

POULSBORO DISTRIBUTION SCHEDULE

ORDINANCE NO.

RESOLUTION NO.

RESOLUTION OF INTENTION NO.

SUBJECT: Olhava Development Agreement

CONFORM AS TO DATES & SIGNATURES

- () Filed with the City Clerk
- (X) Passed by the City Council 2/4/2004
- () Signature of Mayor
- () Signature of City Clerk
- () Publication
- () Effective
- (X) Recorded 4/29/2004

DISTRIBUTE CONFORMED COPIES AS FOLLOWS:

- () Kitsap County Herald - Faxed to Herald
- () Ordinance or Resolution Book
- () Code Publishing - via email if in electronic format
- (1) City Attorney
- () Civil Service Commission and/or Sec/Chief Examiner
- (K) Clerk's Department - Original
- () City Council
- (1) Finance
- (1) Engineering
- (1) Fire District #18
- () Mayor
- () Municipal Court
- () MRSC- via email
- (1) Parks/Recreation
- (1) Planning/Building
- (1) Police
- (1) Public Works
- (1) Bookshelf Contracts Copy
- (1) File #1021.9
- (1) Indexing - Karol
- ()

K.
City Clerk

4-29-2004

AFTER RECORDING RETURN TO:

City of Poulsbo
P.O. Box 98
Poulsbo, WA 98370



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EXCISE TAX EXEMPT APR 29 2004

Document Title:

Development Agreement

Reference Number(s) of Documents Assigned or Released:

Grantors: 1) Olhava Associates L.P., PO Box 1449, Edmonds, WA 98020
2) Community College District #3, 1600 Chester, Bremerton, WA 98337

Grantee: City of Poulsbo, PO Box 98, Poulsbo, WA 98370

Legal Description:

The north one-half of the NE Quarter of the NW Quarter of Section 10, Township 26 North, Range 1 East, W.M. Kitsap County, Washington. (Olympic College)

Tracts I, II, IV, V, VI, VIII, and IX of Lot Segregation recorded under Auditor's File No. 200307310379, records of Kitsap County, Washington (being a portion of the NE Quarter of the NW Quarter, the SE Quarter of the NW Quarter, the NW Quarter of the NE Quarter, the SW Quarter of the NE Quarter, the NW Quarter of the SE Quarter, the SW Quarter of the SE Quarter, the NE Quarter of the SW Quarter, and the SE Quarter of the SW Quarter, Section 10, Township 26 North, Range 1 East, W.M., Kitsap County, Washington). (Olhava)

See additional Legals on Schedule A of Document.

Assessor's Tax Parcel IDs #: 102601-2-025-2000 (Olympic College); 102601-3-060-2004, 102602-2-027-2008, 102601-1-022-2005, 102601-4-040-2007, 102601-4-039-2000, 102601-1-021-2006, 102601-2-026-2009, 102601-3-058-2008 (Olhava)

DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into between the City of Poulsbo, a Washington municipal corporation ("the City"), Community College District #3 (Olympic College), an agency of the state of Washington ("OC"), and Olhava Associates, L.P., a Washington limited partnership ("Olhava").

RECITALS

WHEREAS, OC is the owner and developer of a parcel of property in the northwestern portion of the City of Poulsbo, and

WHEREAS, Olhava is the owner of seven parcels of property in the northwestern portion of the City of Poulsbo, and

WHEREAS, all of the property owned by Olhava and OC is collectively referred to in this Development Agreement as "the Olhava Property," and

WHEREAS, the City of Poulsbo approved a Master Plan for a mixed-use development of the Olhava Property on June 3, 1998, which approval was subject to numerous conditions that are attached as Schedule E and that were intended to assure the development of the property in a coordinated manner consistent with the requirements of the Poulsbo Municipal Code and other applicable statutes and regulations, including the State Environmental Policy Act, and

WHEREAS, the Master Plan approval contemplated the development of the Olhava Property in a series of phases extending over a period of approximately ten years and various mitigation measures and conditions of approval in the Master Plan were tied to the various phases, and

WHEREAS, the Master Plan approved by the City included provision for an OC college campus and Olhava dedicated the campus site to OC and development of that campus by OC is now proceeding pursuant to the terms and conditions of the Master Plan and of separate permits issued to OC by the City, and

WHEREAS, the Master Plan approved by the City included provision for various other uses on the Olhava Property besides the OC college campus and development of the non-campus property by Olhava is now proceeding pursuant to the terms and conditions of the Master Plan approval and of separate permits issued to Olhava by the City, and

WHEREAS, the City, OC, and Olhava wish to make provision for the orderly administration of permits and approvals, to set forth the extent and timing of the improvements and mitigation measures required, and to provide for the implementation of the Master Plan by means of a Development Agreement which provides additional detail on the processes and requirements necessary to implement the Master Plan approval, and



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WHEREAS, RCW 36.70B.170, *et. seq.*, authorizes cities to enter into such development agreements, and a development agreement was anticipated per the Master Plan,

AGREEMENT

NOW, THEREFORE, the City, Olhava, and OC agree as follows:

1. Project Description.

1.1 **Maximums by Type of Development.** The Olhava Property consists of approximately 215 acres in total, divided between two parcels totaling approximately 174 acres northwest of SR 3 and a 41-acre parcel southeast of SR 3. The Olhava Property is legally described on Schedule A attached to this Agreement and incorporated herein by this reference as if set forth in full. The development of the Olhava Property has been restricted to the following maximums, unless a modification to the Master Plan is approved:

1.1.1 840,000 square feet of commercial floor area (located on the portions of the Olhava Property designated as planning areas 3, 4, and 7).

1.1.2 325,000 square feet of business park floor space (located on the portion of the Olhava Property designated as planning area 5).

1.1.3 50,000 square feet of college floor space (located on the portion of the Olhava Property designated as planning area 10).

1.1.4 420 multiple family dwelling units (located on the portions of the Olhava Property designated as planning areas 2, 8 and 9).

1.1.5. 70 single-family units (located on the portion of the Olhava Property designated as planning area 1).

1.2 Allocation of Development.

1.2.1 Olhava has developed a parcel development plan ("the PDP") that anticipates the division of the parcels currently owned by Olhava into a number of smaller development sites. Olhava has allocated to each of these development sites a maximum amount of developable square footage (in the case of commercial and business park land) and developable dwelling units (in the case of multiple family and single family land). The PDP is attached to this Development Agreement as Schedule B and is incorporated herein by this reference as if set forth in full. Olhava may amend the allocations between development sites within the individual planning areas (and, in the case of commercial use, within planning areas 3, 4, and 7) in Schedule B as long as such amendments are consistent with the following restrictions:

1.2.1.1 All such reallocation must be consistent with the Master Plan and its approval conditions, including but not limited to, Section 1.8.2 of the Master Plan as



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revised pursuant to Conclusion 61 and Condition of Approval 84 of the June 3, 1998 Findings, Conclusions and Decision of the Poulsbo City Council on the Master Plan.

1.2.1.2 No reallocation by Olhava may result in more total commercial or total business park square footage or more dwelling units than is set forth in Subsection 1.1 above, without a Master Plan amendment.

1.2.1.3 No reallocation by Olhava may reduce the developable commercial or business park square footage on any individual development site that has already been developed, or reduce the number of developable dwelling units on any individual development site that has already been developed, below the square footage or number of units already built or applied for on any such site.

1.2.1.4 Olhava shall file a revised Schedule B, to replace the one attached hereto or any replacement therefor, within twenty-one (21) days of any reallocation.

1.3 The City agrees that it will not issue a permit for improvements on any individual development site in excess of the square footage or development units allocated for that site on the most current Schedule B, unless the same is done pursuant to a reallocation of development by Olhava as permitted by this section.

2. Improvements to Public Facilities.

2.1 **General Principles.** The Master Plan approval for Olhava requires that certain improvements to public facilities, including public water, sanitary sewer and storm water control systems be made. All such improvements shall be constructed to applicable City standards in effect at the time permits for the construction of such improvements are applied for. To allow a coordinated approach to completion of these improvements, the City, OC and Olhava have agreed that Olhava shall complete or pay for all of the improvements described on Schedule D attached to this Development Agreement and incorporated herein by this reference as if set forth in full (hereinafter referred to as "the Improvements"), subject to Section 4 hereof. The timing of such completion and the requirements for such improvements to be turned over and dedicated to the City are set forth on such Schedule D. OC hereby agrees that Olhava is authorized to enter into any further agreements or other documents relating to the Master Plan on behalf of OC to accomplish said Improvements, so long as such agreements do not further restrict OC's development rights on the OC property or increase OC's maximum contribution for such Improvements. The City hereby agrees that it shall look solely to Olhava for completion of the Improvements as long as Olhava remains current in its obligations under this Agreement. In the event that Olhava defaults in any of its obligations under this Agreement or is relieved of such obligations pursuant to any court order, the City reserves the right to look to Olhava's successors and assigns for performance, provided the City agrees not to impose additional requirements on properties for which development permits have already been issued or which have provided the improvements to public facilities which are required for their portion of the Olhava site. Completion of the Improvements shall occur pursuant to the procedures set forth in subsections 2.2, 2.3, and 2.4 below.



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2.2 Water System Improvements.

2.2.1 Olhava has, at its cost, constructed a water storage tank of approximately 950,000 gallons capacity on the Olhava Property, at a location and based on construction plans previously approved by the City. Such tank is currently operational and will be conveyed to the City along with a tank site.

2.2.2 The City has, at its cost, constructed a water distribution system to the water storage tank constructed on the Olhava Property pursuant to the preceding subsection. That portion of the water distribution system on H Street, as previously agreed between the City and Olhava, has been constructed by the City and is currently operational. The OC property is currently connected to the City's water system and is receiving water via the water distribution system and tank.

2.2.3 Olhava shall, at its cost, be responsible for the design and construction of (i) the balance of the on-site transmission lines, service lines and related appurtenances for water service used in common on the Olhava-owned northwest property, provided that all plans for such improvements must be approved by the City prior to the commencement of construction, and (ii) the balance of the transmission lines, service lines and related appurtenances for water service used in common on the southeast Olhava Property, provided that all plans for such improvements must be approved by the City prior to the commencement of construction.

2.2.4 Except as provided in Subsections 9.2 or 9.4 below or as otherwise required by the Master Plan approval conditions, the City will not require any other improvements to the City's water system from the Olhava Property owners.

2.2.5 Conditions 19, 21 - 24, 38, 86 - 90, and 96 are the Master Plan approval conditions that relate to water system improvements.

2.3 Sanitary Sewer System Improvements.

2.3.1 Olhava shall, at its cost, design and construct any off-site transmission mains necessary to temporarily connect the on-site sanitary sewer system to the City's existing transmission system at Bond Road.

2.3.2 In order to provide transmission capacity to serve the later phases of the Olhava Master Plan project and other properties, it may be necessary for a sewer lift station to be constructed in the vicinity of Bond Road at SR 305 and to extend a twelve-inch force main from such lift station at Bond Road along SR 305 to Harrison Street and a connection with the central interceptor line. This lift station and force main are part of the City's Sewer Capital Facilities Plan, but the schedule for completion of the improvements is presently unknown. In order to assure the completion of the sewer lift station and force main improvements when needed to provide service to later phases of the Olhava project, Olhava and the City agree that:

2.3.2.1 If the City, as part of its capital facilities program, constructs the sewer lift station and force main, Olhava shall pay its fair share portion of the cost of the construction to the City. Such fair share portion shall be based on the percentage of the total capacity of the lift station and force main that will be required to serve the Olhava Property at full build out. Olhava shall deposit its estimated fair share of the construction cost with the City within thirty days after the City executes a contract for the construction of the lift station and force main calling for construction to commence within sixty days of contract execution. Upon completion of the lift station and force main, if the ultimate final construction cost exceeds the contracted amount, Olhava shall pay the difference between its estimated fair share and its actual fair share to the City within thirty days after receipt of a final invoice from the City following acceptance of the construction project. If the final construction cost is less than the estimated fair share amount, the City shall refund the difference between the estimated and actual fair shares within thirty days after final acceptance of the construction project.

