

CITY OF BAINBRIDGE ISLAND  
OPEN SPACE COMMISSION

Recommendation No. 1

July 23, 2002

**Property.** Lots 46-49, Blakely Beach Addition No. 1, Rockaway Beach Rd.

**Description of Property.**

The property is four adjacent waterfront lots near the south end of Rockaway Beach Rd., Bainbridge Island. It is at the foot of Halls Hill Rd.

The four lots range in size from 3920 to 6970 square feet, each with waterfront footage of 60 feet. The total size of the property is .49 acres, with 240 linear feet of waterfront. The lots are level, with the exception of the western portions of the middle two lots, which rise to Halls Hill Rd.

Although the property consists of four lots, current setback requirements in the R-2 zone make it impossible to construct four residences. It is likely, and recommended, that the four lots be aggregated into two lots of approximately 9,000 and 12,000 square feet with 120 of waterfront.

The property faces toward the east, and has spectacular views of Seattle and the Cascade Mountains from Mt. Baker to Mt. Rainier. The property also has significant water features including tide pools and rock formations and provides access to a relatively pristine marine environment.

The property is owned by Port Blakely Tree Farms.

**Price and Terms.**

The Bainbridge Island Land Trust (BILT) has negotiated an option to purchase the property for \$585,000. This price was based on an appraisal by Anthony Gibbons, MAI, CRE, of RE-SOLVE. The option cannot be extended; it must be executed by August 16, 2002, with closing to occur by August 30, 2002.

The option also includes a requirement that Port Blakely Tree Farms, at its cost, process the aggregation of the four lots into two.

The BILT intends to assign the option to the City of Bainbridge Island.

### **History of Acquisition.**

BILT has been involved for the past six years with acquisition of various properties from Port Blakely Tree Farms, which have become what is now known as Blakely Harbor Park. In the fall of 2001, Port Blakely Tree Farms inquired if the BILT would like to also acquire this Rockaway Beach property. BILT approached the City, which responded that it might be interested and authorized the preparation of an appraisal. These activities all took place prior to the creation of the Open Space Commission.

The City agreed to reimburse the BILT for the costs of an appraisal and for any required option money necessary to "tie up" the property. The initial option negotiated between BILT and Port Blakely Tree Farms called for a purchase price of \$675,000. After the appraisal was released in March 2002, BILT and Port Blakely agreed to an amendment to the option reducing the price to the appraised value of \$585,000.

The option was due to expire on April 30, but was extended until August 1 and again until August 15 at the request of the City. The reason for the extensions was to allow for more time for the Open Space Commission to consider the property in light of other properties which were nominated for purchase.

### **Reasons for Purchase.**

The Commission recommends purchase of the Rockaway Beach property because: (1) it is low-bank waterfront that is easily accessible to the public and offers a variety of uses; (2) it has a unique cluster of characteristics different from other public waterfront properties; (3) the property must be purchased now or it will almost surely be sold for private development; (4) it is reasonably likely that the price may be reduced through grants and contributions; and (5) the prospect of a steadily increasing population accentuates the need to establish a variety of water access sites that are freely accessible to our "urbanizing" community.

#### **(1) Accessible Waterfront.**

Everyone realizes that, even though we are an island, Bainbridge Island has very little public waterfront access. Out of 48.6 miles of shoreline, 2.7 is in public hands (plus 1.6 miles of public view property). Therefore, it has been the policy of the City to seek to expand public waterfront access.

This particular property is very accessible to the public, as a public road is directly west of all four lots. The property is flat, low-bank, so that almost anyone can easily enter it and proceed to the beach. The property is perfect for picnicking, beach combing, launching a kayak, and just looking at the exceptional view.

In addition, the property has a relatively pristine marine environment and significant underwater features that have drawn diving enthusiasts and marine biologists for years. It is recognized by divers and marine biology educators as one of the best spots on Bainbridge Island.

(2) Different Waterfront

This property is different than other public waterfront properties. Nearby are Blakely Harbor and Ft. Ward parks. Much of the waterfront of Blakely Harbor Park is tide flats, and access to the rest of the shoreline is presently limited. Ft. Ward's exposure is to the west facing the Kitsap Peninsula, and access to its shoreline is also limited. The views from the two parks as well as the types of usage are significantly different from Rockaway Beach.

