US Navy into off-base, private sector industrial spaces for at least a decade to come. This near-term demand from the Navy alone is almost as great as the forecast demand related to natural growth through 2035 for the whole county. In addition, a persistent, years-long dearth of available high-quality industrial space has led to pent-up demand which cannot be currently satisfied in Kitsap, leading to major missed opportunities for industrial growth.

This won’t be easy. **The good news** is that Kitsap County has significant potential for industrial growth due to abundant available land, much of it within designated industrial zones and some with infrastructure already in place. The more challenging news is that obstacles exist, including a lack of high-quality existing space, challenging underlying economics to build speculative new space, and a lack of adequate infrastructure and other issues in the county’s greatest industrial asset – the Puget Sound Industrial Center – Bremerton (PSIC-B).

The existing industrial context presents economic development stakeholders and local government with several opportunities and constraints on future industrial development. Nevertheless, our key finding in the Kitsap Industrial Land and Buildings Survey is **a call to action** to overcome these challenges and build industrial development capacity in the interest of the area economy.

Joe Morrison

Executive Director, KEDA

## EXECUTIVE SUMMARY

### Current Conditions

*Kitsap County has unique potential in the Greater Seattle industrial market—but faces significant challenges in achieving that potential.*

**The County’s remarkable, positive asset:** Unlike other counties in the region, there is a great deal of land available for growth – nearly 2,200 acres by our count – for established and growing industries such as Kitsap’s maritime, defense, and advanced manufacturing clusters. Some commercial brokers describe this as enough industrial land to last in Kitsap for “well over a century.” Even better, almost two-thirds of this available land is enshrined in Puget Sound Industrial Center – Bremerton, a designated Manufacturing Industrial Center (MIC). As one of only 11 MICs in the Puget Sound region, PSIC-B enjoys special planning, funding, and regulatory advantages that support industrial development. In addition, a Planned Action Ordinance (“PAO”) established by the City of Bremerton renders industrial proposals meeting certain criteria exempt from State Environmental Policy Act (“SEPA”) threshold determination. In PSIC-B alone, the Port of Bremerton identified almost 500 acres that could be developed in the near- to mid-term with modest infrastructure investment. Up to a dozen sites in Olympic View Industrial Park and at Bremerton National Airport are pad-ready for development right now.

**The problem:** Since around 2017, there have been almost no existing buildings available for industrial use in Kitsap, and very few proposed projects. Industrial buildings that exist currently tend to be undersized, older, and, at best, in fair condition. The county’s extremely low industrial vacancy has persisted for years, even as market rents have risen. Despite resulting pent-up demand that would provide for hundreds or even thousands of more good industrial jobs in Kitsap, the private sector can’t or won’t build new speculative industrial space, in part because market rents may not be high enough for necessary

profitability<sup>1</sup>, but also due to perceptions around demand and entitlement risk, and lending and construction costs.

By far the largest industrial opportunity in Kitsap is Bremerton’s 3,200 acre **Puget Sound Industrial Center (PSIC-B)**. PSIC-B contains nearly two-thirds of all industrial land available for growth in Kitsap, and almost of the large development site opportunities. It also represents the largest concentration of industrial employment in Kitsap, with forecast 2035 industrial employment accounting for over 20% of total countywide industrial employment.

**The major challenge:** While significant excess capacity currently exists in PSIC-B to absorb greater employment growth, development has been constrained for three primary reasons:

- Limited infrastructure capacity to accommodate growth. While around a dozen pad-ready sites (totaling 16 ac) do exist with infrastructure, the Port estimates that over \$45 million in road, sewer, water, and power upgrades would be required to make another 230 acres developable in the near- to mid-term.
- Uncertainty in speculative development and demand. While a number of sites have been previously listed, initial interest hasn’t resulted in new development, in part due to companies’ aversion to the ground leasing predominantly available in PSIC-B; in addition; current lease rates may not support speculative development.
- Competing jurisdictional oversight and goals for the subarea. As an MIC, PSIC-B is subject to planning and recertification requirements from PSRC, federal (FAA) airfield requirements as an airport, lies within the dual jurisdictions of both the City of Bremerton and Kitsap County, and has significant parcel ownership by the Port of Bremerton.