2.3.2.2 If Olhava needs the sewer lift station and force main in order to provide adequate capacity to serve the Olhava Property prior to the time that the City would otherwise construct the lift station and force main as part of its capital facilities program, Olhava shall have the option to construct the lift station and force main at its initial cost, subject to the approval of plans for such lift station and force main by the City. In the event that Olhava constructs the improvements that are the subject of this subsection, Olhava shall receive a reimbursement from the City's portion of the sewer system connection fees collected by the City for any portion of the Olhava Property and the City's portion of the sewer system connection fees collected by the City for all other property that utilizes the improvements, until such time as Olhava has received a total amount equal to the difference between the actual cost of constructing the lift station and force main and the fair share payment that Olhava would have made pursuant to the preceding subsection of this Development Agreement if the City had constructed the lift station and force main at the same cost.

2.3.3 Olhava shall, at its cost, be responsible for the design and construction of the balance of the on-site transmission lines, service lines and related appurtenances for sanitary sewer service on the Olhava-owned property, provided that all plans for such improvements must be approved by the City prior to the commencement of construction.

2.3.4 Except as provided in Subsections 9.2 or 9.4 below or as otherwise required by the Master Plan approval conditions, the City will not require any other improvements to the City's sanitary sewer system from the Olhava Property owners.

2.3.5 Conditions 20, 45-47, 86 - 89, and 97 are the Master Plan approval conditions that relate to sanitary sewer system improvements.

2.4 Storm Water Control Systems.

2.4.1 Olhava and OC shall install and maintain temporary erosion and sedimentation controls in accordance with plans approved by the City during any construction work on their respective portions of the Olhava Property that involves clearing or grading



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activities. Such controls shall remain in place until the site is stabilized and permanent storm water control facilities are provided.

2.4.2 OC has installed, and Olhava is in the process of installing permanent storm water control facilities (both water quantity and water quality controls) for the northwest parcel of the project in accordance with plans approved by the City. Except as otherwise provided herein, such facilities shall be designed and constructed in accordance with the requirements of the Master Plan as approved by the City.

2.4.3 For that portion of the site for which storm water control facilities are not being developed at this time (i.e., the southeast parcel, a.k.a. Tracts I and II), Olhava shall install permanent storm water control facilities (both water quantity and water quality controls) in accordance with the approved Master Plan and the versions of the Department of Ecology Storm Water Manual, Kitsap County Storm Water Manual and City of Poulsbo regulations in effect at the time complete applications are submitted for permits to construct such facilities. In the event of a conflict between the requirements of the Master Plan, the Department of Ecology Storm Water Manual, the Kitsap County Storm Water Manual and/or the City of Poulsbo's regulations, the more restrictive requirement shall control so long as compliance with the most restrictive requirement does not invalidate or otherwise conflict with any state or federal permit issued to Olhava.

2.4.4 Except as provided in this Subsection 2.4.3 and in Subsections 2.4.6, 9.2 and 9.4 below, or as otherwise required by the Master Plan approval conditions, Olhava and OC shall have a vested right to complete the initial full build out development of Tracts IV, V, VI, VIII, IX and the OC parcel under the storm water regulations in effect within the City on the date of this Development Agreement without modifying any already permitted storm water control system in the public streets and ponds 1 through 4, including the portions of those systems which are proposed for dedication to the City, provided that the amount of development on any planning area does not exceed the maximum amount of development shown for that planning area in the approved Master Plan. To the extent that the amount of development for any planning area exceeds the maximum amount of development allowed for that planning area approved in the Master Plan, Olhava (or OC) shall be required to obtain a Master Plan amendment for any additional development and to comply with the storm water regulations of the City (both as to water quantity and water quality) that are in effect at the time a complete application for such additional development is filed.

2.4.5 The City shall not be required to accept public ownership and responsibility for maintenance of any storm water control system or facility proposed for dedication to the City unless and until (i) the City has monitored the performance of the storm water control system or facility for a period of two years from the date that ninety percent (90%) of the land in the drainage basin that contributes drainage to the system or facility has been developed; and (ii) the City has inspected the system or facility at the end of the two-year monitoring period and has determined that the system or facility is in good repair and free from defects in workmanship or materials or all such defects have been corrected to the satisfaction of the City. Until such time as any system or facility is accepted by and dedicated to the City, the system or facility shall remain in private ownership and control and Olhava shall be solely



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responsible for all operation and maintenance of the same. The City may require a bond to ensure that such maintenance is performed. Olhava may pass such ownership and responsibility to a private landowner association upon approval by the City of appropriate transfer documents.

2.4.6 The City reserves the right to require additional improvements to the existing, already permitted storm water control system if the system violates applicable design or discharge standards. The City also reserves the right to impose conditions and drainage requirements on individual site plan and building permit approvals for on-site water quality controls such as oil-water separators. Except as provided herein or in Subsections 9.2 or 9.4 below or as otherwise required by the Master Plan approval conditions, the City will not require any other storm water improvements from the Olhava Property owners.

2.4.7 Conditions 16, 17, 41 - 44, 86 - 89, and 98 are the Master Plan approval conditions that relate to storm drainage system improvements.

3. **Payment of Traffic Mitigation Fees.** In order to mitigate the traffic impacts of the Olhava Master Plan, the Olhava Master Plan approval requires the owners of the Olhava Property to construct certain off-site road improvements and to pay a share of the cost of improving certain other off-site roadways that are owned and maintained by the City, Kitsap County, or the Washington State Department of Transportation. These improvements and mitigation payments shall be made in accordance with the following procedures:

3.1 City Roads:

3.1.1 The Master Plan approval requires that the Olhava Property contribute a fair share of the cost of certain road improvement projects in the City. The Olhava Property's fair share contribution to the projects listed in this section shall be made in accordance with the following procedures:

3.1.1.1 The City has incurred debt in order to finance certain road improvements that have already been constructed by the City or that are scheduled for construction in the immediate future and that Olhava is required to contribute to under the Master Plan approval conditions. These projects and Olhava's share based on actual costs incurred and current cost projections are as follows:

<u>Project</u>	<u>Olhava Share</u>
Finn Hill, SR 3 to Viking – Widen to three lanes, add shoulders and sidewalks (Scheduled for construction in 2003)	\$215,462.00
Front Street, Bond to Jensen – Widen to three lanes, add shoulders and sidewalks (Completed in 2002)	\$193,116.00
Caldart, Hostmark to Lincoln – Widen and add Sidewalk (Project to be completed in 2004)	\$163,875.00



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Total due from Olhava under this subsection

\$572,453.00

3.1.1.2 In addition to the roadway improvement projects described in subsection 3.1.1.1 above, the City has constructed several of the improvements to which Olhava is required to contribute without incurring debt. The City also anticipates constructing additional improvements that the Master Plan conditions of approval require Olhava to contribute to. These projects and Olhava's share based on actual costs incurred and current cost projections, are as follows:

<u>Project</u>	<u>Olhava Share</u>
Lindvig at Bond – Install Traffic Signal (Project completed in 1998)	\$ 20,197.00
Viking at Finn Hill – Intersection improvements; add turning lanes and reconstruct signal (Project completed in 2000)	\$ 24,988.00
Lincoln Road, SR 305 to Laurie Vei Loop – Widen to three lanes, add shoulders and sidewalks (Project completed in 1998)	\$383,335.00
Viking, south City limits to Finn Hill – Widen to five lanes, add shoulders and sidewalks, and Viking, Finn Hill to MacDonald's – Widen to three lanes, add shoulders and sidewalks (Project completed in 2000)	\$123,143.00
Sunset, Jensen to Iverson – Widen to three lanes, add sidewalks, or new alignment (Project to be completed in 2003)	\$ 17,636.00
Iverson Extension, 7 th to Lincoln – Widen to three lanes, add sidewalks; or new alignment (Project completed in 2001)	\$ 46,522.00
Lincoln, Lori Vei Loop to City limits – Widen to three Lanes, add shoulders and sidewalks (To be completed in 2008)	\$235,000.00
Viking, MacDonald's to SR 305 – Widen to three lanes, add shoulders and sidewalk (To be completed in 2008)	\$237,000.00
Hostmark, Fjord to SR 305 – Widen to three lanes, add sidewalk (To be completed in 2008)	\$ 52,000.00



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Total due under this subsection \$1,139,821.00

Total due to City for City Road Improvements (3.1.1.1 and 3.1.1.2) \$1,712,256.00

3.1.1.3 Olhava agrees to pay its fair share of the cost of these improvements as provided in Subsections 3.1.1.3.1 through 3.1.1.3.7 below. . The City Engineer has calculated Olhava's fair share amounts set forth below using the methods identified on Schedule F attached hereto and incorporated herein by this reference as if set forth in full.

3.1.1.3.1 Olhava shall pay the City the total amount due from Olhava under subsection 3.1.1.1 in four equal installments of \$143,113.25 each, payable as follows: (i) the first installment shall be paid prior to issuance of the first building permit for any habitable development on the Olhava Property other than the OC College buildings; and (ii) the second installment shall be paid prior to issuance of the second building permit for any development on the Olhava Property other than the OC College buildings; and (iii) the third installment shall be paid prior to issuance of the third building permit for any development on the Olhava Property other than the OC College buildings; and (iv) the final installment shall be paid prior to issuance of the fourth building permit for any development on the Olhava Property other than the OC College buildings. The City shall not be obligated to issue any building permits for any development on the Olhava Property unless Olhava is current on its obligations under this subsection.

3.1.1.3.2 At the time of issuance of any building permit for any commercial development, Olhava shall pay the City \$1.04 per developable square foot for each developable square foot allocated to the entire development site to which the permit relates, according to the allocation shown on Schedule B as the same exists at the time of permit issuance. A map showing each of the commercial development sites identified on Schedule B is attached as Schedule C to this Development Agreement and incorporated herein by this reference as if set forth in full. The amount paid under this Subsection 3.1.1.3.2 is in addition to any amount required under Subsection 3.1.1.3.1.

SEPA mit → 3.1.1.3.3 At the time of issuance of any building permit for any business park development, Olhava shall pay the City \$0.34 per developable square foot for each developable square foot allocated to the entire development site to which the permit relates, according to the allocation shown on Schedule B as the same exists at the time of permit issuance. A map showing each of the business park development sites identified on Schedule B is attached as Schedule C to this Development Agreement and incorporated herein by this reference as if set forth in full. The amount paid under this Subsection 3.1.1.3.3 is in addition to any amount required under Subsection 3.1.1.3.1.

3.1.1.3.4 At the time of issuance of any building permit for any multiple family development, Olhava shall pay the City \$142.00 per dwelling unit for each dwelling unit allocated to the entire development site to which the permit relates, according to the dwelling unit allocation shown on Schedule B as the same exists at the time of permit issuance. A map showing each of the multiple family development sites identified on Schedule B is attached as Schedule C to this Development Agreement and incorporated herein



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by this reference as if set forth in full. The amount paid under this Subsection 3.1.1.3.4 is in addition to any amount required under Subsection 3.1.1.3.1.