There is much effort being devoted to acquiring the Wyckoff property for a public park. That property does have views comparable to, though not precisely the same as, the Rockaway Beach property. Wyckoff, however, does not have the marine features found at Rockaway Beach, and, as a Superfund Site, has a significantly degraded marine environment; water access will probably be limited for decades.

(3) Opportunities for Grants and Other Creative Alternatives

There is no doubt that the cost of this property is high, which is to be expected of prime waterfront property. However, its marine features make it a likely candidate for recreational grants, and the Bainbridge Island Park & Recreation District has already made plans to submit such a grant application.

There is also the possibility of raising funds from the local diving community to help offset the price.

It is also possible that the City could sell one of the two eventual building sites (after the four lots are aggregated into two lots). The logical lot to sell would be the north lot, for the south part of the property has the most interesting marine features. The present appraised value of the north lot is \$280,000.

(4) Timing is Now.

Port Blakely Tree Farms has been selling its Bainbridge Island properties for the past six years. This is one of the few pieces it has remaining. Port Blakely's intention is to continue to liquidate its properties. As a result of its relationship with the BILT, it has held this property off the market while an appraisal was prepared and while the Open Space Commission was organized.

The company desires to sell the property this fiscal year. If the property is not purchased, then it is likely that it will be sold for private residential development. Once that happens, the chance of obtaining comparable waterfront with all these features will be gone.

### **Reasons Not to Purchase and Response.**

In all fairness to the community, there are reasons not to purchase this property. The primary one is the cost; \$585,000 is 7.3% of the \$8,000,000 open space levy. For that money, the City will be acquiring only about one-half of an acre. Further, there other waterfront properties not too far away, and a possible major park at Wyckoff could make purchase of this property unnecessary. Also, an argument can be made that money for waterfront purchases should be used on the west side of the Island, which is lacking in waterfront access. Finally, the pending expiration of the option on this property has forced the Open Space Commission to make a decision on this property before completing a thorough consideration of all nominated properties.

In response to these arguments, the majority of the Commission recognizes that, in an ideal world, it would wait until all it had fully evaluated all properties that had been nominated and all potential waterfront properties on the west side of the Island. But, timing is everything, and if this property is not purchased now, it will likely be gone. Further, the Commission does not want to base its decision on this property on the possible acquisition of the Wyckoff property. No one knows whether that will happen. Even if it does, the characteristics of the properties are sufficiently different to warrant purchase of the Rockaway Beach property now. Finally, if a more desirable waterfront property becomes available in the future, one-half of this property could be sold to help raise funds for that purchase.

CITY OF BAINBRIDGE ISLAND  
OPEN SPACE COMMISSION

Recommendation No. 2

October 8, 2002

**Property** Four waterfront lots totaling 11.81 acres on Wing Point Way.

**Description of Property**

The property consists of four adjacent waterfront lots on Wing Point Way at the intersection with Azalea Avenue. One lot is 9.26 acres; two lots are 0.96 acres each; one lot is 0.48 acre. The property also includes a gravel access road on the east side of the property, which is listed as a separate tax parcel of 0.15 acres and carries no development rights. Together, the lots form an approximate rectangle with Wing Point Way on the north and more than 600 feet of waterfront facing south across Eagle Harbor.

The entire southern portion of the property is a stretch of no-bank beach made up of sand and gravel. The property is generally level along its southern and central portions but rises steeply to the north and east. This slope is heavily wooded with second growth cedars, firs and underbrush. A large wetland is located in the center and lower parts of the property. Hawley Creek, a year-round stream runs north/south and roughly divides the western third of the property from the eastern two-thirds.

The existence of the large wetland area and the steep slope pose significant challenges to development. However, given common ownership of all four lots, boundary line adjustments could make it possible to use all four development rights.

The property is owned by John C. Hall, Mary C. Hall, Clair D. Shaw, Keldon D. Hall, and Philip Hall.

**Price and Terms**

The property is currently listed for sale at \$899,000. The Bainbridge Island Land Trust (BILT) has negotiated an option to purchase the property for \$790,000. The price was based on an appraisal by Anthony Gibbons, MAI, CRE, of RE-SOLV, in which he estimated fair market value to range from \$750,000 to \$800,000. The BILT intends to assign the option to the City of Bainbridge Island. Attachment A lists specific terms concerning use of the property that are incorporated in the option agreement.