## The Navy

*The Shipyard Infrastructure Optimization Program (SIOP) program soon underway by the US Navy represents a once-in-a-generation opportunity for Kitsap County to grow its industrial base.*

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<sup>1</sup> A development feasibility analysis conducted by Heartland Associates in the Port of Bremerton’s 2017 *Competitive Analysis and Market Strategy* found that, for a build-to-suit or spec development scenario, “the rent required to cover the total development costs, and to generate a 10% return to the developer, is almost twice the average rent within the Bremerton submarket.”

Bremerton’s waterfront is home to **Puget Sound Naval Shipyard and Intermediate Maintenance Facility (PSNS & IMF)**, which provides a vital role in national defense: It maintains aircraft carriers, recycles submarines and conducts a range of critical maintenance for the US Navy. It is the largest single employer in the community with a steady-state headcount of approximately 14,500.

As Puget Sound Naval Shipyard is approximately 133 years old, originally designed to build sail and conventionally powered ships, the Navy has acknowledged PSNS & IMF and the nation’s other public shipyards are no longer well-configured for the 21<sup>st</sup> century: Investments to sustain the operation have likely been inadequate over the decades; capital equipment is well past its useful life. The Navy recognizes it needs to optimize its shipyard facilities, utilities, dry docks, equipment and information technology infrastructure, as well as to service new platforms like the Ford-class aircraft carrier.

To address this need, the Navy established the **Shipyard Infrastructure Optimization Program (SIOP)** program office in May 2018. Originally slated as a \$21 billion total program for the nation’s four shipyards that would take place over 20 years, in June 2023 the Government Accountability Office indicated that these costs had likely already risen significantly. As an example – in 2022, a cost estimate update of the first SIOP plan for Pearl Harbor Naval Shipyard rose from \$6.1 billion to \$16 billion.

SIOP is not yet officially underway at PSNS & IMF, but the Navy has already been conducting a variety of projects to update facilities there. As military construction projects on the base are planned and implemented, a **scarcity of available land on-base has begun to drive requests to lease space off-base**. Significant potential exists for far more in the coming years. When SIOP commences at PSNS & IMF, work could last five, ten, or even up to 20 years. While any new jobs and space utilization would technically be temporary, the potential for “temporary” to become long-term industrial activity (and jobs) is significant as the PSNS & IMF receives a generational upgrade. Impacts to the local industrial building market and area communities will be significant.

## **Ground Truthing Demand**

*Total demand likely exists for at least from 635,000 to 735,000 square feet of building space, and from 35 to 60 acres of land – and potentially much more due to pent-up demand resulting from years of ultra-low vacancy and sub-par industrial facilities.*

As part of this project, CAI developed a custom industrial employment forecast for Kitsap County, covering both federal and private sectors throughout 2035. Unlike the Puget Sound Regional Council (PSRC) forecasts, which partly rely on countywide growth policies, CAI's approach accounted for market-specific conditions in Kitsap County.

Due to the current low industrial vacancy rates and alignment between the two forecasts at higher growth levels, CAI projects an employment **growth-related demand for around 300,000 to 400,000 square feet of new industrial space** by 2035, translating to a land requirement of approximately **11 to 34 acres** (representing only 1.5% of land currently available for growth), based on achieved densities from Kitsap County's latest Buildable Lands Report, to accommodate this growth.

As part of ongoing renovations at Naval Base Kitsap (NBK) Bremerton under SIOP, **the Navy is leasing off-base space within 40 miles to temporarily replace vacated facilities**. The Navy's 2023 Request for Information (RFI) outlines needs for up to **282,000 additional square feet of industrial facilities** and 53,000 square feet of Class A office space, translating to around **25 more acres of industrial land**. Key challenges include zoning, permitting, and environmental issues that could delay leases and disrupt schedules. (It's also worth noting that this figure could be low: This 282,000 square foot number is based on the 2024 real estate solicitations that Naval Facilities Command put out in Kitsap. Potential may exist for this to double or triple moving forward.)

Beyond forecast growth and Navy needs, there is very likely significant pent-up demand due to years of low vacancy and rising lease rates in the Kitsap County industrial market. The concept of **“induced demand”** – where the addition of new buildings to the industrial market could trigger renewed development interest and demand in the Kitsap industrial buildings market – may hold strategic promise for Kitsap County given current extremely low vacancy rates and continued strong industrial fundamentals regionally and nationally.