3.1.1.3.5 At the time of issuance of any building permit for any single-family development, Olhava shall pay the City \$433.00 per dwelling unit for each dwelling unit allocated to the entire development site to which the permit relates, according to the dwelling unit allocation shown on Schedule B as the same exists at the time of permit issuance. A map showing each of the single-family development sites identified on Schedule B is attached as Schedule C to this Development Agreement and incorporated herein by this reference as if set forth in full. The amount paid under this Subsection 3.1.1.3.5 is in addition to any amount required under Subsection 3.1.1.3.1.

3.1.1.3.6 Within thirty (30) days after execution of this Development Agreement, Olhava shall pay the City \$67,591.00 as the traffic mitigation share for the development of the Olympic College Campus site. A map showing the Olympic College Campus Site is attached as Schedule C to this Development Agreement and incorporated herein by this reference as if set forth in full. The amount paid under this Subsection 3.1.1.3.5 is in addition to any amount required under Subsection 3.1.1.3.1.

3.1.1.3.7 The fair share amounts set forth in Subsections 3.1.1.1 and 3.1.1.2 and the payment amounts set forth in this Subsection 3.1.1.3 have been calculated using construction costs that have been updated since the issuance of the Olhava Master Plan Environmental Impact Statement in 1997, but using traffic counts from the EIS. The parties agree that the use of the updated construction costs is appropriate and agree that those updated costs set forth in Subsections 3.1.1.1 and 3.1.1.2 are correct for purposes of this Development Agreement. The parties also agree that the fair share and payment amounts may be adjusted based upon updated traffic counts that Olhava may elect to obtain and submit. Olhava shall have until June 30, 2004 to submit updated traffic counts and/or analysis showing that Olhava's fair share of the cost of the improvements described in Subsections 3.1.1.1 and/or 3.1.1.2 should be reduced. The updated traffic counts and/or analysis shall utilize the same methodology as was used in the EIS. If Olhava does not submit updated traffic counts and/or analysis by June 30, 2004, then the fair share amounts and payment amounts set forth in Subsections 3.1.1.1 and 3.1.1.2 shall apply for the duration of the initial buildout of the Olhava Property as envisioned in the Master Plan. If Olhava submits updated traffic counts and/or analysis by June 30, 2004, then, upon review and approval of such counts and/or analysis by the City, the fair share amounts and payment amounts set forth in Subsections 3.1.1.1 and 3.1.1.2 shall be reduced accordingly and Olhava shall file a revised Schedule B using the adjusted figures. If Olhava has, at the time the reduction is approved, already paid any amounts under Subsections 3.1.1.1 and 3.1.1.2 in excess of the fair share amounts or payment amounts required by the reduction, Olhava shall be reimbursed for any such excess from payments thereafter received by the City under those Subsections, until such time as any excess amount has been reimbursed in full. Nothing in this subsection prevents the City and Olhava from agreeing upon an alternate method of adjusting the fair shares if the said alternate method more fairly reflects Olhava's fair share of the updated cost of the improvements based on current traffic conditions.



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3.1.2 The parties understand and agree that the descriptions of projects set forth in subsections 3.1.1.1 and 3.1.1.2 above are general and that, for those projects not yet completed, the actual improvements may change to some degree during design, engineering, and construction. The parties agree that as long as the improvements to be constructed are generally as described and as long as any revised project meets the mitigation requirements of the Master Plan, no amendment of this Development Agreement is necessary in order for the funds collected by the City to be expended on a revised project.

3.1.3 Following receipt of any traffic mitigation funds received by the City from any Olhava Property owner under subsection 3.1.1.2 above, the City shall segregate the same into two separate sums: one for those funds that reimburse the City for projects already constructed at the time the funds are collected and the other for those funds that relate to projects that have not yet been constructed. There shall be no restriction on the City's use of those funds that reimburse the City for projects already constructed. The City shall have the discretion to determine the timing and amount of the collected fees to be applied to any of the various future projects listed in subsection 3.1.1.2 and shall be free to reallocate the fees among the projects listed in said subsection based upon City priorities and construction schedules, provided that the fees may not be expended on projects other than those listed in said subsection without the prior written consent of the City and Olhava, and provided further that the City agrees to complete all the projects listed. The City agrees that payment of the traffic mitigation funds for a parcel shall fully discharge the traffic mitigation obligations of that portion of the Olhava Property, with regards to City projects, regardless of whether or not the City actually builds the improvements listed, or when. The City further agrees that such payment fulfills and satisfies the GMA concurrency requirements for that parcel's full initial development.

3.1.4 In order to facilitate the mitigation of the traffic impacts of the Olhava Master Plan and in recognition of the fact that the mitigation payments required in Subsections 3.1.1.1 and 3.1.1.2 will take place over a considerable period of time, Olhava and OC waive any rights they or their successors and assigns may have to a refund of any mitigation monies contributed pursuant to said subsections and that may otherwise be due or become due under Chapter 82.02 RCW.

3.1.5 Except as provided in Subsections 9.2 or 9.4 below or as otherwise required by the Master Plan approval conditions, the City will not require any other monetary contributions to City road improvements from the Olhava Property owners.

3.2 Kitsap County Roads:

3.2.1 The Master Plan approval conditions require that the Olhava Property contribute a fair share of the cost of adding shoulders and turn lanes to Finn Hill Road between SR 3 and Clear Creek Road, a road which is presently under the jurisdiction of Kitsap County. The total amount of mitigation fees due and payable to Kitsap County for these roads is the subject of a separate agreement between Olhava and Kitsap County. Olhava shall be subject to making payment pursuant to that agreement directly to Kitsap County.



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3.2.2. Except as provided in Subsections 9.2 or 9.4 below or as otherwise required by the Master Plan approval conditions, the City will not require any other monetary contributions to County road improvements from the Olhava Property owners.

3.3 WSDOT Roads:

3.3.1 The Master Plan Approval conditions require that Olhava construct, at its sole cost and expense, certain road improvements on WSDOT facilities. The timing of completion of those improvements and approval of the plans for construction are the subjects of a separate agreement between Olhava and WSDOT. The City and Olhava agree to coordinate their work on WSDOT improvements and City roads connected to WSDOT facilities in order to assure the timely completion of the improvements needed to serve the Olhava Property and to mitigate its traffic impacts.

3.3.2 The Master Plan approval requires that Olhava pay certain percentage shares of the cost of certain improvements to roads under the jurisdiction of WSDOT. The total amount of mitigation fees due and payable to WSDOT for these roads is the subject of a separate agreement between Olhava and WSDOT. Olhava shall be subject to making payment pursuant to that agreement directly to WSDOT.

3.4 Conditions 48 - 59, 87 - 89, and 91 -92 are the Master Plan approval conditions that relate to traffic and transportation system improvements.

4. **Park Improvements.** Condition 100 of the Olhava Master Plan approval requires that Olhava improve ("clear, grub and grade for preliminary site drainage" and "hydroseed") and dedicate the park site in the northeast corner of the Olhava Property shown on the Master Plan. Olhava shall be responsible for clearing, grubbing and rough-grading the park as set forth in the grading plan previously permitted by the City. The City shall be responsible for any final grading, installation of grass or other surface improvements, and for installation of any structures associated with park improvements. Olhava shall dedicate the park to the City following completion and acceptance of the rough-grading of the site and all other site-development related improvements (drainage and utilities) that will occur on the site related to the Olhava Property site improvements.

5. **Internal Road Improvements.** Olhava will provide, at on-site intersection location numbers 4, 5, and 6, conduits for future traffic signals. The City reserves any and all rights it may have to require Olhava, or its successors in interest or assigns, to construct or contribute to the cost of constructing traffic signals at location numbers 4, 5, and/or 6, in conjunction with development of any property within the Master Plan based on concurrency, traffic signal warrants, or other applicable standards in effect at the time of such development. Olhava, its successors in interest and assigns, reserve any and all rights they may have to object to or contest such requirements. Subsection 3.1.5 above shall not limit either party's rights under this Section.

6. **Olhava Reimbursements.**



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6.1 Costs incurred by Olhava in fulfilling any requirements of this Development Agreement, including but not limited to the construction of, or payment for, any: (i) water system improvements, (ii) sanitary sewer system improvements, (iii) storm water control systems, (iv) City, county or WSDOT road improvements, (vii) internal road and other improvements, or (viii) any other improvement, cost, or obligation related to the Olhava project (hereinafter collectively referred to as "Olhava Provided Items"), may be subject to reimbursement from other Olhava Property owners, including but not limited to, OC, and /or other property owners outside of the Olhava Property. As used throughout this Development Agreement, terms such as "initially complete or pay for" or "at (Olhava's) cost, design and construct" and similar terms for any Olhava Provided Items only refer to the initial construction, improvement or payment for such items. This Development Agreement is not intended to, nor shall it serve in any way to limit, restrict or otherwise affect: (i) the reimbursement obligation of any other person, firm or corporation to Olhava under any reimbursement agreement for any Olhava Provided Items; or (ii) Olhava's rights to collect reimbursements for any Olhava Provided Items from OC, subsequent owners of any portion of the Olhava Property, or from other project owners outside the Olhava Property, through applicable latecomer's or other agreements. Any such reimbursement is a matter solely between Olhava and such other parties and does not affect the obligations of Olhava to the City to construct or pay for such improvements or, in the case of A Street to the cost of maintenance and repair. OC has already agreed to reimburse Olhava for OC's share of such items in a separate agreement.

6.2 Latecomer's agreements may be entered into by the City and Olhava as follows:

6.2.1 In the event that any water, sewer, or storm water control system improvement constructed by Olhava has the capacity to provide service to areas outside the Olhava Property, the City agrees to enter into a latecomer's agreement provided such agreement complies with RCW Chapter 35.91 and applicable City ordinances. Any such agreement shall provide that other properties that tap onto, connect to, or otherwise use the water, sewer, or storm water control improvement provided by Olhava shall be subject to a latecomer assessment for their fair pro rata share of the cost of the improvement. Any such latecomer's agreement shall also provide for assessments to be paid at building permit issuance and remitted to Olhava at such time as they are received by the City.

6.2.2 In the event that any street improvement constructed by Olhava qualifies for reimbursement under RCW Chapter 35.72, the City agrees to enter into a latecomer's agreement provided such agreement complies with said chapter and applicable City ordinances. Any such agreement shall provide for partial reimbursement to Olhava of a portion of the cost of the street improvements by other property owners who meet the criteria set forth in RCW 35.72.020. Any such latecomer's agreement shall also provide for assessments to be paid at building permit issuance and remitted to Olhava at such time as they are received by the City.

7. **Cash Bonds.** From time to time, Olhava may be required by the City to post bonds and deposits in order to assure completion of certain improvements required by the approved Master Plan, either in cash or a surety bond. In the event that Olhava posts a cash bond, the City shall place the funds in an interest-bearing account. The City has no obligation to



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search for the best available interest rate and may place such funds in a passbook account earning the same interest as on other short-term City deposits, unless Olhava does the research and presents the City with an account type and a financial institution with which to place such funds, subject to City approval of the financial institution and account type. Interest on any cash bond so deposited shall accrue to the benefit of Olhava and, at such time as the bond is released, be returned to Olhava with the principal. In the event Olhava defaults on the improvements that are the subject of the bond, the interest may be retained by the City to offset the cost of cure, including any costs of forfeiture.