The BILT's option was scheduled to expire in September but was extended through November 21, 2002 at a non-refundable cost of \$5,000, to allow the City time to fully consider

Assessment to ensure that the property is not contaminated. A Phase One assessment for this property has been contracted, and the report is due November 15. The BILT's option on this property can be extended to December 20, 2002 at an additional non-refundable cost of \$5,000.

### Reasons for Purchase

The Commission recommends purchase of the Hall property because (1) the property incorporates several different kinds of open space, including more than 600 hundred feet of easily accessible, sandy waterfront; (2) the property provides wildlife habitat in an area that has been largely urbanized; (3) the property offers scenic views of Puget Sound and Eagle Harbor; (4) the property has unusual historical significance; (5) the property is within walking distance of Winslow, where population density is greatest on the Island; (6) the property has been listed on the open market and will likely be sold for development if it is not purchased by the City; and (7) it may be possible to recover a significant portion of the purchase price by carving out and selling one or more home sites along Wing Point Way while still retaining the overall open space value. Under the selection criteria developed by the Commission with the aid of public comment, the Hall property received one of the highest scores to date.

(1) Variety of open space

The Hall property combines a number of different kinds of open space within its boundaries. The no-bank beach of sand and gravel extends for more than 600 feet and is readily accessible. The heavily wooded upper slope includes old second growth cedars and firs and has good trail potential. The property also includes a large cattail marsh behind the primary dune, three streams (including a year-round creek), and a large wetland area.

(2) Wildlife habitat

The different kinds of environments in the Hall property – forests, waterfront, and wetlands – provide a haven for all kinds of wildlife in an otherwise suburbanized area. Because the Hall property has so many different kinds of open space, indigenous wildlife include everything from fish, frogs and salamanders to squirrels, chipmunks and deer. Both upland and aquatic birds abound in this area., and the marsh and waterfront areas provide excellent opportunities for birdwatching.

(3) Scenic views

The property offers excellent views of the southern part of Puget Sound and Mount Rainier, the future Wyckoff Park and Bill Point across Eagle Harbor, and the boat and ferry traffic coming and going in the harbor.

(4) Historical Significance

The Hall property was a favorite summer campground for family groups from Northwestern Indian tribes. As late as 1910, Indian families canoed to the Hall property,

where they set up temporary camps during the summer while fishing in Eagle Harbor. The last of these camps burned to the ground in 1910 or 1912 after the Indians had left for the season. Except for an access road, the property is virtually unchanged since the Indians used this property.

(5) Proximity to Winslow

The Hall property is located within walking distance of Winslow, the most urbanized area on Bainbridge Island. The variety of open space environments as well as the views available from this property make it a particularly valuable resource for an area of increasing population density. It is easily accessible from the north by way of a gravel road leading off Wing Point Way. There is a rudimentary trail leading from this road to the beach. Minor improvements will allow easy access to 600 feet of sandy beach in Eagle Harbor. There is also potential access from the west by way of existing city streets.

(6) Timing

The Hall property has been on and off the market since 1996. It is currently listed at \$899,000. There have been several offers contingent upon achieving specific development standards. There are currently no all-cash, non-contingent offers for the property.

However, the Hall property is located in a highly desirable neighborhood that incorporates many of the Island's most desirable features. In the words of the appraiser, the Hall property is "situated along a stretch of extremely high quality beach within walking distance of the ferry as well as the core shopping district." Although the rate of increase in property values has slowed, real estate on Bainbridge Island is continuing to appreciate in value. That is particularly true of waterfront property. In light of these circumstances, the Hall property will likely be sold for private development if the City chooses not to exercise the BILT option.

(7) Potential for Recovering Significant Part of Purchase Price

Because of the property's highly desirable location, it may be possible to recover a significant part of the property's purchase price by selling one or more home sites along Wing Point Way. Boundary line adjustments of the individual sites in the property have the potential to create home site(s) that would be highly attractive to private purchasers while still retaining the property's overall open space value to the community.