## **Land & Facilities for Growth in Kitsap**

*Kitsap has an extremely low vacancy rate in buildings of 1.8% that has persisted for years; its stock of 350+ buildings and 3.88 million sf of industrial + flex space is older and in fair to poor condition. There are 2,022 acres of land available for growth countywide with capacity for 28,000 new jobs; two-thirds of that land is in PSIC-B. Many sites are small.*

The industrial space situation in Kitsap County presents both opportunities and challenges, as **Kitsap County has experienced an unhealthy low vacancy rate below 5% since 2015 and below 2% since the end of 2016.** (A healthy industrial vacancy rate is typically considered 5%.) On the positive side, such vacancies have driven a 65% increase in lease rates, from \$7 to over \$11 per square foot. This rent growth enhances the feasibility of new construction, encouraging speculative development and supporting economic growth. However, the scarcity of available industrial space limits opportunities for existing businesses to expand and restricts the ability to attract new firms, significantly hindering potential job growth in the area.

In terms of land available for growth, we assessed the current inventory of space and backfilled missing information regarding PSIC-B to characterize suitability including for the Navy off-base leasing needs. Per the Buildable Lands Report, approximately **2,022 acres of land are currently available for growth across Kitsap County**, net of critical areas and other constraints, with capacity for over **28,000 additional jobs**. This acreage would translate to around **10.2 million square feet of building capacity** at prevailing FARs – more than two and a half times current inventory.

89% of this supply is located in Kitsap County's incorporated cities with more than 90% of that located in PSIC-B according to CAI estimates. In a previous report<sup>2</sup>, CAI estimated around **1,350 net acres** of developable land were available for growth in **PSIC-B** that was not broken out by the BLR, including nearly **500 acres on Port of Bremerton** property. At a modest employment density of 5.5 employees per acre, this PSIC-B supply could accommodate nearly 7,500 more jobs. However, significant infrastructure investment would be required to render these sites developable. Outside of PSIC-B there were only **three parcels 20 acres or larger** (within PSIC-B, the average block size is 150 acres, and sites in the Port of Bremerton owned parcels range in size from 1 to 130 acres and average 12, 22, and 3 acres in each of three zones – Olympic View Industrial Park, Bremerton National Airport, and Sky Park, respectively).

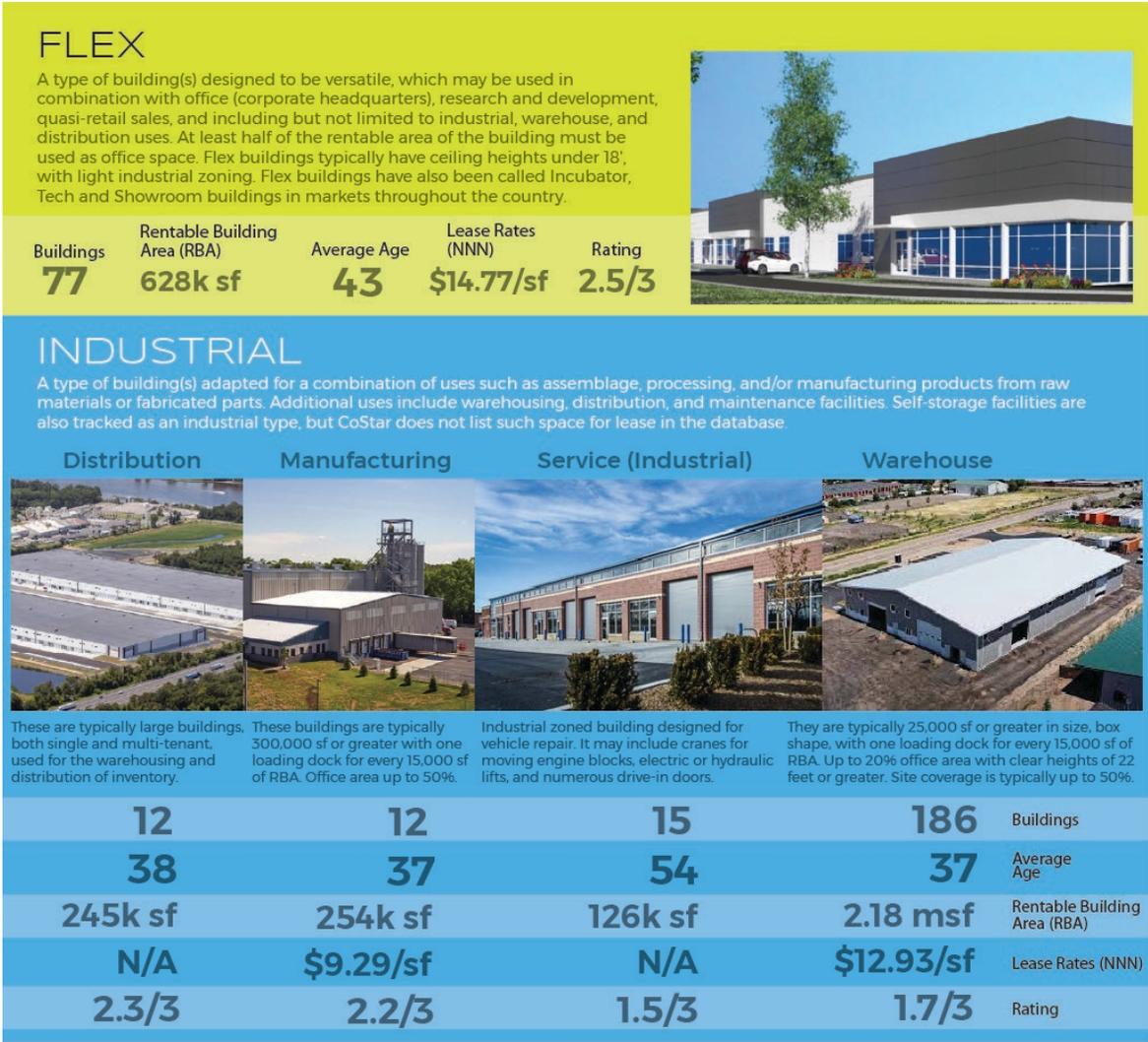
In terms of facilities, as of Q4 2024, **Kitsap County's industrial and flex space inventory includes 352 buildings with 3.88 million square feet of rentable building area (RBA)**. Industrial-specific inventory totals 3.2 million square feet across 275 buildings, with an average NNN lease rate of \$9.29 per square foot annually for