8. Common Design Program.

8.1 Program Elements. Condition 35 is the Master Plan approval condition that relates to design guidelines. Prior to submittal of any site plan or other permit application subsequent to the current Site 4a submittals (other than utility-related improvements), Olhava shall provide a design program and specifications for common site elements for the entire master plan development for review and approval by the City Planning Director. Common site elements include, but are not limited to:

8.1.1 Street landscaping;

8.1.2 Open space landscaping;

8.1.3 Enhanced pavement materials for pedestrian walkways and plazas;

8.1.4 Specifications for site amenities such as benches, bike racks, picnic tables, bus shelters, fencing, etc.;

8.1.5 Placement and fixtures for lighting;

8.1.6 Design of signs;

8.1.7 Coordinated materials, colors and articulation for buildings and other structures.

8.2 Compliance. As set forth in Condition 35 of the Master Plan approval, site amenities (street furniture, signs, and public areas) shall reflect a Scandinavian theme. As set forth in Sections 2.5.4D, 2.5.6E, 2.5.7E and 2.5.8D of the approved Master Plan, buildings (other than utility structures) in the project shall be required to have a Northwest architectural style. The City, OC and Olhava agree that, for this purpose, a Northwest style for site amenities shall comply with the Scandinavian theme requirement. Each site plan and associated landscape plan for any development within the Master Plan area subsequent to the Site 4a site plan approval (other than utility facilities) shall be reviewed for consistency with the approved Olhava Master Plan Design Program as part of the site plan review process. Review shall be by the City's Planning Director and City Design Review Board. Any departure from the specifications or guidelines in future projects shall require approval by the Olhava Design Review Committee and the City, acting through its Planning Director and Design Review Board.



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9. **Miscellaneous.**

9.1 **Amendments.** Except as otherwise provided in this Section 9, no change or modification of this Agreement shall be valid unless the same is in writing and is signed by the City, Olhava, OC and their successor in interest, provided, that the agreement of OC and/or successors in interest shall not be required unless the change or modification directly affects OC's property or the property of the successor in interest. No purported or alleged waiver of any of the provisions of this Agreement shall be binding or effective unless in writing and signed by the party against whom it is sought to be enforced.

9.2 **Reservation of Authority.** Pursuant to RCW 36.70B.170(4) or as otherwise required by law, the City hereby reserves its authority to impose new or different regulations on, or to impose additional conditions on, any permit or approval for the Olhava Property that is applied for after execution of this Development Agreement, to the extent required by a serious threat to public health and safety.

9.3 **Master Plan Conditions.** It is not the intent of the parties to amend the Master Plan or any of its conditions of approval through the execution of this Development Agreement and the parties intend for this Agreement to be consistent with the Master Plan and its conditions of approval in every way. To the extent any actual conflict exists between the Master Plan or its conditions of approval and this Development Agreement, the Master Plan and its conditions of approval shall control.

9.4 **Master Plan Amendments - Redevelopment.** This Development Agreement is intended to apply to the initial build out of the Olhava Master Plan according to the approval granted by the City on June 3, 1998. In the event that the Master Plan is amended in the future for any additional development, any such amendment (and any subsequent permits for additional development pursuant to such amendment) shall be subject to the imposition of new or different regulations or the imposition of additional conditions of approval notwithstanding any other provision of this Development Agreement, unless otherwise agreed via the approved Master Plan amendment. Redevelopment of any site within the Olhava Property after the full initial build out of that site consistent with the Master Plan approval shall be subject to the imposition of new or different regulations or the imposition of additional conditions of approval notwithstanding any other provision of this Development Agreement, but only to the extent of such redevelopment.

9.5 **Binding Effect.** This Development Agreement shall be recorded with the Kitsap County Auditor and shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

9.6 **Relationship of the Parties.** Notwithstanding any other provision of this Development Agreement, or any other agreements, contracts, or obligations which may derive herefrom, nothing herein shall be construed to make the City, OC or Olhava partners or joint venturers, or to render any other parties liable for any of the debts or obligations of the other



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parties, it being the intention of this Development Agreement merely to create the agreements set forth herein with regard to the Olhava Property.

9.7 **Applicable Law and Venue.** This Development Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any action with respect to this Development Agreement shall be brought in Kitsap County Superior Court, Port Orchard, Washington.

9.8 **Multiple Originals.** This Development Agreement may be executed in multiple copies, each of which shall be deemed an original.


9.9 **Construction.** The captions throughout this Development Agreement are for convenience and reference only and the words contained in them shall not be held to expand, modify, amplify or aid in the interpretation, construction or meaning of this Development Agreement. Any reference herein to "days" means consecutive calendar days. If the last day of any time period or any other specified date occurs on a date when the Kitsap County Auditor's office is closed, such time period or date will be extended to the next day such office is open. All parties hereto have been represented by legal counsel and accordingly hereby waive the general rule of construction that an agreement shall be construed against its drafter.

9.10 **Attorney's Fees.** In the event that any party to this Development Agreement brings a lawsuit against any other party in order to enforce any provision of this Development Agreement or to redress any breach thereof, the prevailing party in any such lawsuit shall be entitled to recover its costs and reasonable attorney's fees in addition to any other available remedy.

9.11 **Effective Date.** This Development Agreement shall become effective on the date the last of the three parties signs the same.

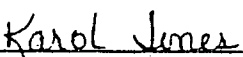
EXECUTED by the parties on the dates hereinafter indicated.

CITY OF POULSBO



Mayor Donna Jean Bruce
Date: 4-7-04

ATTEST/AUTHENTICATED:



City Clerk Karol Jones
Date: 4-7-2004



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APPROVED AS TO FORM:

James E. Haney

City Attorney James E. Haney

Date: April 5, 2004

OLHAVA ASSOCIATES L.P. BY ITS MANAGING GENERAL PARTNER,
FIRST VICTORY DEVELOPMENT OF WASHINGTON III ASSOCIATES

[Signature]

By: MARCO. ZENGER

Title: GENERAL MANAGER

Date: MARCH 26, 2004

COMMUNITY COLLEGE DISTRICT #3
(OLYMPIC COLLEGE)

[Signature]

By: MICHAEL CANNOLLY

Title: VICE PRESIDENT

Date: 3/22/04



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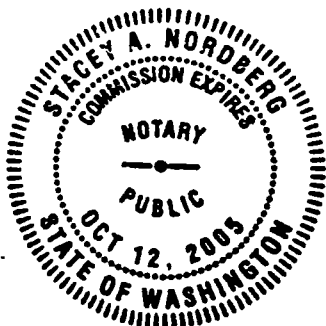
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Kitsap Co, WA

STATE OF WASHINGTON)
)
COUNTY OF KITSAP) ss.

I certify that I know of have satisfactory evidence that Donna Jean Bruce and Karol Jones are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Mayor and City Clerk of the City of Poulsbo to be the fee and voluntary act of such party for the purposes mentioned in the instrument.

Dated: April 7, 2004

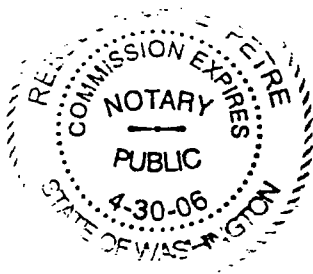


Stacey A. Nordberg
Notary Public
Print Name Stacey A. Nordberg
Residing at Poulsbo
My Commission Expires 10-12-05

STATE OF WASHINGTON)
)
COUNTY OF Snohomish) ss.

I certify that I know of have satisfactory evidence that Mark O. Zenger is the person who appeared before me, and said person acknowledged that he/~~she~~ signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the General Partner of First Western Development of Washington III Associates, the Managing General Partner of Olhava Associates, L.P., to be the fee and voluntary act of such party for the purposes mentioned in the instrument.

Dated: March 24, 2004



Rebecca Jane Petre
Notary Public
Print Name Rebecca Jane Petre
Residing at Bellevue
My Commission Expires 4/30/2006



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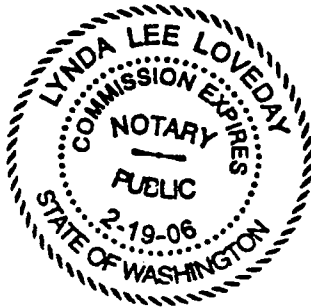
STATE OF WASHINGTON)

COUNTY OF KITSAP)

ss.

I certify that I know of have satisfactory evidence that Michael Connolly is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Vice President of Community College District #3 to be the fee and voluntary act of such party for the purposes mentioned in the instrument.

Dated: 3-22-04



Lynda Lee Loveday
Notary Public
Print Name Lynda Lee Loveday
Residing at Bremerton WA
My Commission Expires 2-19-06



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SCHEDULE A

LEGAL DESCRIPTION OF OLHAVA PROPERTY

OLHAVA

Tracts I, II, IV, V, VI, VIII, and IX of Lot Segregation recorded under Auditor's File No. 200307310379, records of Kitsap County, Washington (being a portion of the NE Quarter of the NW Quarter, the SE Quarter of the NW Quarter, the NW Quarter of the NE Quarter, the SW Quarter of the NE Quarter, the NW Quarter of the SE Quarter, the SW Quarter of the SE Quarter, the NE Quarter of the SW Quarter, and the SE Quarter of the SW Quarter, Section 10, Township 26 North, Range 1 East, W.M., Kitsap County, Washington).

-and-

OLYMPIC COLLEGE

The north one-half of the NE Quarter of the NW Quarter of Section 10, Township 26 North, Range 1 East, W.M., Kitsap County, Washington.



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**Schedule A
Legal Description**

PARCEL I:

The East half of the Northwest quarter; The West half of the Northeast quarter and The West half of the Southeast quarter, Section 10, Township 26 North, Range 1 East, W.M., in Kitsap County, Washington;

EXCEPT that portion condemned for State Highway purposes by Kitsap County Superior Court Cause No.79-2-00932-8;

AND EXCEPT that portion conveyed to the State of Washington for road purposes under Auditor's File Nos. 9306020078 and 9306020079 and by Auditor's File No.9410100023;

Situate in the City of Poulsbo, Kitsap County, Washington.

PARCEL II:

A parcel of land in the East half of the Southwest quarter of Section 10, Township 26 North, Range 1 East, W.M., in Kitsap County, Washington, lying Northeasterly of the Finn Hill County Road described as follows:

Beginning at the Northeast corner of the East half of the Northeast quarter of the Southwest quarter of Section 10; thence South 0°36' West along the North-South centerline of said Section 10, to a point 607.67 feet Southerly from the Northeast corner of the Northeast quarter of the Southeast quarter of the Southwest quarter of said Section 10;
thence South 87°08' West 451.85 feet;
thence North 26°20' West 632.35 feet;
thence South 63°40' West 150.98 feet;
thence along a curve to the left, having a radius of 542.96 feet, for a distance of 258.33 feet;
thence South 36°24' West 220.16 feet to the Northeasterly right-of-way line of the Finn Hill County Road;
thence North 44°09' West 60.82 feet in said line;
thence North 36°24' East 224.71 feet;
thence along a curve to the right, having a radius of 602.96 feet, for a distance of 286.87 feet;
thence North 63°40' East 150.98 feet;
thence North 26°20' West 185.00 feet;
thence North 63°40' East 90.00 feet;
thence North 26°20' West 735.00 feet;
thence North 63°40' East 498.44 feet to the West line of said East half of the Northeast quarter of the Southwest quarter of said Section 10;
thence North to the North line thereof;
thence East along said North line to the Point of Beginning;

EXCEPT that portion condemned for State Highway purposes under Kitsap County Superior Court Cause NO.79-2-00932-8;

AND EXCEPT that portion conveyed under Auditor's File No. 9306020078 to State of Washington;

Situate in the City of Poulsbo, Kitsap County, Washington.