**Reasons Not to Purchase and Response**

As with the Rockaway Beach property, there are reasons not to purchase this property. Perhaps the primary argument against this purchase is price; \$790,000 is 9.9 percent of the total \$8,000,000 open space bond levy. When combined with the purchase price of Rockaway Beach, Council approval of purchasing the Hall property would account for just over 17 percent of the \$8,000,000. Further, some would argue that other Eagle Harbor waterfront properties are

available to the public, and a possible major park at Wyckoff could make purchase of the Hall property unnecessary. Finally, the City has just purchased Rockaway Beach, another waterfront property. The ordinance authorizing the bond levy specifies that funds from the bond levy are intended to preserve a wide range of open space – not just waterfront.

There is no question that the Hall property is expensive. However, as was previously noted, it may be possible to recover a significant part of the purchase price by carving out and selling one or more home sites on the Wing Point Way boundary of the property. Boundary line adjustments could make it possible to carve out and sell private home site(s) with minimal impact on the wetlands, marsh, and beach, and without adversely affecting the overall value of this property to the public.

It is certainly true that the public has access to other waterfront properties on Eagle Harbor. However, the Hall property is much more than a waterfront property. It offers a wide range of open space and wildlife habitat – forest, wetlands, and a year-round creek, along with 600 feet of no-bank beach. A park at Wyckoff would have some but not all of these same characteristics. Furthermore, residents of Winslow can walk to the Hall property. That makes it a particularly valuable addition to the most highly urbanized area on the island.

Finally, the Commission strongly supports the intention of the open space bond levy – to protect a wide range of open space, including not only waterfront but also farms, forests, natural areas, and trails. The fact that the Commission’s first two recommendations were waterfront properties is an accident of timing. Both these properties were under consideration by the City and the Land Trust before the establishment of the Commission. Both properties had been placed under options while the Commission evaluated the properties, but the options were set to expire before the Commission had time to evaluate other nominated properties.

The Commission has now completed a preliminary review of all the properties nominated in the first round of submissions and has begun more extensive research on 18 properties, including the Hall property. These comprise five farm properties; three forested properties (including one with archaeological significance); three forested properties that offer the potential for extensive trail systems; four properties with both waterfront and forest; and three waterfront properties, each with its own unique attributes. Other properties still require additional evaluation. The Commission fully expects to make recommendations from each of the property categories to the City Council. The Commission’s greatest challenge lies in deciding which of the nominated properties will provide the greatest value to the public.

### **Stewardship Issues**

If the City buys the Hall property, it will be faced with both immediate and long-term stewardship issues. In the short term, there will be a need for signs at access points to identify that the property is owned by the City and open to the public. In addition, there may be a need for boundary markers to ensure the public does not inadvertently trespass on private property to the east or west. There is a rudimentary trail from the gravel access road to the waterfront; some improvements will be needed to help improve public access to the beach and to protect critical areas. Finally, the property has some limited parking with the potential for some expansion,

although the option agreement includes limitations on parking. The City may need to determine how to provide additional parking space to accommodate those who cannot walk to this property. Members of the Open Space Commission can work with the City on these immediate issues.

Over the long term, there will be a need for a comprehensive park plan to deal with issues such as on-going trail maintenance, other maintenance issues (such as removal of invasive plant species), need or desirability of park benches or other public amenities, protection of sensitive areas, and shoreline protection.

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Attachment A

Terms of Option Agreement  
Recommendation No. 2

The option agreement held by the Bainbridge Island Land Trust includes these terms:

- (1) The sellers retain a non-exclusive pedestrian access and use easement across the southwest corner of the property (the west 20 feet of the south 150 feet of the property) and across the beach and tidelands below the Ordinary High Water Mark.
- (1) The sellers retain a view easement across the southwest corner of the property (same dimensions as above).
- (1) For the next ten years, parking and vehicular access along the western boundary are restricted. First, parking along the western boundary of the property is limited to one parking lot with spaces for five or fewer vehicles. Second, except for maintenance vehicles, there is no public access from vehicles from the western boundary of the property. These restrictions terminate at the end of the ten-year period. There are no restrictions on vehicular access from Wing Point Way.

## APPENDIX G

### Names and Terms of Open Space Commissioners

<b>Name</b>	<b>Term Expires</b>
Andy Maron, Chair	December 31, 2004
Tim Bailey	December 31, 2003
Leonora Cross	December 31, 2005
Lisa Macchio	December 31, 2005
Dave Shorett	December 31, 2003
Dwight Sutton	December 31, 2004
Connie Waddington	December 31, 2004