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<sup>2</sup> *City of Bremerton Puget Sound Industrial Center Market Study*, by Community Attributes, Inc., September 2023.

manufacturing space, and \$11.15 per square foot annually for all industrial sub-types averaged. Flex facilities comprise another 77 spaces totaling over 600,000 square feet and average \$14.77 per square NNN annually.

**Industrial facility typologies** (sub-types) tracked by the market include manufacturing, distribution, warehouse, and industrial service, in addition to the flex typology (see graphic summary, below). More than two-thirds of all industrial facilities in the county are warehousing sub-types, which, along with industrial services facilities, are the oldest sub-types on average.



Source: CoStar, 2024; Community Attributes, 2025.

The county's industrial facilities are generally older and of moderate quality compared to other regional markets. The average age of most industrial buildings in the county **exceeds 40 years**, and average star ratings (based on a proprietary 3-star quality assessment system by

CoStar) are 2.0. Flex buildings, while older on average, are of generally higher quality, with an average 2.5 star rating.

With a low **vacancy rate of 1.8% as of Q4 2024, only eight buildings / spaces were currently available for lease or sale**, concentrated in Bainbridge Island (three buildings) and West Bremerton (two buildings).

Despite significant land capacity and interest, including from the Port in PSIC-B, substantial new construction and infrastructure investment are needed to meet industrial demand in Kitsap County. Currently only four new industrial projects are proposed.

## Infrastructure Realities

*While 8-10 “pad-ready” sites with infrastructure exist in PSIC-B on Port property (totaling ~16 ac), over \$45 million in road, sewer, water, and power upgrades are required to make another ~220 acres developable in the near- to mid-term; the remaining ~230 acres of vacant Port land have almost no infrastructure currently.*