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SCHEDULE B
INITIAL PARCEL DEVELOPMENT PLAN



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SCHEDULE C
INITIAL PARCEL MAP



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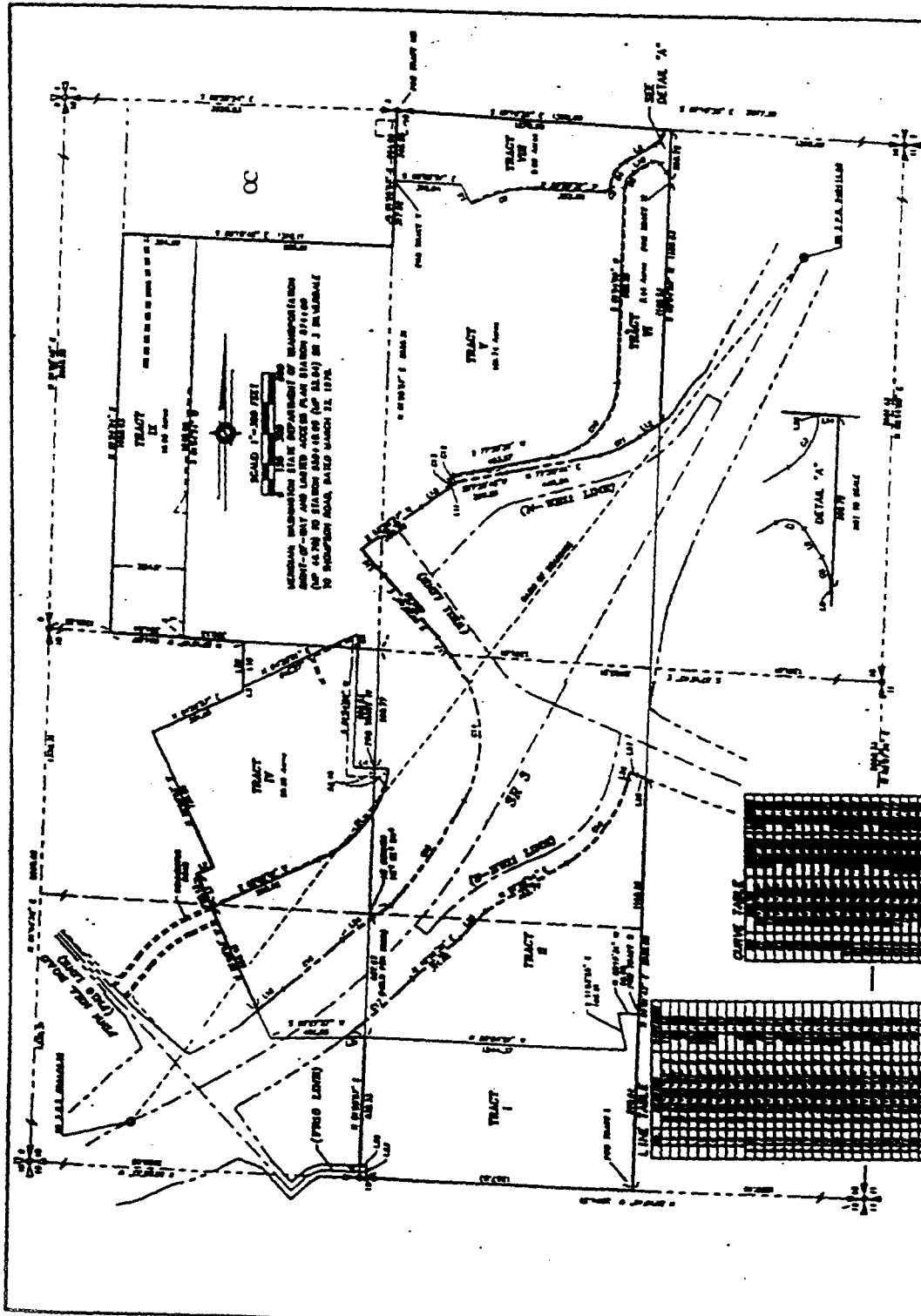
CITY OF POULSBRO

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Schedule C
Initial Parcel Map
(continued)



SURVEYORS CERTIFICATE
I HEREBY CERTIFY THAT THIS MAP IS AN ACCURATE REPRESENTATION MADE BY ME OR UNDER MY DIRECTION.
[Signature]
JWH CONSTRUCTION SERVICES, INC.
REGISTERED LAND SURVEYOR
JULY 1998

JWH CONSTRUCTION SERVICES, INC.
LAND & CONSTRUCTION SURVEYING
10000 1st Ave. N.E.
Bellevue, WA 98004-4000
TEL: 206.461.1000
FAX: 206.461.1001


LOT SUBDIVISION EXHIBIT MAP
OF A PORTION OF
SEC. 10, TWP 26 N., R. 1 W., W.M.,
AT THE REQUEST OF
OLIVIA ASSOCIATES

SCALE: 1"=200'
NO. 0002
DATE: 1-18-01
SHEET: 1 OF 1
DRAWING
SUBMITTED

Schedule C
Initial Parcel Map



SCHEDULE D
UTILITY IMPROVEMENTS

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Schedule D
Utility Improvements

- SR-305 Sanitary Sewer Improvements ("A"/"B" Street intersection to Bond Road) per plans dated June 14, 2002, and any addendums and related documents
- On-Site Roadway and Utilities Improvements (roadways, water, sewer, and storm drainage) per plans dated January 27, 2003, and any addendums and related documents
- 38'ø x 118' High Dome Roof Welded Steel AWWA Water Tank" per contract dated May 17, 2002 (including plans dated June 12, 2002), and any addendums and related documents

The above improvements shall be completed per applicable: City of Poulsbo permits, the Olhava Project Manual including Specifications for Construction of Olhava Site Development dated July 23, 2002, and any addendums and related documents. All work shall be completed by the earlier to occur of: (i) December 31, 2004, or (ii) the first occupancy of any (non-utility) building other than Olympic College.



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SCHEDULE E
MASTER PLAN CONDITIONS OF APPROVAL



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Kitsap Co, WA

Olhava Master Plan Revised SEPA Mitigation and Conditions of Approval

SEPA MITIGATION:

A. Natural Environment Plant and Animal Habitats

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-1 through III-12 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goal 3 and Open Space and Conservation Goals 1 and 2 of the Land Use Element; Open Space Policy 7 in the Land Use Element; Goals 1, 2, and 3 of the Natural Systems Element and Hydrology Policies 2 and 7, Biological Resource Policies 3, 5, 6, 7, 9, and 11, Natural Resource Policies 3, 4, and 7, Goals 1 and 2 of the Park and Open Space Element and Park and Open Space Policies 69-74 of the Poulsbo Comprehensive Plan; PMC Chapter 16.04 and codes and standards adopted therein; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.20; PMC 18.32.040; PMC 18.32.090; PMC Chapter 18.55; RCW 43.21C.010; RCW 43.21C.020.

1. The wetlands are identified by the Wiltermood Associates wetland delineation report dated February 22, 1991. Wetland "F" is not considered a true wetland and shall be eliminated. The equivalent area shall be added to wetlands "C" and "D" at a ratio of 2:1.
2. Wetland "B" will be eliminated indirectly by loss of its supporting drainage basin and will be replaced on the Olhava site at a ratio of 2:1.
3. Wetlands "A", "C" and "D" shall have 50 feet wide buffers. Wetland "E" shall have a 100 feet wide buffer.
4. Street-side landscaping shall utilize native species to further mitigate impacts to wildlife habitat.
5. A forest practices permit shall be required for the harvest of timber associated with the project.
6. As stated in Section 404 of the Clean Water Act a Section 404 permit shall be required for the following development activities:
 - a. The addition of material, including deposition of dredged material or excavated soils, or excavation in wetland areas. These activities can include filling, grading, mechanized land clearing, ditching, channelization, and other excavation activities that destroy or degrade waters such as streams or wetlands.
 - b. The placement of piling when such placement has or will have the effect of a discharge of fill material in the waters of streams or wetlands.



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7. Existing tree stands shall be preserved whenever possible, as determined by the City Forester or other applicable official, through the use of small rockeries in cut areas and tree wells in fill areas. The City Forester shall determine that these tree protection devices will not encroach native tree canopy spread or root systems.

8. Native vegetation and ground covers in preserved tree stand areas shall be retained in their natural state with some routine maintenance enhancements. Native trees, as required by the City Forester, shall be reintroduced through street tree planting schemes with native trees, understory trees, and ground cover placement.

9. Native vegetation placed during post construction phasing shall be sufficiently irrigated to become established through proposed drip irrigation system.

Unique Species

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-8 through III-10 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goal 3 and Open Space and Conservation Goals 1 and 2 of the Land Use Element; Open Space Policy 7 in the Land Use Element; Goals 1, 2, and 3 of the Natural Systems Element and Hydrology Policies 2 and 7, Biological Resource Policies 3, 5, 6, 7, 9, and 11, Natural Resource Policies 3, 4, and 7, Goals 1 and 2 of the Park and Open Space Element and Park and Open Space Policies 69-74 of the Poulsbo Comprehensive Plan; PMC Chapter 16.04 and codes and standards adopted therein; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.20; PMC 18.21.050; PMC 18.22.050; PMC 18.32.040; PMC 18.32.090; PMC Chapter 18.55, and Section 18.55.070; RCW 43.21C.010; RCW 43.21C.020.

10. Each subsequent application for permits submitted to the City Planning Department for review and approval shall be subject to the requirements of the City's Critical Area Ordinance in effect at the time of that application.

11. Landscaping plans for any portion of the proposed project shall include indigenous species.

12. Greenbelt, landscaped parkways and other public or quasi-public areas shall be planted with indigenous plant species.

13. Each subsequent application for site plan review and/or preliminary plat shall require a tree survey, subject to the review of the City Forester, to identify which trees are to be preserved. Tree surveys do not need to be done in areas which will be cleared for roads and highway access areas(except where sensitive, endangered, or threatened species of trees are actually found), but will be required for the remainder of the property, including but not limited to areas where building footprints are to be located and areas which will be cut or filled more than one foot above or below grade. The cost of this review shall be paid for by the project proponent.



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Fish and Wildlife Migration Routes

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-8 through III-10 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goal 3 and Open Space and Conservation Goals 1 and 2 of the Land Use Element; Open Space Policy 7 in the Land Use Element; Goals 1, 2, and 3 of the Natural Systems Element and Hydrology Policies 2 and 7, Biological Resource Policies 3, 5, 6, 7, 9, and 11, Natural Resource Policies 3, 4, and 7, Goals 1 and 2 of the Park and Open Space Element and Park and Open Space Policies 69-74 of the Poulsbo Comprehensive Plan; PMC Chapter 16.04 and codes and standards adopted therein; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.20; PMC 18.32.040; PMC 18.32.090; PMC Chapter 18.55, and Section 18.55.070; RCW 43.21C.010; RCW 43.21C.020.