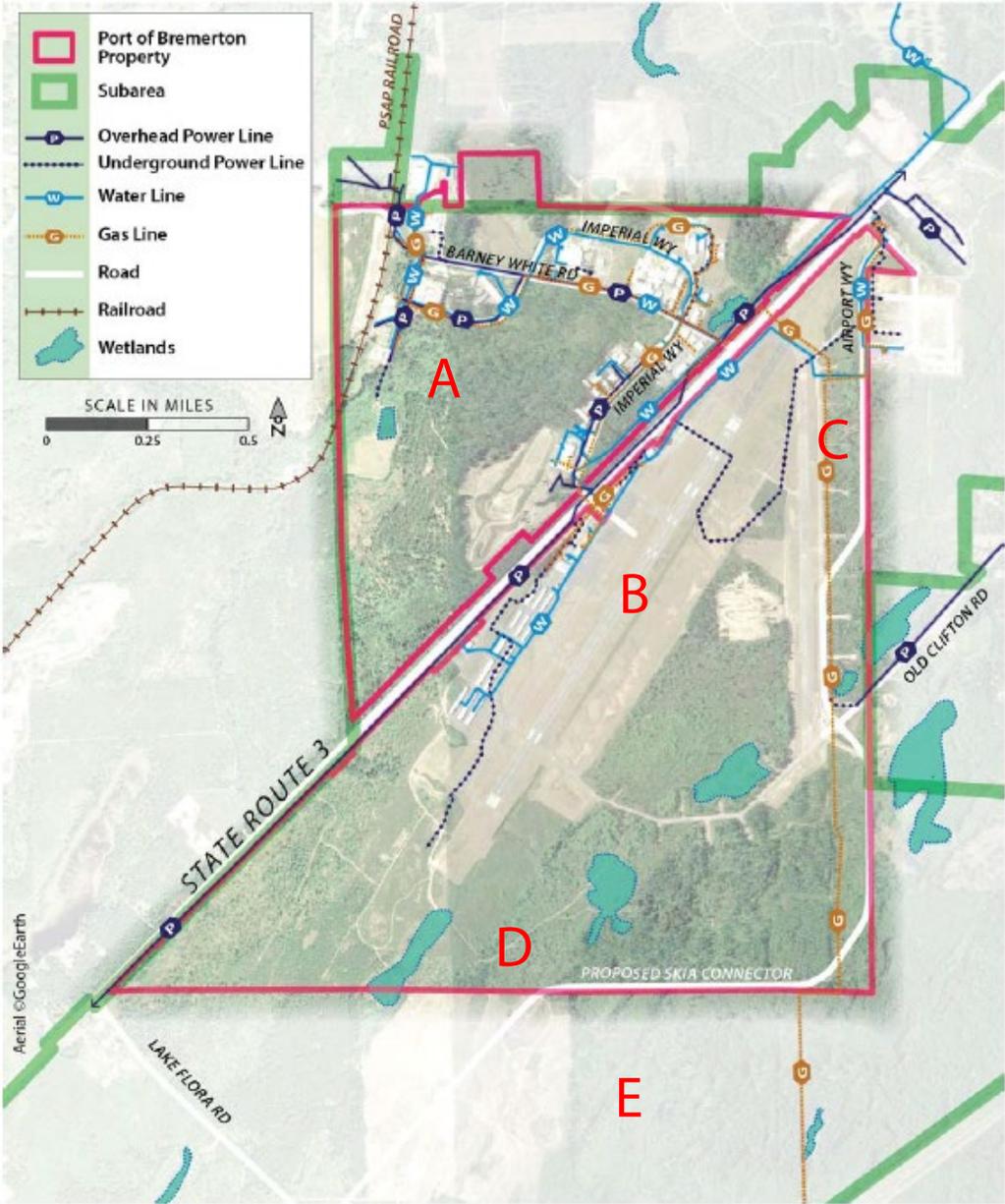
Stakeholders interviewed acknowledged that Kitsap County has significant limitations in its infrastructure capacity that can impact potential future industrial growth in the region. One of the most pressing issues is the lack of adequate utilities, particularly **sewer and power capacity**, which is essential for supporting the growth of industrial zones such as PSIC-B. In addition, the county faces transportation limitations, relying heavily on trucks to move goods, with little access to efficient commercial rail, water, and air transportation across the Sound.

The **Infrastructure Gap Review** conducted with the most recent Buildable Lands Report identified three areas of industrial land supply in **unincorporated UGA areas** of Kitsap County that were subject to major infrastructure gaps. The first, in the unincorporated **northern Silverdale UGA**, is located in an area of Limited Industrial land inventory off Clear Creek Road west of Highway 3 and south of Trigger Ave. The next area is the far **southern reaches of the Port Orchard unincorporated UGA** between Bethel Road and Highway 16 and is comprised of both Limited Industrial and some Core Industrial land. The third was the **northern end of PSIC-B** along Highway 3 north and west of the new Amazon distribution center.

It should be noted, however, that while the City of Bremerton did not classify much of its incorporated portion of **PSIC-B as subject to infrastructure gaps** (due to it being instead classified as an “EIS”

area subject to separate subarea planning processes), according to our 2023 analysis this was indeed the case. We found **modest infrastructure gaps** in the currently developed portions of **Olympic Industrial Park, the Bremerton National Airport, and Sky Park** (A, B, and C in Exhibit 1, respectively), but **major gaps** in the Port of Bremerton-owned zone **south of the airport** (D), as well as the **forested areas south of the Port parcels** (E).

**Exhibit 1. Map of PSIC-B Infrastructure Provision, Kitsap County, 2017**



*Excerpted from Port of Bremerton Competitive Analysis and Marketing Strategy, 2017. Source: City of Bremerton PSIC-B Subarea Plan & EIS, 2012, 2016; Utilities Information- City of Bremerton, Puget Sound Energy, Cascade Natural Gas.*

According to the Port of Bremerton’s competitive analysis in 2017, three areas comprised primary development opportunity zones.

- In the **Olympic View Industrial Park** at the north end of PSIC-B, there were **145 acres** of net developable land available, with average site sizes of around 12 acres across 11 development sites. Capital facilities totaling an estimated **~\$28.3 million** (in 2017 dollars) were needed to render some sites developable in the near- and mid-term, and included **roadway improvements, a water pump station and treatment upgrades, sewer system extension, and surface water management swales and treatment plant.**
- In the **Bremerton National Airport (BNA)** zone, the Port identified another **293 net developable acres** comprised of 9 sites with an average size of 22.6 acres that could be made available for development – however, most of it only with extensive infrastructure investment (long term). A “Phase One” area just east of the airport consisting of 66 acres could be made developable in the near term in light of recent access road development at a cost of approximately **\$3.2 million** in capital facilities improvements (\$4.2 million dollars today).
- Finally, in the zone the Port terms “**Sky Park**,” located north of the BNA around the new Amazon fulfillment center and traffic circle on Highway 3, the Port identified a near-term opportunity for development of another **28 net acres** on five sites with an average size of 2.5 acres with capital facilities improvements estimated at **~\$3.1-~\$3.9 million.**

## Priority Recommendations

*The most pressing near-term needs for the industrial market in general in Kitsap County – but also to be able to leverage the tremendous opportunity presented by SIOP – center on the creation of new industrial facilities and supporting infrastructure as quickly as possible, as well as marketing and connecting end users to specific opportunities.*

Strategies to catalyze industrial investment and growth will be undertaken through several pathways, including KEDA’s continued advocacy and partnership with the public and private sector, codification through the ongoing Comprehensive Plan update cycle, and other regulatory and policy efforts at the county and local levels.

The following priority recommendations outline how the Port of Bremerton, KEDA, Kitsap County, The City of Bremerton and other jurisdictions can take **specific, actionable, near-term steps** to spur

the development of new industrial space and infrastructure in Kitsap County to leverage major SIOP investment and create a healthier market environment for industrial space in the community. In the recommendations section closing the main body of the report, additional **jurisdictional** and **other recommendations** are also presented for consideration.

## Catalytic Opportunities for the Port of Bremerton & KEDA

### **Build-to-Suit for the U.S. Navy**

The Port of Bremerton usually prefers to let private companies develop facilities on land it owns. However, the Port is capable of **self-developing industrial** and commercial buildings and has done so successfully in the past. Given the magnitude of the opportunity at stake in Kitsap County and the unique position and resources available to it, the Port may be the most well positioned actor in the county to catalyze private investment in the Kitsap County industrial market – starting with land it owns in PSIC-B. In the U.S. Navy, the Port would have a **stable, long-term end-user** to create the assurance necessary to self-develop needed industrial facilities on its land in PSIC-B. As a port district in Washington state, the Port of Bremerton also has at its disposal **unique avenues for financing** site development and infrastructure, including tax levies, low-interest industrial bond issues, and service fees. The Port is less beholden to institutional lenders who view the County as a secondary or riskier market, and to the effect of very high interest rates on private development. Moreover, the persistent low vacancy in existing industrial inventory makes it likely that other end users would also absorb such space when and if the Navy vacates. The Port may also benefit from a public-private partnership developing facilities with an experienced local private entity.