14. Critical areas shall be bordered by setbacks and natural buffers as required by the City's Critical Area Ordinance in effect at the time of site plan/preliminary plat application.

15. Sensitive areas, including the final wetland remediation, shall be designated on the official maps of the City. These areas shall be protected in order to serve as migratory lands or feeding grounds.

Surface Water and Runoff Absorption

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-11 and III-12 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are Goals 1, 2, and 3 of the Natural Systems Element and Hydrology Policies 4, 6, 7, 9, 10, 11, 12, 15, and 16, Biological Resource Policies 1, 4, 5, and 6, and 11, Natural Resource Policies 3, 4, and 7, Goals 1 and 2 of the Park and Open Space Element and Park and Open Space Policies 69-74, the Capital Facilities Element Goal, and Capital Facilities Policies 3, 4, 6, 7, 11, and 20 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.20; PMC 18.32.040; PMC 18.32.090; PMC Chapter 18.55, and Section 18.55.070; RCW 43.21C.010; RCW 43.21C.020.

16. Surface water management facilities shall be in conformance with or in excess of the following:

- a. State Department of Ecology Storm Water Management Manual for the Puget Sound Basin;
- b. Kitsap County Stormwater Design Manual;



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- c. Liberty Bay/Miller Bay Watershed Action Plan;
- d. Federal Clean Water Act, sections 401 404;
- e. State Water Quality Standards;
- f. State Hydraulics Code;
- g. City of Poulsbo Municipal Code.
- h. City of Poulsbo drainage ordinance.

17. Erosion and sedimentation control shall consist of:

- a. Sediment trapping through the use of sediment ponds, fences and traps as well as soil stabilization using vegetation planting, plastic covering, and an early application of gravel as a base on areas to be paved. All exposed areas shall be stabilized and revegetated immediately upon the completion of grading.
- b. Setbacks, critical areas and their buffers, trees, and drainage courses shall be clearly marked to protect those areas from development. Critical areas and their buffers, trees to be retained, and natural drainage courses shall be protected from construction by fencing or other positive means as determined by the City Engineer. All temporary, construction-related sedimentation control and erosion mitigation measures shall be in place prior to clearing and grading activities.
- c. Adjacent properties shall be protected from sedimentation during construction activities. This will be done through the installation of perimeter controls such as barriers, filters, dikes, or sediment basins.
- d. Cut and fill slopes shall be designed and constructed in a manner that will minimize erosion by using roughened soil surfaces as opposed to smooth surface on slopes. Interceptors shall be constructed at the top of long steep slopes which have significant drainage areas above the slope. Diversions or terraces may also be used to reduce slope length. Concentrated stormwater will not be allowed to flow down cut or fill slopes unless contained within adequate channel or pipe slope drain.
- e. All temporary on-site conveyance channels shall be designed, constructed and stabilized to prevent erosion from the expected velocity of flow from a 2-year, 24-hour frequency storm for the developed condition. Stabilization and revegetation, adequate to prevent erosion of outlets, adjacent stream banks, slopes, and downstream reaches, shall be provided at the outlets of all conveyance systems.
- g. All storm drain inlets made operable during construction shall be protected so that stormwater runoff shall not enter the system without first being filtered or otherwise treated



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to remove sediment.

- h. For underground utility construction, the length of trench excavation in advance of pipe laying shall be kept to a minimum and in no case shall exceed 150 feet unless approved by the City Engineer; excavated material shall be placed on the uphill side of trenches subject to the approval of the City Engineer; and trench dewatering devices shall discharge into a sediment trap or sediment pond.
- i. Wherever construction vehicle access routes intersect paved roads, provisions must be made to minimize the transport of sediment onto the paved road. If sediment is transported onto a paved road surface, the roads shall be cleaned thoroughly at the end of each day. Sediment shall be removed from roads by shoveling or sweeping and be transported to a controlled sediment disposal area. Street washing shall occur after sedimentation is removed in this manner if deemed necessary by the City Engineer.
- j. All temporary and permanent erosion and sediment control mitigation measures shall be maintained and repaired, as required by the City Engineer, to assure continued performance of their intended function.
- k. All temporary erosion and sedimentation control mitigation measures shall be removed within 30 days after final site stabilization is achieved or after the temporary measures are no longer needed, whichever is later.
- l. All pollutants other than sediment that occur on-site during construction shall be handled and disposed of in a manner that does not cause contamination of stormwater.
- m. Herbicide spraying near streams and in culverts near areas that drain into such streams shall be prohibited.
- n. A wetland mitigation plan shall be approved by the City before construction.
- o. The City Engineer shall determine other means to prevent erosion which may include on-site catch basins or siltation basins, and energy absorbing devices. If required, these devices shall be in place prior to grading permit issuance.
- p. No groundcover or trees shall be removed which are within 25 feet of the annual high water mark of creeks, streams, and other shoreline areas or within 15 feet of the top of the bank.
- q. Mechanical equipment shall not operate within 25 feet of the annual high water mark of creeks, streams, and other shoreline areas or within 15 feet of the top of the bank.



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Groundwater

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-26 through III-30 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goal 3 and General Land Use Policies 2 and 6 in the Land Use Element; Goals 1, 2, and 3 of the Natural Systems Element and Hydrology Policies 4, 6, 9, 11, 12, 15, and 16, Natural Resource Policy 3, the Capital Facilities Element Goal, and Capital Facilities Policies 3, 7, 11, 26, 28, 31, 34, 35, and 40 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

18. All construction equipment used on the project site shall be maintained in proper working order. Any and all fluid leaks from said vehicles shall be cleaned up and the vehicles repaired immediately.

19. No private wells, including irrigation, shall be allowed on any portion of the subject property. All domestic, commercial, industrial and public school uses shall connect to the City's water system.

20. All uses and structures requiring sanitary sewage disposal shall be connected to the City's sanitary sewage system. No septic or other private system shall be permitted.

Public water supplies

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-30 through III-32 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goal 3 and General Land Use Policies 2 and 6 in the Land Use Element; the Capital Facilities Element Goal, and Capital Facilities Policies 3, 6, 7, 11, 35, 37, and 40 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

21. Multi-family, commercial and business park as well as the Olympic College structures shall be constructed with automatic sprinkler systems as reviewed and approved by the Poulsbo Fire Department.

22. Prior to the initiation of any combustible construction in phase "b", the project proponent shall construct a water tank with sufficient storage capacity to meet the standards and requirements of the City and Kitsap PUD, to provide the equivalent of 2,000 gpm fire flow for a three hour duration in excess of the domestic demand.



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23. Prior to the initiation of phase "f" or its equivalent, Kitsap PUD will have secured additional water rights to allow it to enter into an Amended Interlocal Agreement with the City of Poulsbo. No additional development shall be allowed without the implementation of this mitigation measure.

24. Prior to the initiation of phase "f" or its equivalent, the City and Kitsap PUD will have entered into an Amended Interlocal Agreement to provide 1,000 gpm. No additional development shall be allowed without the implementation of this mitigation measure.

Air Quality

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-33 through III-38 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

NOTE: Condition 30 is both an air quality and transportation measure and is identified and supported by those impacts and policies set forth under Transportation below.

25. Vegetative ground cover shall be restored as soon as construction activities have been completed per phase.

26. Trucks that haul dirt, sand or soil off site shall be covered or shall maintain at least 24 inches of free board.

27. Construction sites shall be adequately watered by the developer to reduce fugitive dust.

28. The developer shall plant tree windbreaks utilizing non-invasive species, or preserve natural buffers on the windward perimeter of construction projects, where feasible as determined by the City.

29. The developer shall insure that construction equipment is properly tuned and maintained.

30. All individual project proposals shall be reviewed for conformance with the City's Commute Trip Reduction Ordinance. All affected employers shall implement the required commute trip reduction measures of the ordinance.

B. The Built Environment Aesthetics

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-38 through III-45 of the FEIS.



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SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3, Residential Land Use Goal 1, Open Space and Conservation Goals 1 and 2, General Land Use Policies 5 and 9, Residential Policies 1, 3, 6, and 7, and Open Space Policies 4 and 7 in the Land Use Element; Goal 1 of the Park and Open Space Element and Park and Open Space Policies 15, 30, and 74 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; PMC Chapter 18.55; RCW 43.21C.010; RCW 43.21C.020.

31. All 50 feet wide buffer areas around the perimeter of the proposed project shall be planted primarily with evergreen trees which meet the minimum requirements of the City of Poulsbo Zoning Ordinance: minimum 6 feet in height at time of planting. In the case of the west property line, where there is Medium Density residential, the buffer shall be a minimum of 100 feet wide, unless the City approves an alternative buffer enhancement program of plantings, berms, fences, walls or a combination of such measures to maintain compatibility of structures and use areas with adjacent residential developments and planned land uses.

32. For the commercial land uses which occur immediately adjacent to the State Route 3 right-of-way along the southeastern boundary of the northerly acreage, no building shall be sited closer than 75 feet from the property line.

33. Along the southern boundary of the multiple family area on the west side of the northerly parcel (Planning area 9) and the western boundary of the primary commercial area (Planning area 4), which abuts land planned for residential use, a minimum 50 feet wide vegetative buffer shall be planted primarily with evergreen trees which meet the City of Poulsbo's requirements for a minimum of 6 feet high at time of planting.

34. Should the conceptual grading plan be altered significantly in any portion of the proposed project, visual impact analysis of the affected area shall be conducted by a qualified expert, to be selected by the City at the expense of the applicant, as part of individual site plan reviews for specific projects.

35. In conformance with the intent of the City of Poulsbo Comprehensive Plan, the applicant shall develop design guidelines, to be approved by the City, for street furniture, signage, and public areas which reflect the Scandinavian theme. These design guidelines shall be implemented with each Phase Plan of the project.

Commercial Need and Economic Analysis

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-45 through III-69 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1, 2, and 3, the Commercial Land Use Goal, General Land Use Policies 5 and 6, Commercial Policies 1 and 2 in the Land Use Element; Economic Development



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Goals 1 and 2 and Economic Development Policies 1, 6, 7, 8, and 18; the Capital Facilities Element Goal and Capital Facilities Policies 3, 6, and 11 of the Poulsbo Comprehensive Plan; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

36. The City and project proponents shall make every effort to develop the project within the phasing plan proposed in the Master Plan, in order to help the City balance costs and revenues. Should the phasing plan be altered substantially from that contained in the Master Plan, the project proponent shall submit economic analysis demonstrating whether the altered phasing plan will have an impact on the cost/revenue balance shown in the Master Plan EIS.

Fire and Emergency Services

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-45 through III-69 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are the Capital Facilities Element Goal and Capital Facilities Policies 3, 6, 7, 11, 35, 37, and 58-61 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 15.04; PMC Chapter 15.12; PMC Chapter 15.14; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

37. Prior to any development approval associated with Phase "a", the applicant shall fund a needs assessment to be conducted by or under the oversight of the City in order to determine the best means of providing fire and emergency services to the Olhava property and vicinity in order to mitigate the fire service and response time impacts of the proposal. The needs assessment shall include an evaluation of providing service from the City's main fire station (Station 71) and whether the Clear Creek Station (Station 74) can or should be manned in a reasonable manner with a full-time engine company as a means of ensuring mitigation of the fire impacts of the project. If the study determines that the Clear Creek Station can be so manned and will provide the best means of ensuring adequate fire protection to the Olhava property and vicinity, then the Station must be manned prior to occupancy of any structures in the northerly 174 acres of the Olhava property. If the study concludes that the Clear Creek Station cannot be so manned or is not the best means of ensuring fire protection to the Olhava property and vicinity, then the study shall evaluate alternative mitigation measures, including but not limited to the potential for a new fire station, in order to ensure that the impacts of the Olhava Master Plan Project on fire and emergency services are adequately mitigated and development permits for the remaining phases of the Master Plan Project may be properly conditioned.