### **Prioritize Infrastructure Extension in Gap Areas & PSIC-B**

KEDA and the Port of Bremerton should leverage the analysis and findings in this study – as well as the PSIC-B Subarea Plan / EIS capital facilities chapter and the Port of Bremerton’s Competitive Analysis – to advocate strongly with local jurisdictions as they update their **Comprehensive Plans** to **prioritize infrastructure extension and funding**. Kitsap County, Bremerton, Bainbridge, Poulsbo and Port Orchard should elevate the extension of needed infrastructure for new industrial development into the county’s most competitive areas, including **PSIC-B, north County business parks, and identified gap areas in unincorporated UGAs** – as a top priority given the once-in-a-generation opportunity offered by the US Navy SIOP activities and their potential for spurring major industrial growth throughout the county. While much of the needed infrastructure in PSIC-B has already been **planned and budgeted**, funding has not yet been secured. KEDA is in a unique position to both advocate for the

industrial sector and to identify and connect jurisdictions with potential funding sources (see Infrastructure Funding Streams recommendation, below, for more information).

### **Subdivide & Fee-Simple Sale of Catalytic Sites in PSIC-B**

Despite pad-ready sites, many with infrastructure, and periodic listing of such properties, very few deals have progressed past initial interest in recent years – due in part to companies’ aversion to ground leasing (as confirmed in stakeholder interviews and surveys.) If the Port were to pivot on a handful of properties with exceptionally strong potential for new development and consider their **subdivision from the larger parcel and fee-simple sale**, significantly elevated interest might be garnered from developers. Coupled with the potential for a **stable long-term lease with the Navy** as [outlined in their RFI](#) for needed spaces, the stage would be set for a build-to-suit or spec development to go forward in the near term that could accommodate either Navy or general industrial end user needs. While not necessarily a sustainable long-term strategy, the treatment of a few catalytic properties in this manner could have a cascading effect nearby in PSIC-B – especially if new infrastructure is extended with the private development that can be leveraged by subsequent development.

### **Leverage Existing Plans for Priorities and Funding**

Kitsap County, in collaboration with KEDA, should build on existing strategies such as KEDA’s five-year **OneKitsap** economic strategy and PSRC’s five-year **Regional Economic Strategy (RES)**, by identifying additional policies squarely focused on industrial growth needs. As identified in this report, KEDA can support more targeted industrial planning and implementation. Kitsap County can potentially leverage its Economic Development District in PSRC for **US EDA and other funding** sources available by highlighting and advocating for priorities in the RES and elsewhere. In addition to existing plans, Kitsap cities should consider formalizing inter-jurisdictional cooperation – including possible infrastructure funding in major opportunity areas of the county like PSIC-B. Precedents exist (such as [this one](#) in Massachusetts) for formalized partnerships created to advance economic development projects too large for any one jurisdiction.

### **Explore a Site Readiness Initiative**

KEDA, in collaboration with Kitsap County, local jurisdictions, and the Washington State Department of Commerce, should consider the design and implementation of a site readiness initiative to **accelerate the development of industrial sites** in Kitsap County potentially modeled on the [Verified Industrial Properties \(VIP\)](#) Program in Detroit. The program provides a searchable database highlighting vacant properties in the region – but with **verified data** on utilities, site conditions, and other factors that simplifies due diligence. The program

also engages and **supports property owners, brokers, and local governments to assess and prepare sites for future development.** Sites may be eligible for up to \$200,000 in support to assist with planning and development, plus confidential technical assistance. A Kitsap program could connect existing resources like the CBA Choose Washington listing tool and the new Department of Commerce industrial site readiness grants. The program could conduct a region-wide search to identify properties not currently zoned for industrial use but with the potential to attract jobs and investment to the community – and work with jurisdictions interested in re-zoning them.

## Catalytic Opportunities for Local and Regional Government

### **Reduce Permitting Timelines & Increase Predictability**

One major area of development uncertainty that Kitsap County can control is entitlement risk – the **perceived and real time toward securing necessary permits** and land use / zoning **assurance from early stage planning that approval is likely** to certain if clear procedures are followed. Senate bill SB 5290 will provide governments with a new permit processing timeframe. The default timelines for permitting include 65 days for permits that do not require notice, 100 days if public notice is required and 170 days if public notice and hearing is required. **Meeting or exceeding these new guidelines** would go a long way toward inducing new development activity across the market. In addition, the County should consider updates to existing zoning restrictions disallowing heavy manufacturing and requiring conditional use permits for light manufacturing in rural industrial zones. The City of Bremerton’s zoning code for industrial zones is simpler and more permissive compared to Kitsap County as it allows nearly all industrial uses by right, making it more accommodating for industrial development than the rest of the county.