38. The project proponent shall provide required fire flows and storage, and shall provide plans for same to Kitsap PUD for review and approval prior to the start of construction on phase b. Kitsap PUD's storage facility shall be sufficient to meet the project's needs. Additions and modifications to the booster pump, if required by Kitsap PUD, shall be at the project proponent's expense.



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39. All structures in the Olympic College, multi-family, commercial, and business park districts shall be constructed to include automatic fire suppression/sprinkler systems, in conformance with the Uniform Fire Code. Plans for all fire suppression/sprinkler systems shall be submitted to the Fire Department and City Building Department for review and approval prior to issuance of building permits.

40. In the event that a variance to height limit is requested for any structure in excess of 30 feet, the Poulsbo Fire Department shall determine applicability of Ordinance 84-22 on a case-by-case basis. In the event all, or portions of Ordinance 84-22 are evoked by the Fire Department, the purchase price and specifications of the required equipment shall be negotiated between the project proponent, the City, Fire District 18 and any other project proponent whose approvals include variances in excess of 30 feet.

Capital Facilities-Drainage

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-73 through III-86 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are Hydrology Policies 4, 6, 9, 11, 12, 15, and 16, Natural Resource Policy 3, the Capital Facilities Element Goal, and Capital Facilities Policies 3, 4, 6, 7, 11, and 20 of the Poulsbo Comprehensive Plan; PMC Chapter 15.35; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.20; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

41. All temporary and permanent erosion and sediment control mitigation measures shall be maintained and repaired as needed to assure continued performance of their intended function. The applicant shall be responsible for maintenance of all constructed drainage facilities for at least two "wet" seasons, after the completion of each phase, after which the City, upon inspection, may accept maintenance responsibility. The City is not obligated to accept maintenance responsibility.

42. When a substantial development proposal within the Olhava Master Plan area is considered for approval, the City shall identify and require the construction of all capital facilities needed to meet the build-out requirements of the applicable phase, in order to avoid the under-sizing and reconstruction of facilities at a later time.

43. Improvements required may include, but are not limited to, improvements necessary to maintain the integrity of drainage ways such as check dams, silt fences, straw bales, soil stabilization through revegetation, plastic covering, and an early application of gravel as a base on areas to be paved.

44. During phased review, the City Engineer shall require further analysis of the proposed drainage design, as appropriate, in order to ensure that adequate measures are in place to protect downstream properties and the surrounding area. Consultant fees for the additional review and analysis shall be paid in advance by the project proponent.



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Capital Facilities- Sanitary Sewage

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-86 through III-93 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3 and General Land Use Policy 6 in the Land Use Element, the Capital Facilities Element Goal, and Capital Facilities Policies 3, 4, 5, 6, 7, 11, 26, 27, 28 and 31 of the Poulsbo Comprehensive Plan; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

45. Other than phase "a", no phase of the Olhava Master Plan shall be granted building permits unless construction of the required improvements in the City's and County's conveyance systems and at the wastewater treatment plant are underway. No occupancy permits shall be issued until said improvements are complete, accepted by the appropriate jurisdiction and in operation.

46. The City's proposed capital improvement program (CIP), contained in the updated City Comprehensive Sewer Plan, if approved and implemented, will create additional capacity within the City's wastewater conveyance system to ensure adequate capacity for the Olhava Master Plan project or any alternative approved by the City. The County's proposed CIP, when implemented, will create additional capacity within key conveyance facilities and the central treatment plant to ensure adequate capacity for all phases of the Olhava Master Plan project or any alternative approved by the City. Should the City's or County's proposed CIP not be approved or be delayed, key components of the system would have insufficient capacity to accommodate the initial development of the project (phase "b"). Mitigation could include delaying the project until those improvements are completed, or early implementation by the developer at their expense, with reimbursement through the implementation of a latecomers' agreement, or utilize other financing mechanisms which may be available.

47. No structure within the proposed project will be permitted to install a private sanitation system. All structures shall be connected to the City's sewer system.

Traffic, Circulation and Transit

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-93 through III-118 of the FEIS and Technical Appendices to DEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3 and General Land Use Policies 5, 6, and 7 in the Land Use Element, the Transportation Element Goal and Transportation Policies 1, 3, 4, 5, 8, 9, 12, 17, 21, 26, and 27, the Capital Facilities Element Goal, and Capital Facilities Policies 3, 4, 5, 6, 7, and 50-53 of the Poulsbo Comprehensive Plan; PMC Chapter 10.20; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040;



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48. The Olhava Master Plan shall contribute a proportionate share of all projects identified in the EIS (Table III-47) and any other mitigation measures proposed by Gibson Traffic Consultants in their traffic study and subsequent amendments, as well as mitigation required by the Washington State Department of Transportation in their September 6 and October 15, 1996 letters.

49. All improvements required by WSDOT to provide access to the proposed project from the SR-3/SR-305 interchange shall be completed during phases "a" and "b". Construction of the interchange in phase "b" shall have commenced prior to the issuance of building permits. No occupancy permits shall be issued until the improvements are complete and accepted by WSDOT.

50. Prior to the issuance of a grading permit for phase "a", the project proponent shall provide the City Engineer, for review and approval, with a comprehensive schedule of on-site roadway improvements, by phase. The City Engineer will then determine which off-site traffic improvements will be required by phase and the project share of the improvements costs (EIS, Table III-47). Building permits shall not be issued until all improvements required for that phase have been completed, bonded or are under construction, or the appropriate mitigation fee has been paid. If a building permit has been issued while required road improvements are still under construction, no occupancy permits shall be issued until the improvements have been completed or otherwise determined sufficient by the City Engineer.

51. The first application for development approval within any phase shall trigger a review of needed traffic improvements, both on-site and off-site, for the entire phase. The project proponent shall be required to construct the improvements on-site and to deposit the fair share dollar amount for the entire improvement if off-site. The City shall retain the authority to require the developer to construct off-site improvements.

52. After the development of phase "b", each subsequent phase application shall be accompanied by a phase-specific traffic and circulation report which clearly demonstrates that the uses proposed within the phase shall not exceed any of the assumptions made in the original traffic report's established impacts. The traffic and circulation report shall be reviewed and approved by the Planning Director and City Engineer, and submitted to the approving body as part of the project review process. Should the warranted improvements include improvements to County roadways, the applicant shall also be required to receive approval from the Kitsap County Department of Public Works.

53. Should any phase plan traffic and circulation report show that the original assumptions will be exceeded by more than 10%, either for that phase or cumulatively, a new traffic study encompassing all unbuilt phases shall be prepared, and new mitigation measures (both on and off-site) prepared to mitigate any additional impacts.

54. Prior to the issuance of any grading permit, within WSDOT right-of-way, the project proponent shall receive final design approval from the Olympic Service Center of the Washington State Department of Transportation for the access break from SR-3 to the proposed project.



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55. The project proponent shall develop transit route plans with Kitsap Transit which allow for bus stops and associated shelters throughout the project, and link the project to appropriate destinations as ridership demand dictates. The plans shall include a transit turnaround at Olympic College as previously negotiated with the College. The plans shall be finalized prior to the completion of phase "b" and shall determine general route areas and guidelines for actual route locations in future phase planning. Implementation of the routes and stop locations shall be associated with actual building development and shall be dependent on funds available and ridership demand for those routes as determined by Kitsap Transit.

56. The project proponent shall pay its fair share of the cost of acquiring and constructing park-and-ride spaces resulting from demand created by the Olhava project. Kitsap Transit in consultation with the City shall determine new park-and-ride demand and location needed resulting from each phase of the Olhava project consistent with the City Zoning Ordinance.

57. All individual project proposals shall be reviewed for conformance with the City's Commute Trip Reduction Ordinance. All affected employers (generally employers with 100 or more employees) shall implement the required measures of the Ordinance.

58. No individual project within the Olhava Master Plan shall be designed to obstruct or otherwise impede the trail and buffer system depicted in the Master Plan document. The trail system within the vegetative buffers shall be developed as each planning-area develops and shall be constructed to the standards provided in the City of Poulsbo Zoning Ordinance.

59. Class II bike lanes shall be provided along the entire length of the frontage road, from Finn Hill to Parnell Place (Street "A" and "D"). Class III bike lanes shall be provided on the entry drive, main access to multi-family residential and major loop road in the single family residential developments in the southerly acreage.

Noise

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-118 through III-120 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3 and General Land Use Policy 5 in the Land Use Element of the Poulsbo Comprehensive Plan; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 15.32; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC Chapter 16.16; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

60. All construction activity shall be undertaken between the hours specified in the City of Poulsbo Municipal Code, as amended, except in the case of an emergency, in which case the hours of operation shall be determined by the City Engineer.

61. All construction equipment shall be fitted with well maintained functional mufflers.



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62. To the greatest extent possible, earth moving and hauling routes shall be located away from adjacent residential properties. Said routes shall be approved by the City Engineer prior to the issuance of grading permits.

63. As part of phased review, the Planning Director shall determine whether special noise attenuation measures are required. This determination may involve consulting the expertise of a specialist to be paid for by the applicant. These measures, including berms and walls if necessary, shall be required in order to ensure compliance with maximum permissible noise standards established by the City and State of Washington.

64. Any use proposed on the project site which the City determines would represent an on-going significant noise source shall be required to perform on-site noise monitoring and noise modeling prior to the review and approval of the specific use.

65. Should any sensitive receptor be proposed for the project site adjacent to the SR-3 right-of-way, the applicant shall be required to perform on-site noise monitoring and noise modeling prior to the review and approval of the specific use.

66. During construction, the provisions of WAC 173-60-060 shall apply.

Light and Glare

Impacts Identified: The impacts which require the mitigation measures set forth in this Section are identified on pages III-120 through III-123 of the FEIS.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3 and General Land Use Policy 5 in the Land Use Element of the Poulsbo Comprehensive Plan; PMC Chapter 12.02 and standards adopted therein; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

67. To prevent glare, all exterior lighting shall be shielded to illuminate only the area directly under it.

68. Light posts located in parking lots shall not be taller than surrounding structures, and in no case shall light posts exceed 30 feet in height. Lighting affixed to the outside of structures shall not be located above 30 feet from the surrounding grade.

69. Other than signage and other surfaces installed by public agencies (including the City and the Department of Transportation) reflective surfaces shall not be permitted adjacent to project or off-site roadways.

70. Lighting systems designed for safety and security shall meet the requirements of the Energy Code.



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71. All primary streets should be adequately illuminated to provide for the safety and comfort of vehicular and pedestrian movement.
72. Metal halide lighting shall be used in areas prone to glare, since metal halide lighting minimizes spillage to adjoining properties.
73. To prevent glare, light fixture intensities above 75 degrees from the light post or within 15 degrees of horizontal shall be restricted.
74. The alignment of light fixtures shall be positioned in a consistent and recognizable pattern creating unobstructed views which reinforce the direction of circulation patterns, and clearly mark the locations of intersections.
75. To create a safer environment, limiting possible crime occurrences, intersection, bus stops, steps, service and employee areas, enclosed corridors and alleyways shall be illuminated appropriately.

Schools

Impacts Identified: The Responsible Official determined that the project would not have a probable, significant, adverse impact on schools if the following agreed upon condition was met.

SEPA Policies: The SEPA policies which support the mitigation measures set forth in this Section are General Land Use Goals 1 and 3, General Land Use Policy 5, and Public School Policy 1 in the Land Use Element, the Capital Facility Element Goal and Capital Facilities Policies 16 and 17 of the Poulsbo Comprehensive Plan; PMC Chapter 16.04; and Sections 16.04.210 and 16.04.240; PMC 18.32.040; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

76. The project proponent shall work with the North Kitsap School District to reach agreement on impact mitigation fees. The impact fees shall be paid prior to the issuance of building permits.

CONDITIONS OF APPROVAL:

Planning Department

77. Phase review and approval will require the provision of adequate on-site Recreational Vehicle storage pursuant to City standards unless the CC&Rs prohibit the storage of RV's within the development.
78. The low density residential area shall meet or exceed all development standards including 25 foot front yard setback for garages and 20 foot front yard setback for habitable area.
79. Site plans for subsequent phased review shall show pedestrian walkways and proposed bus stops and passenger shelter locations in addition to other required items.



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80. Shared parking shall be encouraged for all commercial and business park developments.
81. The Master Plan shall include a pedestrian walkway connecting the area near buildings B7 and B9 at the north end of "G" Street to the access road to the Olympic College campus.
82. Notwithstanding the requirements in #56 above, applicants for site plan review for commercial development shall coordinate with Kitsap Transit to identify appropriate excess parking spaces, if any, which could be reserved for a "Park and Ride" facility. Should further development of the project require the use of the excess parking spaces in order to meet City standards, Kitsap Transit will relocate the facility.
83. Day care homes shall not be prohibited pursuant to state law and all other use constrictions shall be compatible with Federal Housing Act and its amendments.
84. All phase/project review shall be conducted consistent with the provisions of "Type II" permit under Title 19 of the PMC. However, a phase plan will be considered to have changed substantially if specific plans for a particular phase propose a deviation of more than 15% in the square footage, height or other dimensions of the structures shown in the Master Plan for that phase and the phases which are already developed. If that comparison indicates that the anticipated traffic counts for the project as it is actually developing exceed those assumed in the Master Plan by more than 15%, the proposed phase plan shall be submitted to the Planning Commission and City Council for review and approval. This review shall be conducted consistent with the provisions of "Type III" permit under Title 19 of the PMC.

Building and Engineering Department

Grading

85. The grading permit may be restricted as to the limits of any particular site or phase that can be cleared and graded at any one time or during any construction season. Clearing and grading for building sites will be allowed only in connection with building permits for that particular site unless other factors require grading at that location to be accomplished in advance.

ALL UTILITIES Water, Sanitary Sewer, Streets, Storm Sewer (drainage)

86. Land use permit approval shall not waive any requirements of the applicant to provide the City with adequate construction plans for approval and to obtain the appropriate permits. Some of the utilities will also require permits and approvals from the County and/or the State. The applicant is responsible for obtaining all permits and approvals from the County and/or the State; however, all submittals to the County and/or the State shall be coordinated through the City Engineer.
87. Construction plans for the following shall be reviewed and approved by the City Engineer and Public Works Superintendent prior to issuance of a clearing, grading, or building permit: (a) storm drainage and street improvements; (b) sanitary sewer; (c) water; and (d) interim and permanent on-site erosion control systems. An interim and permanent storm drainage conveyance and



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enhancement system shall be designed and installed for the whole site, subject to approval of the City Engineer. Any off-site drainage improvements required to serve this project shall be required as determined necessary by the City Engineer and shall be installed by the developer at the developer's expense. A latecomer's agreement shall be a possibility for the developer as determined by the City through the appropriate process for latecomer's agreements. Restrictions of flow from the site shall be considered as an option for mitigation of off-site drainage impacts. Prior to final plat approval, final project construction approval, and/or issuance of any occupancy permit, all required permanent improvements must be installed to City standards, and if applicable, appropriate easements and/or right-of-way shall be dedicated and appropriate maintenance bonds posted.

88. During phased review, the City Engineer shall require the applicant to provide further analysis of the proposed drainage design in order to comply with the City's requirements and to protect downstream properties and the surrounding area. As part of the analysis and drainage design process, the applicant shall study the effects of water mounding and propose or make specific recommendations for mitigation of such effects. As part of the analysis and design process, the applicant will also identify wells which are down gradient from the Olhava Property and which may be affected by the development. The applicant shall devise a monitoring plan to be presented to the City Engineer for approval in order to monitor the wells prior to construction, during construction, and after construction in order to ensure that water quality and quantity are not degraded. The City Engineer will then hire an independent consultant or consultants to review and comment on the adequacy of the analysis and the proposed drainage design, mitigation measures, and monitoring plan. In addition, during phased review, the City Engineer may hire an independent consultant or consultants to review and comment on any or all other utility or other infrastructure plans (sanitary sewer, water, roads/streets) proposed by the applicant. The City Engineer shall require that the applicant make a cash deposit or deposits which will be used to pay for the independent review(s). If any additional funds are required for these reviews, the applicant shall immediately deposit the required amount.

89. The review process required above, and all subsequent construction inspection expenses, shall be paid for at the developer's expense consistent with the Land Use Fee Schedule in effect at the time of construction. In addition, if the City Engineer determines that the magnitude or complexity of the project requires full or part-time on-site inspection in addition to the inspection by City staff, he may contract with a duly qualified inspector or hire additional personnel to provide inspection, testing, or other professional services for the City in connection with the construction. All costs of such services incurred by the City shall be paid by the developer pursuant to Section 3.12 of the Poulsbo Municipal Code which requires payment of a deposit, in advance, for those services.

WATER

90. The City of Poulsbo shall enter into an interlocal agreement between the City and Kitsap Public Utility District #1 for water provision. The applicant shall assist the City in this endeavor.

STREETS

91. Sidewalks shall be installed by the project proponent on Rasmussen Court subject to the review



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and approval of Kitsap County prior to occupancy permits issuance for phase "B" within the southern parcel of the site.

92. Streets A-D will each include two bicycle lanes constructed by the applicant pursuant to City requirements.

Fire Department:

93. All fire lanes shall be a minimum width of 20 feet.

94. All suppression systems and hydrant locations are subject to approval of the City of Poulsbo Fire Prevention Bureau.

95. Additional information for the purpose of determining fire flow including building footprints, floor area, building materials, sprinkler systems, proposed uses, etc. shall be submitted to the City of Poulsbo Fire Prevention Bureau prior to approval of any utility plans submitted for building permit approval.

Public Works Department:

96. All water line construction, connections and renovation will be in accordance with City standards and as approved by the City Engineer and/or the City Public Works Superintendent.

97. Construction of the sanitary sewer system within the development boundaries will be completed in accordance with City standards and as approved by the City Engineer and/or the City Public Works Superintendent.

98. An interim and permanent storm drainage conveyance and enhancement system shall be designed and installed for the entire site subject to the approval of the City Engineer and/or the City Public Works Superintendent.

99. The project Signage Plan shall be in conformance with the Manual of Traffic Control Devices.



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Parks Department

100. The project proponent shall improve and dedicate the eight (8) acre park in the northeast corner of the project site to the City. These improvements shall include clearing, grubbing, and grading for preliminary site drainage subject to the review and approval of the City Engineer. The project proponent shall also hydroseed grass areas within the park subject to the review and approval of the Public Works Superintendent and the Parks and Recreation Director.

Other Conditions:

101. Any reference to 40 and 50 foot tall structures in the Master Plan, and any reference to deviations from the City's continuous roof plane standards, are erroneous. All structures shall meet the height and continuous roof plane requirements of the Poulsbo Zoning Code regardless of any contrary reference in the Master Plan, unless a variance is granted according to the variance process established by the Poulsbo Zoning Code or unless a Master Plan amendment is approved according to the process established for initial adoption of a master plan in PMC Chapter 18.32.

Police Department:

No additional conditions.



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SCHEDULE F
CITY ENGINEER'S CALCULATIONS



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Revised Feb. 4, 2003

Revised May 12, 2003

Revised December 2003

Olhava Project
Cost of Off-site Transportation Improvements
May-02

Location/Description of Improvements	Percent Share	1996 Project Cost	1996 \$ Share
Lindvig at Bond Install traffic signal	13	180,00	23,400
Viking at Finn Hill Intersection improvements: add turning lanes & reconstruct signal	15	400,000	60,000
Finn Hill, SR-3 to Viking Widen to 3 lanes, add shoulders & sidewalks	15	930,000	139,500
Lincoln Road, SR-305 to Laurie Vei Loop Widen to 3 lanes, add shoulders & sidewalks	22	1,304,000	286,900
Lincoln, Laurie Vei Loop to City limits Widen to 3 lanes, add shoulders & sidewalks	33	444,000	98,000
--- Viking, south City limits to Finn Hill Widen to 5 lanes, add shoulders & sidewalks and Viking Avenue Finn Hill to MacDonald Widen to 3 lanes, add shoulders & sidewalk	4	1,460,000	58,400
--- Viking, MacDonald to SR-305 Widen to 3 lanes, add shoulders and sidewalk	20	740,000	148,000
Hostmark, Fjord to SR-305 Widen to 3 lanes, add sidewalk	13	250,000	32,500
Front St., Bond to Jensen Widen to 3 lanes, add shoulders & sidewalks	13	1,100,000	143,000
Front St. at Jensen Intersection improvements: add turning lanes & reconstruct signal	13	350,000	45,500
Sunset, Jensen to Iverson Widen to 3 lanes, add sidewalks; or new alignment	13	500,000	65,000
Iverson Extension, 7th to Lincoln Widen to 3 lanes, add sidewalks; or new alignment	13	400,000	52,000
Caldart, Hostmark to Lincoln Widen and add sidewalk	15	540,000	81,000
TOTAL		\$8,418,000	\$1,233,200

\$ 615,821
+ 524,000
\$ 1,139,821 Total
Devel. A.



Ind Project Cost

*Developer share for projects completed prior to 2003
City has these projects for Developer Agt. Sect 3.1.1.2
Amounts anticipated for projects compl. in 2008 for Developer Agt. Sect 3.1.1.2*

002 Share	Comments	A	B	C
120,137	Project completed in 1998	20,197		
124,988	Project completed in 2000	24,988		
122,880 5,462	Project schedule for Construction in 2003		215,462	
133,335	Project completed in 1998	383,335		
	Future Project:			235,000
123,143	Project completed in 2000	123,143		
	Future Project:			237,000
	Future Project:			237,000
133,116	Project to be completed in 2002		193,116	52,000
	Project canceled	-	-	-
117,636	Project to be completed in 2003	17,636		
146,522	Project completed in 2001	46,522		
153,375	Project to be completed in 2004		163,875	
178,274		615,821	572,453	524,000

710,000 (3370) = 235,000 → 2008

1,184,000 (207) = 237,000 → 2008

400,000 (-13) = 52,000 → 2008

524,000 → 2008

*under Sect 3.1.1.2
cases pro- rata share 3.1.1.3
Page 3 of 3*

*→ Sect. 3.1.1.1 To be paid
lump sum. Devel. Agr.
Proposed 4 payments -
See Section 3.1.1.3.1*