### **Assess Infrastructure Funding Streams**

In addition to funding vehicles uniquely available to the Port of Bremerton, KEDA and its partners in county and local governments should seek to strategically evaluate, apply for, and secure other available funding streams available for economic development projects in PSIC-B and county industrial parks in need of upgrades. Well-known public finance vehicles available to jurisdictions and coalitions of landowners in Washington State include **Tax Increment Financing (TIF) districts**, the **Local Infrastructure Financing Tool (LIFT)** (not yet utilized in Kitsap County), **Transportation Benefit Districts**, **Local Improvement Districts (LIDs)**, and **Business Improvement Districts (BIDs)**. Other funding streams available for economic development that have been utilized in the region recently include:

- CERB Funds and the Committed Partner Program

- EPA Clean Ports, WA Climate Commitment Act (CCA), and WSDOT Port Electrification Grants
- Port Infrastructure Development Program– US Department of Transportation- Maritime Administration
- Community Aviation Revitalization Board (CARB) -WSDOT
- Integrated Planning Grants & Independent Remedial Action Grants - WA Dept. of Ecology
- US EDA Planning and Implementation Grants (described above, in *Leverage Existing Plans...* recommendation)

### **Improve Business Parks**

Kitsap County is home to a number of **existing business / industrial parks** including:

- 12 Trees Business Park, Striebel’s Corner, and Bond Road in northern Kitsap County LAMRIDs
- Kitsap Industrial Park north of Poulsbo;
- Day Road / Bainbridge Business Park and Coppertop Park on Bainbridge Island;
- Bruenn Ave and Auto Center Blvd. in Bremerton’s West Hills;
- SBC Industrial Park on the Suquamish Reservation
- Olympic View & Sky Park in PSIC-B;
- and the Port Orchard Industrial Park

Such parks are key to the identity and perception of the industrial market in Kitsap, yet many existing facilities within them are older (averaging nearly 40 years), smaller (only ~12,000 sf on average) and outdated or in poor condition. Urban design, including planting, lighting, circulation, wayfinding, and other factors are lacking in many places. KEDA should consider coordinating and collaborating on work with the county and cities to implement **urban design improvements**, marketing and communication of spaces or building available for sale or lease, and even improvements to infrastructure or facilities themselves by connecting end users or developers to financing vehicles described. One possibility is the creation of a **commercial / industrial façade improvement program** that is focused on signage, branding, and building facades in the parks. Many successful examples of such a program providing loans and grants to awardees for such improvements exist in Washington, including in the cities of Seattle, Port Angeles, Auburn, Richland and Pasco. Another tool available involves the creation of **reimbursement districts**, like the ones implemented in the Tigard Triangle in Portland, Oregon. Reimbursement districts allow developers, municipalities, or special districts to construct public facility improvements (e.g., roads, sewer, water lines) and be compensated over time for the additional capacity that they provide to nearby properties when they subsequently connect to the new improvements.

### **Incentivize Site Assembly of Large Industrial Parcels**

Outside of PSIC-B, there are currently only three developable industrial parcels greater than 20 acres. Large sites are uniquely powerful assets for new industrial development interest. Kitsap County and local jurisdictions should consider new policy and / or regulatory approaches to enable and incentivize land assembly in competitive zones where ownership is fragmented. Tools to encourage private sector land assembly include **graduated density bonuses** and **graduated density zoning**. These allows additional development intensity – often in the form of increased FAR or building height allowances – for larger sites, increasing landowner cooperation in assembly and reducing holdouts – and can incentivize developers to pay higher premiums for adjacent land. Another way to incentivize voluntary assembly could involve **simplifying the permitting process** for larger developments to reduce administrative hurdles and encourage landowners to participate in land assembly.

### **Plan for Gravel Pit Sunsetting and Redevelopment**

Kitsap County has several large-footprint gravel and sand mining sites – including in the Newberry / Dickey area, near 12 Trees, the West Hills area of Bremerton, and in PSIC-B – that could represent great potential for future industrial redevelopment (due, in part, to their sheer size) if their **transition from mining is strategically** managed over their useful mining lifespan. Policies that should be considered by these jurisdictions include **site aggregation, exit planning, and strategic phasing and reuse**. Through site aggregation, more viable redevelopment opportunities can be created and costs associated with reclamation are much lower on a per acre basis. With proactive exit planning, portions of mining operations can be independently zoned and entitled in anticipation of future uses after conditional use permits expire. Collaboration on a phased exit strategy can allow for continuing mine operations while phased redevelopment occurs.